

MIL INDUSTRIES LIMITED

MIL

FIFTY FIFTH ANNUAL REPORT 2020-21

MIL INDUSTRIES LIMITED

CHAIRMAN	NOMAN H. MILLWALA
MANAGING DIRECTOR	RAJIV SREEDHAR
DIRECTORS	SAROJA RAMAN K.J. JANAKAR Dr. T. VENKATESAN A. RENGARAJAN
CHIEF FINANCIAL OFFICER	N. GURUSWAMY
COMPANY SECRETARY	U. VISWANATH
BANKERS	UCO Bank, International Banking Branch Chennai- 600 001
AUDIT COMMITTEE	A RENGARAJAN, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> KJ JANAKAR, <i>Member</i>
NOMINATION AND REMUNERATION COMMITTEE	A RENGARAJAN, <i>Chairman</i> SAROJA RAMAN, <i>Member</i> NOMAN H. MILLWALA, <i>Member</i> KJ JANAKAR, <i>Member</i>
STAKEHOLDERS RELATIONSHIP COMMITTEE	NOMAN H. MILLWALA, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> KJ JANAKAR, <i>Member</i>
CSR COMMITTEE	NOMAN H. MILLWALA, <i>Chairman</i> SAROJA RAMAN, <i>Member</i> RAJIV SREEDHAR, <i>Member</i> Dr. T. VENKATESAN, <i>Member</i> A RENGARAJAN, <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, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017

MIL INDUSTRIES LIMITED

REGISTERED & HEAD OFFICE

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

FACTORIES**Unit-I**

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

Unit-II

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

LISTED WITH

METROPOLITAN STOCK EXCHANGE OF
INDIA LIMITED (MSEI)

SYMBOL

MILIND

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty Fifth Annual General Meeting of MIL Industries Limited will be held on Thursday, the 30th September, 2021 at 11.30 a.m. [Indian Standard Time (IST)] through Video Conferencing / Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited financial statements for the year ended 31st March, 2021 and the reports of the Directors and Auditors thereon;
2. To declare a dividend of Rs.1/- per equity share for the financial year ended 31st March 2021

SPECIAL BUSINESS:

3. APPOINTMENT OF MRS.SAROJA RAMAN (DIN 00481687) WHO RETIRES BY ROTATION:

To consider passing the following resolution as a special resolution:

RESOLVED THAT subject to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Mrs. Saroja Raman (holding DIN 00481687), a Non-Executive non-independent director, aged 83 years, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company.

4. RE-APPOINTMENT OF MR. K.J. JANAKAR (DIN 00644460) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider passing the following resolution as a special resolution:

“RESOLVED THAT pursuant to provisions of Section 149(10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, (as amended) and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. K.J. Janakar (DIN 00644460) who holds office as an independent director of the company up to 19th February 2022 and who has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 20th February 2022 upto 19th February 2027.”

5. APPOINTMENT OF MR. A. RENGARAJAN (DIN 06598828) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE PERIOD OF 5 YEARS:

To consider passing the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, (as amended) and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. A. Rengarajan (DIN 06598828) who was appointed as an Additional Director

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and Non-Executive Independent Director effective 5th November 2020 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, be and is hereby appointed as a Non-Executive and independent Director of the Company, for a term of five consecutive years upto 4th November 2025, whose office shall not be liable to retire by rotation during the period.

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

Place : Chennai
Date : August 12th, 2021

U. VISWANATH
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic situation, Ministry of Corporate Affairs vide its Circular no. 20/2020 dated May 5, 2020 read with Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circular No SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and relevant circulars of SEBI of the Annual General meeting of the Company is being held through video conferencing (VC) or other audio visual means (OAVM). Hence members can attend and participate at the ensuing Annual General Meeting through VC/ OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith.
2. Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Companies Act, 2013 to attend and cast vote for the Members is not available for this Annual General Meeting as the physical attendance of Members has been dispensed with. However, corporate members are requested to send a copy of Board Resolution/ Power of Attorney authorising their representative to attend the AGM through VC / OAVM and cast their votes through remote e-voting.
3. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, an explanatory statement setting out the material facts concerning special business to be transacted at the AGM is annexed and forms part of this Notice. Information pursuant to Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS2) in respect of the Directors seeking appointment /re-appointment, as the case may be, at the AGM is furnished in the Annexure to this Notice. The Directors have furnished the requisite consents /declarations for their appointment / re-appointment.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
6. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January 2021, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered

into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.

Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@milindustries.com atleast 48 hours in advance before the start of the meeting i.e. by 28th September 2021 by 11:30 A.M. IST.
8. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.milindus.com. The Notice can also be accessed from the website of the Stock Exchange at www.mse.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com
9. Regulation 12 and Schedule I of SEBI (LODR) Regulations, 2015 among other things, mandates the usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrants) to investors. However, even while making such payments, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice.
10. Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants/cheques issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form.

Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants. Members holding shares in electronic form are requested to advise change of their address and nomination to their Depository participants.

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in a physical form can submit their PAN to the Company or Integrated Registry Management Services Private Limited. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account details such as, name of the bank and branch, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form. Members holding shares in physical form are requested to advise the above changes and Transmission of Shares to the Company's RTA viz. M/s. Integrated Registry Management Services Private Limited.
12. Further, the Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated 3rd December 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and

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Share Transfer Agent would not be in a position to accept/ process the requests for transfer of shares held in physical form with effect from 01.04.2019. Therefore, the Company advises you to take immediate steps for dematerializing your shareholding in the Company. Holding of shares in dematerialized form offers lots of benefits like enhanced security, ease of handling, faster transfers and eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the shares hassle-free, kindly take steps for dematerializing the shares at the earliest.

13. 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 Thursday 24th September 2021 to 30th September, 2021 Thursday both days inclusive.
14. To support the “Green Initiative”, Members who have not registered their e-mail address so far are requested to register their e-mail address, are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Members can also send email to secretarial@milindustries.com stating their name and folio no. electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
15. During the AGM, the register of Directors and KMPs and their shareholding, the register of contracts or arrangements in which Directors are interested and Memorandum and Articles of Association will be available for inspection through electronic mode.
16. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
17. The Annual Report for the year 2020-21 of the Company circulated to the members of the Company will be made available on the Company’s website at www.milindus.com and also on the website of the stock exchange at www.msei.com
18. Members may note that the Income Tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, no tax will be deducted on payment of dividend to the resident individual shareholder, if the total dividend, paid during financial year (“FY”) 2021-22, does not exceed INR 5,000/-.

The TDS rate would vary depending on the residential status, category of the shareholder and is subject to provision of requisite declarations / documents to the Company as below:

I. RESIDENT SHAREHOLDERS:

- a) Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding INR 5,000 during the FY 2021-22)

Sl. No.	Particular	TDS Rate	Declaration/ documents required
1.	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and share Transfer Agent (‘RTA’) in case shares are held in physical form and no exemption sought by Shareholder	10%	N.A
2.	No PAN or Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	N.A

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Sl. No.	Particular	TDS Rate	Declaration/ documents required
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	<ul style="list-style-type: none"> • Copy of PAN Card • Copy of lower TDS Certificate obtained from Income Tax Dept.

- b) Nil Tax Deductible at Source on dividend payment to Resident Shareholders, if the Shareholders submit documents mentioned in table below with the Company / RTA

Sl. No.	Particular	Declaration / documents required
1.	An Individual furnishing Form 15G/ 15H	<ul style="list-style-type: none"> • Copy of PAN card • Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.
2.	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, Business Trust (REIT, Invite) etc.	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Please download Annexure-1 from website of the company), along with adequate documentary evidence (e.g., registration certificate), to the effect that the no TDS is required as per provisions of section 194 of the Act.
3.	Any other entity exempt from TDS under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (Please download Annexure-1 & 2, from the website of the company) along with adequate documentary evidence, substantiating the nature of the entity • Copy of the lower TDS certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

II. NON-RESIDENT SHAREHOLDERS

Tax deductible at source for non-resident shareholders.

Sl. No.	Category	TDS Rate	Declaration/ documents required
1.	Other Nonresident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> a) Copy of PAN card (if available) b) Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2021 and financial year 2022 (covering the period from April 1, 2021 to March 31, 2022) c) Self-Declaration in Form 10F (Please download Annexure-3, from the website of the company)

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Sl. No.	Category	TDS Rate	Declaration/ documents required
			d) Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Please download Annexure-4, from the website of the company) (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).
2.	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA

Notes:

1. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) and Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
2. The Company will issue soft copy of the TDS certificate to its shareholders to email registered with the Depository Participant / RTA post payment of the dividend. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/foportal> (refer to Form 26AS)
3. The aforesaid documents and all the declarations such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be shared by email on secretarial@milindustries.com by September 18, 2021. Any communication in relation to tax rate determination/ deduction/TDS matters received after 18th September, 2021 shall not be considered. Further, the shareholders can download the format of Annexures on the website of the company at <https://www.milindus.com/dividend.htm>
4. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate, as applicable, without any further communication in this regard.
5. The Company has fixed Tuesday, 23rd September, 2021 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31st March, 2021, if approved at the AGM.

Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM, the Company is pleased to provide members, facility to exercise their right to vote at the (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

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

Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- I. The remote e-voting period begins on Monday, 27th September, 2021 (9:00 a.m. IST) and ends on Wednesday, 29th September, 2021 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 23rd September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

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

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

Details on Step 1 is mentioned below:

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

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

- a) For Members who hold shares in demat account with NSDL.
 - b) For Members who hold shares in demat account with CDSL.
 - c) For Members holding shares in Physical Form.
4. Your User ID is:
 - a) 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
 - b) 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
 - c) EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 108337 then user ID is 108337001***

5) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

II. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

Details on Step 2 is given below:

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

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

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

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

General Guidelines for shareholders

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 secretarial@milindustries.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: pallavid@nsdl.co.in/ evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: secretarial@milindustries.com or contact at telephone no. 044 -2625 8382.

- II. 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 23rd September , 2021.
- III. Any person, who acquires shares of the Company and become a member of the Company after sending soft copy of the notice and holding shares as of the cut-off date may obtain the User ID and password by sending a request at evoting@nsdl.co.in
- IV. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- V. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- VI. Pankaj Mehta, (M.No.A29407, C.P.10598), Partner, M/s. A.K. Jain & Associates., Company Secretaries, (Address: No. 2, Raja Annamalai Road, First Floor, Purasawalkam, Chennai - 600 084.) has been appointed for as the Scrutinizer inter alia for providing facility to the members of the Company to scrutinize the remote e-voting process in a fair and transparent manner.

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- VII. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM (conducted through “VC”) and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.milindus.com 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.

Information at glance:

Particulars	Details
Time and date of AGM	30 th September 2021, 11.30 a.m.
Mode	Through Video Conferencing (“VC”)
Dividend record date	23rd September 2021
Annual dividend payment date	15 th October 2021
Cut-off date for e-Voting	23rd September 2021
e-voting start time and date	27 th September 2021; Monday 9.00 a.m. IST
e-voting end time and date	29 th September 2021; Wednesday 5.00 p.m. IST

ANNEXURE TO NOTICE

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

Item No. 3

Mrs. Saroja Raman, was appointed as a non-executive director of the company on 27.07.1998. Since then, she has been associated with the Company as a non-executive director for more than two decades and is aged about 83 years. As per Regulation 17(1A) of Listing Regulations no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment specifies the justification for such appointment. The Directors are of the view that though she has attained the age of 83 years, considering her knowledge and experience it is in the best interests of the Company to continue her as a Non-executive director of the Company.

Except Mr. Rajiv Sreedhar, Managing Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

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

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

Mrs. Saroja Raman is wife of late Mr. R.K. Raman, founder of MIL Industries Limited ("MIL"). She served as a non-executive director and was re-appointed on 16.09.2019 is liable to retire by rotation. Associated with MIL since 1998, having vast experience on the board, have contributed for effective functioning of the board and General Management.

She is the member of the Nomination & Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR). She holds 3,15,295 shares in the company and he is related to Mr. Rajiv Sreedhar, Managing director of the company.

Item No. 4

The Board of Directors had appointed Mr. K.J. Janakar (DIN: 00644460), as a Non-Executive Independent director for a period of two years at the EGM held on 20th February 2020 for the first term.

Mr. K.J. Janakar is aged about 81 years. As per Regulation 17(1A) of Listing Regulations no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect. The Directors are of the view that though he has attained the age of eighty years, considering his knowledge and experience, it is in the best interests of the Company to appoint him as a Non-executive Independent Director of the Company for the second term of 5 consecutive years.

In terms of section 149(10) of the Companies Act, 2013 an independent director shall be eligible for reappointment on passing of a special resolution by the company.

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

Mr. Janakar holds a degree in B.Sc.Chemistry Madras University, B.Sc. (TECH), F.P.R.I (London) and has more than 30 years of experience in the Rubber and Rubber chemicals Industry. He Served as an Independent Director for two terms (12 years) in Treadsdirect Ltd (formerly known as ELGI Treads Ltd., Coimbatore) Executive Director in TVS Srichakra Limited during 1982 to 1987. He is currently the Managing Director of Helar Marketing and Consultants Private Limited.

Currently he does not hold any directorship or membership of any committee in any other listed Entity.

