

# **MIL INDUSTRIES LIMITED**

**FIFTY SECOND ANNUAL REPORT 2017-18**

## MIL INDUSTRIES LIMITED

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

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the fifty second annual general meeting of MIL Industries Limited will be held at the Registered office of the company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098 on Monday, the 24<sup>th</sup> September, 2018 at 4.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the year ended 31<sup>st</sup> March 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. T Venkatesan, (DIN 01793232) who is liable to retire by rotation under Article 107 of the Company's Articles of Association and who is eligible for reappointment.
3. To ratify the appointment of Auditors and to fix their remuneration and pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139 and 142 of the Companies Act, 2013, the Company hereby ratifies the appointment of M/s. S.N.S. Associates, Chartered Accountants, 25, 11<sup>th</sup> Street, Indira Nagar, Chennai - 600020, (Firm registration no. 006297S) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the fifty sixth Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS

4. Appointment of Mr. S.S.R. Rajkumar (DIN 00317801) as an Independent Director of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 Mr. S.S.R. Rajkumar (DIN 00317801) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for two consecutive years until the conclusion of 54<sup>th</sup> Annual General Meeting of the Company."

5. Appointment of Mr. Noman H. Millwala (DIN 00471544) as an Independent Director of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 and, Mr. Noman H. Millwala (DIN 00471544) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for two consecutive years until the conclusion of 54<sup>th</sup> Annual General Meeting of the Company."

By Order of the Board

Place : Chennai  
Date : 26<sup>th</sup> July, 2018

V.P.K. MANI  
Company Secretary

### NOTES:

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

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

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2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 18<sup>th</sup> September 2018 to 24<sup>th</sup> September, 2018 both days inclusive.
3. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting (AGM). Corporate Members shall send duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
4. Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email to [milshare@milindustries.com](mailto:milshare@milindustries.com) stating their name and folio no. where shares are held in physical form and DP Id & Client Id where shares are held in dematerialized form.
5. The Annual Report for the year 2017-18 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)

## ANNEXURE TO THE 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 is a non-executive and independent director of the company who shall be liable to retire by rotation. He is on the board of the company from 2007. He is a member of Audit Committee and Nomination and Remuneration Committee of the Board. He holds 500 equity shares in the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives, is concerned or interested in the resolution.

### Item No. 4

Mr. S.S.R. Rajkumar who is a non-executive director of the company is having the following qualification of M.A., M.Com., M.B.A., L.L.B. He holds Directorship in the following companies:

1. The Central Scientific Supplies Co. Ltd.
2. Madras Chipboard Ltd.
3. Hindustan Chamber of Commerce
4. Tamil Chamber of Commerce

He is a member of Audit Committee, Nomination and Remuneration Committee and CSR Committee. He is not related to any director of the company. He holds 20,800 shares in the company.

Mr. S.S.R. Rajkumar has been a director of the Company liable to retire by rotation from 1967 to 2013. He was appointed as an independent director from September 2013 to September 2015 and later as director liable to retire by rotation. By the practice of retirement by rotation he retires at this Annual General Meeting and the Board has considered him for appointment as an independent director. In terms of Section 149 and 152 of the Companies Act 2013, the Board has reviewed the declaration made by Mr. S.S.R. Rajkumar that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and he is independent of the management. As per section 149(10) of the Act, an independent director can hold office for a term upto five consecutive years. Your directors recommend for the approval of the shareholders the resolution appointing Mr. S.S.R. Rajkumar as an independent director not liable to rotation and to hold office for two consecutive years until the conclusion of the 54<sup>th</sup> Annual General Meeting.

### Item No. 5

Mr. Noman H. Millwala, is a non-executive director of the company, having qualifications of 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 member of Audit Committee, Nomination and Remuneration Committee. He is not related to any director of the company. He holds 3750 shares in the company.

Mr. Noman H. Millwala has been a director of the Company liable to retire by rotation from 1988 to 2013. He was appointed as an independent director from September 2013 to September 2015 and later as director liable to retire by rotation. By the practice of retirement by rotation he retires at this Annual General Meeting and the Board has considered him for appointment as an independent director. In terms of Section 149 and 152 of the Companies Act 2013, the Board has reviewed the declaration made by Mr. Noman H. Millwala that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and he is independent of the management. As per section 149(10) of the Act, an independent director can hold

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office for a term upto five consecutive years. Your directors recommend for the approval of the shareholders the resolution appointing Mr. Noman H. Millwala as an independent director not liable to rotation and to hold office for two consecutive years until the conclusion of the 54<sup>th</sup> Annual General Meeting.

By Order of the Board

Place : Chennai  
Date : 26<sup>th</sup> July, 2018

V.P.K. MANI  
Company Secretary

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### **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The facility for voting through ballot/ polling will also be made available at the venue of the AGM. Members who have voted electronically through remote e-voting may attend the AGM but shall not be allowed to vote at the AGM.

### **Procedure / Instructions for e-voting are as under:**

#### **The instructions for shareholders voting electronically are as under:**

- ① The remote e-voting period begins on Friday, 21<sup>st</sup> September, 2018 (9:00 a.m. IST) and ends on Sunday, 23<sup>rd</sup> September, 2018 (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 Tuesday, September 18, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

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

#### **Details on Step 1 is mentioned below:**

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

1. 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.
  2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
  3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
  4. 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.
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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) 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'.

(i) 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:

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).

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

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.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mil@milindustries.com](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: [milshares@milindustries.com](mailto:milshares@milindustries.com) or contact at telephone no. 079-26421671-75.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 18, 2018.

VII. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2018, 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.

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

IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.



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- X. Pankaj Mehta, Partner, M/s. A.K. Jain & Associates., Company Secretaries, (Address: No. 2, Raja Annamalai Road, First Floor, Purasawalkam, Chennai - 600 084.) has been appointed for as the Scrutinizer inter alia for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. 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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## DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting their Fifty Second Annual Report together with the Audited Financial Statement for the year ended 31st March, 2018.

## FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	For the year ended 2018	For the year ended 2017
Profit Before Tax	252.36	435.03
Less: i) Finance cost	42.17	42.56
ii) Depreciation	88.34	89.09
iii) Provision for Taxation - Current Tax	80.28	153.00
- Deferred Tax	2.39	(1.08)
Profit after Tax	169.69	283.11

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. 1585.83 lakhs in the previous year to Rs. 1631.38 Lakhs in the current year.

There has been a slight increase in the turnover of PTFE Division from Rs. 1359.95 lakhs in the previous year to Rs. 1361.76 lakhs in the current year.

The company's export earnings have increased from Rs. 457.95 lakhs in the previous year to Rs. 509.93 lakhs in the current year.

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

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2018 in Form MGT-9 is attached as annexure- I.

## DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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 2017-2018 and of the profit of the company for that period.

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- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis.
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

### **FIXED DEPOSITS**

The Company has not accepted any deposits from public during the year and Fixed Deposits outstanding with the Company at the end of the financial year stood at Rs. NIL. There are no unclaimed deposits as on 31.03.2018.

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

The Company does not have any subsidiaries or joint ventures or Associates as on March 31, 2018. Hence, the statement containing the salient feature of the financial statement of associate companies in Form AOC-1 is not applicable to the Company.

Further, none of the companies have ceased to be a subsidiary, joint venture or associate company during FY2018.

### **SHARE CAPITAL**

The paid-up Equity Share Capital of the Company was Rs. 315 lakhs as on March 31, 2018. 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, 2018.

### **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. S.S.R Rajkumar and Mr. Noman H. Millwala are proposed to be appointed as Independent Directors of the company not liable to retire by rotation for two consecutive years until the conclusion of 54th Annual General Meeting.

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.

