

MIL INDUSTRIES LIMITED

MIL

FIFTY SEVENTH ANNUAL REPORT 2022-23

MIL INDUSTRIES LIMITED

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| CHAIRMAN | NOMAN H. MILLWALA |
| MANAGING DIRECTOR | RAJIV SREEDHAR |
| DIRECTORS | SAROJA RAMAN K.J. JANAKAR Dr. T. VENKATESAN (Resigned w.e.f. 04.07.2023) A. RENGARAJAN A. PONNUSAMY (Appointed w.e.f 14.07.2023) |
| CHIEF FINANCIAL OFFICER | N. GURUSWAMY |
| COMPANY SECRETARY | APARNA NAGARAJAN U. VISWANATH (Upto 30.11.2022) |
| 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> 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 | M/s. Venkat & Rangaa LLP Chartered Accountants, Chennai |
| INTERNAL AUDITORS | M/s. Sundaram & Srinivasan., 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 |

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| | |
|-------------------------------------|---|
| REGISTERED & HEAD OFFICE | Plot No. 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098. |
| FACTORY | Plot No. 25A, SIDCO Industrial Estate, Ambattur Chennai - 600 098. |
| LISTED WITH | METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (MSEI) |
| SYMBOL | MILIND |
| ISIN | INE651L01019 |
| CIN | L25199TN1966PLC005397 |

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty Seventh Annual General Meeting of MIL Industries Limited will be held on Friday, the 29th September, 2023 at 11.00 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 Audited financial statements for the year ended 31st March,2023 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 2023

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. NOMAN H. MILLWALA (DIN 00471544) 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), Mr. Noman H. Millwala (DIN 00471544), a Non-Executive non-independent director, aged 78 years, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

4. REGULARIZATION OF ADDITIONAL DIRECTOR, MR. PONNUSAMY (DIN: 10237263) AS THE DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. A. Ponnusamy (DIN: 10237263), who was appointed as an Additional Director (in the capacity of non-executive non-Independent Director) of the Company based on the recommendations of the Nomination & Remuneration Committee, with effect from 14th July, 2023 and who holds office upto the date of this Annual General Meeting (AGM), in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Director be and is hereby appointed as non-executive non-independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution.”

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

Place : Chennai
Date : August 14, 2023

Aparna Nagarajan
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) and dispensed physical presence of the Members at a common venue. Accordingly, MCA issued Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated 05th May, 2022, Circular No.10/2022 dated December 28, 2022 (hereinafter collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide Circular Nos. SEBI/HO/CFD/CMD1CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, January 5, 2023 (hereinafter collectively referred to as SEBI Circulars). 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 AGM is being conducted through VC / OAVM, the facility for appointment of proxies 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. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. 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. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of ensuing AGM of the Company and determining the entitlement of the shareholders to the final dividend for the year 2022 - 23. Final Dividend on declaration at AGM will be paid on or before 28.10.2023.
4. The Company has fixed Friday, 22nd September, 2023 as the ‘Record Date’ for determining entitlement of members to dividend for the financial year ended 31st March, 2023, if approved at the AGM.
5. 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 Regulations, 2015 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.
6. 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.
7. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
8. As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated March 16, 2023 in supersession of its earlier Circulars dated 03rd November 2021 and 14th December 2021, provides revised common and simplified norms for processing investor’s service request by RTAs and norms for mandatory furnishing of PAN, KYC details and Nomination including the fillable Forms are hosted on the Company’s Website www.milindus.com under “Investors Relations”.
9. In this connection, the Company has issued reminder letters to all shareholders holding shares in physical, who have not updated any of the above said details.
10. The RTAs shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents / details are received. It is also to be noted that the Folios of holders of physical shares where in any of the above cited documents / details are not available on or

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after October 01, 2023, particular folio shall be frozen by the RTA and with effect from April 01, 2024 any dividend payment with respect to such frozen folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above. Further, such frozen folios would be referred under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

11. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25th January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.
12. The investors can register their complaints / queries to the email id of the Company i.e. secretarial@milindustries.com.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 05, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report 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 i.e. Metropolitan Stock Exchange of India Limited at www.msei.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the VC / OAVM facility, Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com/. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@milindustries.com
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. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can send an e-mail to secretarial@milindustries.com requesting for inspection of the Registers.
16. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
17. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline.
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') 2023-24, does not exceed INR 5,000/-.

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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 2022-23)

| 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 |
| 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 | <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <p>a) Copy of PAN card (if available)</p> <p>b) Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2022 and financial year 2023 (covering the period from April 1, 2023 to March 31, 2024)</p> <p>c) Self-Declaration in Form 10F (Please download Annexure-3, from the website of the company)</p> <p>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)</p> <p>(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).</p> |
| 2. | Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act | 30% | NA |

Notes:

- 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.
- Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/> from portal (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 22, 2023. Any communication in relation to tax rate determination/ deduction/TDS matters received after the above mentioned date shall not be considered. Further, the shareholders can download the format of Annexures on the website of the company at <http://www.milindus.com/admin/uploads/investor/Dividend%20Annexures.pdf>
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.

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, January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 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.

The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by NSDL.

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 Tuesday, 26th September, 2023 (9:00 a.m. IST) and ends on Thursday, 28th September, 2023 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 22nd September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2023. Once the vote on solution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| | <ol style="list-style-type: none"> 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div> |

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| | |
|--|---|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
| a) For Members who hold shares in demat account with NSDL. | 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) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders 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 to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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 etc.
 - 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pankaj@akjainassociates.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to 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 evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic means.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@milindustries.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@milindustries.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@milindustries.com. The same will be replied by the company suitably.
6. 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 27th September, 2023 by 11.00 A.M. IST.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. 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 22nd September, 2023.
9. 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.
10. 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.
11. 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.
12. 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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- II. 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 2 working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- III. 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 | 29 th September 2023, 11.00 a.m. |
| Mode | Through Video Conferencing (“VC”) |
| Dividend record date | 22 nd September 2023 |
| Annual dividend payment date | on or before 28 th October 2023 |
| Cut-off date for e-Voting | 22 nd September 2023; |
| e-voting start time and date | 26 th September 2023; Tuesday 9.00 a.m. IST |
| e-voting end time and date | 28 th September 2023; Thursday 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 and secretarial standards-2 (**SS-2**) by the Institute of Company Secretaries of India about the director seeking Appointment / re-appointment in this annual general meeting are furnished hereunder:

Item No. 3

Mr. Noman H. Millwala has been associated with the company from 16.12.1988, he is currently serving as a non-executive non-independent director of the company liable to retire by rotation. In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment or continuation by a person as a non-executive Director who has attained the age of 75 years, requires a special resolution to that effect and the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such a person.

Considering his experience, both the Nomination and Remuneration Committee of directors and the board were of the opinion, after evaluating his performance, experience, competency and other attributes, were of the view that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services for the company.

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

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

Other details about the director:

- i) Chairman / Member of the Committee of the Board of Director of the Company:
- Director of MIL Industries & Aerospace Limited and Chairman of Nomination & Remuneration Committee and Stakeholders Committee. He holds 5750 shares in the company.
 - He is a member of Audit Committee, Nomination and Remuneration Committee in MIL Industries Limited. He is not related to any director of the company.
 - Listed entities from which resigned in the past three years: Nil
 - Number of meetings attended during the year. (*Please refer corporate governance section*). Not debarred from holding office by order of SEBI or any authority.

Brief Resume: Mr. Noman H. Millwala, is aged about 78 years, having qualifications of B.A.B.L., P.G. Dip. In Tax. He holds Directorship in the following companies:

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

Item No. 4

Mr. Ponnusamy was appointed as Additional Director with effect from 14th July, 2023. In accordance with the provisions of Section 161 of the Companies Act, 2013, he holds office up to the date of ensuring Annual General Meeting of the Company. The Board is of the view that the appointment of Mr.A. Ponnusamy on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 4 for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

Other Details of the Director:

- Brief Resume: Mr. Annappillai Ponnusamy (DIN: 10237263) is having 35 years of experience in the field. and he is a Diploma holder in Mechanical Engineering from Alagappa Polytechnic College, Karaikudi, Tamilnadu.
 - i. **Chairman / Member of the Committee of the Board of Director of the Company:** NIL
 - ii. **Date of Birth:** 25/07/1965
 - iii. **Shareholding:** NIL
 - iv. **Listed entities from which resigned in the past three years:** NIL
 - v. **Number of meetings attended during the year:** N.A.

He is not debarred from holding office by order of SEBI or any authority.

- vi. **Directorship:** He doesn't hold directorship in any other companies.

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DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting their Fifty seventh Annual Report together with the Audited Financial Statement for the year ended 31st March, 2023.

FINANCIAL RESULTS

(Rs. in lakhs)

| Particulars | For the year ended 2023 | For the year ended 2022 |
|--|-------------------------|-------------------------|
| Profit Before Finance cost, Depreciation and Tax | 534.29 | 620.20 |
| Less: | | |
| i) Finance Cost | 25.16 | 22.75 |
| ii) Depreciation | 124.58 | 112.45 |
| iii) Provision for Taxation | | |
| - Current Tax | 130 | 240 |
| - Deferred Tax | (27.70) | 6.38 |
| Profit after Tax | 282.25 | 238.59 |

SCHEME OF ARRANGEMENT OF DE-MERGER:

- a) The Scheme of Arrangement between MIL Industries Limited [Demerged Company] and MIL Industries & Aerospace Limited [Resulting Company] and their respective Shareholders, was approved by the Hon'ble National Company Law Tribunal (Chennai Bench) vide its Order dated 22nd July, 2022 and certified copy of the order dated 3rd August 2022. As a result, the PTFE Division of the Company got demerged into MIL Industries & Aerospace Limited with Appointed Date as 1st April, 2022 and Effective Date as 8th August, 2022.

