

MIL INDUSTRIES LIMITED

CIN: L25199TN1966PLC005397

Registered Office: No. 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098

Email: secretarial@milindustries.com; Website: www.milindus.com; Ph: 0091 - 44 - 2625 8382

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF MIL INDUSTRIES LIMITED PURSUANT TO ORDER DATED 20TH JANUARY, 2022 AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

DETAILS OF NCLT CONVENED MEETING OF EQUITY SHAREHOLDERS:

Day	:	Tuesday
Date	:	15 th March 2022
Time	:	11.00a.m. (IST)
Venue	:	Registered Office of the Company: No. 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098.

Remote e-voting schedule:

Commencement of remote e-voting and Time	:	Friday, 11th March 2022 at 9:00 A.M. (Indian Standard Time)
End of remote e-voting and Time	:	Monday, 14th March 2022 at 5.00 P.M. (Indian Standard Time)

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Sd/-
Balu Sridhar
Chairperson of the Meeting

Date: 5th February 2022
Place: Chennai

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL CHENNAI BENCH

COMPANY APPLICATION NO. CA/793/CAA/ 2020

IN THE MATTER OF COMPANIES ACT, 2013;

IN THE MATTER OF SECTION 230 AND 232 READ WITH SECTION 66

AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

MIL INDUSTRIES LIMITED

AND

MIL INDUSTRIES & AEROSPACE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

MIL INDUSTRIES LIMITED,

A Company incorporated under the
Companies Act, 1956, having its
Registered Office at No.25A. SIDCO Industrial Estate,
Ambattur, Chennai-600 098. Represented by its Managing
Director Mr. RAJIV SREEDHAR.

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**).....1ST APPLICANT /
DEMERGED COMPANY**

AND

MIL INDUSTRIES & AEROSPACE LIMITED,

A Company incorporated under the
Companies Act, 2013, having its
Registered Office at No.25A. SIDCO Industrial Estate,
Ambattur, Chennai-600 098. Represented by its Director
Mr. RAJIV SREEDHAR.

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**).....2nd APPLICANT /
RESULTING COMPANY**

FORM NO. CAA 2

[Pursuant to Section 230 (3) and Rule 6 and 7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF MIL INDUSTRIES LIMITED

To,

The equity shareholders of MIL Industries Limited
(*"1st Applicant Company" or "Demerged Company" or "MIL" or "Company"*)

NOTICE is hereby given that, by an Order dated 20th January 2022, the Chennai Bench of National Company Law Tribunal, ("**Tribunal**" or "NCLT"), has directed a meeting of the equity shareholders of the 1st Applicant Company, will be held on **Tuesday, 15th March, 2022 at 11:00 a.m. (IST)**, for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement and Demerger between MIL Industries Limited ("**MIL**" or "**Demerged Company**" or "**Company**") and MIL Industries & Aerospace Limited ("MIAL" or "**Resulting Company**") & its shareholders and Unsecured Creditors ("**Scheme**").

Pursuant to the said Tribunal Order and as directed therein, the meeting of the equity shareholders of the 1st Applicant Company("**Meeting**") will be held at the registered office of the company in physical mode, in compliance with the applicable provisions of the Companies Act, 2013 ("**Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") to consider, and if thought fit, pass, with or without modification(s), the following resolutions for approval of the Scheme by requisite majority as prescribed under Section 230 (1) and (6) read with Section 232(1) of the Act and SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as amended:

Copies of the aforesaid Scheme of Arrangement and of the statement required under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement") is annexed to this Notice and can also be obtained free of charge from the registered office of MIL. Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of MIL at 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098 not later than 48 hours before the meeting.

The 1st Applicant Company has appointed National Securities Depository Limited (NSDL) for providing e-voting facility prior to the Meeting.

The Tribunal has appointed Mr. Balu Sridhar, Company Secretary (Membership no. F5869 and CP no.3550) as a Chairperson and failing him Mr. Rajiv Sreedhar, Managing Director as the Alternate chairperson of the said meeting and Ms. Nithya Pasupathy, Practising Company

Secretary, (Membership no. F10601 and CP no. 22562) as the scrutinizer for the meeting of the Equity shareholders, including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

This notice convening the Meeting along with the requisite documents is placed on the website of MIL viz. www.milindus.com and is being sent to the stock exchange i.e. Metropolitan Stock exchange of India Limited.

The Scrutinizer will submit her report to the designated Chairperson of the Meeting upon completion of scrutiny of votes cast by the equity shareholders, in a fair and transparent manner, of voting within stipulated time period. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 within 3 days of the conclusion of the meeting.

The Result will also be hosted on MIL's website, besides communicating the same to the Metropolitan Stock Exchange of India Limited. The above mentioned Scheme of Arrangement, if approved at the meeting, will be subject to subsequent approval of the NCLT.

To consider and, if thought fit, to pass, the following resolution with specific majority as provided under sections 230, 232 & 66 of the Companies Act, 2013, and other applicable provisions, if any:

"RESOLVED THAT pursuant to the provision of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Demerged Company and subject to compliance with various Securities and Exchange Board of India (SEBI) Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the observation letters issued by Metropolitan Stock Exchange of India Limited dated 12th February 2020 respectively, and other applicable laws/regulations/rules and the sanction of the National Company Law Tribunal, Chennai bench ("NCLT" or "Tribunal") and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Demerged Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between MIL Industries Limited and MIL Industries & Aerospace Limited and their respective Shareholders and Creditors ("**Scheme**"), which inter alia envisages Demerger, Transfer and vesting of PTFE Business Undertaking of MIL Industries Limited (hereinafter referred to as "Demerged Company" of "MIL") to MIL Industries & Aerospace Limited (hereinafter referred to as "Resulting Company" or "MIAL"), a wholly owned subsidiary of MIL Industries Limited, for consideration in form of issue of equity shares to the shareholders of the Demerged Company (i.e. MIL) and for matters

consequential, supplemental and / or otherwise integrally connected therewith as per the terms and conditions mentioned in the Scheme, be and is hereby approved.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (Board) be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by Tribunal while sanctioning the Scheme or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Unsecured Creditors of Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Take Further Notice that in pursuance of the said order, a meeting of the equity shareholders of MIL Industries Limited is scheduled to be held at the Registered Office of the company at 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600098 on Tuesday, 15th March, 2022 at 11:00 a.m.

The Applicant Company has provided the facility of voting by remote e-voting (prior to the Meeting)

So as to enable the Equity Shareholders to consider and approve the Scheme by way of the aforesaid resolution. In addition, ballot voting facility shall also be made available during the Meeting, as stated above.

A copy each of the Explanatory Statement [under sections 230, 232 & 66 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any], the proposed Scheme of Arrangement and other documents, if any, are enclosed. The proposed Scheme of Arrangement, if approved in the meeting, will be subject to the subsequent approval of the Hon’ble National Company Law Tribunal, Chennai Bench, Chennai.

Dated this 5th day of February 2022

Sd/-

Balu Sridhar

Chairperson of the meeting

NOTES FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT DEMERGED COMPANY:

1. Only equity shareholders of the MIL may attend and vote either in person or by proxy (a proxy need not be an equity shareholders of MIL) or in the case of a body corporate by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of MIL. Proxies executed/submitted on behalf of limited companies, etc., must be supported by appropriate resolution / authority, as applicable. In order to attend and vote at the meeting of the equity shareholders of MIL, duly certified to be a true copy by a director, the manager, the secretary or other authorized officer of such body corporate/Registered Foreign Portfolio Investor/Foreign Institutional Investor is deposited at the registered office of MIL not later than 48 (forty eight) hours before the scheduled time of commencement of the meeting of the equity shareholders of MIL. The Proxy-holder shall prove his identity at the time of attending the Meeting.
2. NSDL has been appointed by the company to provide facility of remote e-voting which will be available during the prescribed time period before the meeting.
3. A Proxy Form is enclosed with the notice and can also be obtained free of charge from the registered office of the MIL on any day (except Sundays, and Public holidays).
4. The Statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement") is annexed hereto.
5. As per Section 105 of the Companies Act, 2013 and the Rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) Equity shareholders holding in aggregate, not more than 10% (ten percent) of the total paid up share capital of the Company carrying voting rights. A Equity shareholder holding more than 10% (ten percent) of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Equity shareholder.
6. The voting rights of the equity shareholders shall be in proportion to their shareholding in the Applicant Demerged Company as on cut-off date Tuesday, 8th March, 2022 ('cut-off date for e-voting'). A person, who is not an equity shareholder as on the cut-off date, should treat the Notice for information purpose only. The voting right may be exercised either by remote e-voting within prescribed period or by ballot voting during the meeting being convened at the venue of the company.
7. In compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other

applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (as amended) issued by the Securities and Exchange Board of India, the Applicant Demerged Company has provided the facility of remote e-voting so as to enable the Equity Shareholders to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders of the Applicant Demerged Company to the Scheme shall be carried out through remote e-voting system as well as ballot voting at the venue of the meeting.