Mr. N. Guruswamy is appointed as Chief Financial Officer, with effect from 12th February, 2018.

### **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.

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

During the financial year Board met 6 times. The meetings were held on 21<sup>st</sup> June 2017, 27<sup>th</sup> July 2017, 31<sup>st</sup> August, 2017, 25<sup>th</sup> September 2017, 9<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018.

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

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

### AUDITORS

At the 51<sup>st</sup> Annual General Meeting of the company, held on 25<sup>th</sup> 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 51<sup>st</sup> AGM till the conclusion of the 56<sup>th</sup> AGM.

The company has received confirmation from M/s. S.N.S. Associates, Chartered Accountants, to the effect that their appointment, if ratified, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made thereunder. The board proposes to the members to ratify the said appointment of M/s. S.N.S. Associates, Chartered Accountants.

### COST AUDIT

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

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

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### Technology absorption:

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

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

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

Expenditure incurred during the financial year for R & D work was Rs. 9,78,693/-.

### 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	100.32
Foreign Exchange earned	509.93

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

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

### BUY BACK OF SECURITIES

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

### AUDIT COMMITTEE

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

During the year under the report, the Audit Committee meeting was held on February, 12, 2018 since listing is effective only from 06.02.2018.

### NOMINATION AND REMUNERATION COMMITTEE

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

During the year under the report, Nomination and Remuneration Committee meeting was held on February, 12, 2018 since listing is effective only from 06.02.2018.

### CSR COMMITTEE

Corporate Social Responsibility Committee (CSR Committee) is constituted and comprises of Mr. SSR Rajkumar, Mrs. Saroja Raman, and Mr. Rajiv Sreedhar. The Company is not required to spend any amount on Corporate Social Responsibility for the current financial year. An amount of Rs,9,85,414/- which was to

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have been spent upto the FY 2016-17, has been spent during the financial year under report. A brief outline of the Company's CSR Policy and projects undertaken are given in Annexure III forming part of the Board's Report.

### 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 shares were earlier listed with the Madras Stock Exchange Limited (MSE). Consequent to MSE opting for voluntary de-recognition, our Company ceased to be a listed Company with MSE and had been placed on the Dissemination Board of NSE with effect from 27<sup>th</sup> March 2015. With effect from February, 06th 2018 the Company has listed its Equity Shares with Metropolitan Stock Exchange of India Limited, Mumbai (MSEI).

The details of the securities listed are as follows:-

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

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

### SECRETARIAL AUDIT

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

### AUDITORS REPORT

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

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

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

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The paid up capital of the Company as on March 31, 2018 being less than Rs.10 crores and Net Worth not exceeding Rs.25 crores, the Company is exempted from the provisions of Corporate Governance.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

**(a) Industry structure and developments**

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

Sales growth of the company during the year under review was around 1.6 % 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. 1585.83 Lakhs to 1613.38 Lakhs. The PTFE division has also recorded a slight increase from 1359.95 Lakhs to 1367.75 Lakhs.

**(d) Outlook**

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

**(e) Risks and concerns.**

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

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

**(f) Internal control systems and their adequacy.**

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

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

The revenue from the operations of the company for the financial year 2017-18 has slightly increased by 1.6 % over the previous year. However, the profit before tax has decreased compared to the previous year.

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

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

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

### **ACKNOWLEDGEMENT**

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

By Order of the Board

Place : Chennai  
Date : 26<sup>th</sup> July, 2018

SAROJA RAMAN  
Chairperson



# MIL INDUSTRIES LIMITED

## Annexure - I to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2018

[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	55
2	Manufacture of PTFE Lined Pipes and Fittings and PTFE Products	22209	45

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

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

# MIL INDUSTRIES LIMITED

## IV. SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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	600280	195870	796150	25.27	785060	-	785060	24.92	(0.35)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1195000	-	1195000	37.94	1195000	-	1195000	37.94	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Subtotal (A) (1)</b>	<b>1795280</b>	<b>195870</b>	<b>1991150</b>	<b>63.21</b>	<b>1980060</b>	<b>-</b>	<b>1980060</b>	<b>62.86</b>	<b>(0.35)</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>1795280</b>	<b>195870</b>	<b>1991150</b>	<b>63.21</b>	<b>1980060</b>	<b>-</b>	<b>1980060</b>	<b>62.86</b>	<b>(0.35)</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.	43750	-	43750	1.39	43750	-	43750	1.39	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>43750</b>	<b>-</b>	<b>43750</b>	<b>1.39</b>	<b>43750</b>	<b>-</b>	<b>43750</b>	<b>1.39</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	10650	298000	308650	9.80	11900	298000	309900	9.85	0.05
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	98150	260555	358705	11.39	110040	254555	364595	11.57	0.19
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	287745	-	287745	9.13	291695	-	291695	9.26	0.13
c) Others									
i) NRIs	-	125000	125000	3.97	-	125000	125000	3.97	-
ii) NBFCs Registered with SEBI	35000	-	35000	1.11	35000	-	35000	1.11	-
<b>Sub-total (B)(2):-</b>	<b>431545</b>	<b>683555</b>	<b>1115100</b>	<b>35.40</b>	<b>448635</b>	<b>677555</b>	<b>1126190</b>	<b>35.75</b>	<b>0.36</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>475295</b>	<b>683555</b>	<b>1158850</b>	<b>36.79</b>	<b>492385</b>	<b>677555</b>	<b>1169940</b>	<b>37.14</b>	<b>0.35</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>(1) Promoter Group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Public</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2270575</b>	<b>879425</b>	<b>3150000</b>	<b>100.00</b>	<b>2472445</b>	<b>677555</b>	<b>3150000</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	130000	4.13	-	130000	4.13	-	-
2	Krebs Engineering Private Limited	955000	30.32	-	955000	30.32	-	-
3	Milgerlan Engineering And Construction Private Limited	110000	3.49	-	110000	3.49	-	-
4	Indrani Sivaraja Iyer	4600	0.15	-	10800	0.34	-	(0.19)
5	Ramesh Raman	99295	3.15	-	99295	3.15	-	-
6	Sangameswaran. D	2000	0.06	-	10000	0.32	-	0.26
7	Rajiv Sreedhar	4650	0.15	-	4650	0.15	-	-
8	Radha Ramakrishnan	19050	0.6	-	21050	0.67	-	(0.07)
9	Ramila Sreedhar	135095	4.29	-	135095	4.29	-	-
10	Raghu Raman	112675	3.58	-	112675	3.58	-	-
11	Saroja Raman	311145	9.88	-	315295	10.01	-	0.13
12	C Venkatesan	5850	0.19	-	5450	0.17	-	-
13	Vimala Venkatesan	-	-	-	400	0.01	-	-
14	Rashmi Raman	27050	0.86	-	27050	0.86	-	-
15	Malathi Raman	43300	1.37	-	43300	1.37	-	-
16	A. Ganesh	150	0	-	-	-	-	0
17	Chandramouli Thirumurthy	1340	0.04	-	-	-	-	(0.04)
18	Lalitha Sangameswaran	8000	0.25	-	-	-	-	(0.25)
19	M.D.Vijayaraghavan	3500	0.11	-	-	-	-	(0.11)
20	Malathi Rajan	3800	0.12	-	-	-	-	(0.12)
21	S.K.Angamuthu Mudaliar	4600	0.15	-	-	-	-	(0.15)
22	S.Mohanram	2000	0.06	-	-	-	-	(0.06)
23	Ramesh Ramakrishnan	2000	0.06	-	-	-	-	(0.06)
24	S.R.Sivaraja Iyer	4300	0.14	-	-	-	-	(0.14)
25	Vimala Vijayaraghavan	1750	0.55	-	-	-	-	(0.55)

## MIL INDUSTRIES LIMITED

### 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	1991150	63.21	*1980060	62.86

\* transferred from Promoters Group to Public.