In consideration of approval of Scheme for Demerger of 'PTFE Division' (Demerged undertaking) of the Company into MIL Industries & Aerospace Limited, all the Movable Assets and Properties and all other Assets and Liabilities related to the PTFE Division are transferred and vested in the MIL Industries & Aerospace Limited as a going concern basis. Thereafter for giving effect to the Scheme of Arrangement, MIL Industries & Aerospace Limited was ceased to be a Subsidiary of the Company during the financial year and

- b) The Equity Shares of the Resulting Company i.e., MIL Industries & Aerospace Limited was listed on 25th January, 2023 at Metropolitan Stock Exchange of India, Mumbai (MSEI).

OPERATIONS

There has been an increase in the turnover of the Rubber Products from Rs. **3427.71** lakhs in the previous year to Rs. **3576.26** Lakhs in the current year.

The company's export earnings have been increased from Rs. 708.89 lakhs in the previous year to Rs. 771.11 lakhs in the current year due to slight increase in demand for our export products.

Company Performance Overview

During the current Financial Year 2022-2023, as informed earlier, with the Demerger coming into effect, the main focus of business activities of the Company will be on the Rubber Lining Division. In the recent past, the

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Company has seen remarkable opportunities and growth in the Rubber Lining Business and foresees better results. The Company now with single segment of Business can focus better on its Rubber Lining Business and plans to achieve new levels of growth in the years to come.

As the PTFE business has been demerged with MIL Industries & Aerospace Limited, the PTFE business has not been discussed here.

DIVIDEND

The Board of Directors at their meeting held on 29th May 2023, 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 22nd September 2023.

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. The web link to access the annual return is https://milindus.com/admin/uploads/investor/MIL_Form_MGT_7_2022-23.pdf

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-2023 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 2023.

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.

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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

Pursuant to the Scheme of Arrangement between MIL Industries Limited and MIL Industries Aerospace Limited which was approved by the Hon'ble National Company Law Tribunal, Chennai (NCLT) vide its Order dated 22nd July, 2022, the said relationship of Holding and Subsidiary Company ceased to be operative.

Thus, as on date there is no Holding, Subsidiary or Joint Venture Company.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company was Rs. 315 lakhs as on March 31, 2023. 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, 2023.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Noman H. Millwala, Director of the Company, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

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

Mr. Rajiv Sreedhar, Managing Director, Mr. N. Guruswamy, Chief Financial Officer, and Mrs. Aparna Nagarajan, Company Secretary (*appointed w.e.f 06.04.2023*) are the KMPs of the Company in terms of Section 2(51) and Section 203 of the Act, 2013 as on date of this Report.

Mr. U. Viswanath, Company Secretary resigned during the year and served upto 30.11.2022 close of the business hours.

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

INDEPENDENT DIRECTORS

Mr. K.J. Janakar and Mr. A. Rengarajan are the independent directors of the company as at 31st March 2023.

Independent Directors meeting was held on 24th February 2023 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:
https://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.

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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>.

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/admin/uploads/investor/whistle-blower-policy_MIL.pdf

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 2022-23 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

The Members at the 56th Annual General Meeting of the company, held on 10th November, 2022, appointed, M/s.Venkat & Rangaa LLP, Chartered Accountants as Statutory Auditors of the Company for a first term of five years from the conclusion of the 56th AGM till the conclusion of the 61st AGM.

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit. The total fee paid for the year 2022 - 2023 to M/s.Venkat & Rangaa LLP, Chartered Accountants is given below:

| SI. No. | Description of the Service | Fees (Amount in Rs.) |
|---------|-----------------------------|----------------------|
| i. | Statutory Audit | 3,00,000 |
| ii. | Other Certification charges | 21,600 |
| | Total | 3,21,600 |

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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 Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remarks except observation as mentioned in the Report.

COST AUDIT

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

Technology absorption:

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

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

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

Expenditure incurred during the financial year for R & D work was Rs. 19,50,340/-.

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 | 37.74 |
| Foreign Exchange earned | 771.11 |

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.

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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.

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

During the Financial Year Company has not received any orders from any Regulator or Court.

However during the Financial Year, the Scheme of Arrangement for Demerger between Company and MIL Industries & Aerospace Limited has been approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated July 22, 2022 and the certified copy of the Order dated August 3, 2022. The said Order has been made effective from August 8, 2022.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year 2022- 2023 there was no change in the nature of Business.

However, due to demerger of the PTFE Division [Demerged Undertaking] of MIL Industries Limited [Demerged Company] into MIL Industries & Aerospace Limited [Resulting Company], the company would operate with only the Rubber Lining Division.

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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 2023.

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 are supplied to core sector industries like fertilizer, metallurgical, caustic soda and therefore our growth depends on the growth of such consuming industries.

(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.

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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 operates in rubber lining of equipment and rubber products only.

(d) Outlook

The Company is continuing the business with its existing customer base. The Company is focusing on export market and its foreign customers.

(e) Risks and concerns.

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

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

(f) Internal control systems and their adequacy.

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

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

The revenue from the operations of the company for the financial year 2022-23 has increased by 4.33% over the previous year. However, the profit before tax has decreased compared to the previous year due to increase in raw material cost and cost of production.

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

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

(a) Key Financial Ratios

| S. No. | Particulars | UOM | March 31, 2023 | March 31, 2022 | Remarks |
|--------|-------------------------|-------|----------------|----------------|--|
| 1 | Current Ratio | - | 3.81 | 3.46 | Increase, due to increase in Current Assets |
| 2 | Debt Equity ratio | - | 0.29 | 0.32 | Decrease, due to decrease in outside liabilities |
| 3 | Interest Coverage ratio | Times | 52.32 | 133.82 | Decrease, due to increase in interest amount |

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| S. No. | Particulars | UOM | March 31, 2023 | March 31, 2022 | Remarks |
|--------|-------------------------|-------|----------------|----------------|--|
| 4 | Inventory Turnover | Times | 4.56 | 6.09 | Decrease, due to increase in average inventory. |
| 5 | Operating profit margin | % | 10.96 | 14.26 | Decrease, due to increase in cost of production |
| 6 | Net profit margin | % | 7.89 | 9.95 | Decrease, due to increase in cost of production and overheads. |
| 7 | Return on Networth | % | 11.32 | 14.96 | Decrease, due to decrease in profitability. |
| 8 | Debtors Turnover Ratio | Times | 4.14 | 4.00 | Increase, due to increase in Average Turnover. |

(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 2022-23 have been prepared in compliance with the said Rules.

ACKNOWLEDGEMENT

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

By Order of the Board

Place : Chennai
Date : 29th May, 2023

Noman H. Millwala
Chairman

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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 | 6.57:1 |

- 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.

| Name | Designation | Percentage of Increase |
|---------------|-------------------------|------------------------|
| Mr. Guruswamy | Chief Financial Officer | 3.68 |

- There was an increase of 12% in the median remuneration of employees in the Financial Year.
- There were 47 permanent employees on the rolls of the Company as on 31st March, 2023.
- There was an increase of 0.29% in the Average salaries of employees other than the managerial personnel in the last Financial Year i.e. 2022-23 due to increase in the number of employees. There was no change in the managerial remuneration compared to the previous financial year.
- 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 | S Baskar | GM - Mktg. | 22.23 | Regular | DME | 35 | 04.11.1994 | 53 | Lebracs Rubber Lining Pvt. Ltd |
| 2 | S V Gopalakrishnan | VPW | 16.25 | Contractual | DEE | 53 | 01.02.1969 | 74 | NIL |
| 3 | A Ponnuswamy | AGM - Production | 11.57 | Regular | DME | 36 | 24.04.1989 | 56 | Kumar Industries |
| 4 | T.Karunanidhi | AGM – QC | 11.44 | Regular | DME | 15 | 08.01.2008 | 56 | NIL |
| 5 | M Lakshmanan | DGM-Purchase | 12.35 | Contractual | DME | 41 | 01.11.1982 | 63 | NIL |
| 6 | B. Sivakumar | SR.MGR.MFG | 10.53 | Regular | DME | 16 | 01.08.2007 | 52 | NIL |
| 7 | M. Muralidharan | MGR. R&D | 10.53 | Regular | Msc | 20 | 21.05.2003 | 40 | NIL |
| 8 | V. Rajasekaran | MGR. Accounts | 10.01 | Contractual | BA | 34 | 05.07.1989 | 68 | Hindustan Motors Ltd |
| 9 | M.Gopalakrishnan | S.M-Site Co-Ordn | 9.88 | Regular | DME | 32 | 17.01.1991 | 54 | NIL |
| 10 | N.S.Suresh | MGR. IT | 8.84 | Regular | B.Com | 28 | 11.10.1995 | 52 | NIL |

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 benefited from the experience of longer serving Directors, and the fresh external perspectives and insights from newer appointees.

As on 31st March 2023, the total strength of the board was five. 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).

The Board has managing director Mr. Rajiv Sreedhar and four non-executive directors viz., Mr. Noman H. Millwala, chairman, Mrs. Saroja Raman (woman director), Dr. T. Venkatesan, Mr. K.J. Janakar & 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 Directors | Category of Directorship | Number of Directorships in other companies | No. of Committee Memberships in other companies | | No. of Board Meetings Attended | Attendance at last AGM |
|---------|-----------------------|--|--|---|--------|--------------------------------|------------------------|
| | | | | Chairman | Member | | |
| 1 | Mr. Rajiv Sreedhar | Promoter & Managing Director | 2 | - | 2 | 7 | Yes |
| 2 | Mr. Noman H. Millwala | Chairman & Non-Executive Director | 3 | 1 | 1 | 7 | Yes |
| 3 | Mrs. Saroja Raman | Promoter & Non-Executive Director | 6 | - | - | 7 | No |
| 4 | Dr. T. Venkatesan | Non-Independent Non-Executive Director | - | - | - | 7 | Yes |
| 5 | Mr. K.J. Janakar | Independent Non-Executive Director | 3 | 0 | - | 7 | Yes |
| 6 | Mr. A. Rengarajan | Independent Non-Executive Director | 3 | 1 | - | 7 | Yes |

The Board of Directors met seven times during the year on 30.05.2022, 05.08.2022, 12.08.2022, 29.09.2022, 26.10.2022, 14.11.2022 and 09.02.2023.