8. Remote e-voting (without attending the meeting) which will be available during the prescribed time period before the meeting (as given below):

Commencement of remote e-voting	Friday, 11 th March, 2022 at 9:00 A.M. IST
End of remote e-voting	Monday, 14 th March, 2022 at 5:00 P.M. IST

9. Documents for inspection as referred to in the Notice will be available without any fee by the equity shareholders from the date of circulation of this Notice up to the date of Meeting. Equity shareholders seeking to inspect such documents can visit the "Investors" section on the website of the Company: www.milindus.com
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of MIL between 10.00 A.M. and 05.00 P.M. on all days (except Saturdays, Sundays and Public holidays) up to the date of the meeting.
11. It is clarified that casting of votes by remote e-voting (prior to the Meeting) does not disentitle an Equity shareholder from attending the Meeting. However, any Equity shareholder who has voted through remote e-voting prior to the Meeting can participate but cannot vote through ballot paper provided at the EGM hall.
12. The resolutions shall be deemed to be passed on the date of Meeting, subject to receipt of requisite number of votes being cast in favour of the resolution(s).
13. In accordance with the provisions of Section 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of MIL, voting in person or by proxy agree to the Scheme.
14. The notice convening the meeting will be published through advertisement in (i) "Business Standard" (English, All India Edition) in the English Language; and (ii) "Makkal Kural" (Tamil, Chennai Edition) in Tamil Language.
15. The notice, together with the documents accompanying the same, is being sent to all the equity shareholders, as on 4th February, 2022, either by registered post or speed post/airmail or by courier service or electronically by e-mail. The notice will be displayed on the website of MIL www.milindus.com

16. The Tribunal has appointed Mrs. Nithya Pasupathy, Practicing Company Secretary (Membership No. FCS 10601 and C.P. no. 22562) as the Scrutinizer to conduct the process of remote e-voting and through polling at the venue of the meeting in a fair and transparent manner.
17. The scrutinizer will submit her report to the Chairperson of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company through remote e-voting or ballot voting at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through remote e-voting or polling paper at the venue of the meeting will be announced on or before 17th day of March, 2022 at the registered office of the Applicant Company. The results, together with the Scrutinizer's Report, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.milindus.com. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. Metropolitan Stock Exchange of India Limited.
18. The quorum of the meeting of the shareholders of the demerged Company shall be 15 (Fifteen) in number. Shareholders or Authorised Representative of Body Corporate attending the Meeting shall be counted for the purpose of reckoning the quorum.
19. A route map to the venue of the meeting is enclosed.

20. THE INSTRUCTIONS FOR EQUITY SHAREHOLDERS FOR REMOTE E- VOTING ARE AS UNDER:

The Remote e-voting period begins on Friday, March 11, 2022 at 9.00 a.m. (IST) and ends on Monday, March 14, 2022 at 5.00 p.m. (IST). During this period Equity shareholders of the Applicant Demerged Company as on the cut-off date (i.e. March 8, 2022) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting after 5:00 p.m. (IST) on Monday, March 14, 2022.

Instructions for Equity shareholders for Remote E-Voting are as under:

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide to its Equity shareholders facility to exercise their right to vote on resolutions proposed to be passed in the Tribunal Convened Meeting by electronic means.
- b. National Securities Depositories Limited ('NSDL') will be providing facility for remote E-Voting.
- c. Those Equity shareholders, who will be present in the Tribunal Convened Meeting, can cast their vote on the resolution through Ballot voting at the Tribunal Convened Meeting. Equity shareholders who cast their votes through remote e-voting may attend the Tribunal Convened Meeting but shall not be entitled to cast their vote

during the Tribunal Convened Meeting. Once the vote on a resolution is cast by the Equity shareholder, the Equity shareholder shall not be allowed to change it subsequently.

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

Step 1: Access to NSDL e-Voting system

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
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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

	<p>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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="753 696 1260 1003" style="text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. 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.
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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 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 on NSDL e-Voting system.

How to cast your vote electronically 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 is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period. Now you are ready for e-Voting as the Voting page opens.
3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. 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 nithya@prowiscorporate.com to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com 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 at evoting@nsdl.co.in

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 nithya@prowiscorporate.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 nithya@prowiscorporate.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 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.

Note: 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 nithya@prowiscorporate.com The same will be replied by the company suitably.

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016

1. In this statement MIL Industries Limited is referred to as the "Demerged Company" or "MIL" and MIL Industries & Aerospace Limited is referred to as the "Resulting Company" or "MIAL". The other definitions contained in the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors (hereinafter referred to as the "Scheme") will also apply to this statement under the aforesaid provisions of the Companies Act, 2013 ("Explanatory Statement")
2. A copy of the Scheme between the Demerged Company and the Resulting Company setting out the terms and conditions of the Scheme is annexed to this Explanatory Statement as **Annexure 1**.
3. Pursuant to the Order dated January 20, 2022 passed by the Hon'ble National Company Law Tribunal ("Tribunal"), Chennai Bench in Company Application referred to above, separate meetings of the Equity Shareholders and unsecured creditors meeting of the company are being convened on, Tuesday, March 15, 2022 at Registered office of the company at 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098 for the purpose of considering and, if thought fit, approving, the Scheme between the Demerged Company and the Resulting Company and their respective shareholders and creditors which inter alia envisages Demerger, Transfer and vesting of PTFE Business Undertaking of MIL Industries Limited (hereinafter referred to as "Demerged Company" or "MIL") to MIL Industries & Aerospace Limited (hereinafter referred to as "Resulting Company" or "MIAL"), wholly owned subsidiary of MIL, for consideration in form of issue of equity shares to the shareholders of the Demerged Company. The Scheme further envisages cancellation of the share capital currently held by the Demerged Company in the Resulting Company after such issue of shares and listing of the new shares to be issued by the Resulting Company to all the existing shareholders of the Demerged Company under section 230-232 and other applicable provisions of the Companies Act, 2013.
4. The proposed Scheme of Arrangement was approved by the Audit Committee of the Demerged Company and thereafter by the Board of Directors of the Demerged

Company on 2nd December 2019. The Board of Directors of the Resulting Company, being a newly incorporated company approved the Scheme on 02nd December 2019. The Board of Directors of both the Applicant Companies passed a resolution by which it was resolved that the Scheme of Arrangement placed before the board be submitted to the National Company Law Tribunal for its sanction after obtaining the approval from the concerned Stock Exchange. The copies of the Report adopted by the Board of Directors of Demerged Company and the Resulting Company is annexed herewith as **Annexure-2** and **Annexure-3** respectively. Copy of Audit Committee Report of Demerged Company is annexed herewith as **Annexure-4**. Copy of the Report on Share Entitlement Ratio dated 2nd December 2019 issued by C.A. Vinay Totla., Chartered Accountants, a Registered Valuer Registration No. IBBI/RV/O4/2019/11470 and a copy of the Fairness Opinion dated 3rd December 2019 issued by Quintessence Enterprises Private Limited, a SEBI registered Category-I Merchant Banker are placed on record as **Annexure- 5 & 6** respectively.