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

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

### E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Rajiv Sreedhar	4650	0.15	4650	0.15
2.	Mrs. Saroja Raman	311145	9.88	311145	9.88
3.	Mr. S.S.R. Rajkumar	20800	0.66	20800	0.66
4.	Mr. Noman H. Millwala	3750	0.12	3750	0.12
5.	Dr. T. Venkatesan	500	0.02	500	0.02
6.	Mr. V.P.K. Mani	50	0.002	50	0.002
7.	Mr. N. Guruswamy	175	0.006	175	0.006

## MIL INDUSTRIES LIMITED

### 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	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
<b>Total (i+ii+iii)</b>	<b>20616921</b>	<b>0.00</b>		<b>20616921</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	9079429	0.00	0.00	9079429
* Reduction	5642513	0.00	0.00	5642513
<b>Net Change</b>	<b>3436916</b>	<b>0.00</b>	<b>0.00</b>	<b>3436916</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12416162	0.00	0.00	12416162
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	11637675	0.00	0.00	11637675
<b>Total (i+ii+iii)</b>	<b>24053837</b>	<b>0.00</b>	<b>0.00</b>	<b>24053837</b>

### 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	6634907	6634907
	(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)	6634907	6634907
	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	30000	30000	30000	-	90000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>30000</b>	<b>30000</b>	<b>30000</b>	<b>-</b>	<b>90000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	30000	30000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>				<b>30000</b>	<b>30000</b>
	<b>Total (B)=(1+2)</b>	<b>30000</b>	<b>30000</b>	<b>30000</b>	<b>30000</b>	<b>120000</b>
	Total Managerial Remuneration	-	-	-	-	<b>6763907</b>
	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	-	450000	1110000	1560000
	(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>-</b>	<b>450000</b>	<b>1110000</b>	<b>1560000</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]*

The details of remuneration of each Director and KMP during the Financial Year 2017-18, the percentage increase in remuneration of each Director and KMP, and ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2017-18 are as follows:

<b>Name of the Director / KMP (M/s.)</b>	<b>Designation</b>	<b>Ratio to the Median Remuneration</b>	<b>% increase in remuneration</b>
Rajiv Sreedhar	MD	16.70	42.27
Saroja Raman	NENID	0.08	-
SSR Rajkumar	NEID	0.08	-
Noman H. Millwala	NEID	0.08	-
Dr. T. Venkatesan	NEID	0.08	-
VPK Mani	CS	N.A	50
N Guruswamy	CFO	N.A	(11.2)

- i. The median remuneration of employees of the Company for the Financial Year was Rs.3,97,200.
- iii. There was an increase of 6.94 % in the median remuneration of employees in the Financial Year.
- iv. There were 78 permanent employees on the rolls of the Company as on 31st March, 2018.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 was 9.71% whereas the managerial remuneration increased by 8.11 % (from Rs. 62,19,892 in 2016-17 to Rs. 67,24,907 in 2017-18).
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, Key Managerial Personnel and other Employees.

**STATEMENT OF PARTICULARS OF EMPLOYEES:**

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

**Annexure - III 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.

**3. Web-link to the CSR policy and projects or programmes –**

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

**4. The Composition of CSR Committee:**

S. No.	Name of the Director (M/s.)	Designation	Status
1.	Mr. S.S.R. Rajkumar	Independent Director	Chairman
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	Promotion of Education	Kotturpuram, Chennai	200,000	Kamal Kaliala Public Charitable Trust
2	Old-Age Homes	Setting up of Old-age homes , daycare centres and such facilities for senior citizens	Palavakkam, Chennai	1,00,000	Vishranthi Charitable Trust, Chennai.
3	Eradication of Poverty, Healthcare	Hunger, poverty and promoting healthcare	T.Nagar, Chennai	1,00,000	Rural Pre-ventures Charitable Trust, Chennai



## MIL INDUSTRIES LIMITED

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
4	Healthcare	Promoting healthcare	Lower Parel, Mumbai	1,00,000	Make a Wish Foundation of India, Mumbai
5	Education for mentally challenged and women	Promoting education and women power empowerment	Pattabiram, Chennai	1,00,000	Hope Public Charitable Trust
6	Education	Promoting Education	Mumbai	1,00,000	Blind Organization of India
7	Health Services, art and Culture	Promoting health care, Promotion and Protection of National heritage, art and culture	Thiruvanniyur, Chennai	1,00,000	Rotary Club of Madras Temple City Trust
8	Eradication of Poverty, Healthcare	Eradicating poverty	Ambattur, Chennai	1,28,500	Hope Public Charitable Trust
9	Old-Age Homes	Setting up of Old-age homes , daycare centres and such facilities for senior citizens	Mogappair, Chennai	57,000	Sri Harihara Sudha Seva Samithi
	<b>Total amount of CSR spent</b>			<b>9,85,500</b>	

5. Average net profit of the Company for last three financial years. N.A
6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) N.A
7. Details of CSR spent during the financial year
  - (a) Total amount spent for the financial year Rs. 9,85,414\*

\* The Company is not required to spend any amount on Corporate Social Responsibility for the current financial year. The amount of Rs,9,85,414/- which was to have been spent upto the FY 2016-17, has been spent during this financial year.

Amount unspent, if any NIL
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. N.A
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 : 26.07.2018  
Place : Chennai

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

RAJIV SREEDHAR  
Managing Director and  
Member of the CSR Committee

**Annexure IV**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

To,

The Members,

**M/s. MIL INDUSTRIES LIMITED**

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the **"Act"**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

We report that, the following Regulations and Guidelines were not applicable to the Company during the audit period:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.

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 as mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors.

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.

## **MIL INDUSTRIES LIMITED**

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All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

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

Place : Chennai  
Date : 26.07.2018

### MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

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

Place : Chennai  
Date : 26-07-2018

RAJIV SREEDHAR  
Managing Director

N. GURUSWAMY  
Chief Financial Officer

## INDEPENDENT AUDITORS'REPORT

### TO THE MEMBERS OF MIL INDUSTRIES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MIL INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and 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 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 the standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies Indian Accounting (Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 standalone Ind AS 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 duty is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information, and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give an true and fair view in conformity with the accounting practices generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2018 and its Profit (financial performance including Other Comprehensive Income), the cash flows and the Changes in Equity for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2016, audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 dated 27<sup>th</sup> July 2017 and 29<sup>th</sup> July 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited us.

Our opinion is not modified in respect of the above matter.

### Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2016. Issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2018 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 separate report in "Annexure B".

## MIL INDUSTRIES LIMITED

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- 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 according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Please refer Note No.)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. NAGARAJAN  
Partner

Membership No. 020899

Chennai  
Dated : 11<sup>th</sup> May 2018



## **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) Physical verification of inventories has been conducted by the Management at reasonable intervals and 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, in respect of the investments by it.
- v) The Company has not accepted deposits from the public.
- 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 Act, and are of the opinion that, prima facie, the prescribed records have been 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) 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 31<sup>st</sup> March 2018 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 or financial institutions. The Company does not have any outstanding debentures.
- 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 on the company by its officers or employees have been noticed or reported during the year.

## MIL INDUSTRIES LIMITED

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- xj) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 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 45IA of the Reserve Bank of India Act, 1934.

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

S. NAGARAJAN  
Partner

Membership No. 020899

Chennai

Dated : 11<sup>th</sup> May 2018

## **“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 31<sup>st</sup> March 2018 in conjunction with our audit of the standalone Ind AS 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, 2018, 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.