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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, 2023 | |
|---------|--|-------------------------------------|---------------------------|
| | | No. of shares | % of Equity Share Capital |
| 1. | Mrs. Saroja Raman | 3,16,495 | 10.05 |
| 2. | Mr. Noman H. Millwala | 5,750 | 0.12 |
| 3. | Dr. T. Venkatesan | 500 | 0.02 |
| 4. | Mr. K.J. Janakar | - | - |
| 5. | Mr. A. Rengarajan | - | - |

Name of other Listed Companies in which Directors of the Company is a Director and their category:

| Sl. No. | Name of Director | Category of Directorship | Name of Other Listed Company |
|---------|--|------------------------------------|------------------------------------|
| 1 | Mr. Rajiv Sreedhar (DIN: 00181532) | Promoter & Managing Director | MIL Industries & Aerospace Limited |
| 2 | Mr. Noman H. Millwala (DIN: 00471544) | Independent Director | MIL Industries & Aerospace Limited |
| 3 | Mrs. Saroja Raman (DIN: 00481687) | Promoter & Non-Executive Director | MIL Industries & Aerospace Limited |
| 4 | Mr. K.J. Janakar (DIN: 00644460) | Independent Non-Executive Director | MIL Industries & Aerospace Limited |
| 5 | Mr. A. Rengarajan (DIN: 06598828) | Independent Non-Executive Director | MIL Industries & Aerospace Limited |

Familiarization program:

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

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

The induction process for NE-IDs includes plant visit for detailed understanding of manufacturing process / activities. The details of familiarization program are available on the Company's website at https://milindus.com/admin/uploads/investor/MIL_Familiarisation-Programme%20for%20Independent%20Directors-2022-23.pdf.

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

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

Professional Background & Skills / expertise / competency of Directors:

| Name of the Directors | Brief description about the Directors |
|-----------------------|--|
| Mr. Rajiv Sreedhar | <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 42 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 Non-Executive director and re-appointed on 30.09.2021 as Non-Executive director liable to retire by rotation. Associated with MIL since year 1998, having vast experience on the board, have contributed for effective functioning of the board and General Management.</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 served as a Non-Executive director and who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company in this 56th Annual General Meeting. 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 Plus 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 EIGI Treads Ltd.</p> |
| Mr. A. Rengarajan | <p>Mr. A. Rengarajan is a fellow member of ICSI and has over 26 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 |
|----------------------|---|
| 03.05.2022 | Mr. A. Rengarajan, Mr. Rajiv Sreedhar & Mr. K.J. Janakar |
| 12.08.2022 | Mr. A. Rengarajan, Mr. Rajiv Sreedhar & Mr. K.J. Janakar. |
| 26.10.2022 | Mr. A. Rengarajan, Mr. Rajiv Sreedhar & Mr. K.J. Janakar. |
| 14.11.2022 | Mr. A. Rengarajan, Mr. Rajiv Sreedhar & Mr. K.J. Janakar. |
| 09.02.2023 | Mr. A. Rengarajan, Mr. Rajiv Sreedhar & 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 three directors in accordance with the provisions of Section 177 of the Companies Act, 2013 and comprises of Mr. A. Rengarajan, Chairman, Mr. Noman H. Millwala, non-executive director and 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 12.08.2022. 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 |
|----------------------|--|
| 12.08.2022 | Mr. A. Rengarajan, Mr. Noman H. Millwala, and Mr. K.J. Janakar |

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.

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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 was 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.

At the Fifty Sixth Annual General Meeting held on Thursday, the 10th November, 2022 approved the Remuneration for the remaining period from September 01, 2022 to August 31, 2024, remuneration not exceeding the limit specified under Section 197 and Schedule V of the Act in case of inadequacy or absence of profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.

The remuneration payable to Managing Director is fixed by the Board and is within the limits if 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 31.03.2023.

Mr. U. Viswanath, Company Secretary was the Compliance Officer of the Company during the year for overseeing the redressal of investor grievances upto 30.11.2022

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

| Date of the meetings | Attendance of the Members |
|----------------------|---|
| 30.05.2022 | Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Mr. K.J. Janakar |
| 12.08.2022 | Mr. Noman H. Millwala, Mr. Rajiv Sreedhar, Mr. K.J. Janakar |
| 14.11.2022 | 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 2022-23 and no complaints were pending at the year end.

All requests for dematerialization of shares received during the year 2022-23 were carried out within the stipulated time period.

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.

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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 2022-23, the company was required to spend Rs. 18,30,793/- 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. 18,30,800/- during the financial year 2022-23. 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 |
|----------------------|---|
| 30.05.2022 | Mr. Noman H. Millwala, Mrs. Saroja Raman, Mr. Rajiv Sreedhar, Dr. T. Venkatesan and Mr. A. Rengarajan |

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 |
|---------|---|------------|------------|
| 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. |
| 2020-21 | | 30.09.2021 | 11.30 a.m. |
| 2021-22 | | 10.11.2022 | 11.00 a.m. |

NCLT Convened Meeting

| Date & Time | Venue of the meeting | Special Resolutions Passed |
|--|--|--|
| 15 th March 2022, 11.00 a.m. | The Registered Office i.e. 25A, SIDCO Industrial Estate, Ambattur, Chennai- 600098 | Approval of Scheme of Arrangement between MIL Industries Limited (MIL), and MIL Industries & Aerospace Limited (MILIA) and their respective shareholders and creditors, for the Demerger of PTFE Undertaking of MIL Industries Limited ("Demerged Company") into MIL Industries & Aerospace Limited ("Resulting Company") with 1st April 2022 as the Appointed Date. |

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Special resolutions passed in the previous three AGMs:

| Year | Subject Matter of resolution: | Date |
|---------|--|------------|
| 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 |
| 2020-21 | <ul style="list-style-type: none">• Appointment of Mrs. Saroja Raman (DIN 00481687) Who Retires by Rotation:• Re-Appointment of Mr. K.J. Janakar (DIN 00644460) as an Independent Director of The Company:• Appointment of Mr. A. Rengarajan (DIN 06598828) as An Independent Director of The Company for The Period Of 5 Years. | 30.09.2021 |
| 2021-22 | <ul style="list-style-type: none">• Appointment of Dr.T. Venkatesan (DIN 01793232) who retires by rotation: | 10.11.2022 |

No special resolution was passed by the shareholders of the company through postal ballot during the year 2022 - 2023.

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.

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General shareholder information:

a) Annual General Meeting

| | |
|---------------------------|--|
| Day, Date and Time | Friday, September 29, 2023, 11.00 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, 2023 | First fortnight of August, 2023 |
| Results for Quarter ending 30th September, 2023 | First fortnight of November, 2023 |
| Results for Quarter ending 31st December, 2023 | First fortnight of February, 2024 |
| Results for Quarter ending 31st March, 2024 | Last Week of May, 2024 |

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 2022-23 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 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.

MIL INDUSTRIES LIMITED

g) **Distribution of Shareholding as on 31st March 2023:**

| Shareholding (Range) | No. of members | % | No. of Shares | % |
|----------------------|----------------|------------|------------------|------------|
| Upto 5000 | 552 | 93.56 | 363,035 | 11.52 |
| 5001 to 10000 | 14 | 2.37 | 95,600 | 3.03 |
| 10001 to 20000 | 7 | 1.19 | 99,100 | 3.15 |
| 20001 to 30000 | 2 | 0.34 | 48,100 | 1.53 |
| 30001 to 40000 | 1 | 0.17 | 35,000 | 1.11 |
| 40001 to 50000 | 6 | 1.02 | 280870 | 8.92 |
| 50001 to 100000 | - | - | - | - |
| 100001 & Above | 8 | 1.36 | 2228295 | 70.74 |
| Total | 590 | 100 | 31,50,000 | 100 |

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

The promoter holding consisting of 19,88,260 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 656795 Equity Shares have been dematerialized as on 31st March 2023 accounting for 83.97%.

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 extract of quarterly & annual results of the Company are published in newspapers as soon as they are approved by the Board and also full results are 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 Location:**

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

MIL INDUSTRIES LIMITED

o) **Address for Correspondence**

The Company Secretary and Compliance Officer
Mrs. APARNA NAGARAJAN
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 | 750.00 | IND A4+ |
| | Total | 970.00 | |

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.

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.

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.

MIL INDUSTRIES LIMITED

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/admin/uploads/investor/whistle-blower-policy_MIL.pdf

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.

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.3,21,600 (including certification) to the Statutory Auditors for all services received by the listed entity and its subsidiary, on a consolidated basis.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2023.

for MIL Industries Limited

Place: Chennai
Date: May 29, 2023

Rajiv Sreedhar
Managing Director

Annexure – III - Compliance Certificate on Corporate Governance

To

The Members,
M/s. MIL INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by MIL INDUSTRIES LIMITED for the year ended 31st March, 2023 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 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: A029407E000413923
PR No. 1201/2021

Place : Chennai
Date : 29.05.2023

Annexure - IV to Directors' Report to the shareholders**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****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) | 1 | 1 |
| 2. | Mr. Rajiv Sreedhar | Member (Managing Director) | 1 | 1 |
| 3. | Mrs. Saroja Raman | Member (Non-Executive Director) | 1 | 1 |
| 4. | Dr. T. Venkatesan | Member (Non-Executive Director) | 1 | 1 |
| 5. | Mr. A. Rengarajan | Member (Independent Director) | 1 | 1 |

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 executive summary along with web-link(s) 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. (a) Average net profit of the company as per section 135(5).

| Sl. No. | Financial Year | Annual Net Profit (in Rs.) |
|---------------------------|----------------|----------------------------|
| 1. | 2021-22 | Rs. 806.14 |
| 2. | 2020-21 | Rs. 882.93 |
| 3. | 2019-20 | Rs.1057.10 |
| Total | | Rs.2746.18 |
| Average Net Profit | | Rs.915.39 |

MIL INDUSTRIES LIMITED

(b) Two percent of average net profit of the company as per section 135(5)

Rs. 18.31 Lakhs

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

Nil

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

Nil

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

Rs.18.30 Lakhs

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project):

Rs. 18.31/- was spent on other than ongoing projects for the financial year 2022 - 2023 and no ongoing project was approved during the financial year.