5. MIL Industries Limited, Demerged Company being a listed public limited company, in compliance with the applicable SEBI Circulars, presented the draft Scheme, along with all requisite information and documents to the concerned Stock Exchange, viz. Metropolitan Stock Exchange of India ('MSEI'), for obtaining necessary approval from the Securities and Exchange Board of India ("SEBI") through the Stock Exchange. The approval in form of the Observation letters dated 12th February 2020 received from Metropolitan Stock Exchange of India ('MSEI') are enclosed herewith as **Annexure-7**.
6. As required by the SEBI Circular, the Demerged Company has filed the Complaints Report(s) with MSEI Limited on 17th January 2020. These reports indicate that the Demerged Company received nil complaints. A copy of the aforementioned Complaints Report(s) is enclosed as **Annexure-8** to this notice.

PARTICULARS OF THE DEMERGED COMPANY

1. The MIL Industries Limited "Demerged Company" is a public limited company and was incorporated on February 11, 1966 under the Companies Act, 1956.
2. The registered office of Demerged Company is at 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098. The email address of Demerged Company is secretarial@milindustries.com
3. The equity shares of Demerged Company are listed on Metropolitan Stock Exchange of India Limited ("MSEI").
4. The Corporate Identification Number of Demerged Company is L25199TN1966PLC005397. Demerged Company beneficially holds 100% of the paid-up equity share capital of the Resulting Company.
5. The Permanent Account Number of Demerged Company is AAACM4380Q.

- 6.** The main objects for which the Demerged Company has been established are set out in its Memorandum of Association. The same has been set out hereunder:
- 1. To manufacture all types of compounds from natural and synthetic rubber, silicone rubber, elastomers and other things, to manufacture sheets and solutions as required from these compounds and other materials and ingredients and to carry out rubber lining, coating, spraying, painting and varnishing of all types of equipments for all industries, including pumps, fans, blowers, filters, centrifuges, ducts, rollers, electrolytic mercury cells, tanks and vessels, pipes and fittings, valves and such other things.*
 - 2. To carry out any other type of lining work for all types of equipments for all industries and to manufacture the required compounds and materials for this purpose.*
 - 3. To manufacture all types of industrial rubber parts, including gaskets, joint rings, diaphragms, various profiles and other parts.*
 - 4. To fabricate or manufacture all items connected with or ancillary to or which may conveniently be combined with the above activities.*
 - 5. To carry on, cultivate, maintain, develop aquaculture including hatcheries, farms for growing and canning prawns, shrimps and other marine living beings and feed mills and freezing plants, cold storages and processing units, to carry on the business such as Aquaculture, Prawn farming and Hatchery Consultants, Advisers and Purveyors of information and knowhow and its applications in the activities mentioned therein.*
 - 6. To carry on the business of buying, selling, importing, exporting, trading, preparing for market and deal in all kinds of agricultural, aqua cultural products.*
- 7.** The Demerged Company is primarily engaged in the following business undertakings:
- a. MIL is primarily engaged only in the manufacture of corrosion and abrasion resistant Rubber Linings for Chemical, Fertilizer and other Process Industries.
 - b. Manufacturing of Poly Tetra Fluoro Ethylene (PTFE) Lined pipes and fittings and PTFE Products for Chemical, Fertilizer and other Process Industries. The company does also manufacture flexible PTFE hoses used in Aerospace industries.
- 8.** There has been no change in the name, registered office address and objects of the Demerged Company in the last 5 years.
- 9.** The equity shares of the said Demerged Company are listed on Metropolitan stock Exchange of India. MIL is the holding company of MIL Industries & Aerospace Limited, which is the Resulting Company under the proposed Scheme. The total income of the Demerged Company for the financial year ended on 31st March, 2021 was around Rs. 43.64 crores on Standalone basis and on consolidated basis. The operative profit was around Rs. 8.83 crores on Standalone basis and on consolidated basis. The company

has Reserves of around Rs. 38.52 crores on standalone basis and Rs. 38.51 crores on consolidated basis. Copy of the Audited financial statements for the year ended 31st March 2021 and copy of limited reviewed financial results for the period ending 31st December 2021 are annexed herewith respectively as **Annexure- 11** and **Annexure-12** respectively.

10.The capital structure of the Demerged Company as on 31st March, 2021 is as under:

Particulars	Amount (in RS.)
Authorized Share Capital	
49,00,000 Equity Shares of Rs.10/- each	4,90,00,000
1,00,000 Preference Shares of Rs.10/- each	10,00,000
2,50,000 Cumulative Preference Shares of Rs.10/- each	25,00,000
Total Authorised Capital	5,25,00,000
Issued, Subscribed and Paid Up Share Capital	-
31,50,000 Equity Shares of Rs.10/- each	3,15,00,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of MIL.

11.The details of Directors and Promoters of the Demerged Company (as on the date of the Notice) along with their addresses are mentioned herein below:

i) Directors:

S.No.	Name	Category	Address
1	Mr. Rajiv Sreedhar (DIN: 00181532)	Managing Director	24, Casuarina Drive, Neelankarai, Chennai-600115
2	Mr. Noman H. Millwala (DIN: 00471544)	Chairman & Non-Executive Director	142, Main Road, Karpagam Avenue Chennai-600028.
3	Mrs. Saroja Raman (DIN: 00481687)	Non-Executive Director	25, Gilchrist Avenue Harrington Road, Chetpet Chennai-600031.
4	Dr. T. Venkatesan (DIN: 01793232)	Non-Executive Director	72/2, Harrington Road Chetpet, Chennai-600031.
5	Mr. K.J. Janakar (DIN: 00644460)	Independent Director	No.10, 20th Cross Street, KamarajNagar, Thiruvanmiyur, Chennai-600041.
6	Mr. A. Rengarajan (DIN: 06598828)	Independent Director	A1, krishna Garden, 1/1, Raman street, Hasthinapuram, Chitlapakkam, Tambaram, Chennai-600064.

ii) Promoters:

S.No.	Name (M/s.)	Category	Address
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1	Saroja Raman	Promoter	25, Gilchrist Avenue Harrington Road, Chetpet Chennai- 600031.
2	Rajiv Sreedhar	Promoter	24, Casuarina Drive, Neelankarai, Chennai-600115
3	Ramila Sreedhar	Promoter	24, Casuarina Drive, Neelankarai, Chennai-600115
4	Krebs Engineering Private Limited	Promoter	25-A, SIDCO Industrial Estate Ambattur Chennai 600098
5	Milgerlan Engineering And Construction Private Limited	Promoter	25-A, SIDCO Industrial Estate Ambattur Chennai 600098
6	Chemical Consultants and Engineers Private Limited	Promoter	25-A, SIDCO Industrial Estate Ambattur, Chennai 600098
7	Indrani Sivaraja Iyer	Promoter	4C, Parkland Apts, 7 Nathan Street, Harrington Rd, Chetpet, Chennai-600031
8	Ramesh Raman	Promoter	Eastlyn Sabaree Apts., No. 27, Old No. 14, 2nd St., EastAbhiramapuram, Chennai-600004
9	Malathi Raman	Promoter	Eastlyn Sabaree Apts., No. 27, Old No. 14, 2nd St., East Abhiramapuram, Chennai-600004
10	Radha Ramakrishnan	Promoter	A23, Brownstone Apts Mahalingapuram, Chennai-600034
11	Raghu Raman	Promoter	E6, 6th Floor VedNivas, 52 Taylors Road Kilpauk, Chennai-600010.
12	Rashmi Raman	Promoter	E6, 6th Floor VedNivas, 52 Taylors Road Kilpauk, Chennai-600010.
13	Vimala Venkatesan	Promoter	78-79, Rajendra Nagar, Sirsi Road, KathipuraJaipur-302021
14	Lalitha Sangameswaran	Promoter	L1,AlsaCrescent, 72, Harrington Road, Chetpet , Chennai-600031

12. The amount due to secured creditors as on 31st December, 2021 is Rs. 4,51,98,289/-

13. Amounts due to unsecured creditors as on 31st December, 2021: 2,49,35,644

14. The Board of Directors of the demerged Company have at their meeting held on 2nd December 2019 unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

Sr. No.	Name of Director	Voted in favor/against /did not participate or vote
1.	Mr. Noman H. Millwala	In Favour
2.	Mr. Rajiv Sreedhar	In Favour
3.	Mrs. Saroja Raman	In Favour
4.	Dr. T. Venkatesan	In Favour

Particulars of the Resulting Company

15.The MIL Industries & Aerospace Limited "Resulting Company" is a public limited company and was incorporated on April 17, 2018 under the Companies Act, 2013.