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

S. NAGARAJAN  
Partner

Chennai  
Dated : 11<sup>th</sup> May 2018

Membership No. 020899

# MIL INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31st MARCH 2018

Rs.

PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2018	Figures as at the end of the previous reporting period 31-03-2017	Figures as at the transition date 01-04-2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
i) Property, Plant and Equipment	4	50,851,113	55,572,748	168,548,004
ii) Capital Work in Progress				
iii) Financial Assets				
a) Investments	5	78,000	78,000	78,000
b) Other Financial Assets	6	3,045,825	2,478,257	1,958,112
Total Non current Assets	(A)	53,974,938	58,129,005	170,584,116
<b>Current Assets</b>				
Inventories	7	54,160,707	60,770,274	52,342,536
i) Financial Assets				
a) Trade Receivables	8	76,956,313	81,251,531	58,858,773
b) Cash and cash equivalents	9	130,550,678	97,292,845	99,720,520
c) Other financial assets				
ii) Other current assets	10	8,731,990	10,738,248	6,642,745
Total current assets	(B)	270,399,688	250,052,898	217,564,574
Total Assets	(A + B)	324,374,626	308,181,903	388,148,690
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	11	31,500,000	31,500,000	31,500,000
b) Other Equity				
Reserves and Surplus	12	207,246,310	190,359,606	276,872,604
Total Equity	(C)	238,746,310	221,859,606	308,372,604
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
i) Financial Liabilities				
a) Borrowings	13	-	5,642,513	12,861,011
ii) Deferred tax liabilities	14	1,022,005	782,678	890,323
iii) Other non current liabilities				
Total Non Current Liabilities	(D)	1,022,005	6,425,191	13,751,334
<b>Current Liabilities</b>				
i) Financial Liabilities				
a) Borrowings	15	12,416,162	3,949,233	7,252,263
b) Trade Payables		38,043,851	47,403,669	31,488,514
c) Other Financial Liabilities	16	27,520,266	22,727,193	22,662,196
ii) Other current liabilities	17	6,626,032	5,817,011	4,621,779
Total Current Liabilities	(E)	84,606,311	79,897,106	66,024,752
Total Equity and Liabilities	(C)+(D)+(E)	324,374,626	308,181,903	388,148,690

See Accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN  
Partner  
Membership No. 020899

RAJIV SREEDHAR  
Managing Director

S.S.R. RAJKUMAR  
Director

NOMAN. H. MILLWALA  
Director

Place: Chennai  
Date: 11<sup>th</sup> May 2018

SAROJA RAMAN  
Director

Dr. T. VENKATESAN  
Director

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

Rs.

PARTICULARS	Note No.	Figures for the current reporting period 31-03-2018	Figures for the previous reporting period 31-03-2017
<b>INCOME</b>			
Revenue From Operations	18	301,128,190	303,224,308
Less: Excise Duty		<u>1,815,058</u>	<u>8,647,142</u>
		299,313,132	294,577,166
Other Income	19	<u>22,992,008</u>	<u>47,053,596</u>
<b>Total Revenue</b>		<b>322,305,140</b>	<b>341,630,762</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	20	110,731,094	106,814,444
Purchase of stock-in-trade		871,982	4,369,504
Changes in inventories of finished goods and work-in-progress	21	10,068,240	(8,792,561)
Employee Benefit Expenses	22	45,530,531	40,112,635
Finance Cost	23	4,216,602	4,255,706
Depreciation and amortisation expenses	4	8,834,041	8,909,267
Other Expenses	24	<u>116,816,390</u>	<u>121,823,374</u>
		<b>297,068,880</b>	<b>277,492,369</b>
Profit before exception and extraordinary items and tax		25,236,260	64,138,393
Extraordinary items			<u>- 20,635,115</u>
Profit before tax		25,236,260	43,503,278
Tax Expenses			
Current Tax		8,027,833	15,300,000
Deferred Tax		<u>239,327</u>	<u>(107,645)</u>
Profit after tax		16,969,100	28,310,923
<b>Other Comprehensive Income</b>			
Remeasurement of Defined Benetit Plans		(110,229)	(804,649)
Tax effect on above		27,833	-
Total Other Comprehensive Income for the year		(82,396)	(804,649)
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		<u>16,886,704</u>	<u>27,506,274</u>
Earnings per Equity Share (Basic and Diluted)		5.39	8.99

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN  
Partner  
Membership No. 020899

RAJIV SREEDHAR  
Managing Director

S.S.R. RAJKUMAR NOMAN. H. MILLWALA  
Director Director

Place: Chennai  
Date: 11<sup>th</sup> May 2018

SAROJA RAMAN  
Director

Dr. T. VENKATESAN  
Director

N. GURUSWAMY  
Chief Financial Officer

# MIL INDUSTRIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

### A. EQUITY SHARE CAPITAL

	Rs.
Balance as at 31-03-2016	31,500,000
Changes in Equity Share Capital during the year 2016-17	-
Balance as at 31-03-2017	31,500,000
Changes in Equity Share Capital during the year 2017-18	-
Balance as at 31-03-2018	31,500,000

### B. OTHER EQUITY

PARTICULARS	Capital Redemption Reserve	Capital Reserve	Revaluation Reserve	General Reserve	Surplus	Other Comprehensive Income
<b>Balance as at 01-04-2016</b>	3,000,000	1,500,000	114,019,272	1,826,000	156,527,332	
Less: Reversal of Revaluation of Land, Building and Plant and Machinery			114,019,272			
Add: Profit for the year					27,506,274	
Less: Restatement of defined benefit plans transferred to Other Comprehensive Income					804,649	(804,649)
Balance as at 31-03-2017	3,000,000	1,500,000	-	1,826,000	184,838,255	(804,649)
Less: Remeasurment of defined benefit plans transferred to Other Comprehensive Income						(82,396)
Add: Profit for the year after tax					16,969,100	
<b>Balance as at 31-3-2018</b>	3,000,000	1,500,000	-	1,826,000	201,807,355	(887,045)

# MIL INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS	Figures for the current reporting period 31-3-2018	Figures for the previous reporting period 31-3-2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before tax	25,236,260	43,503,278
Adjustments for		
Depreciation	8,834,041	8,909,267
Interest Expense	2,273,102	2,582,867
Interest income	(6,798,173)	(7,211,452)
Profit on sale of assets	(635,000)	(188,803)
Operating profit before working capital changes	28,910,230	47,595,157
Adjustments for changes in		
Other Non current financial assets	(567,568)	(520,145)
Trade Receivables	4,295,218	(22,392,758)
Inventories	6,609,567	(8,427,738)
Other Current Assets	2,275,917	(4,125,640)
Trade Payables	(9,359,818)	15,915,156
Bank deposits under lien and unclaimed dividend	19,508,623	(1,124,028)
Remeasurement of defined benefit obligations	(82,396)	(804,649)
Other Financial Liabilities	4,793,073	64,997
Other Current Liabilities	809,021	1,195,232
Cash Generated from operations	28,281,637	(20,219,573)
Income tax paid (net)	57,191,867	27,375,584
Net Cash generated from Operations	(A) 48,173,638	11,354,847
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(4,112,406)	(10,335,910)
Proceeds from sale of Property, Plant and Equipment	635,000	571,429
Interest income	6,798,173	7,211,452
Net cash (used in)/from Investing activities	(B) 3,320,767	(2,553,029)
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Interest expense	(2,273,102)	(2,582,867)
Repayment of Non Current Borrowings	(5,642,513)	(7,218,498)
Proceeds from current borrowings	8,466,929	(3,303,030)
Net cash (used in)/from Financing Activities	(C) 551,314	(13,104,395)
Net increase/(decrease) in cash and cash equivalents	(A)+(B)+(C) 52,045,719	(4,302,577)
Opening Cash and Cash Equivalents (excluding deposits under lien)	67,772,304	71,324,007
Closing Cash and Cash Equivalents	120,538,760	67,772,304

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN  
Partner  
Membership No. 020899

RAJIV SREEDHAR  
Managing Director

S.S.R. RAJKUMAR NOMAN. H. MILLWALA  
Director Director

Place: Chennai  
Date: 11<sup>th</sup> May 2018

SAROJA RAMAN  
Director

Dr. T. VENKATESAN  
Director

N. GURUSWAMY  
Chief Financial Officer



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

### 1 Basis of preparation on Financial Statements

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

As per the Notification issued by the Ministry of Corporate Affairs, the adoption of Ind AS has become mandatory for the Company with effect from the financial year commencing on 1st April 2017. Accordingly the Company has adopted Ind AS from 1st April 2017 (the Transition Date) and the Financial Statements for the year ended 31st March 2018 have been prepared in accordance with the principles laid down in Ind AS.