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

(c) Amount spent in Administrative Overheads : Nil

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

(e) Total amount spent for the Financial Year : 18.31 Lakhs

(f) Excess amount for set off, if any : Nil

| SI. No. | Particular | Amount (Rs. in Lakhs) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 18.31 |
| (ii) | Total amount spent for the Financial Year | 18.31 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | - |
| (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)] | - |

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

| SI. 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. | | | | | | | |

(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. | | | | | | | | |

8. 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).

9. 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 : 29.05.2023
Place : Chennai

Noman H. Millwala
Chairman of the
CSR Committee

Rajiv Sreedhar
Managing Director and
Member of the CSR Committee

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

CERTIFICATE

*[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI
(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, 2023, 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

PR No. 1201/2021

UDIN: A029407E000413934

Place : Chennai
Date : 29.05.2023

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 : 29.05.2023

Rajiv Sreedhar
Managing Director

N. Guruswamy
Chief Financial Officer

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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, 2023, complied with the statutory provisions and also that the Company has proper Board-processes and compliancemechanism 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, 2023 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, 2018; **(Not Applicable to the Company during the Audit period).**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(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;

MIL INDUSTRIES LIMITED

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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:

- (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:

- A. The Company had obtained approval of Members of the Company in the Annual General Meeting held on 10.11.2022 for
 - (i) Appointment of M/s. VENKAT & RANGAA LLP, Chartered Accountants, Chennai, in place of M/s. S.N.S. Associates, Chartered Accountants,
 - (ii) Appointment of Dr. T. Venkatesan (DIN 01793232) who retires by rotation.
 - (iii) Payment of remuneration to Mr. Rajiv Sreedhar, Managing Director for the period from September 1st, 2022 to August 31, 2024

MIL INDUSTRIES LIMITED

B. The Hon'ble National Company Law Tribunal Division Bench-II Chennai vide its Order dated 22nd July, 2022 & Corrigendum Order dated 28th July, 2022 sanctioned the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between the Company and M/s.MIL Industries & Aerospace Limited and their respective Shareholders & Creditors.

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

Partner

M.NO. A29407

C.P.No.10598

PR No. 1201/2021

UDIN: A029407E000402441

Place : Chennai
Date : 29.05.2023

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 2023, and the statement of Profit and Loss (including Other Comprehensive Income), the 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 Companies Act 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its Profit, total comprehensive income, changes in equity 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.

Emphasis of Matter

We draw attention to the Note No.35 of the Standalone Financial statements wherein the disclosure about the scheme of demerger arrangements has been mentioned. The Company has filed an application with the Hon'ble National Company Law Tribunal, Chennai bench ("the Tribunal"), seeking approval for scheme of arrangement (scheme) demerger of the PTFE division in to a separate Company i.e. MIL Industries & Aerospace Limited under the provisions of section 230-232 of the Companies Act, 2013. The Hon'ble National Company Law Tribunal (NCLT), Chennai Bench had vide its order dated 22nd July 2022 sanctioned the Scheme of Arrangement between the Shareholders and Creditors of MIL Industries Limited and its wholly owned Subsidiary MIL Industries & Aerospace Limited (MILIA) for the demerger of the PTFE business to MILIA. The appointed date was fixed as 1st April 2022. The Company has complied with the formalities and the Scheme has become effective from 8th August 2022. Pursuant to the Scheme becoming effective, the PTFE business is demerged from the Company and transferred to and vested with MILIA from the appointed date, viz., 1st April 2022 and MIL Industries & Aerospace Limited ceased to be a subsidiary of MIL Industries Limited from the effective date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

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| Key Audit Matters | Response to Key Audit Matters and Conclusion |
|---|--|
| <p>Cash and Cash Equivalents</p> <p>As at 31st March 2023, the Company carries Cash and Cash Equivalents to the extent of Rs.1479.83 lakhs which 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 controls with respect to the maintenance of cash balances, and the transactions with banks, 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 a the end of the year. • In respect of deposits, the original deposit receipts, wherever held have been verified and those deposited as margin for credit facilities have been verified with respect to the confirmation furnished by the lender. • Direct confirmation for the deposits and the balances held in other accounts with Banks have been obtained and validated with reference to the books of accounts. |
| <p>Inventories</p> <p>As at 31st March 2023, the Company carried inventories to the extent of Rs.446.44 lakhs- 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 operative effectiveness of the controls with respect to Inventories, like the receipt and issue of materials, the determination of the quantity of inventories as at the end of the year and the valuation of such inventories. • We have also tested and verified the records relating to the valuation of finished goods and work in progress and the value of other store materials. • We have tested the judgments and estimates made by the Company for the determination of the realisable value of inventories. • Based on the above procedures, the value of inventories as considered in the financial statements is considered reasonable.. |
| <p>Trade Receivables</p> <p>As at 31st March 2023, the Company carried Trade Receivables to the extent of Rs.688.32 lakhs which has been considered to be a Key Audit Matter</p> | <ul style="list-style-type: none"> • We have verified and tested the design and maintenance and the operating effectiveness of the controls relating to sale of goods/ services, revenue recognition. • The outstanding in the Trade Receivables have been validated with respect to the invoices raised and the correspondences with the company and to the extent realised subsequent to 31st March 2023 till the date of our report. • We have tested the estimates and judgments made by the Company for assessment of expected credit loss and the provision for impairment of trade receivable. • Based on the above procedures, the estimate of credit risk and the provision for impairment made by the Company is reasonable. |
| <p>De-merger of the PTFE Undertaking of the MIL Industries Limited</p> <p>As described in the standalone financial statements, a business combination in nature of demerger has taken place in which significant judgments were required related to:</p> | <p>Following procedures have been performed to address this key audit matters:</p> <ul style="list-style-type: none"> • We reviewed the board resolution to ensure the approval of the scheme of demerger and other power used to give effect of demerger. • We reviewed the approved Scheme of Arrangement to ensure the acquisition date, to identify assets and liabilities to be transferred to resulting companies. • We refer the applicable accounting standard to ensure the effect of demerger in the standalone financial statement. |

MIL INDUSTRIES LIMITED

| Key Audit Matters | Response to Key Audit Matters and Conclusion |
|--|--|
| <ul style="list-style-type: none"> - determining the acquisition date; - derecognizing the identifiable assets and assumed liabilities; and - determination of the consideration of business combination. | |
| <p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters.</p> <p>In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under Note No. 25 to the financial statements for the year ended 31.03.2023. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p> | <p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements. |

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 standalone 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.

Materiality is the magnitude of misstatements in the financial statements, that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial

statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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**, 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 including other comprehensive income, 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, 2023, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
4. With respect to the other matters to be included in the 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 Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
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.

- d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above.
- e. i) The dividend paid by the Company during the year, in respect of the Dividend declared in the previous Annual General Meeting, for the previous financial year is in accordance with the provisions of section 123 of the Act.
- ii) As stated in Note No.37 of the Standalone Financial Statements, the Board of Directors of the Company have proposed the payment of Dividend Re.1/- per Equity Share aggregating to Rs.31.50 lakhs for the year which is subject to the approval of the Shareholders at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

For Venkat and Rangaa LLP
Chartered Accountants
Firm Reg No. 004597S

T.ZAMEER
Partner

Place: Chennai
Dated : 29th May 2023

Membership No. 230441
ICAI UDIN No. 23230441BGTKYC7431

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 Property, Plant and Equipment.
- (a) The Company has maintained proper records showing full particulars of intangible assets.
- (b) In our opinion and according to the information and explanations given to us, the Property, Plant and Equipment have been physically verified during the year by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- (d) Property, Plant and Equipment and Intangible assets have not been revalued.
- (e) As explained to us, and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- ii) (a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted by the Management at reasonable intervals and in our opinion the coverage and procedure of such verification conducted by the management is adequate. As explained to us, no discrepancies in excess of 10% or more in the aggregate for each class of inventory were noticed.
- (b) In our opinion and according to the explanations given to us, the quarterly returns submitted by the Company in respect of working capital facilities availed from banks on the security of current assets of the Company, are in agreement with the books of accounts maintained by the Company.
- iii) In respect of investments made and advances given, in our opinion and according to the explanations given to us,
 - (a) During the year, the Company has not granted any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
 - (b) The terms and conditions of the investments made are not prejudicial to the interests of the Company.
 - (c) Since the Company has not granted any loans or advances in the nature of loans, the provisions of clause (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the aforesaid Order are not applicable to the Company.
- 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 and the investments made 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.

MIL INDUSTRIES LIMITED

- 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 2023 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) As explained to us and according to the information and explanations furnished to us, no transactions not recorded in the books of accounts have been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.
- ix) (a) The Company has not defaulted in the repayment of loans or other borrowings during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution.
- (c) The Company has not availed any term loans during the year.
- (d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according the information and explanations give to us, the Company has not taken any funds from any entity to meet the obligations of its subsidiary company, associate companies or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the Company has not availed any loans on the basis of the pledge of its investments in Subsidiary Company.
- x) (a) 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.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year.
- xi) (a) 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.
- (b) No report under sub-section 12 of section 143 of the Companies Act, 2013 have been filed by the Auditors in Form ADT – 4 as prescribed under rule 13 of the Companies (Audit and Auditors') Rules 2014 with the Central Government.
- (c) As explained to us and based on the information, explanations and representations furnished to us, the Company has not received any whistle blower complaints during the year (upto and including the date of this report).
- 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 Standards.

MIL INDUSTRIES LIMITED

- xiv) (a) The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (b) The reports of the Internal Auditors have been considered by us.
- 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) (a) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) are not applicable.
- xvii) The Company has not incurred any cash losses during the current financial year or in the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors during the year under audit. However, there has been change of Statutory auditors due to appointment in place of the retiring auditor and there were no any issues, objections or concerns raised by the outgoing auditors.
- xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion and according to the information and explanations given to us, no material uncertainty exists as on the date of the audit report, that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company does not have any ongoing projects under the Corporate Social Responsibility Scheme.