16.The registered office of Resulting Company is at 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098. The email address of the Company is admin@mial.tech

17.The equity shares of Resulting Company are not listed on any Stock Exchange.

18.The Corporate Identification Number of The Resulting Company is U74999TN2018PLC122159. Resulting Company is the wholly owned subsidiary of the Demerged Company.

19.The Permanent Account Number of Demerged Company is **AALCM7770P**.

20.The main objects for which the Resulting Company has been established are set out in its Memorandum of Association. The same has been set out hereunder:

1. *To manufacture all types of compounds and composites from Fluoro polymer and other engineering plastics/ thermoplastics, resins, natural, synthetic and siliconerubbers, elastomers, etc.,*
2. *To manufacture from the above compounds and composites, components for aircraft, space, power generation and other specialised industries.*
3. *To manufacture from the above compounds and composites, extruded tubes, sheets, mouldings, as necessary, to carryout lining and coatings, and other custom made components, for all types of items and equipment for all industries including chemical and process industries.*
4. *To fabricate or manufacture all items connected with or ancillary to or which may conveniently be combined with the above activities.*

5. To carry on, cultivate, maintain, develop agriculture, floriculture and similar activities, related upstream and downstream activities including processing and buying, selling, importing, exporting, trading, preparing for market and deal in all kinds of agricultural products.

21. The Resulting Company is incorporated to carry on the business of PTFE division of demerged company. It is yet to start its commercial operations which are envisaged upon scheme being effective.

22. There has been no change in the name, registered office address and objects of the Demerged Company since its incorporation 2018.

23. The capital structure of the Resulting Company as on 31st March, 2021 is as under:

Particulars	Amount (in RS.)
Authorized Share Capital	
20,00,000 Equity Shares of Rs.10/- each	200,00,000
Total Authorised Capital	200,00,000
Issued, Subscribed and Paid Up Share Capital	
2,00,000 Equity Shares of Rs.10/- each fully paid up	20,00,000
Total	20,00,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of MIAL.

24. The details of Directors and Promoters of the Resulting Company (as on the date of the Notice) along with their addresses are mentioned herein below:

iii) Directors:

S.No.	Name	Category	Address
1	Mr. Rajiv Sreedhar	Director	24, Casuarina Drive, Neelankarai, Chennai-600115
2	Mrs. Saroja Raman	Non-Executive Director	25, Gilchrist Avenue Harrington Road, Chetpet Chennai-600031.
3	Dr. T. Venkatesan	Non-Executive Director	72/2, Harrington Road Chetpet, Chennai-600031.

iv) Promoters:

S.No.	Name (M/s.)	Category	Address
1	MIL Industries Limited	Promoter	25A, SIDCO Industrial Estate, Ambattur, Chennai- 600098.
2	RAJIV SREEDHAR (Nominee of MIL)	Promoter	24, Casuarina Drive, Neelankarai, Chennai-600115

	Industries Limited)		
3	RAMILA SREEDHAR (Nominee of MIL Industries Limited)	Promoter	24, Casuarina Drive, Neelankarai, Chennai-600115
4	SAROJA RAMAN (Nominee of MIL Industries Limited)	Promoter	25, Gilchrist Avenue Harrington Road, Chetpet Chennai-600031.
5	N. GURUSWAMY (Nominee of MIL Industries Limited)	Promoter	Flat 34, Landon Towers, 32, Landons Road, Kilpauk- Chennai-600010.
6	G. PRABAHARAN (Nominee of MIL Industries Limited)	Promoter	G3, Block 3, Alsa Green Park, Nehru Nagar, Chrompet, Kancheepuram – 600 044
7	V. RAJASEKARAN (Nominee of MIL Industries Limited)	Promoter	30/6, Central Avenue, Korattur, Tiruvallur – 600 080

25. The total amount due to the unsecured creditor was Rs. 10,000/- as on May 31, 2020 and from whom the consent affidavit has been obtained as on 31st May 2020. The company has no secured creditor as on 31st May 2020.

26. RELATIONSHIP BETWEEN THE COMPANIES INVOLVED IN THE SCHEME:

Both MIL ('Demerged Company') and MIAL ('Resulting Company') belong to the same group of management. The Resulting Company is the wholly owned subsidiary of the Demerged Company.

27. The Board of Directors of the Resulting Company have at their meeting held on **2nd December 2019** unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

Sr. No.	Name of Director	Voted in favor/against /did not participate or vote
1.	Mr. Rajiv Sreedhar	In Favour
2.	Mrs. Saroja Raman	In Favour
3.	Dr. T. Venkatesan	In Favour

SALIENT FEATURES OF THE SCHEME

28. The Scheme envisages demerger of PTFE Business (as defined in the Scheme) of the Demerged Company into the Resulting Company.

29. The appointed date of the Scheme is November 15, 2019.

30. Subject to the sanction of the Scheme, with effect from the Effective Date but on and from the Appointed Date the entire PTFE Business of the Demerged Company which includes all assets, properties, liabilities, contracts, employees, legal and other

proceedings if any, shall be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis.

31. In consideration for the same, the Resulting Company shall issue and allot to every equity shareholder of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company as on the Record Date (as defined in the Scheme), 1 (one) fully paid up equity share of face value Rs.10/- each of the Resulting Company, for every 1 (one) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of the Demerged Company.

32. RATIONALE/BENEFITS OF THE SCHEME AS PERCEIVED BY THE BOARD OF DIRECTORS TO THE COMPANY, MEMBERS, CREDITORS AND OTHERS (AS APPLICABLE):

The PTFE business of the demerged company shall be demerged into its wholly owned subsidiary, with a resultant mirror image shareholding, and whose shares would be listed on the Stock Exchange after the demerger.

The Scheme is expected to result in following benefits: -

(a) The proposed segregation will create enhanced value to the shareholders and creditors and allow a focussed strategy in operations, which would be in the best interest of all the stakeholders. The arrangement proposed by this Scheme will enable investors to hold investments in businesses with different characteristics, thereby enabling them to select investments which best suit their investment strategies and risk policies.

(b) The nature of risk and competition involved in each of businesses run by the Demerged Company is distinct from each other and consequently such business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. This Scheme will enable the Demerged Company and the Resulting Company to manage the businesses efficiently and independently.

(c) The proposed implementation of this Scheme will provide:

- enhanced strategic flexibility to build a vibrant industrial platform;
- will provide a dedicated management focus and accelerate the growth of the respective businesses; and
- access to varied sources of funds for rapid growth of both the businesses.

(d) The Scheme would not have any adverse effect on either the shareholders, or the employees or the creditors of both the Companies

(e) The transfer and vesting of the Demerged Undertaking into the Resulting Company would be in the best interests of both the shareholders of the Demerged Company and the Resulting Company as it would result in enhanced value for the shareholders and allow focussed strategy in the operation of the Demerged Undertaking and the remaining business of the Demerged Company. Pursuant to the Scheme all the Shareholders of the Demerged Company will get shares in the Resulting Company and there would be no change in the economic interest of any of the shareholders of the Demerged Company pre and post implementation of the Scheme.

33. The total amount due to the secured creditors is 4,51,98,289 (Four crore fifty one lakhs ninety eight thousand two hundred and eighty nine) and to unsecured creditors of the Demerged Company as on December 31, 2021 is Rs. 2,49,35,644 (Two crore forty nine lakhs thirty five thousand six hundred and forty four), respectively. Total amount due to the secured and unsecured creditors of the Resulting Company as on December 31, 2021 is Rs. Nil and Rs. 8,850/- (Rupees Eight Thousand and Eight Hundred and fifty), respectively.