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Except Mr. K. J. Janakar, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

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

Item No. 5

The Board of Directors of the Company at its meeting held on 05.11.2020 appointed Mr. A. Rengarajan as an Additional Director of the Company in the capacity of Independent Director to hold office from 5th November, 2020. Mr. A. Rengarajan holds office upto the date of this Annual General Meeting. As per the provisions of Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr. A. Rengarajan as a candidate for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The proposed resolution set out at Item No. 5, seeks the approval of members for the appointment of Mr. A. Rengarajan as an Independent Director of the Company for a term of five years upto 04th November, 2025 pursuant to Section 149 and other applicable provisions of the Companies Act 2013. In the opinion of the Board, Mr. A. Rengarajan fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. A. Rengarajan as an Independent Director would be available for inspection without any fee by the members.

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

Mr. A. Rengarajan is a fellow member of ICSI and has over 25 years of multi-layered, multi-sectoral, top-of-the-pyramid experience behind him. He has an expertise knowledge in Corporate Project Management, Legal, Secretarial & Corporate Governance affairs including implementation & evaluation of Corporate Governance Guidelines. He is also actively involved in the preparation of terms of reference of audit committee, drafting of code of business conduct and ethics for Board Members and Senior Management in terms of guidelines on Corporate Governance.

Previously he worked as a Company Secretary in Amalgamation Group, Lucas TVS group etc. and he is the Founder Partner of ARUB & Associates, a Practising Company Secretary Firm.

Currently he does not hold any directorship or membership of any committee in any other listed Entity.

Except Mr. A. Rengarajan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

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DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting their Fifty fifth Annual Report together with the Audited Financial Statement for the year ended 31st March, 2021.

FINANCIAL RESULTS (Standalone & Consolidated)

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 2021	For the year ended 2020	For the year ended 2021	For the year ended 2020
Profit Before Finance cost, Depreciation and Tax	1,045.98	1,197.22	1,045.60	1,196.75
Less:				
i) Finance Cost	30.85	26.76	30.85	26.76
ii) Depreciation	132.19	113.35	132.19	113.35
iii) Provision for Taxation				
- Current Tax	264.68	326.59	264.68	326.59
- Deferred Tax	(0.86)	(27.98)	(0.86)	(27.98)
Profit after Tax	619.11	758.50	618.74	758.04

OPERATIONS

There has been a decrease in the turnover of the Rubber Products Division from Rs. 4,314.16 lakhs in the previous year to Rs. 2699.30 Lakhs in the current year.

Similarly, there has been a decrease in the turnover of PTFE Division also from Rs. 1,779.19 lakhs in the previous year to Rs. 1492.86 lakhs in the current year owing to COVID-19 impact.

The company's export earnings have been increased from Rs. 824.86 lakhs in the previous year to Rs. **1,458.46** lakhs in the current year due to high demand for the Company's export products.

DIVIDEND

The Board of Directors at their meeting held on 05th July 2021, recommended annual dividend of Rs 1/- per share (10%) absorbing a sum of Rs. 31,50,000/-. The dividend income shall be taxable in the hands of shareholders. The record date for the purposes of the annual dividend will be 23rd September 2021.

The Board is not considering any transfer of amount to General Reserves for the year under review, as it is not mandatorily required.

ANNUAL RETURN

As required under Section 92(3), copy of Annual Return is placed on the Company's website.

The same is available on the Company's website www.milidus.com

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;

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- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-2021 and of the profit of the company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis;
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year within the meaning of Section 76 of the Act, 2013, for the year ended 31st March 2021.

RELATED PARTY TRANSACTIONS

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

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

SUBSIDIARY / ASSOCIATE/JOINT VENTURE COMPANIES

MIL Industries & Aerospace Limited is the wholly owned subsidiary of MIL Industries Limited. There no significant transactions and arrangements entered into by unlisted subsidiary during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

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

The Consolidated Profit before Tax of the Company and its subsidiary amounted to Rs. 882.56 lakhs for the financial year 2020-21.

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

PERFORMANCE OF SUBSIDIARY COMPANY

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

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SHARE CAPITAL

The paid-up Equity Share Capital of the Company was Rs. 315 lakhs as on March 31, 2021. 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, 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mrs. Saroja Raman, Director of the Company, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment. Mr. K.J. Janakar whose term expires on 19th February 2022, is proposed to be appointed at the ensuing AGM as a non-executive independent director for the second term of 5 consecutive years based on the recommendation of NRC and Board. He shall not be liable to retire by rotation during the period.

Mr. A. Rengarajan, who was appointed as an additional non-executive Independent director of the company at the board meeting held on 05.11.2020, during the year. He can hold office only upto the ensuing annual general meeting. Therefore, Company is seeking approval of the shareholders for his appointment for the first term of 5 consecutive years with effect from 05.11.2020 upto 04.11.2025 and he is not liable to retire by rotation during the period.

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. U. Viswanath, was appointed on 29th July 2020 as a Company Secretary and Compliance Officer under the provisions of Section 203 of the Companies Act, 2013 & Regulation 6 of SEBI (LODR) Regulations, 2015.

INDEPENDENT DIRECTORS

Mr. K.J. Janakar and Mr. A. Rengarajan are the independent directors of the company as at 31st March 2021.

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

Independent Directors meeting was held on 24th March 2021 without the attendance of the other directors.

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

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

COMPOSITION OF AUDIT COMMITTEE

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

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company <http://www.milindus.com/investors.php>.

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POLICY ON VIGIL MECHANISM

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

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

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

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

MANAGERIAL REMUNERATION DETAILS UNDER SECTION 197

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

MEETING OF THE BOARD

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

The number of Board meetings held during the financial year 2020-21 is provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

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

AUDITORS

Statutory Auditor

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

The Company has obtained necessary certificate under Section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the year 2021-22.

The Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

SECRETARIAL AUDITOR

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

The Secretarial Auditor does not contain for the financial year 2020-21 does not contain any qualification, reservation or adverse remark.

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.

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CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

Technology absorption:

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

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

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

Expenditure incurred during the financial year for R & D work was Rs. 12,65,740/-.

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	240.90
Foreign Exchange earned	1458.46

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

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

BUY BACK OF SECURITIES

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

RISK MANAGEMENT

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

LISTING OF EQUITY SHARES AND COMPLIANCE

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

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The details of the securities listed are as follows:-

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

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

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

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

a. number of complaints filed during the financial year	NIL
b. number of complaints disposed of during the financial year	
c. number of complaints pending as on end of the financial year	

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

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

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

ANNUAL PERFORMANCE EVALUATION

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

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

CORPORATE GOVERNANCE

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

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

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of Listing Regulations, the Business Responsibility Report is not applicable for the company as company does not fall under the top one thousand listed entities based on market capitalization as at financial year 31st, March 2021.

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.

Due to the COVID-19 pandemic Sales of the company during the year under review had decreased around 31.20 % 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 a decrease in the turnover from Rs. 4314.16 Lakhs to 2699.30 Lakhs. There has been a decrease in the turnover of PTFE Division from Rs. 1779.19 lakhs in the previous year to Rs. 1,492.86 lakhs in the current year.

(d) Covid-19 Impact

Since the Manufacturing facilities and all offices of the Company were closed during the previous financial year 2020-2021 due to the lock down imposed by the Central and State Government to contain the virus outbreak, the business is affected. The Company has evaluated the impact of this Covid-19 pandemic on its business operations and financial position and based on its review, it has an impact on its financial results as at 31st March 2021.

(e) Outlook

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

(f) Risks and concerns.

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

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

(g) Internal control systems and their adequacy.

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

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

The revenue from the operations of the company for the financial year 2020-21 has decreased by 31.20% over the previous year. Therefore, the profit before tax has decreased compared to the previous year.

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

The Company regularly deposes employees to seminars and various programmes to help them to enrich their professional skills and knowledge. The company has formulated incentive schemes to employees to increase the productivity and performance. The company maintains cordial relationship with workers and employees at all levels.

(a) Key Financial Ratios

S. No.	Particulars	UOM	March 31, 2021	March 31, 2020	Remarks
1	Current Ratio	-	3.29	3.56	Decrease, due to increase in Current Liabilities
2	Debt Equity ratio	-	0.35	0.31	Increase, due to total outside liabilities
3	Interest Coverage ratio	Times	29.35	40.51	Decrease, due to decrease in earnings
4	Inventory Turnover	Times	3.03	5.82	Decrease, due to decrease in sales
5	Operating profit margin	%	17.54	13.23	Increase, due to decrease in cost of production
6	Net profit margin	%	14.64	12.38	Increase, due to lower cost of production
7	Return on Networth	%	14.83	21.23	Decrease, due to decrease in profitability
8	Debtors Turnover Ratio	Times	3.71	6.52	Decrease, due to increase in Average receivables.

(b) Reporting of fraud

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

(c) Secretarial Standards

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

DISCLOSURE OF ACCOUNTING TREATMENT:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2018. Accordingly, the financial statements for the year 2020-21 have been prepared in compliance with the said Rules.

ACKNOWLEDGEMENT

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

Place : Chennai
Date : 12th August, 2021

By Order of the Board

Noman H. Millwala
Chairman

ANNEXURE I TO BOARD'S REPORT

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

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

Name	Designation	Ratio
Mr. Rajiv Sreedhar	Managing Director	17.83:1

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: - Nil.
- There was an increase of 0.75% in the median remuneration of employees in the Financial Year.
 - There were 64 permanent employees on the rolls of the Company as on 31st March, 2021.
 - There was a decrease of 9.03 % in the Average salaries of employees other than the managerial personnel in the last Financial Year i.e. 2020-21 due to reduction in the number of employees and whereas the managerial remuneration is increased by 0.002% (from Rs. 83,80,000 in 2019-20 to Rs. 84,00,000 in 2020-21).
 - It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, Key Managerial Personnel and other Employees.

STATEMENT OF PARTICULARS OF EMPLOYEES:**Details of top ten employees in terms of remuneration drawn during the year:**

Sl. No.	Name of Employee	Designation	Remuneration in lakhs	Nature of Employment	Qualification	Experience (Years)	Date of employment commencement	Age	Previous Employment
1	Saravanan Sundaram	DGM-O	21.48	Regular	BE	22	01.02.2019	44	BMW
2	Shah Sandeep	AGM	19.07	Regular	BE	29	16.05.1997	51	BDK Marketing Service Pvt. Ltd.
3	S Baskar	GM - Mktg.	18.58	Regular	DME	33	04.11.1994	53	Lebraes
4	S Natarajan	VPO	16.20	Contractual	DME	51	04.05.1970	75	NIL
5	S V Gopalakrishnan	VPW	12.60	Contractual	DEE	52	01.02.1969	74	NIL
6	Govindaraju R	AGM- EPP	10.92	Contractual	DME	38	08.12.1989	59	Auro Engineering
7	A Ponnuswamy	AGM - Production	9.80	Regular	DME	35	24.04.1989	56	Kumar Industries
8	Karunanidhi T	AGM – QC	9.80	Regular	DME	13	08.01.2008	56	NIL
9	M Lakshmanan	DGM-Purchase	9.60	Contractual	DME	39	01.11.1982	63	NIL
10	Sivakumar	SR.MGR.MFG	8.74	Regular	DME	14	01.08.2007	52	Hindalco Industries Ltd

The Top Ten Employees do not include Key Managerial Personnel, as their Remuneration details were disclosed in the Annual Return which is placed on the company's website.

ANNEXURE-II CORPORATE GOVERNANCE REPORT

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

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

Composition and Category of Directors:

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

As on 31st March 2021, the total strength of the board was Six. Mr. Noman H. Millwala, is a chairman and Non-executive Non-independent director of the company (NE-NID). Therefore, one third of its directors shall comprise of independent directors in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

During the year, Mr. A. Rengarajan was appointed as an additional Non-Executive Independent Director of the Company subject to the approval of Shareholders in the ensuing Annual General Meeting.

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

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

Sl. No.	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM
1	Mr. Rajiv Sreedhar	00181532	Non-Independent Managing Director	5	Yes
2	Mr. Noman H. Millwala	00471544	Non-Independent Non-Executive Director (w.e.f. October 16, 2020)	5	Yes
3	Mrs. Saroja Raman	00481687	Non-Independent Non-Executive Director	5	No
4	Dr. T. Venkatesan	01793232	Non-Independent Non-Executive Director	5	Yes
5	Mr. K.J. Janakar	00644460	Independent Non- Executive Director	5	Yes
6	Mr. A. Rengarajan*	06598828	Independent Non- Executive Director	2	No

* Mr. A. Rengarajan was appointed on the board on November 5, 2020.

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The Board of Directors met five times during the year on 29.07.2020, 28.08.2020, 10.09.2020, 05.11.2020 and 12.02.2021.