For Venkat and Rangaa LLP
Chartered Accountants
Firm Reg No. 004597S

T.ZAMEER
Partner

Membership No. 230441

ICAI UDIN No. 23230441BGTKYC7431

Place: Chennai

Dated : 29th May 2023

MIL INDUSTRIES LIMITED

“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 2023 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, 2023, 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 Venkat and Rangaa LLP
Chartered Accountants
Firm Reg No. 004597S

T.ZAMEER
Partner

Place: Chennai
Dated : 29th May 2023

Membership No. 230441
ICAI UDIN No. 23230441BGTKYC7431

MIL INDUSTRIES LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | Note | As at 31-03-2023 | As at 31-03-2022 |
|-------------------------------------|--------------------|------------------------|------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| i) Property, Plant and Equipment | 4 | 432.90 | 915.84 |
| ii) Capital Work in Progress | | | |
| iii) Financial Assets | | | |
| a) Investments | 5 | - | 20.78 |
| b) Other Financial Assets | 6 | 12.54 | 15.82 |
| iv) Deferred Tax Assets (net) | 14 | 23.99 | - |
| Total Non current Assets | (A) | <u>469.42</u> | <u>952.44</u> |
| Current Assets | | | |
| Inventories | 7 | 446.44 | 1,123.33 |
| i) Financial Assets | | | |
| a) Trade Receivables | 8 | 688.33 | 1,038.41 |
| b) Cash and cash equivalents | 9 | 1,479.83 | 2,304.60 |
| c) Other financial assets | | | |
| ii) Other current assets | 10 | 130.19 | 344.82 |
| Total current assets | (B) | <u>2,744.79</u> | <u>4,811.16</u> |
| Total Assets | (A)+(B) | <u>3,214.21</u> | <u>5,763.60</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity Share Capital | 11 | 315.00 | 315.00 |
| b) Other Equity | | | |
| Reserves and Surplus | 12 | 2,178.44 | 4,382.58 |
| Total Equity | (C) | <u>2,493.44</u> | <u>4,697.58</u> |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| i) Financial Liabilities | | | |
| a) Borrowings | 13 | | |
| ii) Deferred tax liabilities | 14 | - | 3.72 |
| iii) Other non current liabilities | | | |
| Total Non Current Liabilities | (D) | <u>-</u> | <u>3.72</u> |
| Current Liabilities | | | |
| i) Financial Liabilities | | | |
| a) Borrowings | 15 | 199.50 | 172.32 |
| b) Trade Payables | 16 | 250.87 | 483.53 |
| c) Other Financial Liabilities | 17 | 154.31 | 242.99 |
| ii) Other current liabilities | 18 | 116.09 | 163.45 |
| Total Current Liabilities | (E) | <u>720.77</u> | <u>1,062.29</u> |
| Total Equity and Liabilities | (C)+(D)+(E) | <u>3,214.21</u> | <u>5,763.60</u> |

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants

Firm Reg No. 004597S

T.ZAMEER
Partner
Membership No. 230441

RAJIV SREEDHAR
Managing Director
DIN: 00181532

NOMAN H. MILLWALA
Chairman
DIN: 00471544

A. RENGARAJAN
Director
DIN: 06598828

Place: Chennai
Date: 29th May 2023

N. GURUSWAMY
Chief Financial Officer

APARNA NAGARAJAN
Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | Note No. | Figures as at the end of the current reporting period 31-03-2023 | Figures as at the end of the previous reporting period 31-03-2022 |
|--|----------|---|--|
| INCOME | | | |
| Revenue From Operations | 19 | 3,576.26 | 3,427.70 |
| Other Income | 20 | 114.56 | 141.97 |
| Total Revenue | | 3,690.81 | 3,569.67 |
| EXPENSES | | | |
| Cost of raw materials and components consumed | 21 | 1,197.67 | 1,314.81 |
| Purchase of stock-in-trade | | - | - |
| Changes in inventories of finished goods and work-in-progress | 22 | 68.44 | 66.40 |
| Employee Benefit Expenses | 23 | 391.32 | 350.32 |
| Finance Cost | 24 | 25.16 | 22.76 |
| Depreciation and amortisation expenses | 4 | 124.58 | 112.45 |
| Other Expenses | 25 | 1,499.08 | 1,217.94 |
| | | 3,306.27 | 3,084.69 |
| Profit before exception and extraordinary items and tax | | 384.55 | 484.99 |
| Extraordinary items | | - | - |
| Profit before tax | | 384.55 | 484.99 |
| Tax Expenses | | | |
| Current Tax | | 130.00 | 240.00 |
| Deferred Tax | | (27.71) | 6.39 |
| Net Profit from Continuing Operations after tax | | 282.25 | 238.60 |
| Profit/(Loss) from discontinued operations before tax (Note 2) | | - | 321.16 |
| Tax Expense of discontinued operations (Note 2) | | - | - |
| Net Profit / (Loss) from discontinued operations after tax (Note 2) | | - | 321.16 |
| Net Profit for the Period including discontinued operations | | 282.25 | 559.76 |
| Other Comprehensive Income | | | |
| Remeasurement of Defined Benetit Plans | | (16.24) | 1.79 |
| Tax effect on above | | | |
| Total Other Comprehensive Income for the year | | (16.24) | 1.79 |
| Total Comprehensive Income for the year comprising Profit and Other Comprehensive income | | 266.02 | 557.97 |
| Earnings per Equity Share (Basic and Diluted) | | 8.96 | 17.77 |
| See accompanying Notes to Financial Statements | | | |

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants

Firm Reg No. 004597S

T.ZAMEER
Partner
Membership No. 230441

RAJIV SREEDHAR
Managing Director
DIN: 00181532

NOMAN H. MILLWALA
Chairman
DIN: 00471544

A. RENGARAJAN
Director
DIN: 06598828

Place: Chennai
Date: 29th May 2023

N. GURUSWAMY
Chief Financial Officer

APARNA NAGARAJAN
Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

| PARTICULARS | Figures as at the end of the current reporting period ended 31-03-2023 | Figures as at the end of the previous reporting period ended 31-03-2022 |
|---|---|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | (Rupees in lakhs) | |
| Profit for the year before tax | 384.55 | 484.99 |
| Profit from discontinued operations | - | 321.16 |
| Adjustments for | | |
| Depreciation | 124.58 | 159.58 |
| Interest Expense | 07.49 | 05.47 |
| Interest income | (75.30) | (104.21) |
| Loss on sale of assets | | |
| Profit on sal of assets | - | (12.44) |
| Operating profit before working capital changes | <u>441.32</u> | <u>854.55</u> |
| Adjustments for changes in | | |
| Other Non current financial assets | 03.28 | - |
| Trade Receivables | 350.08 | 249.50 |
| Inventories | 676.89 | 109.53 |
| Other Current Assets | 221.62 | (100.17) |
| Trade Payables | 232.66 | (136.95) |
| Bank deposits under lien and unclaimed dividend | 0.00 | 150.00 |
| Remeasurement of defined bebefit obligations | 16.24 | 01.79 |
| Other Financial Liabilities | (88.69) | (220.65) |
| Other Current Liabilities | (1.09) | 32.30 |
| Movement on account of demerger of PTFE Division | <u>(1268.19)</u> | <u>-</u> |
| | <u>142.79</u> | <u>85.35</u> |
| Cash Generated from operations | 584.11 | 939.90 |
| Income tax paid (net) | 190.85 | 380.41 |
| Net Cash generated from Operations | (A) <u>393.27</u> | <u>559.49</u> |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (111.06) | (270.08) |
| Proceeds from sale of Property, Plant and Equipment | - | 16.23 |
| Investment in Subsidiary Company | (20.00) | 0.00 |
| Interest income | 75.30 | 104.21 |
| Net cash (used in)/from Investing activities | (B) <u>(55.76)</u> | <u>(149.63)</u> |

MIL INDUSTRIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

| PARTICULARS | Figures as at the | Figures as at the |
|---|--|---|
| | end of the current reporting period ended 31-03-2023 | end of the previous reporting period ended 31-03-2022 |
| | (Rupees in lakhs) | |
| C. CASH FROM FINANCING ACTIVITIES | | |
| Interest expense | (7.49) | (5.47) |
| Repayment of Non Current Borrowings | | |
| Proceeds from current borrowings | 27.18 | 125.62 |
| Dividend Paid including Dividend tax | (31.50) | (31.50) |
| Net cash (used in)/from Financing Activities (C) | (11.81) | 88.65 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 325.70 | 498.50 |
| Opening Cash and Cash Equivalents (excluding deposits under lien) | 2,225.60 | 1,727.10 |
| Less: Vested with MIL Industries and Aerospace Limited as per Scheme of Arrangement | 1,150.46 | - |
| Adjusted opening cash and cash equivalents | 1,075.14 | - |
| Closing Cash and Cash Equivalents (excluding deposits under lien) | 1,400.83 | 2,225.60 |

See accompanying Notes to Financial Statements

Note: In view of the demerger of the PTFE Division to MIL Industries and Aerospace Limited with effect from 1-4-2022 as per Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, in MIL Industries and Aerospace Limited, the assets and liabilities transferred to MILIA have been suitably adjusted in preparing the cash flow Statement for the year ended 31st March 2023.