The Financial Statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

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

### 2 First time adoption of IND AS

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

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

#### Exemptions availed under Ind AS 101

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

### 3 Significant Accounting Policies

#### a) Use 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

**b) Property, Plant and Equipments**

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

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

**c) Inventories**

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

**d) Foreign Currency Transactions**

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

**e) Revenue Recognition**

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

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

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

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

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

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

**f) Research and Development**

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

**g) Borrowing Costs**

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

**h) Investments**

Long Term Investments are carried at cost.

**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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

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

**j) Impairment of Assets**

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

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

**k) Provisions and contingent liabilities**

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

**4. PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	GROSS BLOCK						
	As at 01-04-2016	Additions 2016-17	Deletions 2016-17	Balance 31-03-2017	Additions 2017-18	Deletions 2017-18	Balance 31-03-2018
Land							
Freehold							
Ambattur	114,054,387	-	113,881,500	172,887	-	-	172,887
Others	7,305,325	-	-	7,305,325			7,305,325
Leasehold land	238,485			238,485			238,485
Buildings	23,854,573	1,220,165	2,222,610	22,852,128	610,000		23,462,128
Plant and Equipment	107,062,063	6,426,341	13,560,228	99,928,176	3,153,310	788,363	102,293,123
Furniture and Fixtures	2,678,008	113,183		2,791,191	21,601		2,812,792
Vehicles	8,309,249	1,783,358	1,380,401	8,712,206	-	-	8,712,206
Office Equipment	6,968,715	448,619	-	7,417,334	36,600	-	7,453,934
Computers	1,317,866	344,244	-	1,662,110	290,895	-	1,953,005
<b>TOTAL</b>	<b>271,788,671</b>	<b>10,335,910</b>	<b>131,044,739</b>	<b>151,079,842</b>	<b>4,112,406</b>	<b>788,363</b>	<b>154,403,885</b>

Note: The deletion in respect of Land, Buildings represents the reversal of the revaluation of Land and Building and Plant and Equipment carried out in earlier years, as the Company had decided to adopt the cost for accounting purposes.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

PARTICULARS	DEPRECIATION BLOCK						
	As at 01-04-2016	For the year 2016-17	Deletions 2016-17	Balance 31-03-2017	For the Year 2017-18	Deletions 2017-18	Balance 31-03-2018
Land							
Freehold							
Ambattur	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Leasehold land	72,422	3,196		75,618	3,196		78,814
Buildings	14,043,447	561,917	2,106,291	12,499,073	756,809	-	13,255,882
Plant and Equipment	76,400,870	5,647,308	13,538,774	68,509,404	5,994,498	788,363	73,715,539
Furniture and Fixtures	2,110,428	152,287	-	2,262,715	107,111	-	2,369,826
Vehicles	4,000,026	1,622,743	997,775	4,624,994	1,304,907	-	5,929,901
Office Equipment	6,379,385	241,585	-	6,620,970	221,349	-	6,842,319
Computers	234,089	680,231	-	914,320	446,171	-	1,360,491
<b>TOTAL</b>	103,240,667	8,909,267	16,642,840	95,507,094	8,834,041	788,363	103,552,772

Note: The deletion in the year 2016-17 in respect of Building and Plant and Machinery represents the adjustment in Depreciation on account of reversal of the revaluation carried out in respect of the said assets in earlier years.

PARTICULARS	NET BLOCK	
	31-03-2018	31-03-2017
Land		
Freehold		
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	159,671	162,867
Buildings	10,206,246	10,353,055
Plant and Equipment	28,577,584	31,418,772
Furniture and Fixtures	442,966	528,476
Vehicles	2,782,305	4,087,212
Office Equipment	611,615	796,364
Computers	592,514	747,790
<b>TOTAL</b>	50,851,113	55,572,748

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

		Rs.		
	PARTICULARS	31-03-2018	31-03-2017	01-04-2016
5.	NON CURRENT INVESTMENTS			
	Investments in Equity Instruments (fully paid up)			
	Non Trade - Unquoted			
	In other Companies			
	7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000	78,000
		<u>78,000</u>	<u>78,000</u>	<u>78,000</u>
6.	OTHER FINANANCIAL ASSETS			
	Unsecured - Considered good			
	Security Deposits	1,294,325	2,203,257	1,958,112
	Capital Advances	1,751,500	275,000	-
		<u>3,045,825</u>	<u>2,478,257</u>	<u>1,958,112</u>
7.	INVENTORIES			
	Raw Materials	30,235,104	26,782,499	26,784,480
	Work in progress	15,460,549	27,146,455	18,804,926
	Finished Goods	6,263,715	4,646,049	4,195,017
	Stores and Spares	2,201,339	2,195,271	2,558,113
		<u>54,160,707</u>	<u>60,770,274</u>	<u>52,342,536</u>
8.	TRADE RECEIVABLES			
	Unsecured - Considered good	73,026,511	78,091,052	55,697,143
	Of the above Debts outstanding for exceeding six months other debts	3,929,802	3,160,479	3,161,630
		<u>76,956,313</u>	<u>81,251,531</u>	<u>58,858,773</u>
9.	CASH AND CASH EQUIVALENTS			
	Cash on hand	140,737	285,462	1,322
	Balance with Banks			
	In Current Account	12,710,671	11,824,426	11,310,767
	In Deposit Accounts	107,687,352	55,662,416	60,011,918
	In Deposits offered as security for credit facilities	10,011,918	29,520,541	28,246,213
	In Unclaimed Dividend Account	-	-	150,300
		<u>130,550,678</u>	<u>97,292,845</u>	<u>99,720,520</u>

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

Rs.