Other directorships and committee memberships / chairmanships as on 31st March 2021 are as follows:

Sl. No.	Name of Director	Category of Directorship	Number of other directorships, committee memberships / chairmanships		
			Other directorships	Committee memberships	Committee Chairmanships
1	Mr. Rajiv Sreedhar (DIN: 00181532)	Non-Independent Managing Director	1	-	-
2	Mr. Noman H. Millwala (DIN: 00471544)	Non-Independent Non- Executive Director (w.e.f. October 16, 2020)	2	-	-
3	Mrs. Saroja Raman (DIN: 00481687)	Non-Independent Non-Executive Director	3	-	-
4	Dr. T. Venkatesan (DIN: 01793232)	Non-Independent Non-Executive Director	1	-	-
5	Mr. K.J. Janakar (DIN: 00644460)	Independent Non- Executive Director	1	-	-
6	Mr. A. Rengarajan (DIN: 06598828)	Independent Non- Executive Director	1	-	-

Note:

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

Relationship between Directors

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

Shareholding of non-executive Directors in the company

Sl. No.	Shareholding of non-executive director	Shareholding as on 31st March, 2021	
		No. of shares	% of Equity Share Capital
1.	Mrs. Saroja Raman	3,15,295	10.01
2.	Mr. Noman H. Millwala	3,750	0.12
3.	Dr. T. Venkatesan	500	0.02
4.	Mr. K.J. Janakar	-	-
5.	Mr. A. Rengarajan	-	-

Familiarization program:

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

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

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The induction process for NE-IDs includes plant visit for detailed understanding of manufacturing process / activities. The details of familiarization program are available on the Company's website at http://www.milindus.com/admin/uploads/investor/MIL_Familiarisation-Programme%20for%20Independent%20Directors.pdf.

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

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

Professional Background & Skills / expertise / competency of Directors:

Name of the Directors	Brief description about the Directors
Mr. Rajiv Sreedhar	<p>Mr. Rajiv Sreedhar has done his B.Tech (Chemical Engineering) from I.I.T. Madras and M.Sc. (Adv. Chem. Engineering) from Manchester University. He has overall 40 years working experience in Industries in Managerial level.</p> <p>Worked at various organisations in UK & USA, for a total of 13 years including Esso Petroleum, UK as Head of Process Department, and as an Oil Production Consultant, prior to joining the MIL Group. He was appointed as Managing Director of MIL in 1999. Currently, he is in-charge of overall operations of the Company.</p>
Mrs. Saroja Raman	<p>Mrs. Saroja Raman is wife of late R.K. Raman, founder of MIL Industries Limited. She served as a Non-Executive director and who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company in this 55th Annual General Meeting. Associated with MIL since year 1998, having vast experience on the board, have contributed for effective functioning of the board and General Management.</p>
Mr. Noman H. Millwala	<p>Mr. Noman H. Millwala, is a non-executive Non-Independent director and chairman of the company, having qualifications of B.A.B.L., P.G. Dip. in Tax. He was re-appointed on October 15, 2020 as a Non-Executive & Non-Independent Director, liable to retire by rotation. He is having vast experience in business and knowledge in Taxation. He holds Directorship in the following companies:</p> <ol style="list-style-type: none">1. Fermier Engineers Private Limited.2. AHT Holdings Private Limited
Dr. T. Venkatesan	<p>Dr. T. Venkatesan, is having the qualification of M.B.B.S., F.C.C.P and serve as a non-executive director of the company since 2007. He has been associated with the Board since 2007 contributing to the effective functioning of the Management.</p>
Mr. K.J. Janakar	<p>Mr. K.J. Janakar, is a Non-Executive Independent director of the company and he holds a degree in B.Sc., B.Sc. (TECH), F.P.R.I (London) and has more than 30 years of experience in the Rubber and Rubber chemicals Industry. He has a vast experience in Rubber field and is a gold medalist in B.Sc., Tech of Plastics & Rubber from Bombay University. He has presented a paper on Status of the Indian Rubber Industry across the globe and served as Independent Director for two terms with ELGI Treads Ltd.</p>
Mr. A. Rengarajan	<p>Mr. A. Rengarajan is a fellow member of ICSI and has over 25 years of expertise knowledge in Corporate Project Management, Secretarial & Corporate Governance affairs including implementation & evaluation of Corporate Governance Guidelines. He is also actively involved in the preparation of terms of reference of audit committee, drafting of code of business conduct and ethics for Board Members and Senior Management in terms of guidelines on Corporate Governance.</p> <p>Previously worked as a Company Secretary in Amalgamation Group, Lucas TVS group etc.</p>

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

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

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

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

http://www.milindus.com/admin/uploads/investor/Code%20of%20conduct_MIL.pdf

AUDIT COMMITTEE

Brief description of terms of reference:

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

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

Composition, name of members and chairman:

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

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

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Meetings and attendance during the year

Date of the meetings	Attendance of the Members
29.07.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar & Mr. K.J. Janakar
28.08.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar & Mr. K.J. Janakar
05.11.2020	Mr. K.J. Janakar, Mr. Rajiv Sreedhar & Mr. Noman H. Millwala
12.02.2021	Mr. A. Rengarajan*, Mr. Rajiv Sreedhar & Mr. K.J. Janakar.

- Mr. Noman H. Millwala was re-appointed as a Non-Executive & Non-Independent director on October 15, 2020. Mr. A. Rengarajan was appointed as a Non-Executive & Independent Director to the Board and the committee was reconstituted on November 5, 2020 as per the provisions of the Companies Act, 2013, with the following members: Mr. A. Rengarajan, Chairman, Mr. Rajiv Sreedhar and Mr. K.J. Janakar.

NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference:

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

Composition, name of members and chairman:

Nomination and Remuneration committee is constituted with four directors in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. A. Rengarajan, Chairman & Mrs. Saroja Raman, non-executive director, Mr. Noman H. Millwala, non-executive director, Mr. K.J. Janakar, Independent director as members of the committee.

Meetings and attendance during the year

During the year under the report, Nomination and Remuneration Committee meeting was held on 29.07.2020, 10.09.2020, 05.11.2020. All the members were present at the meeting. The Nomination and Remuneration Policy has been placed on the website of the Company in the link <http://www.milindus.com/investors.php>.

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

Date of the meetings	Attendance of the Members
29.07.2020	Mr. K.J. Janakar, Mr. Noman H. Millwala & Dr. T. Venkatesan
10.09.2020	Mr. K.J. Janakar, Mr. Noman H. Millwala & Dr. T. Venkatesan
05.11.2020	Mr. K.J. Janakar, Mr. Noman H. Millwala & Dr. T. Venkatesan

* The Committee was re-constituted on November 5, 2020 with the following members Mr. A. Rengarajan, Chairman & Mrs. Saroja Raman, non-executive director, Mr. Noman H. Millwala, non-executive director, Mr. K.J. Janakar, Independent director as members.

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Evaluation Criteria:

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

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

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

REMUNERATION TO DIRECTORS

Executive Directors:

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

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

Non-Executive Directors:

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

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

Stakeholders Relationship Committee is constituted with Mr. Noman H. Millwala, Chairman Mr. Rajiv Sreedhar and Mr. K. J. Janakar as members as on 31.03.2021.

Mr. U. Viswanath, Company Secretary was the Compliance Officer of the Company during the year for overseeing the redressal of investor grievances.

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

Date of the meetings	Attendance of the Members
29.07.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Dr. T Venkatesan
28.08.2020	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Dr. T Venkatesan
12.02.2021	Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Mr. K. J. Janakar

The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days. The company has received no complaints during the year 2020-21 and no complaints were pending at the year end.

All requests for dematerialization of shares received during the year 2020-21 were carried out within the stipulated time period.

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CSR COMMITTEE

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

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

During the financial year 2020-21, the company was required to spend Rs. 13,35,611/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three financial years. In compliance with this requirement, the company has actually spent Rs. 13,36,000/- during the financial year 2020-21. Brief particulars of the CSR projects undertaken are given in Annexure IV, forming part of the Board's Report.

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

Date of the meetings	Attendance of the Members
29.07.2020	Mr. Noman H. Millwala, Mrs. Saroja Raman & Mr. Rajiv Sreedhar
05.11.2020	Mr. Noman H. Millwala, Mrs. Saroja Raman & Mr. Rajiv Sreedhar

SCHEME OF ARRANGEMENT

The company has filed an application before the Hon'ble NCLT, Chennai for a Scheme of Arrangement ("the Scheme") through Demerger between the Company and MIL Industries & Aerospace Limited (Wholly Owned Subsidiary) and their respective shareholders, creditors under Section 230 to 232 and any other applicable provisions of Companies Act, 2013 on a going concern basis. The status is still pending before NCLT, therefore no effect has been given to the said Scheme.

Reconciliation of Share Capital Audit:

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

General body meeting:

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

Year	Venue of the meeting	Date	Time
2017-18	25A, SIDCO Industrial Estate, Ambattur, Chennai- 60 0098	24.09.2018	4.30 p.m.
2018-19		16.09.2019	4.30 p.m.
2019-20	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). – The Registered Office i.e. 25A, SIDCO Industrial Estate, Ambattur, Chennai- 600098	15.10.2020	11.00 a.m.

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Special resolutions passed in the previous three AGMs:

Year	Subject Matter of resolution:	Date
2017-18	<ul style="list-style-type: none">• Appointment of Mr. S.S.R. Rajkumar (DIN 00317801) as an Independent Director of the Company.• Appointment of Mr. Noman H. Millwala (DIN 00471544) as an Independent Director of the Company.	24.09.2018
2018-19	NIL	16.09.2019
2019-20	<ul style="list-style-type: none">• Appointment of Dr. T. Venkatesan as a Non-Executive Director of the Company• Appointment of Mr. Noman H. Millwala as a Non-Independent Director of the Company• Adoption of new set of Articles of Association as per Companies Act, 2013.• Adoption of New Memorandum of Association as per Companies Act, 2013.	15.10.2020

No special resolution was passed by the shareholders of the company through postal ballot during the year 2020 - 2021.

Means of communication to shareholders

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

Quarterly results:

The unaudited quarterly financial results and Audited Annual Financial Results of the Company were published in English and vernacular language in the Regional newspapers.

Newspapers wherein results are normally published:

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

Website:

The Company has in place a website www.milindus.com. This website contains the basic information about the Company, viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are periodically updated.

General shareholder information:

a) Annual General Meeting

Day, Date and Time	Thursday, September 30, 2021, 11.30 A.M.
Venue	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The Registered office i.e. 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098 shall be deemed to be venue of the meeting.

b) Financial Calendar of the Company

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

Results for Quarter ending 30th June, 2021	First fortnight of August, 2021
Results for Quarter ending 30th September, 2021	First fortnight of November, 2021
Results for Quarter ending 31st December, 2021	First fortnight of February, 2022
Results for Quarter ending 31st March, 2022	Last Week of May, 2022

c) Particulars of dividend payment:

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

d) Listing and fee details:

Listed on Stock Exchange	Metropolitan Stock Exchange of India Limited,
Address	Building A, Unit 205A, 2nd floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai – 400 070.
Symbol	MILIND
ISIN allotted by Depositories	INE651L01019

(Note: Annual listing fees and custodial charges for the year 2021-22 were duly paid to the above Stock Exchange and Depositories).

e) Market Price Data:

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

f) Share Transfer Agents and Share Transfer System

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

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

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

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

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g) **Distribution of Shareholding as on 31st March 2021:**

Shareholding (Range)	No. of members	%	No. of Shares	%
Upto 5000	547	93.66	3,76,895	11.96
5001 to 10000	11	1.88	75,400	2.39
10001 to 20000	6	1.03	82,100	2.61
20001 to 30000	4	0.68	91,110	2.89
30001 to 40000	2	0.34	66,000	2.10
40001 to 50000	5	0.86	2,36,050	7.49
50001 to 100000	1	0.17	99,295	3.15
100001 & Above	8	1.37	21,23,150	67.40
Total	584	100	31,50,000	100

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

The promoter holding consisting of **19,87,060** Equity Shares of Rs. 10/- each is in dematerialized form. Out of 31,50,000 Equity Shares of Rs.10/- each held by persons other than promoters 5,54,485 Equity Shares have been dematerialized as on 31st March 2021 accounting for 80.68%.

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

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

j) **Shareholder rights:**

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

k) **Audit qualifications:**

The financial statements of the Company are unmodified.

l) **Reporting of internal auditor:**

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

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

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

n) **Plant Locations:**

Unit-I

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

Unit-II

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

o) **Address for Correspondence**

The Company Secretary and Compliance Officer

Mr. U. VISWANATH

Company Secretary

MIL Industries Limited

25A Industrial Estate

Ambattur Chennai – 600 098

Email : secretarial@milindustries.com

Tel: +91 44 2625 8382.

p) **Credit Rating and revision thereto**

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

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

Other Disclosures:

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

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

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

The Company has complied with all the laws relating to Capital Markets; hence there is no noncompliance by the Company in this regard.

The Company had received a notice levying fine of Rs. 4,60,000/- from the stock exchange for non-compliance of Regulation 17 (1) of SEBI (LODR) Regulations, 2015, for which the company had submitted the clarification and subsequently the fine has been withdrawn by the stock exchange.

No penalties / strictures have been imposed by Stock Exchange or SEBI or any statutory authority relating to capital markets during the last two years.

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

NIL

POLICY ON VIGIL MECHANISM

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

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

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

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

Compliance with Mandatory / Non-mandatory Requirements

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

SUBSIDIARY COMPANY

The Company has only one wholly owned subsidiary as on 31st March 2021, MIL Industries & Aerospace Limited.

The Audit Committee reviews the financial statements of unlisted subsidiary. The minutes of the board meetings of the said unlisted subsidiary are periodically placed before the Board, wherever applicable. The Policy determining material subsidiary is given in the following weblink:

http://www.milindus.com/admin/uploads/investor/MIL_Policy-for-determining-material-subsiadiary.pdf

RELATED PARTY TRANSACTION POLICY

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

Certificate from Practicing Company Secretary:

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

Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid Rs.3,27,300 (including certification) to the Statutory Auditors for all services received by the listed entity and its subsidiary, on a consolidated basis.