34. SUMMARY OF SHARE ENTITLEMENT REPORT INCLUDING THE BASIS OF VALUATION AND FAIRNESS OPINION

Pursuant to the SEBI Circular, the Demerged Company has obtained a Share Entitlement Report dated 3rd December, 2019 from C.A. Vinay Totla., Chartered Accountants, Registered Valuer (Registration No. IBBI/RV/O4/2019/11470) and a fairness opinion from M/s. Quintessence Enterprises Private Limited, Merchant Banker dated 3rd December, 2019.

On the basis of the afore-mentioned Share Entitlement Report and Fairness Opinion, the Resulting Company shall issue and allot to every equity shareholder of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company as on the Record Date (as defined in the Scheme), 1 (one) fully paid up equity share of face value Rs.10/- each of the Resulting Company, for every 1 (one) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of the Demerged Company.

35. The Audit Committee of the Demerged Company had also recommended the Scheme based on the Share Entitlement Report and the fairness opinion for favourable consideration by the Stock Exchange(s) and the SEBI.

A copy of the Share Entitlement Report and Fairness Opinion is enclosed as **Annexure 5** and **Annexure 6**.

Further, Quintessence Enterprise Private Limited, a SEBI Registered Category-I Merchant Banker, in its fairness opinion dated 3rd December 2019, have provided an opinion that the aforesaid share entitlement ratio is fair and reasonable to the equity shareholders of the Demerged Company.

A copy of the fairness opinion is appended herewith to the Notice as **Annexure 6**.

36.Capital / Debt Restructuring

The Scheme does not envisage any debt restructuring. The pre-scheme and post-scheme shareholding pattern of the Demerged Company and the Resulting Company are provided hereunder:

A. Pre-scheme shareholding pattern of Demerged Company as on 31st December, 2021

S.No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	7,85,560	24.94
(b)	Body Corporate	12,02,000	38.16
	Sub-Total (A)(1)	19,87,560	63.10
2	Foreign		
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group	19,87,560	63.10
	(A) = (A)(1)+(A)(2)		
(B)	Public Shareholding		
1	Institutions		
	Insurance Companies	43,750	1.39
	Sub-Total (B)(1)	43,750	1.39
2	Non-Institutions		
(a)	Bodies Corporate	3,18,700	10.12
(b)	Individuals		

	i) Individual shareholders holding nominal share capital up to INR 2 lakh	4,80,085	15.24
	ii) Individual shareholders holding nominal share capital in excess of INR 2 lakh	2,84,905	9.04
(c)	Any other (specify)- NBFCs Registered with RBI	35,000	1.11
	Sub-Total (B)(2)	11,18,690	35.51
	Total Public Shareholding (B) = (B)(1)+(B)(2)	11,62,440	36.90
	TOTAL (A) + (B)	31,50,000	100.00
(C)	Shares held by custodians against which DRs are issued	-	-
	TOTAL (A) + (B) + (C)	31,50,000	100.00

B. Post-scheme shareholding pattern of Demerged Company

The shareholding pattern of the Demerged Company would not change as a consequence of the implementation of the Scheme and would remain identical as the pre-scheme shareholding pattern.

C. Pre-scheme shareholding pattern of Resulting Company as on 31st December, 2021

S.No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family (Nominees of MIL Industries Limited)	6	0.00
(b)	Body Corporate (MIL Industries Limited-Holding	1,99,994	100%

	Company)		
	Sub-Total (A)(1)		
2	Foreign		
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group	2,00,000	100%
	(A) = (A)(1)+(A)(2)		
(B)	Public Shareholding		
1	Institutions		
	Insurance Companies	-	-
	Foreign Portfolio Investor	-	-
	Sub-Total (B)(1)	-	-
2	Non-Institutions		
(a)	Bodies Corporate	-	-
(b)	Individuals		
	i) Individual shareholders holding nominal share capital up to INR 2 lakh	-	-
	ii) Individual shareholders holding nominal share capital in excess of INR 2 lakh	-	-
(c)	Any other (specify)- NBFCs Registered with RBI	-	-
	Sub-Total (B)(2)	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-
	TOTAL (A) + (B)	2,00,000	100.00
(C)	Shares held by custodians against which DRs are issued	-	-
	TOTAL (A) + (B) + (C)	2,00,000	100.00

D. Post-scheme shareholding pattern of Resulting Company

S.No.	Category of shareholder	No. of shares held	Percentage of shares held as percentage of total capital (%)
(A)	Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	7,85,560	24.94
(b)	Body Corporate	12,02,000	38.16
	Sub-Total (A)(1)	19,87,560	63.10
2	Foreign		
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group	19,87,560	63.10
	(A) = (A)(1)+(A)(2)		
(B)	Public Shareholding		
1	Institutions		
	Insurance Companies	43,750	1.39
	Sub-Total (B)(1)	43,750	1.39
2	Non-Institutions		
(a)	Bodies Corporate	3,18,700	10.12
(b)	Individuals		
	i) Individual shareholders holding nominal share capital up to INR 2 lakh	4,80,085	15.24
	ii) Individual shareholders holding nominal share capital in excess of INR 2 lakh	2,84,905	9.04
(c)	Any other (specify)- NBFCs Registered with RBI	35,000	1.11

	Sub-Total (B)(2)	11,18,690	35.51
	Total Public Shareholding (B) = (B)(1)+(B)(2)	11,62,440	36.90
	TOTAL (A) + (B)	31,50,000	100.00
(C)	Shares held by custodians against which DRs are issued	-	-
	TOTAL (A) + (B) + (C)	31,50,000	100.00

Effect of the Scheme on various parties:

- 37.** Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel and debenture trustee:

Directors and Key Managerial Personnel (KMP)

The Directors of both the Demerged Company and Resulting Company may be deemed to be concerned and/or interested in the Scheme of Arrangement only to the extent of their respective shareholding in these Applicant Companies. The statement indicating the shareholding of the Directors and Key Managerial Personnel in both the Applicant Companies is annexed herewith this notice.

Details of the Directors and Key Managerial Personnel (KMP) and their respective relatives and their respective equity shareholding in Demerged Company and the Resulting Company as on 31st December 2021 are as follows:

Demerged Company:

S.No.	Name of the Director/ KMPs	Designation	Shares (%) held in	
			MIL	MIAL*
1.	Mrs. Saroja Raman	Director	10.03%	0.00%
2.	Mr. Rajiv Sreedhar	Managing Director	0.15%	0.00%
3.	Mr. Noman H. Millwala	Director	0.12%	-
4.	DR. T. Venkatesan	Director	0.02%	0.00%
5.	Mr. K.J. Janakar	Director	-	-
6.	Mr. N. Guruswamy	CFO	0.001%	0.00%
7.	Mr. V.P.K. Mani	CS	0.00%	0.00%

** Holding 1 equity share each as nominee shareholder on behalf of MIL Industries Limited.*

Resulting Company:

S.No.	Name of the Director/ KMPs	Designation	Shares (%) held in	
			MIL	MIAL
1.	Rajiv Sreedhar	Director	0.15%	0.00%
2.	Saroja Raman	Director	10.01%	0.00%
3.	Dr. T. Venkatesan	Director	0.02%	0.00%

** Holding 1 equity share each as nominee shareholder on behalf of MIL Industries Limited.*

No effect of the Scheme on Depositors, Debenture Holders and Deposit trustee and Debenture trustee since there are no Depositors, Debenture Holders and Deposit trustee and Debenture trustee in the Demerged Company.

Employees:

Upon the Scheme becoming effective, all permanent employees of the Demerged Undertaking of the MIL, Demerged Company ('Transferred Employee') in service as on the Effective Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date without any interruption in their service as a result of the transfer of the Demerged Undertaking to the MIAL, Resulting Company on the same terms and conditions of employment as were with the Demerged Company.

Promoter and Non- Promoter members:

Both the promoter and non-promoter shareholders of the Demerged Company will receive shares in the Resulting Company as per terms and conditions, detailed in the Scheme of Arrangement.

The Resulting Company shall issue its equity shares to the shareholders (promoter and non-promoter) of the Demerged Company as per terms and conditions, detailed in the Scheme of Arrangement.