PARTICULARS	31-03-2018	31-03-2017	01-04-2016
<b>10. OTHER CURRENT ASSETS</b>			
Unsecured - Considered Good			
Advances to employees	242,982	284,608	255,999
Prepaid Expenses	1,463,836	1,446,918	859,778
Advance to suppliers	3,612,269	6,747,513	3,090,828
Rent Advance	13,000	13,000	13,000
Earnest Money Deposits	264,600	73,414	45,150
Tax Payments pending adjustment (net of provision)	990,396	720,737	750,874
Balance with Excise Department	207,806	838,704	1,013,762
Balance with Sales tax Department	1,937,101	613,354	613,354
	<u>8,731,990</u>	<u>10,738,248</u>	<u>6,642,745</u>

## 11. EQUITY SHARE CAPITAL

PARTICULARS	31-03-2018 Rs.	31-03-2017 Rs.	01-04-2016 Rs.
<b>SHARE CAPITAL</b>			
<u>Authorised:</u>			
4,900,000 Equity Shares of Rs. 10/- each	49,000,000	49,000,000	49,000,000
Preference shares of Rs. 10/- each	1,000,000	1,000,000	1,000,000
Cumulative Preference shares of Rs. 10/- each	2,500,000	2,500,000	2,500,000
	<u>52,500,000</u>	<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	31,500,000	31,500,000	31,500,000

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

PARTICULARS	No. of Shares	Value (Rs.)	Value (Rs.)
Outstanding at the beginning of the year	3,150,000	31,500,000	315,000,000
Outstanding at the end of the year	3,150,000	31,500,000	315,000,000

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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		
		31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
1	Krebs Engineering Private Limited	955,000	955,000	955,000	30.32%	30.32%	30.32%
2	Saroja Raman	311,145	311,145	311,145	9.88%	9.88%	9.88%
3	Mahendra Girdharilal	190,085	190,085	190,085	6.03%	6.03%	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	168,000	168,000	168,000	5.33%	5.33%	5.33%

### 12. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	Revaluation Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
<b>Balance as at 01-04-2016</b>	3,000,000	1,500,000	114,019,272	1,826,000	156,527,332		276,872,604
Less: Restatement of defined benefit plans transferred to Other Comprehensive Income					804,649	(804,649)	-
Reversal of Revaluation Reserve			114,019,272				114,019,272
Add: Profit for the year after tax					27,506,274		27,506,274
<b>Balance as at 31-03-2017</b>	3,000,000	1,500,000	-	1,826,000	184,838,255	(804,649)	190,359,606
Less: Remeasurment of defined benefit plans transferred to Other Comprehensive Income						(82,396)	(82,396)
Add: Profit for the year after tax					16,969,100		16,969,100
<b>Balance as at 31-03-2018</b>	3,000,000	1,500,000	-	1,826,000	201,807,355	(887,245)	207,246,310

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

		Rs.	
PARTICULARS	31-03-2018	31-03-2017	01-04-2016
<b>13. BORROWINGS</b>			
From Others - Liquid Propulsion Systems Centre - Secured (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 )	-	5,642,513	12,861,011
Period and amount of Continuing default : NIL			
	<u>-</u>	<u>5,642,513</u>	<u>12,861,011</u>
<b>14. DEFERRED TAX LIABILITIES</b>			
On Account of Depreciation	1,022,005	782,678	890,323
On account of fair valuation of financial assets			
	<u>1,022,005</u>	<u>782,678</u>	<u>890,323</u>
<b>15. BORROWINGS</b>			
<b>(i) From Banks</b>			
Working Capital Borrowings - Secured	8,916,162	449,233	3,752,263
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>(ii) From Others</b>			
IFST Loan - Secured	3,500,000	3,500,000	3,500,000
Secured by way of pari passu second charge on all and singular plant and machinery and land and buildings at Gummidipoondi Factory			
Period and amount of default - NIL			
	<u>12,416,162</u>	<u>3,949,233</u>	<u>7,252,263</u>
<b>16. OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long Term Borrowings			
Interest accrued but not due on loans	11,637,675	11,025,175	10,412,675
Unclaimed Dividend			150,300
Advance from customers	15,882,591	11,702,018	12,099,221
	<u>27,520,266</u>	<u>22,727,193</u>	<u>22,662,196</u>



# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

				Rs.
PARTICULARS		31-03-2018	31-03-2017	01-04-2016
<b>17. OTHER CURRENT LIABILITIES</b>				
Security Deposits	<b>205,000</b>	205,000		205,000
Other Payables				
Excise Duty	-	2,503,370		1,362,461
VAT payable	-	-		201,742
IGST payable	<b>4,192,551</b>	-		-
CST payable	-	571,787		928,604
TDS payable	<b>471,812</b>	741,839		448,423
Payable to employees	<b>1,756,669</b>	1,795,015		1,475,549
	<b>6,626,032</b>	5,817,011		4,621,779

			Rs.
	PARTICULARS	31-03-2018	31-03-2017
<b>18. REVENUE FROM OPERATIONS</b>			
Sale of products (Rubber Lining and PTFE)	274,130,286	275,917,056	
Sale of Services	24,687,216	17,865,619	
Sale of Stock -in-trade	2,310,688	9,441,633	
	<u>301,128,190</u>	<u>303,224,308</u>	

<b>19. OTHER INCOME</b>			
Gain on foreign currency transactions	1,021,824	-	
Profit on sale of assets	635,000	188,803	
Interest received	6,798,173	7,211,452	
Rent received	420,000	360,000	
Duty drawback	892,613	848,635	
Reversal of provision of Excise Duty on closing stock as at 31-03-2017	2,503,370	-	
Credit balances no longer required written back	2,567,265	-	
Bad debts written off recovered	905,055	-	
Other non operating income	-	2,013	
Insurance claim received	7,248,708	38,442,693	
	<u>22,992,008</u>	<u>47,053,596</u>	

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

		Rs.	
	PARTICULARS	31-03-2018	31-03-2017
<b>20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>			
	Raw materials and components	87,825,710	83,557,339
	Stores and spares	22,905,384	23,257,105
		<u>110,731,094</u>	<u>106,814,444</u>
<b>21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS</b>			
	<b>Opening Stock</b>		
	Finished Goods	4,646,049	4,195,017
	Work in progress	27,146,455	18,804,926
		<u>31,792,504</u>	<u>22,999,943</u>
	<b>Closing Stock</b>		
	Finished Goods	6,263,715	4,646,049
	Work in progress	15,460,549	27,146,455
		<u>21,724,264</u>	<u>31,792,504</u>
	(Increase)/Decrease in inventories of Finished Goods and Work in progress	10,068,240	(8,792,561)
<b>22. EMPLOYEE BENEFIT EXPENSES</b>			
	Salaries, Wages and Bonus	38,332,138	34,009,090
	Contribution to Provident and Other Funds	3,796,138	3,374,732
	Welfare Expenses	3,402,255	2,728,813
		<u>45,530,531</u>	<u>40,112,635</u>
<b>23. FINANCE COSTS</b>			
	Interest Expense	2,273,102	2,582,867
	Other Borrowing Costs	1,943,500	1,672,839
		<u>4,216,602</u>	<u>4,255,706</u>

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

		Rs.
	PARTICULARS	31-03-2018 31-03-2017
<b>24. OTHER EXPENSES</b>		
Lining Expenses	45,493,206	53,838,149
Power and fuel	12,463,801	10,728,226
Rent	612,000	648,000
Insurance	1,970,242	1,212,390
Rates and Taxes	4,116,933	9,830,598
Postage and Telephone	1,184,564	1,383,791
Printing and Stationery	1,427,973	1,302,496
Travelling and Conveyance	10,409,813	8,721,470
Payment to Auditors:		
For Audit	240,000	200,000
For Certification	11,000	17,500
For Reimbursement of expenses	22,020	14,700
For Service tax	1,980	34,832
Repairs and Maintenance		
Buildings	4,181,233	854,294
Plant & Machinery	7,187,184	2,230,490
Other Assets	5,599,297	3,739,619
Selling expenses	1,076,516	1,446,111
Professional fees	14,599,558	15,837,079
Excise duty on Closing Stock	-	1,140,909
Advertisement and Sales Promotion	180,106	116,233
Loss on foreign currency transactions	217,954	833,941
Commission on Sales		1,282,333
Directors' Sitting fees	120,000	90,000
Security Service Charges	2,095,865	2,148,926
Bad Debts Written off	49,350	1,339,017
CSR Expenditure	984,500	1,607,000
Donations	58,000	82,000
Loss on fair valuation of financial assets	1,570,537	-
Miscellaneous expenses	942,758	1,143,270
<b>TOTAL</b>	<b>116,816,390</b>	<b>121,823,374</b>

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	31.03.2018	31.03.2017	01.04.2016
	Rs.	Rs.	Rs.
<b>25. Contingent Liabilities on account of:</b>			
a) Guarantees given by Banks on behalf of the Company	41,240,472	33,427,576	49,876,122
b) <u>TN VAT Demand for the period April 2011 to March 2016</u>	4,582,010	-	-
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			
c) Excise Duty demand for the period June 2013 to May 2015	-	-	33 94 095
<b>26. Commitments:</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for:	4,254,519	354,750	-
<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:			
The Company is not required to spend any amount on Corporate Social Responsibility for the current financial year. The amount of Rs,9,85,414/- which was to have been spent upto the FY 2016-17, has been spent during this financial year.			
<b>30.</b> The amount of Rs.2,06,35,115/-disclosed under ExtraOrdinary items for the year 31.03.2017 represents the extensive repairs carried out to assets damaged by floods and Vardah Cyclone in earlier years. The insurance company has made the final settlement in respect of the claim made by the Company and the balance amount of Rs.72,48,708/- received in settlement of the claim is credited to the Profit and Loss Account under "Other Income".			