Annexure – III - Compliance Certificate on Corporate Governance

To

The Members,
M/s. MIL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by MIL INDUSTRIES LIMITED for the year ended 31 March, 2021 as prescribed in regulation 17 to 27, clauses of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")

2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company .
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the or effectiveness with which the management has conducted the affairs of the Company.

For A.K JAIN & ASSOCIATES
Company Secretaries

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

UDIN: A029407C000766099

Place : Chennai
Date : 11.08.2021

Annexure - IV to Directors' Report to the shareholders

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

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

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

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.

2. The Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Noman H. Millwala	Chairman (Non-Executive Director)	2	2
2.	Mr. Rajiv Sreedhar	Member (Managing Director)	2	2
3.	Mrs. Saroja Raman	Member (Non-Executive Director)	2	2
4.	Dr. T. Venkatesan*	Member (Non-Executive Director)	-	-
5.	Mr. A. Rengarajan*	Member (Independent Director)	-	-

* On 05th November 2020 Dr. T. Venkatesan & Mr. Rengarajan were included in the CSR Committee as it was re-constituted.

3. Web link, where the composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company

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

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (corporate social responsibility Policy) rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the companies (corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1.	2020-21	Nil	Nil

6. Average net profit of the company as per section 135(5).

Sl. No.	Financial Year	Net Profit (in Rs.)
1.	2019-20	10,57,10,731
2.	2018-19	6,93,94,607
3.	2017-18	2,52,36,260
Total		20,03,41,598
Average Net Profit		6,67,80,533

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs. 13,35,611

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial Years

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b+7c).

Rs.13,35,611

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,36,000	Nil		Nil		

(b) Detail of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the act.	Local area (Yes/no)	Location of the Project		Project duration	Amount allocated for the Project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to unspent csr account for the project as per section 135(6) (in Rs.)	Mode of implementation - direct (Yes/no)	Mode of implementation - through implementing agency	
				State	District						Name	CSR Reg. no.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. no.	Name of the Project	Item from the list of activities in schedule VII to the act.	local area (Yes / no)	Location of the Project		Amount spent in The current financial Year (in Rs.)	Mode of implementation direct (Yes/ no)	Mode of implementation through implementing Agency	
				state	District			Name	CSR Reg. No.
1.	Education and Eradicating Poverty	Item (i) & (ii)	No	Maharashtra	Mumbai	1,00,000	No	Blind Organization of India	-
2.	Eradication of Poverty, Healthcare	Item (i) & (ii)	Yes	Tamil Nadu	Chennai	8,33,000	No	Hope Public Charitable Trust	-
3.	Eradication of Poverty, Healthcare	Item (i)	Yes	Tamil Nadu	Chennai	1,00,000	No	All the Children	-
4.	Old-Age Homes	Item (iii)	Yes	Tamil Nadu	Chennai	1,00,000	No	Sri Hari Hara Sudha Seva Samithi	-
5.	Education	Item (ii)	Yes	Tamil Nadu	Chennai	1,00,000	No	Maithree	-
6.	Health, Environment and Sanitation, Women Empowerment	Item (ii) & (iii)	No	Tamil Nadu	Tirupattur	1,03,000	No	Centre for Rural Health And Social Education,	-

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year : Nil

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	13,35,611
(ii)	Total amount spent for the Financial Year	13,36,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	389
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	389

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
N.A.							

MIL INDUSTRIES LIMITED

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of The Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not Applicable.

(asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s):
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - **Not Applicable.**

For and on behalf of the board

Date :
Place : Chennai

Noman H. Millwala
Chairperson of the
CSR Committee

Rajiv Sreedhar
Managing Director and
Member of the CSR Committee

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,

The shareholders of MIL Industries Limited, Chennai - 600098.

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2021.

Place : Chennai
Date :12.08.2021

Rajiv Sreedhar
Managing Director

MIL INDUSTRIES LIMITED

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2021, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by Securities Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

For A.K JAIN & ASSOCIATES
Company Secretaries

PANKAJ MEHTA

M.NO. A2940

C.P.No.10598

UDIN: A029407C000610383

Place : Chennai
Date : 10.07.2021

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

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

Place : Chennai
Date : 12.08.2021

Rajiv Sreedhar
Managing Director

N. Guruswamy
Chief Financial Officer

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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, 2021, 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, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit period).**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period).**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period).**
 - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit period).**

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

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

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

We have also examined the applicable clauses of the following:

- i. Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Ltd as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above.

We further report that during the year under review, the Company has received notice from Stock Exchange levying fine of Rs.460,000/- plus GST at 18% and after submission of clarification the same was withdrawn by the Stock exchange.

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
- b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered vide supplementary agenda subject to consent of the Board of Directors.
- c) All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- d) there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company had obtained approval of Members of the Company in the Annual General Meeting held on 15.10.2020 for:

- i. Adoption of new set of Memorandum of Association & Articles of Association of the Company.
- ii. Appointment of Mr. Noman H Millwala as Non-Independent Director of the Company.

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

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

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

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

UDIN: A029407C000610394

Place : Chennai
Date : 10.07.2021

Independent Auditors' Report

To the Members of MIL Industries Limited

Report on the standalone Financial Statements

Opinion

We have audited the standalone financial statements of MIL Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, Statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Response to Key Audit Matters and Conclusion
As at 31st March 2021, the Company carries Cash and Cash Equivalents to the extent of Rs.19,56,09,908/- representing 35.11% of the total assets which has been considered as a Key Audit Matter	<ul style="list-style-type: none">• We have verified and tested the design and operating effectiveness of the controls with respect to maintenance of cash balances and the transactions with the banks, like the manner of operation of the bank accounts, etc.• The cash balance has been physically verified at the end of the year.• The Bank Reconciliation statements have been verified as at the end of the year.• IN respect of Deposits, the original deposits, wherever held by the Company have been verified and those deposited as margin or security have been verified with respect to the relevant document.• Direct confirmation for the amount of Deposits and balances held as at 31-3-2021 has been obtained and validated with the financial statements.

Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31st March 2021, the Company carried Inventories to the extent of Rs.12,32,86,392/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence. • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and spares. • We have also tested the judgment and procedure adopted by the Company for the determination of the realizable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>As at 31st March 2021, the Company had Trade Receivables of Rs.12,87,91,132/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition. • The outstanding in the accounts of the parties have been validated with reference to the invoices raised and the correspondence between the Company and the parties. • We have also tested the judgment made by the management relating to credit risk and the impairment assessment. • Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.

Information other than the Financial Statements and Auditors’ Report thereon

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
4. With respect to the matters to be included in the Auditors' Report under section 197(16) of the Companies Act, 2013, in our opinion and according to the information and explanations given to us, the payment of remuneration to the Directors is in accordance with the provisions of section 197 of the Companies Act, 2013.
5. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. There are no pending litigations.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. NAGARAJAN
Partner

Membership No. 020899

ICAI UDIN No.21020899AAAAHU7553

Chennai

Dated : 5th July 2021

Annexure A to the Independent Auditors' Report

To the Members of MIL Industries Limited

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventories at reasonable intervals and on the basis of the information and explanations given us and the records produced to us, no material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to loans availed by it.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the activities of the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2021 for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute..
- viii) The Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.

MIL INDUSTRIES LIMITED

- xi) According to the information and explanations given to us, the managerial remuneration paid/provided in the accounts is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.
- xvi) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

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

S. NAGARAJAN
Partner

Membership No. 020899

ICAI UDIN No.21020899AAAAHU7553

Chennai

Dated : 5th July 2021

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

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

We have audited the internal financial controls over financial reporting of **MIL INDUSTRIES LIMITED** (“the Company”) as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2021, 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

Membership No. 020899

ICAI UDIN No.21020899AAAAHU7553

Chennai

Dated : 5th July 2021

MIL INDUSTRIES LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH 2021

Rs.

PARTICULARS	Note	As at	As at
		31-03-2021	31-03-2020
		Audited	Audited
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	80,914,161	70,992,796
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	2,078,000	2,078,000
b) Other Financial Assets	6	1,581,632	1,475,390
iv) Deferred Tax Assets (net)	14	266,622	180,903
Total Non current Assets	(A)	84,840,415	74,727,089
Current Assets			
Inventories	7	123,286,392	89,424,120
i) Financial Assets			
a) Trade Receivables	8	128,791,132	97,127,504
b) Cash and cash equivalents	9	195,609,908	185,073,035
c) Other financial assets			
ii) Other current assets	10	24,464,501	18,955,481
Total current assets	(B)	472,151,933	390,580,140
Total Assets	(A)+(B)	556,992,348	465,307,229
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	31,500,000	31,500,000
b) Other Equity			
Reserves and Surplus	12	385,253,658	323,993,699
Total Equity	(C)	416,753,658	355,493,699
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings	13	-	-
ii) Deferred tax liabilities	14	-	-
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	-	-
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	4,669,993	6,828,348
b) Trade Payables		62,047,955	43,568,278
c) Other Financial Liabilities	16	46,364,507	41,690,669
ii) Other current liabilities	17	27,156,235	17,726,235
Total Current Liabilities	(E)	140,238,690	109,813,530
Total Equity and Liabilities	(C)+(D)+(E)	556,992,348	465,307,229

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants

Firm Reg No. 006297S

RAJIV SREEDHAR

Managing Director

NOMAN H. MILLWALA

Chairman

SAROJA RAMAN

Director

S. NAGARAJAN

Partner

Membership No. 020899

DR. T. VENKATESAN

Director

K. J. JANAKAR

Director

A. RENGARAJAN

Director

Place: Chennai

Date: 5th July 2021

N. GURUSWAMY

Chief Financial Officer

U. VISWANATH

Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	Note No.	Rs.	
		Figures as at the end of the current reporting period 31-03-2021	Figures as at the end of the previous reporting period 31-03-2020
INCOME			
Revenue From Operations	18	419,216,409	609,334,939
Other Income	19	17,176,079	27,764,187
Total Revenue		436,392,488	637,099,126
EXPENSES			
Cost of raw materials and components consumed	20	142,436,411	220,887,427
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	21	(28,844,230)	7,138,475
Employee Benefit Expenses	22	58,048,472	63,140,250
Finance Cost	23	3,084,878	2,676,409
Depreciation and amortisation expenses	4	13,219,346	11,334,699
Other Expenses	24	160,154,215	226,211,135
		348,099,091	531,388,395
Profit before exception and extraordinary items and tax		88,293,397	105,710,731
Extraordinary items		-	-
Profit before tax		88,293,397	105,710,731
Tax Expenses			
Current Tax		26,467,658	32,659,227
Deferred Tax		(85,720)	(2,798,445)
Profit after tax		61,911,459	75,849,949
Other Comprehensive Income			
Remeasurement of Defined Benetit Plans		919,158	546,796
Tax effect on above		(267,658)	(159,227)
Total Other Comprehensive Income for the year		651,500	387,569
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		61,259,959	75,462,380
Earnings per Equity Share (Basic and Diluted)		19.65	24.08

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

Rs.

	As at 31-03-2021	As at 31-03-2020
A. EQUITY SHARE CAPITAL		
Balance at the beginning of the year	31,500,000	31,500,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	31,500,000	31,500,000

B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as on 1st April 2019	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)
Remeasurement of Defined Benefit Plans (net of tax)					(387,569)
Profit for the year after tax				75,849,949	
Interim Dividend paid				(3,150,000)	
Balance as at 31st March 2020	3,000,000	1,500,000	1,826,000	320,181,333	(2,513,634)
Profit for the year after tax	-	-	-	61,911,459	
Remeasurement of Defined Benefit Plans (net of tax)					(651,500)
Balance as at 31st March 2021	3,000,000	1,500,000	1,826,000	382,092,792	(3,165,134)

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021 Rs.

PARTICULARS	Figures as at the end of the current reporting period ended 31-03-2021	Figures as at the end of the previous reporting period ended 31-03-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	88,293,397	105,710,731
Adjustments for		
Depreciation	13,219,346	11,334,699
Interest Expense	763,903	786,696
Interest income	(10,023,169)	(9,637,362)
Loss on sale of assets	-	8,854
Profit on sale of assets	(872,875)	-
Operating profit before working capital changes	<u>91,380,602</u>	<u>108,203,618</u>
Adjustments for changes in		
Other Non current financial assets	(106,242)	(96,665)
Trade Receivables	(31,663,628)	(7,269,026)
Inventories	(33,862,272)	(7,854,463)
Other Current Assets	(4,432,539)	(3,670,326)
Trade Payables	1 84 79 678	(12,285,136)
Bank deposits under lien and unclaimed dividend	-	(12,888,082)
Remeasurement of defined benefit obligations	(651,500)	(387,569)
Other Financial Liabilities	4,673,838	11,013,008
Other Current Liabilities	(1,516,219)	4,418,377
	<u>(49,078,884)</u>	<u>(29,019,883)</u>
Cash Generated from operations	42,301,718	79,183,735
Income tax paid (net)	15,521,441	(31,615,088)
Net Cash generated from Operations	(A) <u>26,780,277</u>	<u>47,568,647</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(23,211,936)	(18,765,267)
Proceeds from sale of Property, Plant and Equipment	944,100	84,746
Investment in Subsidiary Company	-	(2,000,000)
Interest income	10,023,169	9,637,362
Net cash (used in)/from Investing activities	(B) <u>(12,244,667)</u>	<u>(11,043,159)</u>
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	(763,903)	(786,696)
Repayment of Non Current Borrowings	-	-
Proceeds from current borrowings	(2,158,355)	6,828,348
Dividend Paid including Dividend tax	-	(3,797,492)
Net cash (used in)/from Financing Activities	(C) <u>(2,922,258)</u>	<u>2,244,160</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C) <u>11,613,352</u>	<u>38,769,647</u>
Opening Cash and Cash Equivalents (excluding deposits under lien)	162,173,035	123,403,387
Closing Cash and Cash Equivalents (excluding deposits under lien)	<u>172,709,908</u>	<u>162,173,035</u>

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S ASSOCIATES

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 Corporate Information

MIL Industries Limited, is a Company which is registered under the Companies Act, 1956 and is domiciled in India. The Registered Office of the Company is situated at 25A SIDCO Industrial Estate, Ambattur, Chennai 600 098.