Pursuant to the Scheme, there will be a cancellation of equity share capital of the Resulting Company to the extent of equity share capital held by Demerged Company (Pre-demerger) in the Resulting Company.

Creditors:

The Creditors of MIL and MIAL will not be affected by the Scheme, since all the liabilities of Demerged Undertaking of MIL shall be transferred to MIAL and MIAL will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors.

38. There are no proceedings/investigation pending against any of the Applicant Companies under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 and/or Sections 235 to 251 of the Companies Act, 1956 and the like.

39. There are no winding up petitions pending against any of the Applicant Companies. There are no pending proceedings against either of the Applicant Companies under the Insolvency and Bankruptcy Code.

40. MIL and MIAL have made a joint application before the Chennai Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.

1. The Scheme of Arrangement does not envisage any capital or debt restructuring.

2. The copy of draft scheme has been filed with the Registrar of Companies

3. The Scheme is conditional upon and subject to:-

a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including stock exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme;

b) The Scheme being agreed to by the respective requisite majority of members and creditors of the Demerged Company and the Resulting Company, as may be directed by the NCLT;

c) The Scheme being approved by the NCLT; and

d) Filing of the certified copies of the order of the NCLT sanctioning the Scheme, by the Demerged Company and the Resulting Company, under the applicable provisions of the Act with the Registrar of Companies, Chennai.

Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the equity shareholders of MIL at their registered office between 9:30 a.m. to 5:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to the date of the meeting namely:

a) Audited Financial Statements of MIL & MIAL for the year ended 31st March 2021 and;

b) Supplementary unaudited accounting statement of MIL for the period ended 31st December 2021 along with Limited Review Report of Statutory Auditor and supplementary accounting statement of MIAL for the period ended 15th January 2022.

c) Copy of Memorandum of Association and Articles of Association of MIL Industries Limited and MIL Industries & Aerospace Limited.

d) Copy of the Order dated November 17, 2021 in Company Application No.CA/793/CAA/2020 and Order dated January 20, 2022 in Application Number MA(CA)98(CHE)/2021 IN CA

(CAA)/793(CHE) 2020 passed by the NCLT directing the convening of the meeting of the equity shareholders of the Company.

- e) Copy of Scheme of Arrangement
- f) Statutory Auditor's Certificates of the Companies confirming accounting treatment (specified in scheme) is in compliance with Accounting Standards under section 133 of the Companies Act, 2013.
- g) Copy of the Report of Audit Committee dated 2nd December 2019.
- h) Copy of Copies of the resolutions passed by the respective Board of Directors of MIL and MIAL dated 2nd December 2019.
- i) Copy of Share Entitlement Ratio Report dated 16th March 2020 issued by Mr. Vinay Totla, Chartered Accountant, SEBI Registered Valuer (Registration No. IBBI/RV/04/2019/11470).
- j) Fairness Opinion dated 3rd December 2019 issued by M/s. Quintessence Enterprises Private Limited, a SEBI registered Category-1 Merchant Banker.
- k) Copy of the observation letter(s) of MSEI Limited dated February 12, 2020.
- l) Shareholding Pattern of MIL & MIAL as on 31st December 2021;
- m) Copy of the applicable information of Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**")

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Demerged Company.

Date: 5th February, 2022
Place: Chennai

Sd/-
Balu Sridhar
Chairman appointed for the meeting

SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013
BETWEEN
MIL INDUSTRIES LIMITED
AND
MIL INDUSTRIES & AEROSPACE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

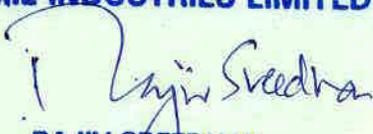
This Scheme of Arrangement is presented pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013 as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), on a going concern basis for the demerger and vesting of the PTFE Related Business ("**Demerged Undertaking**") of MIL INDUSTRIES LIMITED into MIL INDUSTRIES & AEROSPACE LIMITED ("**Resulting Company**").

B. Background of the Companies

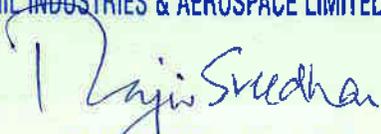
MIL INDUSTRIES LIMITED, the Demerged Company, is a public limited Company incorporated under the Companies Act, 1956. It is listed on the Metropolitan Stock Exchange of India Limited ("**MSEI**"). The Demerged Company is engaged in the business of anti corrosive lining of plant and machinery used in heavy chemical and other specified industries. The anti corrosive lining is being carried out using rubber and Poly Tetra Fluoro Ethylene (PTFE). The Corporate Identity Number of the Company is L25199TN1966PLC005397. The Registered Office of the Demerged Company is situated at No.25A SIDCO Industrial Estate, Ambattur, Chennai 600098.

MIL INDUSTRIES & AEROSPACE LIMITED, the Resulting Company, is a public limited company incorporated under the Companies Act, 2013. The Corporate Identity Number of the Company is U74999TN2018PLC122159. The Company is formed for the purpose of carry on anti corrosive lining of equipment using PTFE and other related activities such as aerospace industry components and other specialised products. The Registered Office of the Company is situated at 25A, SIDCO Industrial Estate, Ambattur Chennai 600098.

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
 Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
 DIRECTOR

MIL Industries Limited, the Demerged Company, has on 12th November 2019 acquired the entire issued share capital of MIL Industries & Aerospace Limited, the Resulting Company, and on the Appointed Date, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

C. Rationale for the Scheme

- (i) The Scheme provides for the transfer by way of demerger, of the PTFE Related Business ("**Demerged Undertaking**") of the Demerged Company to the Resulting Company, the consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company and the cancellation of the Shares held by the Demerged Company in the Resulting Company as an integral part of the Scheme.
- (ii) The implementation of this Scheme is likely to result in the following benefits:
- (a) The proposed segregation will create enhanced value to the shareholders and creditors and allow a focussed strategy in operations, which would be in the best interest of all the stakeholders. The arrangement proposed by this Scheme will enable investors to hold investments in businesses with different characteristics, thereby enabling them to select investments which best suit their investment strategies and risk policies.
- (b) The nature of risk and competition involved in each of businesses run by the Demerged Company is distinct from each other and consequently such business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. This Scheme will enable the Demerged Company and the Resulting Company to manage the businesses efficiently and independently.
- (c) The proposed implementation of this Scheme will provide:
- enhanced strategic flexibility to build a vibrant industrial platform;
 - will provide a dedicated management focus and accelerate the growth of the respective businesses; and
 - access to varied sources of funds for rapid growth of both the businesses.

For MIL INDUSTRIES LIMITED

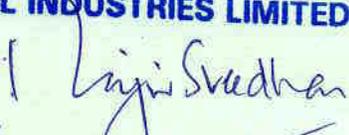

RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED

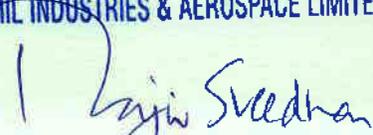

RAJIV SREEDHAR
DIRECTOR

- (d) The Scheme would not have any adverse effect on either the shareholders, or the employees or the creditors of both the Companies
- (e) The transfer and vesting of the Demerged Undertaking into the Resulting Company would be in the best interests of both the shareholders of the Demerged Company and the Resulting Company as it would result in enhanced value for the shareholders and allow focussed strategy in the operation of the Demerged Undertaking and the remaining business of the Demerged Company. Pursuant to the Scheme all the Shareholders of the Demerged Company will get shares in the Resulting Company and there would be no change in the economic interest of any of the shareholders of the Demerged Company pre and post implementation of the Scheme.
- (iii) The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of section 2(19AA) of the Income tax Act, 1961, such that:
- (a) All the properties and assets of the Demerged Undertaking being transferred by the Demerged Company belonging to the Demerged Undertaking as on the Appointed Date will become the properties and assets of the Resulting Company.
- (b) All liabilities relating to the Demerged Undertaking as on the Appointed Date shall become the liabilities of the Resulting Company.
- (c) The properties and liabilities relating to the Demerged Undertaking being transferred by the Demerged Company to the Resulting Company shall be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger.
- (d) The Resulting Company shall issue in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis.
- (e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company by virtue of the demerger.
- (f) The transfer of the Demerged Undertaking shall be on a going concern basis.