Vide our report of even date attached
For **Venkat and Rangaa LLP**
Chartered Accountants
Firm Reg No. 004597S

T.ZAMEER
Partner
Membership No. 230441

RAJIV SREEDHAR
Managing Director
DIN: 00181532

NOMAN H. MILLWALA
Chairman
DIN: 00471544

A. RENGARAJAN
Director
DIN: 06598828

Place: Chennai
Date: 29th May 2023

N. GURUSWAMY
Chief Financial Officer

APARNA NAGARAJAN
Company Secretary

MIL INDUSTRIES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| | As at 31-03-2023 | As at 31-03-2022 |
|---|---------------------|---------------------|
| 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 | 30.00 | 15.00 | 18.26 | 2,481.29 | (21.26) |
| Remeasurement of Defined Benefit Plans (net of tax) | | | | | (3.88) |
| Profit for the year after tax | | | | 758.50 | |
| Interim Dividend paid | | | | (31.50) | |
| Dividend Distribution tax | | | | (6.57) | |
| Balance as at 31st March 2020 | 30.00 | 15.00 | 18.26 | 3,201.81 | 25.14 |
| Profit for the year after tax | - | - | - | 619.11 | |
| Remeasurement of Defined Benefit Plans (net of tax) | | | | | 6.52 |
| Balance as at 31st March 2021 | 30.00 | 15.00 | 18.26 | 3,820.93 | (31.65) |
| Profit for the year after tax | - | - | - | 559.76 | |
| Remeasurement of Defined Benefit Plans (net of tax) | | | | | 1.79 |
| Dividend Paid during the year | | | | (31.50) | - |
| Balance as at 31st March 2022 | 30.00 | 15.00 | 18.26 | 4,349.19 | (29.87) |
| Transferred to MIL Industries & Aerospace Limited as per Scheme of Arrangement approved by the order of Hon'ble NCLT, Chennai | | | | (2,418.66) | |
| Cancellation of Investment in Subsidiary MIL Industries & Aerospace Limited against surplus | | | | (20.00) | |
| Profit for the year after tax | | | | 282.25 | |
| Remeasurement of Defined Benefit Plans (net of tax) | | | | | (16.24) |
| Dividend Paid during the year | | | | (31.50) | |
| Balance as at 31st March 2023 | 30.00 | 15.00 | 18.26 | 2,161.28 | (46.10) |

See accompanying Notes to Financial Statements

Vide our report of even date attached
For **Venkat and Rangaa LLP**
Chartered Accountants
Firm Reg No. 004597S

T.ZAMEER
Partner
Membership No. 230441

RAJIV SREEDHAR
Managing Director
DIN: 00181532

NOMAN H. MILLWALA
Chairman
DIN: 00471544

A. RENGARAJAN
Director
DIN: 06598828

Place: Chennai
Date: 29th May 2023

N. GURUSWAMY
Chief Financial Officer

APARNA NAGARAJAN
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 Corporate Information

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

The Company is engaged in the business of anti corrosive lining of steel equipment and pipes & fittings using rubber . PTFE (Poly Tetra Fluoro Ethylene) related business of the company has been demerged into a separate company named MIL Industries & Aerospace Limited during the year.

The Company's factory is situated at Ambattur 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 managements'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 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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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).

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

4. PROPERTY, PLANT AND EQUIPMENT

Rupees in lakhs

| GROSS BLOCK | | | | | |
|------------------------|---------------------|---------------------------------|-------------|---|-------------------------------|
| | As at 01-04-2022 | Additions during the year | Deletions | Adjustment for transfer to MIL Industries & Aerospace Ltd | Balance 31-03-2023 |
| Land | | | | | |
| Freehold | | | | | |
| Ambattur | 1.73 | - | - | 0.58 | 1.15 |
| Others | 73.05 | - | - | 69.55 | 3.51 |
| Leasehold land | 2.38 | - | - | 2.38 | 0.00 |
| Buildings | 354.21 | 9.43 | - | 218.05 | 145.58 |
| Plant and Equipment | 1,539.14 | 96.51 | - | 718.63 | 917.03 |
| Furniture and Fixtures | 66.70 | 2.88 | - | 7.69 | 61.88 |
| Vehicles | 187.16 | - | - | 49.24 | 137.91 |
| Office Equipment | 83.83 | 0.66 | - | 23.07 | 61.43 |
| Computers | 38.50 | 1.58 | - | 8.54 | 31.54 |
| TOTAL | 2,346.70 | 111.06 | 0.00 | 1,097.74 | 1,360.02 |
| Previous year total | 2,132.26 | 270.08 | 55.63 | - | 2,346.70 |

Rupees in lakhs

| DEPRECIATION BLOCK | | | | | |
|---------------------------|---------------------|------------------------------------|-----------|---|-------------------------------|
| PARTICULARS | As at 01-04-2022 | Depreciation during the year | Deletions | Adjustment for transfer to MIL Industries & Aerospace Ltd | Balance 31-03-2023 |
| Land | | | | | |
| Freehold | | | | | |
| Ambattur | - | - | - | - | - |
| Others | - | - | - | - | - |
| Leasehold land | 0.92 | - | - | 0.92 | - |
| Buildings | 174.19 | 8.84 | - | 69.13 | 113.91 |
| Plant and Equipment | 1,065.33 | 68.23 | - | 509.70 | 623.85 |
| Furniture and Fixtures | 35.27 | 8.90 | - | 2.06 | 42.10 |
| Vehicles | 45.10 | 34.82 | - | 17.47 | 62.45 |
| Office Equipment | 78.15 | 1.13 | - | 22.60 | 56.68 |
| Computers | 31.91 | 2.67 | - | 6.44 | 28.14 |
| TOTAL | 1,430.86 | 124.58 | - | 628.32 | 927.12 |
| Previous year total | 1,323.11 | 159.58 | 51.84 | - | 1,430.86 |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | NET BLOCK | |
|------------------------|---------------|---------------|
| | 31-03-2023 | 31-03-2022 |
| Land | | |
| Freehold | | |
| Ambattur | 1.15 | 1.73 |
| Others | 3.51 | 73.05 |
| Leasehold land | - | 1.47 |
| Buildings | 31.68 | 180.02 |
| Plant and Equipment | 293.17 | 473.81 |
| Furniture and Fixtures | 19.78 | 31.43 |
| Vehicles | 75.47 | 142.05 |
| Office Equipment | 4.75 | 5.68 |
| Computers | 3.40 | 6.59 |
| TOTAL | 432.90 | 915.84 |
| Previous year balance | 915.84 | 809.14 |

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|---|---------------|-----------------|
| 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) | - | 20.00 |
| In other Companies | | |
| 7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited | - | 0.78 |
| | <u>-</u> | <u>20.78</u> |
| 6. OTHER FINANANCIAL ASSETS | | |
| Unsecured - Considered good | | |
| Security Deposits | 12.54 | 15.82 |
| | <u>12.54</u> | <u>15.82</u> |
| 7. INVENTORIES | | |
| Raw Materials | 178.41 | 595.94 |
| Work in progress | 218.60 | 408.82 |
| Finished Goods | 38.98 | 85.42 |
| Stores and Spares | 10.45 | 33.15 |
| | <u>446.44</u> | <u>1,123.33</u> |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|---|-----------------|------------|
| 8. TRADE RECEIVABLES | | |
| Unsecured - Considered good | 688.33 | 1,038.41 |
| | 688.33 | 1,038.41 |
| Age analysis of receivables | | |
| Undisputed Dues from Debtors - Considered good | | |
| Upto 6 months | 597.92 | 917.59 |
| 6 months to 1 year | 69.73 | 95.92 |
| 1 to 2 years | 20.68 | 24.90 |
| 2 to 3 years | - | - |
| more than three years | - | - |
| The above is after considering loss on fair valuation | 21.14 | 26.00 |
| 9. CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 0.04 | 0.02 |
| Balance with Banks | | |
| In Current Account | 177.33 | 29.95 |
| In Deposit Accounts | 1,223.46 | 2,195.63 |
| In Deposits offered as security for credit facilities | 79.00 | 79.00 |
| | 1,479.83 | 2,304.60 |
| 10. OTHER CURRENT ASSETS | | |
| Unsecured - Considered Good | | |
| Advances to employees | 0.06 | 1.90 |
| Prepaid Expenses | 15.87 | 14.03 |
| Advance to suppliers | 36.80 | 115.43 |
| Rent Receivables | 0.00 | 0.00 |
| Earnest Money Deposits | 0.66 | 1.69 |
| Balance with Excise Department | 0.00 | 0.00 |
| Balance GST-Input Tax Credit Available | 62.42 | 153.03 |
| MEIS Scrips on hand | 6.48 | 11.53 |
| Interest receivable | 0.90 | 45.11 |
| Duty Drawback Receivable | - | 2.11 |
| Duty Drawback Receivable | 6.99 | - |
| | 130.19 | 344.82 |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|--|---------------|---------------|
| 11. EQUITY SHARE CAPITAL | | |
| SHARE CAPITAL | | |
| <u>Authorised:</u> | | |
| 4,900,000 Equity Shares of Rs. 10/- each | 490.00 | 490.00 |
| 100,000 10% Redeemable Cumulative Preference shares of Rs. 10/- each | 10.00 | 10.00 |
| 250,000 10% Convertible Redeemable Cumulative Preference shares of Rs. 10/- each | 25.00 | 25.00 |
| | 525.00 | 525.00 |
| <u>Issued, Subscribed and Fully Paid-up:</u> | | |
| 3,150,000 Equity Shares of Rs. 10/- each | 315.00 | 315.00 |
| | 315.00 | 315.00 |

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 | |
|--------|---|----------------|------------|---------------------------|------------|
| | | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| 1 | Krebs Engineering Private Limited | 962,000 | 962,000 | 30.54% | 30.54% |
| 2 | Saroja Raman | 316,495 | 315,295 | 10.05% | 10.01% |
| 3 | Mahendra Girdharilal | 190,085 | 190,085 | 6.03% | 6.03% |
| 3 | Raghu Raman | 182,548 | 112,675 | 5.80% | 3.58% |
| 3 | Ramesh Raman | 169,167 | 99,295 | 5.37% | 3.15% |
| 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 2023

12. OTHER EQUITY

Rupees in lakhs

| PARTICULARS | Capital Redemption Reserve | Capital Reserve | General Reserve | Retained Earnings | Other Comprehensive Income | Total |
|--|----------------------------|-----------------|-----------------|-------------------|----------------------------|-----------------|
| Balance as at 01-04-2022 | 30.00 | 15.00 | 18.26 | 4,349.19 | (29.87) | 4,382.58 |
| Transferred to MIL Industries & Aerospace Limited as per Scheme of Arrangement approved by the order of Hon'ble NCLT, Chennai. | | | | (2418.66) | | |
| Cancellation of Investment in Subsidiary MIL Industries & Aerospace Limited against surplus | | | | (20.00) | | |
| Profit for the year after tax | | | | 282.25 | | |
| Remeasurement of Defined Benefit Plans (net of tax) | | | | | (16.24) | |
| Dividend Paid during the year | | | | (31.50) | | |
| Balance as at 31-03-2023 | 30.00 | 15.00 | 18.26 | 2,161.28 | (46.10) | 2,178.44 |

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|-------------|------------|------------|
|-------------|------------|------------|

13. BORROWINGS

The Company does not have any Long Term Borrowings.