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

2 Basis of preparation on Financial Statements

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

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

3 Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual results could differ from these estimates.

b) Operating Cycle

All assets and liabilities have been classified as current or non current based on the Company's operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1. The Company has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

c) 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.

d) 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. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition, and duties and net of any tax credits which are eligible for refund.

e) Foreign Currency Transactions

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

f) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of the ownership of the goods is assessed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the value of the consideration received or receivable, net of returns and discounts.

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

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).

Export Incentives are treated as income in the year of export at their estimated realisable value.

g) Research and Development

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

h) 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.

i) Investments

Long Term Investments are carried at cost.

j) Employee Benefits

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

k) 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 Account.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

l) Provisions and contingent liabilities

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

m) Cash Flow Statement

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

n) Taxation

Income tax Expenses comprises of current taxes and deferred taxes

Current Tax

The tax currently payable is based on the taxable profit of the year. Taxable profit, differs from the profit before tax as reported in the statement of profit and loss, because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period,

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

4. PROPERTY, PLANT AND EQUIPMENT

Rs.

GROSS BLOCK				
	As at 01-04-2020	Additions	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	172,887	-	-	172,887
Others	7,305,325	-	-	7,305,325
Leasehold land	238,485	-	-	238,485
Buildings	32,087,565	208,130	1,424,506	32,295,695
Plant and Equipment	128,168,499	20,702,606		147,446,599
Furniture and Fixtures	3,386,556	1,467,956	-	4,854,512
Vehicles	9,437,737	-	-	9,437,737
Office Equipment	7,738,523	282,016	-	8,020,539
Computers	2,902,594	551,229	-	3,453,823
TOTAL	191,438,171	23,211,937	1,424,506	213,225,602
Previous year total	174,548,904	18,765,267	1,876,000	191,438,171

Rs.

DEPRECIATION BLOCK				
PARTICULARS	As at 01-04-2020	For the year	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	85,206	3,196	-	88,402
Buildings	14,960,528	923,760	-	15,884,288
Plant and Equipment	86,152,506	10,108,314	1,353,281	94,907,539
Furniture and Fixtures	2,542,284	451,226	-	2,993,510
Vehicles	7,464,286	866,884	-	8,331,170
Office Equipment	7,148,376	329,862	-	7,478,238
Computers	2,092,189	536,104	-	2,628,293
TOTAL	120,445,375	13,219,346	1,353,281	132,311,440
Previous year total	110,893,076	11,334,699	1,782,400	120,445,375

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

Rs.

PARTICULARS	NET BLOCK	
	31-03-2021	31-03-2020
Land		
Freehold		
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	150,083	153,279
Buildings	16,411,407	17,127,037
Plant and Equipment	52,539,060	42,015,993
Furniture and Fixtures	1,861,002	844,272
Vehicles	1,106,567	1,973,451
Office Equipment	542,301	590,147
Computers	825,530	810,405
TOTAL	80,914,161	70,992,796
Previous year balance	70,992,796	63,655,828

Rs.

PARTICULARS	31-03-2021	31-03-2020
5. NON CURRENT INVESTMENTS		
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted		
In Subsidiary Company		
200000 Equity Shares of Rs.10/- each fully paid up in MIL Industries and Aerospace Limited (Wholly owned Susidiary)	2,000,000	2,000,000
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000
	<u>2,078,000</u>	<u>2,078,000</u>
6. OTHER FINANANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	1,581,632	1,475,390
	<u>1,581,632</u>	<u>1,475,390</u>

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
7. INVENTORIES			
	Raw Materials	55,267,807	50,392,128
	Work in progress	44,191,191	28,103,919
	Finished Goods	21,383,998	8,627,040
	Stores and Spares	2,443,396	2,301,033
		<u>123,286,392</u>	<u>89,424,120</u>
8. TRADE RECEIVABLES			
	Unsecured - Considered good	128,791,132	97,127,504
		<u>128,791,132</u>	<u>97,127,504</u>
	Age analysis of receivables		
	Outstanding for more than six months from the date they are due	22,706,051	3,578,960
	Other Debts	106,085,081	93,548,544
	The above is after considering loss on fair valuation	2,600,166	1,975,645
9. CASH AND CASH EQUIVALENTS			
	Cash on hand	161,819	406,803
	Balance with Banks		
	In Current Account	12,985,499	12,192,420
	In Deposit Accounts	159,562,590	149,573,812
	In Deposits offered as security for credit facilities	22,900,000	22,900,000
		<u>195,609,908</u>	<u>185,073,035</u>
10. OTHER CURRENT ASSETS			
	Unsecured - Considered Good		
	1. Advances to employees	258,042	275,827
	2. Prepaid Expenses	1,307,972	1,445,173
	3. Advance to suppliers	4,442,328	12,398,544
	4. Rent Receivables	-	-
	5. Earnest Money Deposits	168,786	127,786
	6. Balance with Excise Department	-	207,803
	7. Balance GST-Input Tax Credit Available	17,333,083	3,210,900
	8. MEIS Scrips on hand	312,769	144,589
	9. Interest receivable	410,028	971,038
	10. Duty Drawback Receivable	231,493	173,821
		<u>24,464,501</u>	<u>18,955,481</u>

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	Rs.	
	31-03-2021	31-03-2020
11. EQUITY SHARE CAPITAL		
SHARE CAPITAL		
<u>Authorised:</u>		
4,900,000 Equity Shares of Rs. 10/- each	49,000,000	49,000,000
100,000 10% Redeemable Cumulative Preference shares of Rs. 10/- each	1,000,000	1,000,000
250,000 10% Convertible Redeemable Cumulative Preference shares of Rs. 10/- each	2,500,000	2,500,000
	52,500,000	52,500,000
<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	31,500,000

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

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

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	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
1	Krebs Engineering Private Limited	962,000	962,000	30.54%	30.54%
2	Saroja Raman	315,295	315,295	10.01%	10.01%
3	Mahendra Girdharilal	190,085	190,085	6.03%	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	168,000	168,000	5.33%	5.33%

Rights attached to Equity Shares

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

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

12. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01-04-2020	3,000,000	1,500,000	1,826,000	320,181,333	(2,513,634)	323,993,699
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(651,500)	(651,500)
Add: Profit for the period ended 31-03-2021				61,911,459		61,911,459
Balance as at 31-03-2021	3,000,000	1,500,000	1,826,000	382,092,792	(3,165,134)	385,253,658

Rs.

PARTICULARS	31-03-2021	31-03-2020
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13. BORROWINGS

The Company does not have any Long Term Borrowings.

- -

14. DEFERRED TAX LIABILITIES

On Account of Depreciation	490,546	394,405
On account of fair valuation of financial assets	(757,168)	(575,308)
	(266,622)	(180,903)

Note: Figures in bracket represents asset

15. BORROWINGS

(i) From Banks

Working Capital Borrowings - Secured	4,669,993	6,828,348
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
	4,669,993	6,828,348

16. OTHER FINANCIAL LIABILITIES

Advance from customers	46,364,507	41,690,669
	46,364,507	41,690,669

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

	Rs.	
PARTICULARS	31-03-2021	31-03-2020
17. OTHER CURRENT LIABILITIES		
Security Deposits	192,000	192,000
Other Payables:		
Unclaimed Dividend in interim dividend Account	411,700	-
IGST payable	-	-
TDS payable	863,429	1,652,723
Payable to employees	2,148,341	2,253,176
Provision for taxation (net of payments)	18,667,764	7,721,516
Others	4,873,001	5,906,820
	<u>27,156,235</u>	<u>17,726,235</u>

	Rs.	
PARTICULARS	31-03-2021	31-03-2020
18. REVENUE FROM OPERATIONS		
Sale of products (Rubber Lining and PTFE)	367,207,249	567,036,931
Sale of Services	52,009,160	42,298,008
Sale of Stock -in-trade	-	-
	<u>419,216,409</u>	<u>609,334,939</u>

19. OTHER INCOME		
Gain on foreign currency transactions	1,805,468	1,947,753
Profit on sale of assets	872,875	-
Interest received	10,023,169	9,637,362
Rent received	420,000	420,000
Scraps Sales	357,874	35,021
Credit balances no longer required written back	680,332	12,099,660
Bad debts written off recovered	-	93,599
Export Incentives:		
Merchandise Export and Incentive Scheme Scrips	1,579,020	1,891,135
Duty Draw back	1,437,341	1,639,656
Miscellaneous Receipts	-	-
	<u>17,176,079</u>	<u>27,764,187</u>

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

	Rs.	
PARTICULARS	31-03-2021	31-03-2020
20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	142,436,411	220,887,427
	142,436,411	220,887,427
21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	8,627,040	3,469,805
Work in progress	28,103,919	40,399,629
	36,730,959	43,869,434
Closing Stock		
Finished Goods	21,383,998	8,627,040
Work in progress	44,191,191	28,103,919
	65,575,189	36,730,959
(Increase)/Decrease in inventories of Finished Goods and Work in progress	(28,844,230)	71 38 475
22. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	48,075,800	52,817,805
Contribution to Provident and Other Funds	3,720,750	4,395,740
Welfare Expenses	6,251,922	5,926,705
	58,048,472	63,140,250
23. FINANCE COSTS		
Interest Expense	720,889	786,696
Other Borrowing Costs	2,363,989	1,889,713
	3,084,878	2,676,409

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
24. OTHER EXPENSES			
Lining Expenses	60,727,146	86,891,359	
Power and fuel	13,226,960	16,010,700	
Stores and Spares consumed	21,105,501	35,114,208	
Rent	600,000	600,000	
Insurance	1,135,932	1,106,633	
Rates and Taxes	1,892,560	2,278,506	
Postage and Telephone	1,314,133	1,429,862	
Printing and Stationery	1,374,692	1,520,250	
Travelling and Conveyance	6,188,697	13,243,328	
Payment to Auditors:			
For Audit	240,000	490,000	
For Certification and other Services	75,500	304,000	
Repairs and Maintenance:			
Buildings	5,727,640	6,073,369	
Plant & Machinery	4,443,989	7,466,716	
Others - Maintenance Expenses	10,471,316	9,010,305	
Selling expenses	1,077,546	1,702,680	
Professional fees	19,482,347	31,580,120	
Legal Fees	190,000	-	
Advertisement and Sales Promotion	228,332	327,580	
Loss on foreign currency transactions	934,456	307,563	
Commission on Sales	195,000	390,000	
Directors' Sitting fees	210,000	250,000	
Security Service Charges	2,556,234	2,458,374	
Bad Debts Written off	3,258,693	4,459,305	
CSR Expenditure	1,336,000	921,000	
Donations	67,500	45,000	
Loss on fair valuation of financial assets	624,521	141,798	
Loss on Sale of Assets	-	8,854	
Miscellaneous expenses	1,469,520	2,079,625	
	<u>160,154,215</u>	<u>226,211,135</u>	

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021	31-03-2020
	Rs.	Rs.
25. Contingent Liabilities on account of:		
a) Guarantees given by Banks on behalf of the Company	49,873,570	17,841,230
26. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	7,459,651
27. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.		
28. The company has not discontinued any operations during the year.		
29. Corporate Social Responsibility: During the financial year 2020-21, the Company was required to spend Rs. 13,35,611/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 13,36,000/- during the financial year 2020-21.		

30.1. Financial Risk Management and Objectives and Policies

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

30.2. Disclosure of Fair Value Measurements

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021
Financial Instruments by category

Rs.