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

- (iv) The Scheme shall be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India as may be applicable.

D. GENERAL

This Scheme is divided into following Parts:

PART 1, which deals with definitions and interpretations.

PART 2, which deals with the demerger.

PART 3, which deals with the reorganisation of the Share Capital of the Resulting Company.

PART 4, which deals with the issuance and allotment shares by the Resulting Company.

PART 5, which deals with accounting treatment.

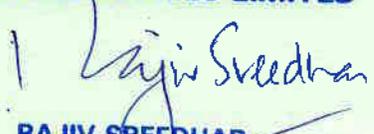
PART 6, which deals with general terms and conditions.

PART 1

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein.

- (i) "Act" means the Companies Act 2013, including any statutory modifications, re-enactments or amendments or rules thereof from time to time.
- (ii) "Appointed date" means the date from which this Scheme shall become operative. Viz. 15th November 2019 and/or such other date as the relevant authority under sections 230 to 232 modifies or directs and/or such other date as the Tribunal modifies or directs (if application is made by the Central Government), then the same shall be the Appointed Date.
- (iii) "Board of Directors" or "Board" means the Board of Directors of the Demerged Company or the Resulting Company, as the case may be, and shall include a duly constituted Committee thereof.
- (iv) "Effective Date" means the date on which the Scheme confirmed by the National Company Law Tribunal is filed with the Registrar of Companies, Chennai by the Demerged and Resulting Company.
- (v) "Tribunal" means the National Company Law Tribunal, Chennai ("NCLT") as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any scheme of

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

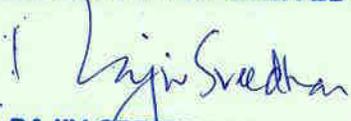
For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

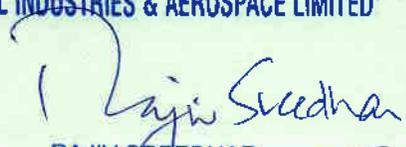
arrangement, compromise or reconstruction of companies under the relevant provisions of the Act.

- (vi) "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- (vii) "New Equity Shares" means the equity shares to be issued by the Resulting Company/Transferee Company pursuant to the provisions of Clause 4.
- (viii) "Record Date" means the date to be fixed by the Board of Directors of the Resulting Company for the purpose of determining the names of the equity shareholders of the Demerged Company/Transferor Company, who shall be entitled to receive the New Equity Shares of the Resulting Company/Transferee Company, as the case may be, upon coming into effect of this Scheme.
- (ix) "Scheme of Demerger" or "Scheme" or "The Scheme" or "This Scheme" means this Scheme of Demerger in its present form or with any modification(s) approved or imposed by the Board of Directors of the Demerged Company/Transferor Company or the Resulting Company/Transferee Company or by the shareholders or creditors and/or directed by the Court or any other appropriate authority.
- (x) "Share Exchange Ratio" means the exchange ratio for the equity shareholders of the Demerged Company/Transferor Company as on the Record Date and as provided for in Clause 4.
- (xi) "Demerged Company" or "Transferor Company" means MIL Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098.
- (xii) "Resulting Company" or the "Transferee Company" means MIL INDUSTRIES & AEROSPACE LIMITED, a company incorporated under the Companies Act, 2013, and having its Registered Office at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098. The Resulting Company's Shares are not listed on any Stock Exchange. However, on the scheme becoming effective and on the allotment of shares by the Resulting Company to the shareholders of the Demerged Company, the shares of the Resulting Company will be listed on the Metropolitan Stock Exchange where the shares of the demerged Company are listed.

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

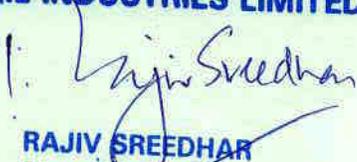
For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

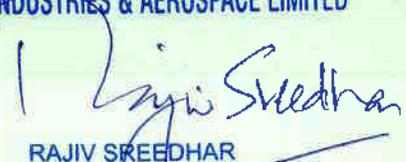
(xiii) "Demerged Undertaking" means the entire business and the whole of the PTFE related undertaking of the Demerged Company, as a going concern, all its assets, rights, licenses, approvals and powers and all its debts, outstanding, liabilities, duties, obligations and employees as on the Appointed Date, including but not limited to the following:

- (i) All the assets and properties (including immovable – as provided under Schedule A) and all movable, tangible or intangible, real or personal in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company in India, including but not limited to land (whether freehold or leasehold), building, plant and machinery, computers, equipment, sundry debtors, furniture and fixtures, vehicles, office appliances, cash balances, or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases, hire purchase contracts and assets, rights and benefits under any agreement, benefits of any security arrangement or under any guarantees, reversions, powers, bids, tenders, letters of intent, expression of interest, municipal permissions, tenancies, or licenses in relation to office or residential premises, fixed and other assets, software, trade and service names, trade marks, patents, right to use and avail of telephones, facsimile, email and internet, leased line connections, utilities, electricity and other services, reserves, funds benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits) held by or relating to the Transferor Company, employee benefit plans, minimum alternative tax credit entitlements, tax losses, depreciation losses, approvals from appropriate authorities, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power or possession or the control of the Transferor Company, in India.
- (ii) All debts, secured and unsecured, liabilities including contingent liabilities, duties, taxes of the Demerged Company and all other obligations of whatsoever kind, nature and description, wheresoever and howsoever arising, raised, or incurred or utilised. Provided that if there exists any reference to the security documents or arrangements entered into by the Demerged Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the business of the Transferor Company vested in the Transferee Company by virtue of this Scheme. This Scheme shall

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Resulting Company by virtue of this Scheme. The Resulting Company shall not be obliged to create any further or additional security thereof after the Demerger has become effective.

- (iii) All other obligations of whatsoever kind, including liabilities of the Demerged Company with regard to their employees, staff and workmen with respect to payment of gratuity, pension benefits and the provident fund or other compensation benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- (iv) All permanent staff and workmen engaged by the Demerged Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

CAPITAL STRUCTURE

1. The Share Capital of the Demerged Company is as under:

A. Authorised Capital

49,00,000 Equity Shares of Rs.10/- each	Rs.4,90,00,000
1,00,000 Preference Shares of Rs.10/- each	Rs.10,00,000
2,50,000 Cumulative Preference Shares of Rs.10/-	Rs.25,00,000
Total Authorised Capital	Rs.5,25,00,000

B. Issued, Subscribed and Paid up Capital

31,50,000 Equity Shares of Rs.10/- each fully paid up	Rs.3,15,00,000
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The Equity Shares of the Demerged Company are listed in the Metropolitan Stock Exchange. The Company is in compliance with the Minimum Public Shareholding on a fully diluted basis.

2. The Share Capital of the Resulting Company is as under:

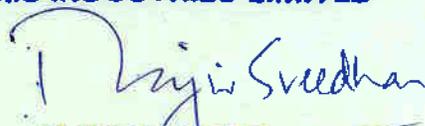
A. Authorised Capital

20,00,000 Equity Shares of Rs.10/- each	Rs.2,00,00,000
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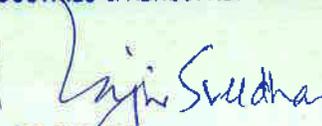
B. Issued, Subscribed and Paid up Capital

2,00,000 Equity Shares of Rs.10/- each fully paid up	Rs.20,00,000
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For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

The entire issued capital of the Resulting Company has been acquired by the Demerged Company on 12th November 2019 and the Resulting Company has become a wholly owned subsidiary of the Demerged Company with effect from that date.

The Equity Shares of the Resulting Company are presently not listed on any Stock Exchange.