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

Rs.

**31. 1. Reconciliation of Net Profit as per IGAAP and Ind AS**

Net Profit as per IGAAP for the year 31-3-2017	27,506,274
Add: Ind AS adjustment on account of restatement of gains on defined benefit plans to Other Comprehensive Income	804,649
Net Profit as per Ind AS for the year 31-3-2017	<u>28,310,923</u>

**31.2. Financial Risk Management and Objectives and Policies**

The Company's principal financial liabilities comprises of borrowings, and trade payables, The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, comprise of trade receivables, investments and cash and cash equivalents that derive directly from the Company's operations. The Company's activities exposes it to various risks including market risk, liquidity risk and credit risk. Company's overall risk management focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

**31.3. Disclosure of Fair Value Measurements**

The Fair value of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of cash and deposits, trade and other short term receivables, trade payables, other current liabilities, loans from banks and other financial instruments approximate to the carrying amounts.

**Financial Instruments by category**

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
<b>As at 31-3-2018</b>					
<b>Financial Assets</b>					
Long Term Investment	78,000	-	-	78,000	78,000
Other financial assets	3,045,825	-	-	3,045,825	3,045,825
Trade Receivables	-	76,956,313	-	76,956,313	76,956,313
Cash and cash equivalents	97,292,845	-	-	97,292,845	97,292,845
<b>Financial Liabilities</b>					
Long Term Borrowings	-	-	-	-	-
Short term borrowings	12,416,162	-	-	12,416,162	12,416,162
Trade payables	38,043,851	-	-	38,043,851	38,043,851
Other financial liabilities	27,520,266	-	-	27,520,266	27,520,266
<b>As at 31-3-2017</b>					
Long Term Investment	78,000	-	-	78,000	78,000
Other financial assets	2,478,257	-	-	2,478,257	2,478,257
Trade Receivables	81,251,531	-	-	81,251,531	81,251,531
Cash and cash equivalents	130,550,678	-	-	130,550,678	130,550,678
<b>Financial Liabilities</b>					
Long Term Borrowings	5,642,513	-	-	5,642,513	5,642,513
Short term borrowings	3,949,233	-	-	3,949,233	3,949,233
Trade Payables	47,403,669	-	-	47,403,669	47,403,669
Other financial liabilities	22,727,193	-	-	22,727,193	22,727,193

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
<b>As at 1-4-2016</b>					
Long Term Investment	78,000	-	-	78,000	78,000
Other financial assets	1,958,112	-	-	1,958,112	1,958,112
Trade Receivables	58,858,773	-	-	58,858,773	58,858,773
Cash and cash equivalents	99,720,520	-	-	99,720,520	99,720,520
<b>Financial Liabilities</b>		-	-	-	-
Long Term Borrowings	12,861,011	-	-	12,861,011	12,861,011
Short term borrowings	7,252,263	-	-	7,252,263	7,252,263
Trade Payables	31,488,514	-	-	31,488,514	31,488,514
Other financial liabilities	22,662,196	-	-	22,662,196	22,662,196

Note:

The Company has opted for fair valuation of financial assets and liabilities prospectively with effect from the current financial year as per the option granted under Ind AS.

**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.

**31.4. Employee Benefits**
**i) Provident Fund**

**31-03-2018**      31-03-2017

The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is

**1,941,330**      2,243,807

**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

**701,100**      632,660

**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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

<b>a) Assumptions used</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
<b>Gratuity</b>		
Discount Rate	<b>7.54%</b>	7.29%
Salary Escalation	<b>7.00%</b>	7.00%
Expected return on plan assets	<b>7.54%</b>	7.59%
Attrition rate	<b>5.00%</b>	5.00%
Average Longevity at retirement age - past service	<b>13.05</b>	12.74
Average age	<b>40.41</b>	39.81

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

Opening value of DBO at the beginning of the year	<b>7,682,611</b>	6,814,541
Current Service Cost	<b>593,408</b>	525,924
Interest Cost	<b>579,269</b>	461,294
Benefits paid	-	(973,557)
Actuarial (Gains)/Loss	<b>147,345</b>	854,409
Closing value of DBO at the end of the year	<b>9,002,633</b>	7,682,611

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

Fair value of plan assets at the beginning	<b>8,233,307</b>	7,563,044
Interest income of the assets	<b>659,965</b>	553,778
Employer contribution	<b>1,039,082</b>	1,040,282
Benefits paid	-	(973,557)
Actuarial gain/(Loss)	<b>37,116</b>	49,760
Fair value of plan assets at the end of theyear	<b>9,969,470</b>	8,233,307

**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	<b>330,343</b>	461449
decrease by	<b>358,644</b>	520921

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

increase by	<b>328,482</b>	507704
decrease by	<b>308,057</b>	457820

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.

- e) The Company expects to make a contribution of Rs2,83,730./- to the defined benefit plan (gratuity - funded) during the next financial year.

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	31-03-2018		31-03-2017	
	Qty.	Value Rs.	Qty.	Value Rs.
<b>32. ADDITIONAL NOTES</b>				
<b>a) Turnover ( Net of Excise Duty )</b>				
<b>Rubber</b>				
<b>Manufacturing :</b>				
- Rubber lining Products (Sq.M.)	30,021	158,994,379	28,630	128,871,753
- Other Recoveries		478,648		3,851,941
		<u>159,473,027</u>		<u>132,723,694</u>
<b>Trading :</b>				
- Rubber lining Materials-Solvents, Thinners, Bonding Agents etc.		2,310,688		9,441,633
<b>Service:</b>				
- Rubber lining		1,353,827		16,417,246
Total income - Segment A		<u>163,137,542</u>		<u>158,582,573</u>
<b>PTFE</b>				
<b>Manufacturing :</b>				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	17,170	135,485,160	15,609	133,673,758
- Other Recoveries		132,680		872,462
		<u>135,617,840</u>		<u>134,546,220</u>
<b>Service:</b>				
- PTFE Coating, etc		557,750		1,448,373
Total income - Segment B		<u>136,175,590</u>		<u>135,994,593</u>
<b>Total Turnover - Sales (Segment A + B)</b>		<u>299,313,132</u>		<u>294,577,166</u>



# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	31-03-2018		31-03-2017	
	Qty.	Value Rs.	Qty.	Value Rs.
<b>b) Raw materials and components consumed (kgs) :</b>				
<b>Manufacturing:</b>				
1. Natural and Synthetic rubber	135,205	21,036,537	130,560	21,067,246
2. Fillers	103,887	10,223,576	110,825	6,210,004
3. Solvents	76,415	6,660,426	58,131	5,340,428
4. Special Curing and bonding agents	18,202	4,137,860	11,466	1,857,183
5. Resins	17,198	17,106,077	13,833	14,133,807
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	24,810,052	-	31,677,741
7. Others	-	3,851,182	-	3,270,930
		<u>87,825,710</u>		<u>83,557,339</u>
<b>Trading</b>				
Bought out components of various specification and descriptions		871,982		3,276,829
<b>c) Opening and Closing stock of goods produced:</b>				
<b>Finished Goods:</b>				
<b>Opening Stock</b>				
- Rubber lining Products (Sq. M.)	28	86,349	73	416,956
- PTFE Lined Products (Kgs)*	974	4,559,700	744	3,778,061
		<u>4,646,049</u>		<u>4,195,017</u>
<b>Closing Stock</b>				
- Rubber lining Products (Sq. M.)	116	288,218	28	86,349
- PTFE Lined Products (Kgs)*	1,040	5,975,497	974	4,559,700
		<u>6,263,715</u>		<u>4,646,049</u>
(* Represents PTFE content in Finished Products)				

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	31-03-2018		31-03-2017	
	Qty.	Value Rs.	Qty.	Value Rs.
<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.)	30,109	(Sq. Mtr.)	28,585
2. PTFE (Resin Weight)	(Kgs.)	17,238	(Kgs.)	15,839
<b>e) Value of Imports calculated on</b>				
<b>CIF basis :</b>				
1. Raw Materials		8,982,195		9,768,275
2. Others		-		853,509
		<u>8,982,195</u>		<u>10,621,784</u>
<b>f) Expenditure in foreign currency:</b>				
Foreign Travel		1,050,029		338,624

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	31-03-2018		31-03-2017	
	Qty.	Value Rs.	Qty.	Value Rs.
	%	Rs.	%	Rs.
<b>g) Details regarding consumption of imported and indigenous materials</b>				
1. Raw Materials & Components				
Imported	9.35	8,289,824	11.65	9,736,419
Indigenous	90.65	80,407,868	88.35	73,820,920
	<u>100.00</u>	<u>88,697,692</u>	<u>100.00</u>	<u>83,557,339</u>
2. Stores & Spare Parts				
Imported	0.34	78,921	5.33	1,239,360
Indigenous	99.66	22,826,463	94.67	22,017,746
	<u>100.00</u>	<u>22,905,384</u>	<u>100.00</u>	<u>23,257,106</u>
<b>h) Number of Non-resident shareholders</b>		28		28
Number of Shares held		125,000		125,000
<b>(i) Earnings in Foreign Exchange</b>				
1. Export of goods on FOB basis		50,160,380		44,527,953
2. Technical Services		832,941		1,267,539
		<u>50,993,321</u>		<u>45,795,492</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**
**33. SEGMENT REPORTING**

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

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

The above business segments have been identified considering :

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

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

	(In Rupees)	(In Rupees)
<b>Particulars</b>	<b>Year to date figures for the period 01.04.2017 to 31.03.2018</b>	<b>Year to date figures for the period 01.04.2016 to 31.03.2017</b>
1. Segment Revenue		
a. Rubber Lining & Rubber Products	<b>163,137,542</b>	158,582,573
b. PTFE Lining & PTFE Products	<b>136,175,590</b>	135,994,593
Total	<b>299,313,132</b>	294,577,166
Less: Inter segment revenue	----	----
Net Sales / Income from Operations	<b>299,313,132</b>	294,577,166
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	<b>13,682,480</b>	23,488,223
b. PTFE Lining & PTFE Products	<b>37,570,533</b>	45,814,137
Total	<b>51,253,013</b>	69,302,360
Less: i. Interest and Finance Charges	<b>4,216,602</b>	4,255,706
ii. Other un-allocable expenditure net of unallocable income	<b>21,800,151</b>	22,348,024
<b>Total Profit Before Tax</b>	<b>25,236,260</b>	42,698,630
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	<b>127,728,856</b>	117,920,601
b. PTFE Lining & PTFE Products	<b>111,017,454</b>	109,581,518
<b>Total</b>	<b>238,746,310</b>	227,502,119

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

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**

	31.03.2018 Amount in Rs.			31.03.2017 Amount in Rs.		
Particulars	Nature of Transaction			Nature of Transaction		
	Remune- ration	Rent Paid	Year End Balance	Remune- ration	Rent Paid	Year End Balance
<b>Key Management Personnel</b>						
Mr. Rajiv Sreedhar - Managing Director	6,634,907	600,000	—	4,669,892	600,000	—
Mr. V.P.K. Mani - Company Secretary	450,000	—	—	300,000	—	—
Mr. N. Guruswamy - Chief Financial Officer	1,110,000	—	—	1,250,000	—	—
<b>Directors</b>		<b>Sitting Fees</b>	—		<b>Sitting Fees</b>	—
Mr. S.S.R. Rajkumar	—	30,000	—	—	25,000	—
Mr. Noman H. Millwala	—	30,000	—	—	25,000	—
Mrs. Saroja Raman	—	30,000	—	—	15,000	—
Dr. T.Venkatesan	—	30,000	—	—	25,000	—
Krebs Engineering Private Limited	<b>Commission Paid</b>	—	—	<b>Commission Paid</b>	1,092,500	—

# MIL INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31-3-2018	31-3-2017
<b>35. Earnings Per Share</b>		
Profit for the year attributable to Equity Shareholders	<b>16,969,100</b>	28,310,923
Number of Equity Shares of Rs.10/- each	<b>3,150,000</b>	3,150,000
Earnings Per Share - Basic and Diluted	<b>5.39</b>	8.99
<b>36.</b>	The accounts could not be authenticated by the Company Secretary as the Secretary was out of India on the date of approval of the accounts by the Board of Directors.	
<b>37.</b>	Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.	

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

S. NAGARAJAN  
Partner  
Membership No. 020899

RAJIV SREEDHAR  
Managing Director

S.S.R. RAJKUMAR  
Director

NOMAN. H. MILLWALA  
Director

Place: Chennai  
Date: 11<sup>th</sup> May 2018

SAROJA RAMAN  
Director

Dr. T. VENKATESAN  
Director

N. GURUSWAMY  
Chief Financial Officer

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



## **MIL Industries Limited**

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

CIN: L25199TN1966PLC005397, 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 52<sup>nd</sup> Annual General Meeting of the Company being held on Monday, the 24<sup>th</sup> September, 2018 at 4.30 p.m. at the registered office of the Company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.





## MIL Industries Limited

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

CIN: L25199TN1966PLC005397, Email: mil@miliindustries.com

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

### Form No. MGT-11

#### PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, the 24<sup>th</sup> September, 2018 at 4.30 p.m. at the Registered Office of the Company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
Ordinary Business:		For	Against
1.	Adoption of audited financial statements of the Company for the financial year ended 31st March 2018 together with the reports of the Board of Directors' and Auditors' thereon.		
2.	Re-appointment of Dr.T. Venkatesan, as director, who retires by rotation.		
3.	Ratification of appointment of M/s. S.N.S. Associates, Chartered Accountants, Chennai, as Statutory Auditors of the Company from the conclusion of this AGM until 56 <sup>th</sup> AGM.		
Special Business:			
4.	Appointment of S.S.R. Rajkumar as Independent director, for a period of two consecutive years until the conclusion of 54 <sup>th</sup> AGM.		
5.	Appointment of Mr. Noman H. Millwala as Independent director, for a period of two consecutive years until the conclusion of 54 <sup>th</sup> AGM.		

Signed this ..... day of ..... 2018

Signature of Shareholder ..... Signature of Proxy holder(s) .....

**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.**

Affix  
Revenue  
Stamp