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
As at 31-03-2021					
Financial Assets					
Long Term Investment	2,078,000			2,078,000	2,078,000
Other financial assets					
Trade Receivables		131,391,298		131,391,298	128,791,132
Cash and cash equivalents	195,609,908			195,609,908	195,609,908
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	4,669,993			4,669,993	4,669,993
Trade payables	62,047,955			62,047,955	62,047,955
Other financial liabilities	46,364,507			46,364,507	46,364,507

As at 31-03-2020					
Financial Assets					
Long Term Investment	2,078,000		-	2,078,000	2,078,000
Other financial assets			-	-	-
Trade Receivables		99,103,149	-	99,103,149	97,127,504
Cash and cash equivalents	185,073,035		-	185,073,035	185,073,035
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Short term borrowings	6,828,348	-	-	6,828,348	6,828,348
Trade payables	43,568,278	-	-	43,568,278	43,568,278
Other financial liabilities	41,690,669	-	-	41,690,669	41,690,669

Fair Value Hierarchy

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.
	31-03-2021	31-03-2020
30.3. Employee Benefits		
i) Provident Fund		
The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is	1,890,514	2,045,311
ii) Superannuation		
The Company has a Superannuation Scheme for eligible employees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is	1,011,418	1,089,414
iii) Leave encashment		
The Company does have a policy for encashment of leave by the employees and payments are made as when the claim is admitted and charged to Revenue.		
iv) Gratuity		
The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.		

a) Assumptions used
Gratuity

Discount Rate	6.66%	6.45%
Salary Escalation	7.00%	7.00%
Expected return on plan assets	6.66%	6.45%
Attrition rate	13.00%	13.00%
Average age	38.06	39.40

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

Opening value of DBO at the beginning of the year	12,080,926	10,439,861
Current Service Cost	632,524	690,921
Interest Cost	715,526	673,371
Benefits paid	(2,674,583)	-
Actuarial (Gains)/Loss	(868,751)	276,773
Closing value of DBO at the end of the year	9,885,642	12,080,926

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning	13,331,500	10,376,870
Interest income of the assets	837,711	714,977
Employer contribution	1,168,082	1,416,084
Benefits paid	(2,674,583)	-
Actuarial gain/(Loss)	50,407	823,569
Fair value of plan assets at the end of the year	12,713,117	13,331,500

Rs.

d) Sensitivity Analysis

31-03-2021 31-03-2020

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

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

increase by	540,278	684,344
decrease by	487,432	604,492

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

increase by	522,645	671,938
decrease by	480,199	604,307

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

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

- 31** The Company expects to make a contribution of Rs.8,16,888/- to the defined benefit plan (gratuity - funded) during the next financial year.

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
32. ADDITIONAL NOTES				
a) Turnover (Net of Excise Duty)				
Rubber				
Manufacturing :				
- Rubber lining Products (Sq.M.)	36910	217,074,492	45638	389,865,598
		<u>217,074,492</u>		<u>389,865,598</u>
Service:				
- Rubber lining		52,855,725		41,550,091
Total income - Segment A		<u>269,930,217</u>		<u>431,415,689</u>
PTFE				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	16334	148,648,411	21154	177,171,333
		<u>148,648,411</u>		<u>177,171,333</u>
Service:				
- PTFE Coating, etc		637,781		747,917
Total income - Segment B		<u>149,286,192</u>		<u>177,919,250</u>
Total Turnover - Sales		<u>419,216,409</u>		<u>609,334,939</u>
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. Natural and Synthetic rubber	139971	24,395,873	196724	36,065,547
2. Fillers	114900	9,664,556	162168	13,148,754
3. Solvents	68899	6,515,452	88676	8,207,004
4. Special Curing and bonding agents	21182	6,104,225	24660	6,358,762
5. Resins	17193	17,984,949	22828	24,849,910
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	71,195,146	-	129,279,188
7. Others	-	6,576,210	-	2,978,262
		<u>142,436,411</u>		<u>220,887,427</u>

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubber Lining Products (Sq. M.)	98	945,230	40	317,106
- PTFE Lined Products (Kgs)*	1263	7,681,810	707	3,152,699
		<u>8,627,040</u>		<u>3,469,805</u>
Closing Stock				
- Rubber Lining Products (Sq. M.)	772	11,234,810	98	945,230
- PTFE Lined Products (Kgs)*	1374	10,149,188	1263	7,681,810
		<u>21,383,998</u>		<u>8,627,040</u>
(* Represents PTFE content in Finished Products)				
d) Capacity and Production:				
Licensed Capacity :				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity :				
(as certified by the Mg. Director)				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubber lining	(Sq. Mtr.)	37,584	(Sq. Mtr.)	45,696
2. PTFE (Resin Weight)	(Kgs.)	16,445	(Kgs.)	21,710

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		12,775,147		15,674,808
2. Capital Goods and Spares		28,592		7,528,513
		<u>12,803,739</u>		<u>23,203,321</u>
f) Expenditure in foreign currency:				
Foreign Travel		-		1,390,755
Fees for services rendered outside India		11,286,525		6,909,935
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	8.09	11,520,703	8.14	17,987,854
Indigenous	91.91	130,915,708	91.86	202,899,573
	<u>100.00</u>	<u>142,436,411</u>	<u>100.00</u>	<u>220,887,427</u>
2. Stores & Spare Parts				
Imported	3.23	681,280	1.49	521,766
Indigenous	96.77	20,424,221	98.51	34,592,442
	<u>100.00</u>	<u>21,105,501</u>	<u>100.00</u>	<u>35,114,208</u>
h) Number of Non-resident shareholders		27		27
Number of Shares held		118,250		118,250
Amount of Interim Dividend Remitted (USD 1731.03 paid equivalent to Rs. 123250 to 28 Shareholders)				
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		107,395,951		60,509,886
2. Technical Services		38,449,952		21,975,636
		<u>145,845,903</u>		<u>82,485,522</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021
33. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

Particulars	(In Rupees)	(In Rupees)
	Year to date figures for the period 01-04-2020 to 31-03-2021	Year to date figures for the period 01-04-2019 to 31-03-2020
1. Segment Revenue		
a. Rubber Lining & Rubber Products	269,930,217	431,415,689
b. PTFE Lining & PTFE Products	149,286,192	177,919,250
Total	419,216,409	609,334,939
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	419,216,409	609,334,939
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	54,535,508	87,401,786
b. PTFE Lining & PTFE Products	44,457,167	31,326,117
Total	98,992,675	118,727,902
Less: i. Interest and Finance Charges	3,084,878	2,676,409
ii. Other un-allocable expenditure net of unallocable income	7,614,400	10,340,762
Total Profit Before Tax	88,293,397	105,710,731
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	210,448,775	165,751,101
b. PTFE Lining & PTFE Products	206,304,883	189,742,598
Total	416,753,658	355,493,699

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

34. Disclosures as required by the Accounting Standard 24 “Related Party Disclosures” are given below :

a) Key Management Personnel

Mr. Rajiv Sreedhar - Managing Director

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

Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

c) Investing Company : Krebs Engineering Private Limited

Particulars	31-03-2021 Amount in Rs.			31-03-2020 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remuneration	Rent Paid	Year End Balance	Remuneration	Rent Paid	Year End Balance
Key Management Personnel						
Mr. Rajiv Sreedhar - Managing Director	8,400,000	600,000	-	8,380,000	600,000	-
Mr. V.P.K. Mani - Company Secretary - upto 8th June 2020	113,333	-	-	650,000	-	-
Mr. U.Viswanath - Company Secretary - wef 29th July 2020	422,496	-	-	-	-	-
Mr. N. Guruswamy - Chief Financial Officer	1,320,000	-	-	1,430,000	-	-
Directors		Sitting Fees	-		Sitting Fees	-
Mr. S.S.R. Rajkumar	-	-	-	-	65,000	-
Mr. Noman H. Millwala	-	65,000	-	-	85,000	-
Mrs. Saroja Raman	-	35,000	-	-	50,000	-
Dr. T.Venkatesan	-	40,000	-	-	50,000	-
Mr. K.J.Janakar	-	60,000	-	-	-	-
Mr. A. Rengarajan	-	10,000	-	-	-	-
Krebs Engineering Private Limited	Professional services - Fees Paid	4,231,646	-	-	8,288,762	4,863,434

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.
	31-03-2021	31-03-2020
35. Earnings Per Share		
Profit for the year attributable to Equity Shareholders	61,911,459	75,849,949
Number of Equity Shares of Rs.10/- each	3,150,000	3,150,000
Earnings Per Share - Basic and Diluted	19.65	24.08
36.	The Board of Directors of the Company at their meeting held on 2nd December 2019 approved a Scheme of Demerger of the PTFE Division into the wholly owned subsidiary, MIL Industries and Aerospace Limited, which is subject to the approval of the Shareholders and the sanction of the Hon'ble National Company Law Tribunal (NCLT). After receipt of the NOC from the Metropolitan Stock Exchange of India Limited, the Company has filed a petition with the Hon'ble NCLT, Chennai, under the provisions of section 230 to 232 of the Companies Act, 2013. Since it is pending before the Hon'ble NCLT, no effect has been given to the said Scheme..	
37.	The Manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to Covid-19. As per State Government instructions, the Company has resumed operations in a phased manner. This Covid-19 pandemic had impacted the company's business operations and financial position for the year ended 31st March 2021 and the company is progressively improving.	
38.	The Board of Directors have recommended a Dividend of 10% (Re.1/- per share of face value of Rs.10/-) amounting to Rs.31,50,000/- which is subject to approval of the Shareholders at the ensuing Annual General Meeting. The same is not considered in the financial statements and would be considered when it is approved by the Shareholders as per Ind AS 10.	
39.	Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.	

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

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

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

Rs. in lakhs

Name of Subsidiary Company	Reporting Period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of Shareholding
Mil Industries and Aerospace Limited	April 01, 2020 to March 31, 2021	INR	-	20.00	(0.97)	19.15	19.15	-	-	(0.38)	-	-0.38	-	100

Consolidated Financial Statements
2020-21

Independent Auditors' Report

To the Members of MIL Industries Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of MIL Industries Limited ("the Holding Company"), and its wholly owned subsidiary (the holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2021, and the consolidated statement of Profit and Loss, consolidated Statement of changes in Equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, and its consolidated profit, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Response to Key Audit Matters and Conclusion
As at 31 st March 2021, the Group carries Cash and Cash Equivalents to the extent of Rs.19,72,19,380/- representing 35.41% of the total assets which has been considered as a Key Audit Matter	<ul style="list-style-type: none">• We have verified and tested the design and operating effectiveness of the controls with respect to maintenance of cash balances and the transactions with the banks, like the manner of operation of the bank accounts, etc.• The cash balance has been physically verified at the end of the year.• The Bank Reconciliation statements have been verified as at the end of the year.• IN respect of Deposits, the original deposits, wherever held by the Company have been verified and those deposited as margin or security have been verified with respect to the relevant documents.• Direct confirmation for the amount of Deposits and balances held as at 31-3-2021 has been obtained and validated with the financial statements.

Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31st March 2021, the Group carried Inventories to the extent of Rs.12,32,86,392/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence. • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and spares. • We have also tested the judgment and procedure adopted by the Company for the determination of the realizable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>As at 31st March 2021, the Group had Trade Receivables of Rs.12,87,91,132/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition. • The outstanding in the accounts of the parties have been validated with reference to the invoices raised and the correspondence between the Company and the parties. • We have also tested the judgment made by the management relating to credit risk and the impairment assessment. • Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.

Information other than the Financial Statements and Auditors' Report thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain and audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statement;
 - b. in our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated statements, have been kept by the Company so far as it appears from our examination of those books;
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the aforesaid consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of the Holding Company, as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditors of its subsidiary company, none of the Directors of the Group is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
2. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
3. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the act, as amended:

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

MIL INDUSTRIES LIMITED

4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. There are no pending litigations.
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S. NAGARAJAN
Partner

Chennai
Dated : 5th July 2021

Membership No. 020899
ICAI UDIN No.21020899AAAAHV9038

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of MIL Industries Limited

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

We have audited the internal financial controls over financial reporting of MIL Industries Limited (“the Holding Company”) and its subsidiary company which is a company incorporated in India as of 31st March 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to

permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our Opinion, Holding Company, its subsidiary company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2021, 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

Membership No. 020899

ICAI UDIN No.21020899AAAAHV9038

Chennai

Dated : 5th July 2021

MIL INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

Rs.

PARTICULARS	Note	As at 31-03-2021	As at 31-03-2020
		Audited	Audited
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	80,914,161	70,992,796
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	78,000	78,000
b) Other Financial Assets	6	1,581,632	1,475,390
iv) Other Non Current Assets	7	305,411	305,411
v) Deferred Tax Assets (net)	8	266,622	180,903
Total Non current Assets	(A)	83,145,826	73,032,500
Current Assets			
Inventories	9	123,286,392	89,424,120
i) Financial Assets			
a) Trade Receivables	10	128,791,132	97,127,504
b) Cash and cash equivalents	11	197,219,380	186,718,403
c) Other financial assets			
ii) Other current assets	12	24,464,501	18,955,480
Total current assets	(B)	473,761,405	392,225,507
Total Assets	(A)+(B)	556,907,231	465,258,007
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	31,500,000	31,500,000
b) Other Equity			
Reserves and Surplus	14	385,156,739	323,934,476
Total Equity	(C)	416,656,739	355,434,476
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings		-	-
ii) Deferred tax liabilities			
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	-	-
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	4,669,993	6,828,348
b) Trade Payables		62,047,955	43,568,278
c) Other Financial Liabilities	16	46,364,507	41,690,669
ii) Other current liabilities	17	27,168,037	17,736,236
Total Current Liabilities	(E)	140,250,492	109,823,531
Total Equity and Liabilities	(C)+(D)+(E)	556,907,231	465,258,007

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

MIL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Rs.

PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2021	Figures as at the end of the previous reporting period 31-03-2020
INCOME			
Revenue From Operations	18	<u>419,216,409</u>	609,334,939
		<u>419,216,409</u>	609,334,939
Other Income	19	<u>17,176,079</u>	27,764,187
Total Revenue		<u>436,392,488</u>	637,099,126
EXPENSES			
Cost of raw materials and components consumed	20	<u>142,436,411</u>	220,887,427
Purchase of stock-in-trade	21	<u>(28,844,230)</u>	7,138,475
Changes in inventories of finished goods and work-in-progress	22	<u>58,048,472</u>	63,140,250
Employee Benefit Expenses	23	<u>3,084,878</u>	2,676,409
Finance Cost	4	<u>13,219,346</u>	11,334,699
Depreciation and amortisation expenses	24	<u>160,191,910</u>	226,257,552
Other Expenses	24	<u>348,136,787</u>	531,434,812
		<u>348,099,091</u>	531,388,395
Profit before exception and extraordinary items and tax		<u>88,255,701</u>	105,664,314
Extraordinary items		-	-
Profit before tax		<u>88,255,701</u>	105,664,314
Tax Expenses			
Current Tax		<u>26,467,658</u>	32,659,227
Deferred Tax		<u>(85,720)</u>	(2,798,445)
Profit after tax		<u>61,873,763</u>	75,803,532
Other Comprehensive Income			
Remeasurement of Defined Benetit Plans		<u>919,158</u>	546,796
Tax effect on above		<u>(267,658)</u>	(159,227)
Total Other Comprehensive Income for the year		<u>651,500</u>	387,569
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		<u>61,222,263</u>	75,415,963
Earnings per Equity Share (Basic and Diluted)		<u>19.64</u>	24.06

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

MIL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

Rs.

	As at 31-03-2021	As at 31-03-2020
A. EQUITY SHARE CAPITAL		
Balance at the beginning of the year	31,500,000	31,500,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	31,500,000	31,500,000

B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as on 1st April 2019	3,000,000	1,500,000	1,826,000	248,128,876	(2,126,065)
Debit balance in Retained earnings of Subsidiary at the time of acquisition				(12,806)	
Profit for the year after tax	-	-	-	75,803,532	
Remeasurement of Defined Benefit Plans (net of tax)					(387,569)
Interim Dividend paid				(3,150,000)	
Dividend Distribution tax				(647,492)	
Balance as at 31st March 2020	3,000,000	1,500,000	1,826,000	320,122,110	(2,513,634)
Profit for the year after tax	-	-	-	61,873,763	
Remeasurement of Defined Benefit Plans (net of tax)					(651,500)
Balance as at 31st March 2021	3,000,000	1,500,000	1,826,000	381,995,873	(3,165,134)

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

DR. T. VENKATESAN
Director

NOMAN H. MILLWALA
Chairman

K. J. JANAKAR
Director

SAROJA RAMAN
Director

A. RENGARAJAN
Director

Place: Chennai

Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

MIL INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

PARTICULARS	Figures as at the end of the current reporting period ended 31-03-2021	Rs. Figures as at the end of the previous reporting period ended 31-03-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	88,255,701	105,664,314
Adjustments for		
Depreciation	13,219,346	11,334,699
Interest Expense	763,903	786,696
Interest income	(10,023,169)	(9,637,362)
Loss on sale of assets	-	8,854
Profit on sale of assets	(872,875)	-
Operating profit before working capital changes	<u>91,342,906</u>	<u>108,157,201</u>
Adjustments for changes in		
Other Non current financial assets	(106,242)	(96,665)
Other Non current assets	-	(305,411)
Trade Receivables	(31,663,628)	(7,269,026)
Inventories	(33,862,272)	(7,854,463)
Other Current Assets	(5,509,018)	(3,670,325)
Trade Payables	18,479,678	(12,285,137)
Bank deposits under lien and unclaimed dividend	-	(12,888,082)
Remeasurement of defined benefit obligations	(651,500)	(387,569)
Other Financial Liabilities	4,673,838	11,013,008
Other Current Liabilities	(1,514,419)	4,415,572
	<u>(50,153,563)</u>	<u>(29,328,098)</u>
Cash Generated from operations	41,189,343	78,829,103
Income tax paid (net)	15,521,440	(31,615,088)
Net Cash generated from Operations	(A) <u>25,667,903</u>	<u>47,214,015</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(23,211,936)	(18,765,267)
Proceeds from sale of Property, Plant and Equipment	944,100	84,746
Investment in Subsidiary Company	-	-
Interest income	10,023,169	9,637,362
Net cash (used in)/from Investing activities	(B) <u>(12,244,667)</u>	<u>(9,043,159)</u>
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	(763,903)	(786,696)
Repayment of Non Current Borrowings		
Proceeds from current borrowings	(2,158,355)	6,828,348
Dividend Paid including Dividend tax	-	(3,797,492)
Net cash (used in)/from Financing Activities	(C) <u>(2,922,258)</u>	<u>2,244,160</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C) <u>10,500,978</u>	40,415,016
Opening Cash and Cash Equivalents (excluding deposits under lien)	163,818,403	123,403,387
Closing Cash and Cash Equivalents	174,319,380	163,818,403

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **S.N.S ASSOCIATES**

Chartered Accountants
Firm Reg No. 006297S

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

S. NAGARAJAN
Partner
Membership No. 020899

DR. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

Place: Chennai
Date: 5th July 2021

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 Corporate Information

MIL Industries Limited, is a Company which is registered under the Companies Act, 1956 and is domiciled in India. The Registered Office of the Company is situated at 25A SIDCO Industrial Estate, Ambattur, Chennai 600 098.

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

2 Basis of preparation on Financial Statements

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

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

Principles used in Preparing Consolidated Financial Statements

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

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

3 Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, the actual results could differ from these estimates.

b) Operating Cycle

All assets and liabilities have been classified as current or non current based on the Company's operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1. The Company has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

c) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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.

d) 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.

e) 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.

f) Revenue Recognition

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

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

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

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).

g) Research and Development

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

h) 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.

i) Investments

Long Term Investments are carried at cost.

j) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

- 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.

k) 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 Account.

l) Provisions and contingent liabilities

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

m) Cash Flow Statement

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

n) Taxation

Income tax Expenses comprises of current taxes and deferred taxes

Current Tax

The tax currently payable is based on the taxable profit of the year. Taxable profit, differs from the profit before tax as reported in the statement of profit and loss, because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period,

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

4. PROPERTY, PLANT AND EQUIPMENT

Rs.

GROSS BLOCK				
	As at 01-04-2020	Additions	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	172,887	-	-	172,887
Others	7,305,325	-	-	7,305,325
Leasehold land	238,485	-	-	238,485
Buildings	32,087,565	208,130	1,424,506	32,295,695
Plant and Equipment	128,168,499	20,702,606	-	147,446,599
Furniture and Fixtures	3,386,556	1,467,956	-	4,854,512
Vehicles	9,437,737		-	9,437,737
Office Equipment	7,738,523	282,016	-	8,020,539
Computers	2,902,594	551,229	-	3,453,823
TOTAL	191,438,171	23,211,937	1,424,506	213,225,602
Previous year total	174,548,904	18,765,267	1,876,000	191,438,171

Rs.

DEPRECIATION BLOCK				
PARTICULARS	As at 01-04-2020	For the year	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	85,206	3,196	-	88,402
Buildings	14,960,528	923,760	-	15,884,288
Plant and Equipment	86,152,506	10,108,314	1,353,281	94,907,539
Furniture and Fixtures	2,542,284	451,226	-	2,993,510
Vehicles	7,464,286	866,884	-	8,331,170
Office Equipment	7,148,376	329,862	-	7,478,238
Computers	2,092,189	536,104	-	2,628,293
TOTAL	120,445,375	13,219,346	1,353,281	132,311,440
Previous year total	110,893,076	11,334,699	1,782,400	120,445,375

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

Rs.

PARTICULARS	NET BLOCK	
	31-03-2021	31-03-2020
Land		
Freehold		
Ambattur	172,887	172,887
Others	7,305,325	7,305,325
Leasehold land	150,083	153,279
Buildings	16,411,407	17,127,037
Plant and Equipment	52,539,060	42,015,993
Furniture and Fixtures	1,861,002	844,272
Vehicles	1,106,567	1,973,451
Office Equipment	542,301	590,147
Computers	825,530	810,405
TOTAL	80,914,161	70,992,796
Previous year balance	70,992,796	63,655,828

Rs.

PARTICULARS	31-03-2021	31-03-2020
5. NON CURRENT INVESTMENTS		
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000
	<u>78,000</u>	<u>78,000</u>
6. OTHER FINANANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	1,581,632	1,475,390
	<u>1,581,632</u>	<u>1,475,390</u>
7. OTHER NON-CURRENT ASSETS		
Preliminary Expenses (to the extent not wirtten off or adjusted)	305,411	305,411
	<u>305,411</u>	<u>305,411</u>

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
8. DEFERRED TAX ASSET			
Asset on account of effect of fair valuation of financial assets	757,168	575,308	
Liability on account of timing difference of Depreciation	(490,546)	(394,405)	
	266,622	180,903	
9. INVENTORIES			
Raw Materials	55,267,807	50,392,128	
Work in progress	44,191,191	28,103,919	
Finished Goods	21,383,998	8,627,040	
Stores and Spares	2,443,396	2,301,033	
	123,286,392	89,424,120	
10. TRADE RECEIVABLES			
Unsecured - Considered good	128,791,132	97,127,504	
	128,791,132	97,127,504	
Age analysis of receivables			
Outstanding for more than six months from the date they are due	24,370,422	3,578,960	
Other Debts	104,420,710	93,548,544	
The above is after considering loss on fair valuation	2,600,166	1975645	
11. CASH AND CASH EQUIVALENTS			
Cash on hand	170,268	415,252	
Balance with Banks			
In Current Account	14,586,522	13,829,338	
In Deposit Accounts	159,562,590	149,573,812	
In Deposits offered as security for credit facilities	22,900,000	22,900,000	
	197,219,380	186,718,403	

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
PARTICULARS		31-03-2021	31-03-2020
12. OTHER CURRENT ASSETS			
Unsecured - Considered Good			
1. Advances to employees	258,042	275,827	
2. Prepaid Expenses	1,307,972	1,445,173	
3. Advance to suppliers	4,442,328	12,398,544	
4. Rent Receivables	-	-	
5. Earnest Money Deposits	168,786	127,786	
6. Balance with Excise Department	-	207,803	
7. Balance - GST Input Tax Credit	17,333,083	3,210,899	
8. MEIS Scrips on hand	312,769	144,589	
9. Interest receivable	410,028	971,038	
10. Duty Drawback Receivable	231,493	173,821	
	24,464,501	18,955,480	
13. EQUITY SHARE CAPITAL			
SHARE CAPITAL			
<u>Authorised:</u>			
4,900,000 Equity Shares of Rs. 10/- each	49,000,000	49,000,000	
100,000 10% Redeemable Cumulative Preference shares of Rs. 10/- each	1,000,000	1,000,000	
250,000 10% Convertible Redeemable Cumulative Preference shares of Rs. 10/- each	2,500,000	2,500,000	
	52,500,000	52,500,000	
<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	31,500,000	

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

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

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

S. No.	Name of the shareholder	No. of shares	Percentage of shares held	No. of shares	Percentage of shares held
		31-03-2021	31-03-2020	31-03-2021	31-03-2020
1	Krebs Engineering Private Limited	962,000	30.54%	962,000	30.54%
2	Saroja Raman	315,295	10.01%	315,295	10.01%
3	Mahendra Girdharilal	190,085	6.03%	190,085	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	168,000	5.33%	168,000	5.33%

Rights attached to Equity Shares

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

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

14. OTHER EQUITY

Rs.

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 01-04-2020	3,000,000	1,500,000	1,826,000	320,122,110	(2,513,634)	323,934,476
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(651,500)	(651,500)
Add: Profit for the period ended 31-03-2021				61,873,763		61,873,763
Balance as at 31-03-2021	3,000,000	1,500,000	1,826,000	381,995,873	(3,165,134)	385,156,739

Rs.