- -

14. DEFERRED TAX LIABILITIES / ASSET

| | | |
|--|----------------|-------------|
| On Account of Depreciation | (18.11) | 11.29 |
| On account of fair valuation of financial assets | (5.88) | (7.57) |
| | <u>(23.99)</u> | <u>3.72</u> |

Note: Figures in bracket represents asset

15. BORROWINGS

(i) From Banks

| | | |
|---|---------------|---------------|
| Working Capital Borrowings - Secured | 199.50 | 172.32 |
| 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>199.50</u> | <u>172.32</u> |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|---|---------------|------------|
| 16. TRADE PAYABLES | | |
| A) Total Outstanding dues of Micro and Small and Medium Enterprises | - | 0.79 |
| B) Total Outstanding dues of Creditors other than Micro and Small and Medium Enterprises | 250.87 | 482.74 |
| Classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company. | | |
| Disclosure requirement as required under Micro, Small, & Medium Enterprises Development Act 2006 is as follows | | |
| a) Principal amount and interest due thereon remaining unpaid to each supplier at the end of each accounting year | - | 0.79 |
| b) Interest paid by the Company in terms of section 16 of MSME Act along with the amount of payment made to the supplier beyond the appointed date during each financial year | - | - |
| c) Interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed date during the year) but without adding the interest specified under MSME Act 2006 | - | - |
| d) Interest accrued and remaining unpaid at the end of the year | - | - |
| e) Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid | - | - |
| Trade Payables ageing Schedule | | |
| MSME Dues | | |
| Less than 1 year | - | 0.79 |
| Other Dues | | |
| Less than 1 year | 250.87 | 479.83 |
| 1 to 2 years | - | 2.91 |
| 17. OTHER FINANCIAL LIABILITIES | | |
| Advance from customers | 154.31 | 242.99 |
| | 154.31 | 242.99 |
| 18. OTHER CURRENT LIABILITIES | | |
| Security Deposits | 0.12 | 1.92 |
| Other Payables: | | |
| Unclaimed Dividend (In interim dividend Account 2019-20) | 4.11 | 4.11 |
| Unclaimed Dividend 2020-21 | 4.07 | 4.08 |
| Unclaimed Dividend 2021-22 | 3.84 | - |
| IGST payable | - | - |
| TDS payable | 11.63 | 15.06 |
| Payable to employees | 26.12 | 22.58 |
| Provision for taxation (net of payments) | - | 46.26 |
| Others | 66.20 | 69.43 |
| | 116.09 | 163.45 |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|---|-----------------|-----------------|
| 19. REVENUE FROM OPERATIONS | | |
| Sale of products (Rubber Lining) | 2,891.86 | 5,123.09 |
| Sale of Services | 684.40 | 232.30 |
| Sale of Stock-in-trade | - | - |
| | <u>3,576.26</u> | <u>5,355.39</u> |
| 20. OTHER INCOME | | |
| Gain on foreign currency transactions | 17.65 | 28.32 |
| Profit on sale of assets | - | 12.44 |
| Interest received | 75.30 | 104.21 |
| Rent received | - | 4.20 |
| Scraps Sales | - | 1.81 |
| Credit balances no longer required written back | - | - |
| Bad debts written off recovered | 0.15 | 0.04 |
| Export Incentives: | | |
| Merchandise Export and Incentive Scheme Scrips | 12.14 | 23.04 |
| Duty Draw back | 8.91 | 5.68 |
| Insurance Claim Receipts | - | 26.03 |
| Miscellaneous Receipts | 0.41 | 0.10 |
| | <u>114.56</u> | <u>205.87</u> |
| 21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED | | |
| Raw materials and components | 1,197.67 | 1,851.58 |
| | <u>1,197.67</u> | <u>1,851.58</u> |
| 22. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS | | |
| Opening Stock | | |
| Finished Goods | 35.95 | 213.84 |
| Work in progress | 290.07 | 441.91 |
| | <u>326.02</u> | <u>655.75</u> |
| Closing Stock | | |
| Finished Goods | 38.98 | 85.42 |
| Work in progress | 218.60 | 408.82 |
| | <u>257.58</u> | <u>494.24</u> |
| (Increase)/Decrease in inventories of Finished Goods and Work in progress | 68.44 | 161.51 |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in lakhs

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|--|-----------------|-----------------|
| 23. EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Wages and Bonus | 327.70 | 573.97 |
| Contribution to Provident and Other Funds | 28.53 | 56.76 |
| Welfare Expenses | 35.09 | 57.92 |
| | <u>391.32</u> | <u>688.65</u> |
| 24. FINANCE COSTS | | |
| Interest Expense | 7.49 | 5.47 |
| Other Borrowing Costs | 17.67 | 21.45 |
| | <u>25.16</u> | <u>26.92</u> |
| 25. OTHER EXPENSES | | |
| Lining Expenses | 631.62 | 665.65 |
| Power and fuel | 125.24 | 154.18 |
| Stores and Spares consumed | 184.96 | 265.86 |
| Rent | 2.10 | 6.00 |
| Insurance | 9.98 | 14.82 |
| Rates and Taxes | 48.28 | 16.66 |
| Postage and Telephone | 10.03 | 18.69 |
| Printing and Stationery | 8.45 | 16.28 |
| Travelling and Conveyance | 79.14 | 82.79 |
| Payment to Auditors: | | |
| For Audit | 3.00 | 3.00 |
| For Certification and other Services | 0.22 | 0.89 |
| Repairs and Maintenance: | | |
| Buildings | 41.11 | 66.62 |
| Plant & Machinery | 39.10 | 44.61 |
| Others - Maintenance Expenses | 74.29 | 140.09 |
| Selling expenses | 18.13 | 26.64 |
| Professional fees | 164.29 | 230.11 |
| Legal Fees | 2.59 | 1.50 |
| Advertisement and Sales Promotion | 2.62 | 3.30 |
| Loss on foreign currency transactions | 1.72 | 8.29 |
| Commission on Sales | - | - |
| Directors' Sitting fees | 2.60 | 2.15 |
| Security Service Charges | 12.09 | 31.30 |
| Bad Debts Written off | 4.87 | 31.07 |
| CSR Expenditure | 18.31 | 17.56 |
| Donations | 1.28 | 0.33 |
| Loss on fair valuation of financial assets | - | - |
| Loss on Sale of Assets | - | - |
| Miscellaneous expenses | 13.08 | 18.48 |
| | <u>1,499.08</u> | <u>1,866.87</u> |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

| PARTICULARS | 31-03-2023 | 31-03-2022 |
|---|-----------------|------------|
| | Rupees in lakhs | |
| 26. Contingent Liabilities on account of: | | |
| a) Guarantees given by Banks on behalf of the Company | 319.35 | 388.74 |
| 27. Commitments: | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for: | - | - |
| 28. 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. | | |
| 29. The company has not discontinued any operations during the year. | | |
| 30. Corporate Social Responsibility: | | |
| During the financial year 2022-23, the Company was required to spend Rs. 18,30,793/- 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. 18,30,800/- during the financial year 2022-23 | | |
| 30.1 Financial Risk Management and Objectives and Policies | | |
| he Company's principal financial liabilities comprises of borrowings, and trade payables, The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, comprise of trade receivables, investments and cash and cash equivalents that derive directly from the Company's operations. The Company's activities exposes it to various risks including market risk, liquidity risk and credit risk. Company's overall risk management focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. | | |
| 30.2 Disclosure of fair value measurements | | |
| The Fair value of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of cash and deposits, trade and other short term receivables, trade payables, other current liabilities, loans from banks and other financial instruments approximate to the carrying amounts. | | |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Financial Instruments by category

Rupees in Lakhs

| | Amortised Cost | Fair Value Through Profit and Loss | Fair value Through Other Comprehensive Income | Carrying amount | Fair Value |
|------------------------------|-----------------|------------------------------------|---|-----------------|-----------------|
| As at 31-03-2023 | | | | | |
| Financial Assets | | | | | |
| Long Term Investment | - | | | - | - |
| Other financial assets | | | | | |
| Trade Receivables | | 709.47 | | 709.47 | 688.33 |
| Cash and cash equivalents | 1,479.83 | | | 1,479.83 | 1,479.83 |
| Financial Liabilities | | | | | |
| Long Term Borrowings | - | | | - | - |
| Short term borrowings | 199.50 | | | 199.50 | 199.50 |
| Trade payables | 250.87 | | | 250.87 | 250.87 |
| Other financial liabilities | 154.31 | | | 154.31 | 154.31 |

| | | | | | |
|------------------------------|----------|----------|--|----------|----------|
| As at 31-03-2022 | | | | | |
| Financial Assets | | | | | |
| Long Term Investment | 20.78 | | | 20.78 | 20.78 |
| Other financial assets | | | | | |
| Trade Receivables | | 1,064.41 | | 1,064.41 | 1,038.41 |
| Cash and cash equivalents | 2,304.60 | | | 2,304.60 | 2,304.60 |
| Financial Liabilities | | | | | |
| Long Term Borrowings | - | | | - | - |
| Short term borrowings | 172.32 | | | 172.32 | 172.32 |
| Trade payables | 483.53 | | | 483.53 | 483.53 |
| Other financial liabilities | 242.99 | | | 242.99 | 242.99 |

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

30.3 Employee Benefits **31-03-2023** **31-03-2022**

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 **12.77** 21.13

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 **10.07** 12.09

iii) Leave encashment

The Company does have a policy for encashment of leave by the employees and payments are made as when the claim is admitted and charged to Revenue.

iv) Gratuity

The Company has a group gratuity scheme which is administered by a separate trust and the annual liability as determined by Life Insurance Corporation of India, based on actuarial valuation using projected unit credit method and is charged off to revenue.