PARTICULARS	31-03-2020	31-03-2020
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15. BORROWINGS

(i) From Banks

Working Capital Borrowings - Secured	4,669,993	6,828,348
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
	<u>4,669,993</u>	<u>6,828,348</u>

16. OTHER FINANCIAL LIABILITIES

Advance from customers	46,364,507	41,690,669
	<u>46,364,507</u>	<u>41,690,669</u>

17. OTHER CURRENT LIABILITIES

Security Deposits	192,000	192,000
Other Payables:		
Unclaimed Dividend in interim dividend Account	411,700	-
IGST payable	-	-
TDS payable	863,429	1,652,723
Payable to employees	2,148,341	2,253,176
Provision for taxation (net of payments)	18,667,764	7,721,516
Others	4,884,803	5,916,821
	<u>27,168,037</u>	<u>17,736,236</u>

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
18. REVENUE FROM OPERATIONS			
Sale of products (Rubber Lining and PTFE)	367,207,249	567,036,931	
Sale of Services	52,009,160	42,298,008	
Sale of Stock -in-trade	-	-	
	<u>419,216,409</u>	<u>609,334,939</u>	
19. OTHER INCOME			
Gain on foreign currency transactions	1,805,468	1,947,753	
Profit on sale of assets	872,875	-	
Interest received	10,023,169	9,637,362	
Rent received	420,000	420,000	
Scraps Sales	357,874	35,021	
Credit balances no longer required written back	680,332	12,099,660	
Bad debts written off recovered	-	93,599	
Export Incentives:	.		
Merchandise Export and Incentive Scheme Scrips	1,579,020	1,891,135	
Duty Draw back	1,437,341	1,639,656	
Insurance claim received	-	-	
Miscellaneous Receipts	-	-	
	<u>17,176,079</u>	<u>27,764,187</u>	
20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
Raw materials and components	<u>142,436,411</u>	<u>220,887,427</u>	
	142,436,411	220,887,427	

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS			
Opening Stock			
Finished Goods	8,627,040		3,469,805
Work in progress	28,103,919		40,399,629
	36,730,959		43,869,434
Closing Stock			
Finished Goods	21,383,998		8,627,040
Work in progress	44,191,191		28,103,919
	65,575,189		36,730,959
(Increase)/Decrease in inventories of Finished Goods and Work in progress	(28,844,230)		7,138,475
22. EMPLOYEE BENEFIT EXPENSES			
Salaries, Wages and Bonus	48,075,800		52,817,805
Contribution to Provident and Other Funds	3,720,750		4,395,740
Welfare Expenses	6,251,922		5,926,705
	58,048,472		63,140,250
23. FINANCE COSTS			
Interest Expense	720,889		786,696
Other Borrowing Costs	2,363,989		1,889,713
	3,084,878		2,676,409

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
24. OTHER EXPENSES			
Lining Expenses	60,727,146	86,891,359	
Power and fuel	13,226,960	16,010,700	
Stores and Spares consumed	21,105,501	35,114,208	
Rent	600,000	600,000	
Insurance	1,135,932	1,106,633	
Rates and Taxes	1,896,760	2,295,576	
Postage and Telephone	1,314,133	1,435,408	
Printing and Stationery	1,374,692	1,520,250	
Travelling and Conveyance	6,188,697	13,243,328	
Payment to Auditors:			
For Audit	251,800	500,000	
For Certification	75,500	304,000	
For Reimbursement of expenses	-	-	
For Service tax	-	-	
Repairs and Maintenance:			
Buildings	5,727,640	6,073,370	
Plant & Machinery	4,443,989	7,466,717	
Others - Maintenance Expenses	10,471,316	9,010,305	
Selling expenses	1,077,546	1,702,680	
Professional fees	19,503,607	31,593,920	
Legal fees	190,000		
Advertisement and Sales Promotion	228,332	327,580	
Loss on foreign currency transactions	934,456	307,564	
Commission on Sales	195,000	390,000	
Directors' Sitting fees	210,000	250,000	
Security Service Charges	2,556,234	2,458,374	
Bad Debts Written off	3,258,693	4,459,305	
CSR Expenditure	1,336,000	921,000	
Donations	67,500	45,000	
Loss on fair valuation of financial assets	624,521	141,798	
Loss on Sale of Assets	-	8,854	
Miscellaneous expenses	1,469,955	2,079,625	
	160,191,910	226,257,552	

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.	
	PARTICULARS	31-03-2021	31-03-2020
25. Contingent Liabilities on account of:			
Guarantees given by Banks on behalf of the Company		49,873,570	17,841,230
26. Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for:		-	7,459,651
27.	In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.		
28.	The company has not discontinued any operations during the year.		
29.	Corporate Social Responsibility: During the financial year 2020-21, the Company was required to spend Rs. 13,35,611/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 13,36,000/- during the financial year 2020-21.		

30.1. Financial Risk Management and Objectives and Policies

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

30.2. Disclosure of Fair Value Measurements

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

Financial Instruments by category

Rs.

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
As at 31-03-2021					
Financial Assets					
Long Term Investment	78,000			78,000	78,000
Other financial assets					
Trade Receivables		128,791,132		128,791,132	128,791,132
Cash and cash equivalents	-			-	-
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	4,669,993			4,669,993	4,669,993
Trade payables	62,047,955			62,047,955	62,047,955
Other financial liabilities	46,364,507			46,364,507	46,364,507

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
As at 31-03-2020					
Financial Assets					
Long Term Investment	78,000			78,000	78,000
Other financial assets					
Trade Receivables		99,103,149		99,103,149	97,127,504
Cash and cash equivalents	186,718,403			186,718,403	186,718,403
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	6,828,348			6,828,348	6,828,348
Trade payables	43,568,278			43,568,278	43,568,278
Other financial liabilities	41,690,669			41,690,669	41,690,669

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

		Rs.
	31-03-2021	31-03-2020
30.3. Employee Benefits		
i) Provident Fund		
The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is	1,890,514	2,045,311
ii) Superannuation		
The Company has a Superannuation Scheme for eligible employees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is	1,011,418	1,089,414
iii) Leave encashment		
The Company does have a policy for encashment of leave by the employees and payments are made as when the claim is admitted and charged to Revenue.		
iv) Gratuity		
The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.		

a) Assumptions used
Gratuity

Discount Rate	6.66%	6.45%
Salary Escalation	7.00%	7.00%
Expected return on plan assets	6.66%	6.45%
Attrition rate	13.00%	13.00%
Average age	38.06	39.40

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

Opening value of DBO at the beginning of the year	12,080,926	10,439,861
Current Service Cost	632,524	690,921
Interest Cost	715,526	673,371
Benefits paid	(2,674,583)	-
Actuarial (Gains)/Loss	(868,751)	276,773
Closing value of DBO at the end of the year	9,885,642	12,080,926

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning	13,331,500	10,376,870
Interest income of the assets	837,711	714,977
Employer contribution	1,168,082	1,416,084
Benefits paid	(2,674,583)	-
Actuarial gain/(Loss)	50,407	823,569
Fair value of plan assets at the end of the year	12,713,117	13,331,500

Rs.

31-03-2021 31-03-2020

d) Sensitivity Analysis

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

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

increase by	540,278	684,344
decrease by	487,432	604,492

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

increase by	522,645	671,938
decrease by	480,199	604,307

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

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

- 31** The Company expects to make a contribution of Rs. 8,16,888/- to the defined benefit plan (gratuity - funded) during the next financial year.

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
32. ADDITIONAL NOTES				
a) Turnover (Net of Excise Duty)				
Rubber				
Manufacturing :				
- Rubber lining Products (Sq.M.)	36910	217,074,492	45638	389,865,598
		<u>217,074,492</u>		<u>389,865,598</u>
Service:				
- Rubber lining		52,855,725		41,550,091
Total income - Segment A		<u>269,930,217</u>		<u>431,415,689</u>
PTFE				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	16334	148,648,411	21154	177,171,333
		<u>148,648,411</u>		<u>177,171,333</u>
Service:				
- PTFE Coating, etc		637,781		747,917
Total income - Segment B		<u>149,286,192</u>		<u>177,919,250</u>
Total Turnover - Sales		<u>419,216,409</u>		<u>609,334,939</u>
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. Natural and Synthetic rubber	139971	24,395,873	196724	36,065,547
2. Fillers	114900	9,664,556	162168	13,148,754
3. Solvents	68899	6,515,452	88676	8,207,004
4. Special Curing and bonding agents	21182	6,104,225	24660	6,358,762
5. Resins	17193	17,984,949	22828	24,849,910
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	71,195,146	-	129,279,188
7. Others	-	6,576,210	-	2,978,262
		<u>142,436,411</u>		<u>220,887,427</u>

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubber Lining Products (Sq. M.)	98	945,230	40	317,106
- PTFE Lined Products (Kgs)*	1263	7,681,810	707	3,152,699
		<u>8,627,040</u>		<u>3,469,805</u>
Closing Stock				
- Rubber Lining Products (Sq. M.)	772	11,234,810	98	945,230
- PTFE Lined Products (Kgs)*	1374	10,149,188	1263	7,681,810
		<u>21,383,998</u>		<u>8,627,040</u>
(* Represents PTFE content in Finished Products)				
d) Capacity and Production:				
Licenced Capacity :				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity :				
(as certified by the Mg. Director)				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubber lining	(Sq. Mtr.)	37,584	(Sq. Mtr.)	45,696
2. PTFE (Resin Weight)	(Kgs.)	16,445	(Kgs.)	21,710

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		12,775,147		15,674,808
2. Capital Goods and Spares		28,592		7,528,513
		<u>12,803,739</u>		<u>23,203,321</u>
f) Expenditure in foreign currency:				
Foreign Travel		-		1,390,755
Fees for services rendered outside India		11,286,525		6,909,935
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	8.09	11,520,703	8.14	17,987,854
Indigenous	91.91	130,915,708	91.86	202,899,573
	<u>100.00</u>	<u>142,436,411</u>	<u>100.00</u>	<u>220,887,427</u>
2. Stores & Spare Parts				
Imported	3.23	681,280	1.49	521,766
Indigenous	96.77	20,424,221	98.51	34,592,442
	<u>100.00</u>	<u>21,105,501</u>	<u>100.00</u>	<u>35,114,208</u>
h) Number of Non-resident shareholders		27		27
Number of Shares held		118,250		118,250
Amount of Interim Dividend Remitted (USD 1731.03 paid equivalent to Rs. 123250 to 28 Shareholders)				
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		107,395,951		60,509,886
2. Technical Services		38,449,952		21,975,636
		<u>145,845,903</u>		<u>82,485,522</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021
33. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

Particulars	(In Rupees)	(In Rupees)
	Year to date figures for the period 01-04-2020 to 31-03-2021	Year to date figures for the period 01-04-2019 to 31-03-2020
1. Segment Revenue		
a. Rubber Lining & Rubber Products	269,930,217	431,415,689
b. PTFE Lining & PTFE Products	149,286,192	177,919,250
Total	419,216,409	609,334,939
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	419,216,409	609,334,939
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	54,535,508	87,401,786
b. PTFE Lining & PTFE Products	44,457,167	31,326,117
Total	98,992,675	118,727,902
Less: i. Interest and Finance Charges	3,084,878	2,676,409
ii. Other un-allocable expenditure net of unallocable income	7,652,097	10,387,179
Total Profit Before Tax	88,255,701	105,664,314
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	210,384,163	165,711,619
b. PTFE Lining & PTFE Products	206,272,576	189,722,857
Total	416,656,739	355,434,476

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

34. Disclosures as required by the Accounting Standard 24 "Related Party Disclosures" are given below :

a) Key Management

Personnel

Mr. Rajiv Sreedhar - Managing Director

Mr. U.Viswanath - Company Secretary

Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

c) Investing Company : Krebs Engineering Private Limited

Particulars	31-03-2021 Amount in Rs.			31-03-2020 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remune- ration	Rent Paid	Year End Balance	Remune- ration	Rent Paid	Year End Balance
Key Management Personnel						
Mr. Rajiv Sreedhar - Managing Director	8,400,000	600,000	—	8,380,000	600,000	—
Mr. V.P.K. Mani - Company Secretary - upto 8th June 2020	113,333	—	—	650,000	—	—
Mr. U.Viswanath - Company Secretary - wef 29th July 2020	422,496	—	—	—	—	—
Mr. N. Guruswamy - Chief Financial Officer	1,320,000	—	—	1,430,000	—	—
Directors		Sitting Fees	—		Sitting Fees	—
Mr. S.S.R. Rajkumar	—	—	—	—	65,000	—
Mr. Noman H. Millwala	—	65,000	—	—	85,000	—
Mrs. Saroja Raman	—	35,000	—	—	50,000	—
Dr. T.Venkatesan	—	40,000	—	—	50,000	—
Dr. T.Venkatesan	—	60,000	—	—	—	—
Dr. T.Venkatesan	—	10,000	—	—	—	—
Krebs Engineering Private Limited	Professional services - Fees Paid	4,231,646	—	Professional services - Fees Paid	8,288,762	4,863,434

MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

	31-03-2021	31-03-2020
35. Earnings Per Share		
Profit for the year attributable to Equity Shareholders	61,873,763	75,803,532
Number of Equity Shares of Rs.10/- each	3,150,000	3,150,000
Earnings Per Share - Basic and Diluted	19.64	24.06

36. The Manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to Covid-19. As per State Government instructions, the Company has resumed operations in a phased manner. This Covid-19 pandemic had impacted the company's business operations and financial position for the year ended 31st March 2021 and the company is progressively improving.

37. MIL Industries & Aerospace Limited became a wholly owned subsidiary of the Company with effect from 12th November 2019. Therefore the Consolidated Financial Statements are prepared as per the Companies Act, 2013..

38. Additional Information on net assets and share of profits and other comprehensive income for the year ended 31st March 2021.

Name of Entity	Net Assets as percentage of consolidated net assets	Share of profit/(loss) as percentage of consolidated profit	Share in other comprehensive income as percentage of other comprehensive income	Share in total comprehensive income as percentage of total comprehensive income
MIL Industries and Aerospace Ltd				
Amount (in rupees)	1,903,083	(37,695)	-	(37,695)
Percentage	0.46	(0.06)	-	(0.06)

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

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

Place: Chennai
Date: 5th July 2021

RAJIV SREEDHAR
Managing Director

DR. T. VENKATESAN
Director

NOMAN H. MILLWALA
Chairman

K. J. JANAKAR
Director

N. GURUSWAMY
Chief Financial Officer

SAROJA RAMAN
Director

A. RENGARAJAN
Director

U. VISWANATH
Company Secretary