a) Assumptions used

Gratuity

| | | |
|--------------------------------|---------------|--------|
| Discount Rate | 7.44% | 7.09% |
| Salary Escalation | 7.09% | 7.00% |
| Expected return on plan assets | 7.00% | 6.66% |
| Attrition rate | 13.00% | 13.00% |
| Average age | 38.87 | 38.68 |

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

| | | |
|---|----------------|--------|
| Opening value of DBO at the beginning of the year | 112.02 | 98.86 |
| Current Service Cost | 8.03 | 6.91 |
| Interest Cost | 7.15 | 6.91 |
| Benefits paid | (22.28) | (2.67) |
| Actuarial (Gains)/Loss | 25.62 | 2.01 |
| Closing value of DBO at the end of the year | 130.54 | 112.02 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees in Lakhs

| c) Movement in Plan assets during the year | 31-03-2023 | 31-03-2022 |
|---|-------------------|-------------------|
| Fair value of plan assets at the beginning | 146.26 | 127.13 |
| Interest income of the assets | 10.22 | 9.35 |
| Employer contribution | 13.81 | 12.22 |
| Benefits paid | (22.28) | (2.67) |
| Actuarial gain/(Loss) | (1.33) | 0.22 |
| Fair value of plan assets at the end of the year | 150.95 | 146.26 |

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 | 5.91 | 5.71 |
| decrease by | 5.32 | 5.16 |

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

| | | |
|-------------|-------------|------|
| increase by | 5.73 | 5.55 |
| decrease by | 5.25 | 5.11 |

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.6.97 Lakhs 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 2023

| PARTICULARS | 31-03-2023 | | 31-03-2022 | |
|---|------------|--------------------------|------------|--------------------------|
| | Qty. | Value Rupees in lakhs | Qty. | Value Rupees in lakhs |
| 32. ADDITIONAL NOTES | | | | |
| a) Turnover (Net of GST) | | | | |
| Rubber | | | | |
| Manufacturing : | | | | |
| - Rubber lining Products (Sq.M.) | 50116 | 2,856.65 | 44498 | 3,201.74 |
| Service: | | | | |
| - Rubber lining | | 719.61 | | 225.97 |
| Total income - Segment A | | <u>3,576.26</u> | | <u>3,427.70</u> |
| PTFE | | | | |
| Manufacturing : | | | | |
| - PTFE Lined Pipes and Fittings and PTFE Products (Kgs) | - | - | 19694 | 1,921.35 |
| Service: | | | | |
| - PTFE Coating, etc | | - | | 6.33 |
| Total income - Segment B | | <u>-</u> | | <u>1,927.68</u> |
| Total Turnover - Sales | | <u>3,576.26</u> | | <u>5,355.39</u> |
| b) Raw materials and components consumed (kgs) : | | | | |
| Manufacturing: | | | | |
| 1. Natural and Synthetic rubber | 246600 | 552.98 | 203362 | 449.52 |
| 2. Fillers | 162835 | 176.94 | 169951 | 165.95 |
| 3. Solvents | 109382 | 168.48 | 102476 | 131.73 |
| 4. Special Curing and bonding agents | 27393 | 82.71 | 25126 | 56.52 |
| 5. Resins | 3150 | 6.36 | 22309 | 277.53 |
| 6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications | - | 210.19 | - | 723.37 |
| 7. Others | - | - | - | 46.97 |
| | | <u>1,197.67</u> | | <u>1,851.58</u> |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

| PARTICULARS | 31-03-2023 | | 31-03-2022 | |
|--|------------|--------------------------|------------|--------------------------|
| | Qty. | Value Rupees in lakhs | Qty. | Value Rupees in lakhs |
| c) Opening and Closing stock of goods produced: | | | | |
| Finished Goods: | | | | |
| Opening Stock | | | | |
| - Rubber Lining Products (Sq. M.) | 406 | 35.95 | 772 | 112.35 |
| - PTFE Lined Products (Kgs)* | - | - | 1374 | 101.49 |
| | | <u>35.95</u> | | <u>213.84</u> |
| Closing Stock | | | | |
| - Rubber Lining Products (Sq. M.) | 322 | 38.98 | 406 | 35.95 |
| - PTFE Lined Products (Kgs)* | - | - | 770 | 49.47 |
| | | <u>38.98</u> | | <u>85.42</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) | - | (MT) | 1,090.00 |
| 3. PTFE (Resin Weight) | - | 1,090 | (MT) | 50.00 |
| 4. Fabrication of Steel Pipes & Fittings for PTFE Lining | - | - | (MT) | 550.00 |
| 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) | - | 50 | (MT) | 50 |
| 4. Fabrication of Steel Pipes & Fittings for PTFE Lining | - | 550 | (MT) | 550 |
| Actual Production | | | | |
| 1. Rubber lining | (Sq. Mtr.) | 50,032 | (Sq. Mtr.) | 44,132 |
| 2. PTFE (Resin Weight) | - | - | (Kgs.) | 19,090 |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

| PARTICULARS | 31-03-2023 | | 31-03-2022 | |
|--|---------------|--------------------------|---------------|--------------------------|
| | Qty. | Value Rupees in lakhs | Qty. | Value Rupees in lakhs |
| e) Value of Imports calculated on CIF basis : | | | | |
| 1. Raw Materials | | 9.17 | | 92.50 |
| 2. Capital Goods / Spares | | - | | 11.08 |
| | | <u>9.17</u> | | <u>103.59</u> |
| f) Expenditure in foreign currency: | | | | |
| Foreign Travel | | 30.20 | | - |
| Fees for services rendered outside India | | 7.54 | | 63.23 |
| | % | | % | |
| g) Details regarding consumption of imported and indigenous materials | | | | |
| 1. Raw Materials & Components | | | | |
| Imported | 9.40 | 112.55 | 7.02 | 130.04 |
| Indigenous | 90.60 | 1,085.12 | 92.98 | 1,721.54 |
| | <u>100.00</u> | <u>1,197.67</u> | <u>100.00</u> | <u>1,851.58</u> |
| 2. Stores & Spare Parts | | | | |
| Imported | 0.62 | 2.50 | 0.62 | 1.65 |
| Indigenous | 99.38 | 182.46 | 99.38 | 264.21 |
| | <u>100.00</u> | <u>184.96</u> | <u>100.00</u> | <u>265.86</u> |
| h) Number of Non-resident shareholders | | | | |
| Number of Shares held | | 27 | | 27 |
| | | 1,18,250 | | 1,18,250 |
| (i) Earnings in Foreign Exchange | | | | |
| 1. Export of goods on FOB basis | | 669.02 | | 645.66 |
| 2. Technical Services | | 102.08 | | 63.23 |
| | | <u>771.11</u> | | <u>708.88</u> |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

33. 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 (1.4.2022 to 30.11.2022)

Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

c) Investing Company : Krebs Engineering Private Limited

| | 31-03-2023 Rupees in lakhs | | | 31-03-2022 Rupees in lakhs | | |
|--|-----------------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| Particulars | 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 | 32.44 | 2.10 | – | 84.00 | 6.00 | – |
| Mr. U.Viswanath - Company Secretary - wef 29th July 2020 | 4.80 | – | – | 6.40 | – | – |
| Mr. N. Guruswamy - Chief Financial Officer | 18.20 | – | – | 16.25 | – | – |
| Directors | | Sitting Fees | – | | Sitting Fees | – |
| Mr. Noman H. Millwala | – | 0.45 | – | – | 0.35 | – |
| Mrs. Saroja Raman | – | 0.40 | – | – | 0.35 | – |
| Dr. T.Venkatesan | – | 0.40 | – | – | 0.30 | – |
| Mr. K.J.Janakar | – | 0.65 | – | – | 0.55 | – |
| Mr. A. Rengarajan | – | 0.70 | – | – | 0.60 | – |
| Krebs Engineering Private Limited | Professional services - Fees Paid | 43.28 | – | – | 45.41 | – |

MIL INDUSTRIES LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Rupees om lakhs

31-03-2023 31-03-2022

34. Earnings Per Share

| | | |
|---|---------------|--------|
| Profit for the year attributable to Equity Shareholders | 282.25 | 559.76 |
| Number of Equity Shares of Rs.10/- each | 31.50 | 31.50 |
| Earnings Per Share - Basic and Diluted | 8.96 | 17.77 |

35. The Company has filed an application with the Hon'ble National Company Law Tribunal, Chennai bench ("the Tribunal"), seeking approval for scheme of arrangement (scheme) demerger of the PTFE division in to a separate Company i.e. MIL Industries & Aerospace Limited under the provisions of section 230-232 of the Companies Act, 2013. The Hon'ble National Company Law Tribunal (NCLT), Chennai Bench had vide its order dated 22nd July 2022 sanctioned the Scheme of Arrangement between the Shareholders and Creditors of MIL Industries Limited and its wholly owned Subsidiary MIL Industries & Aerospace Limited (MILIA) for the demerger of the PTFE business to MILIA. The appointed date was fixed as 1st April 2022. The Company has complied with the formalities and the Scheme has become effective from 8th August 2022. Pursuant to the Scheme becoming effective, the PTFE business is demerged from the Company and transferred to and vested with MILIA from the appointed date, viz., 1st April 2022..

36. Covid-19 : The company takes necessary steps to prevent the spread of Covid 19 virus. The Company continues to monitor the economic effects of the pandemic and takes necessary steps to improve its execution efficiencies and the financials.

37. The Board of Directors have recommended a dividend at Rs. 1/- per equity share (Face Value of Rs. 10/- each) , aggregating to Rs. 31,50,000/- (subject to deduction of Tax at Source) for the year ended 31st March, 2023 which is subject to shareholders' approval.

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

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants

Firm Reg No. 004597S

T.ZAMEER

Partner

Membership No. 230441

Place: Chennai

Date: 29th May 2023

RAJIV SREEDHAR

Managing Director

DIN: 00181532

NOMAN H. MILLWALA

Chairman

DIN: 00471544

N. GURUSWAMY

Chief Financial Officer

A. RENGARAJAN

Director

DIN: 06598828

APARNA NAGARAJAN

Company Secretary