PART 2

DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

2. Transfer of Undertaking

2.1. The PTFE Undertaking (Demerged Undertaking) of the Demerged Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company in the following manner:

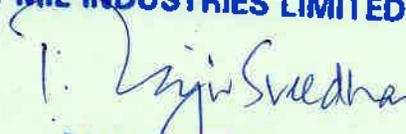
(a) With effect from the Appointed Date, the whole of the PTFE Undertaking of the Demerged Company, comprising their entire business, all assets and liabilities of whatsoever nature, and wheresoever situated, including the immovable properties, if any, shall under the provisions of sections 230 to 232 and all other applicable provisions of the Act, without any further act or deed be transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company as a going concern, so as to become, as from the Appointed Date, the Undertaking of the Resulting Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under the provisions of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the Orders of this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal rights upon the vesting of such assets of the Transferee Company in accordance with the provisions of the Act, at the Office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

(b) All movable assets including cash in hand, if any, of the Demerged Undertaking of the Demerged Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.

(c) In respect of movables other than those specified in clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

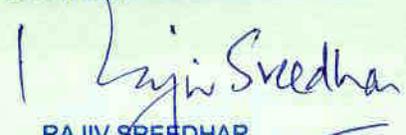
be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities, and bodies, customers and other persons, the following modus operandi for informing third parties shall, to the extent possible, be followed:

- (i) The Resulting Company shall give notice in such form it may deem fit and proper, to each person, debtor, loanee or the depositor of the Transferor Company, as the case may be, that pursuant to the Central Government/Tribunal, as the case may be, having sanctioned this Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that the appropriate entry should be passed in the books to record the aforesaid change.
 - (ii) The Demerged Company shall also give notice in such form as it deems fit and proper to each person, debtor, loanee, depositor of the Transferor Company that pursuant to the Central Government/Tribunal, as the case may be sanctioning this Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferee Company to recover or realise the same stands extinguished.
- (d) In relation to the assets, if any, belonging to the Demerged Undertaking of the Demerged Company, which require separate documents for transfer, the respective Demerged Company and Resulting Company will execute necessary documents, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of any kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Demerged Company in relation to the Demerged Undertaking, shall also, under the provisions of the Act, without any further act or deed, be transferred to or deemed to be transferred to the Resulting Company, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. However, the Transferee Company shall, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under law or otherwise execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferor Company shall under the provisions of this Scheme be deemed to be authorised to execute

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

any such writings on behalf of the Transferor Company as well as to implement and carry out such formalities and compliances referred to above.

- (f) The transfer and vesting of the Demerged Undertaking of the Demerged Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Demerged Company is a party) pertaining to the assets of the Demerged Undertaking of the Demerged Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the extent that, such security, charge and mortgage shall not extend or deemed to extend to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

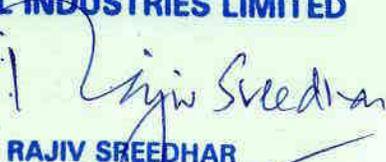
Provided further that the securities, charges, mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Demerged Company shall continue with all respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges and mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested with the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan or deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor, after the amalgamation has become effective.

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licenses), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or the benefit of which the Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary thereto.

- (h) In so far as various incentives, subsidies, special status or other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and

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RAJIV SREEDHAR
DIRECTOR

availed by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- (i) The Demerged Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- (j) Where any of the liabilities and obligations/assets attributed to the Demerged Company on the Appointed Date has been discharged/sold by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to be have been for and on behalf of the Resulting Company.
- (k) From the Effective Date till such time that the names of the bank accounts in respect of the Demerged Undertaking of the Demerged Company are replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

PART 3

REORGANISATION OF SHARE CAPITAL OF THE RESULTING COMPANY

3. Increase in Authorised Capital of the Resulting Company

3.1. On the Scheme being sanctioned by the National Company Law Tribunal and/or such other authorities as may be required under the Companies Act, 2013 or any other regulations in force, the Authorised Share Capital of the Company shall be increased to Rs.3,50,00,000/- (Rupees three crore fifty lakhs) divided into 35,00,000 (Thirty five lakhs) Equity Shares of Rs.10 each.

The existing Clause V of the Memorandum of Association of the Resulting Company shall be substituted by the following Clause V:

Clause V – The Authorised Share Capital of the Company is Rs.3,50,00,000/- (Rupees three crore fifty lakhs only) divided into 35,00,000 (Thirty five lakhs) Equity Shares of Rs.10/- each with power to increase or reduce its capital and divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights and privileges as may be determined in accordance with the provisions of the Companies Act, 2013.

3.2. The approval of the Scheme by the Shareholders of the Resulting Company and the sanction of the NCLT in terms of section 230 to 232 of the Companies Act, 2013 shall be deemed to the compliance with the provisions of the Companies Act, 2013 in respect of increase of Authorised Capital.

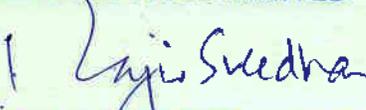
PART 4

ISSUE OF SHARES BY THE RESULTING COMPANY

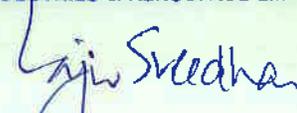
4. ISSUANCE AND ALLOTMENT OF SECURITIES

- a. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall

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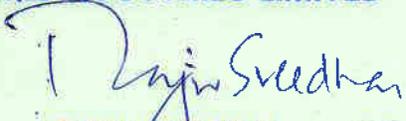

RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED

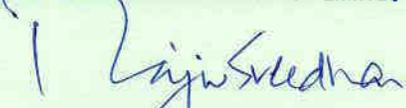

RAJIV SREEDHAR
DIRECTOR

- issue and allot to each member of the Demerged Company whose names is recorded in the register of members on the Record Date (the "**Eligible Members**"), One Equity Share of Rs. 10/- (Rupees Ten only) each for one Equity Shares of Rs.10/- each held by the Eligible Members of the Demerged Company on the Record Date.
- b. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of Equity Shares of Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
 - c. Unless otherwise determined by the Board of the Demerged Company and the Resulting Company allotment of shares under this Scheme shall be completed within 30 (thirty) days from the date of receipt of the order of the National Company Law Tribunal.
 - d. The Scheme shall be presented before the public shareholders for voting through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution in accordance to the relevant circulars issued from time to time by the Securities and Exchange Board of India.
 - e. The new Equity Shares to be issued by the Resulting Company, in terms of this Scheme, will be listed and/or admitted to listing on the Metropolitan Stock Exchange, where the shares of the Demerged Company are listed in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations and other applicable regulations. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws and regulations for complying with the formalities of the Metropolitan Stock Exchange. On such formalities being fulfilled, the Metropolitan Stock Exchange shall list and/or admit such new equity shares for the purposes of trading.
 - f. The Resulting Company shall be in compliance with the Minimum Public Shareholding on fully diluted basis.
 - g. The new equity shares allotted pursuant to the scheme shall remain frozen in the depository(ies) system, till listing/trading permission is given by the MSEI.
 - h. There shall be no change in the shareholding pattern of the Resulting Company between the record date and the date of listing.

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DIRECTOR

PART 5
ACCOUNTING TREATMENT

5. ACCOUNTING TREATMENT

5.1. In the Books of the Demerged Company

Upon the Scheme becoming effective but from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles as amended from time to time as under:

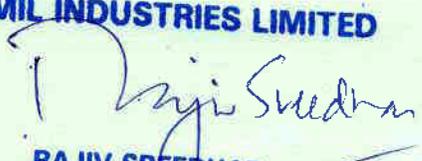
- a) All the assets and liabilities of the Demerged Undertaking shall be reduced at their book values;
- b) The difference between the book value of the assets and the book values of the liabilities of the Demerged Undertaking shall be adjusted against the free reserves of the Demerged Company.
- c) Upon the Scheme becoming effective, the investment of the Demerged Company in the Resulting Company amounting to Rs.20 lakhs shall stand cancelled. Upon such cancellation the Demerged Company shall credit the investments in the Resulting Company and the same shall be adjusted against the free reserves of the Demerged Company.
- d) If considered appropriate for compliance with the prescribed Accounting Standards, the Demerged Company may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of the Demerged Company.

In the books of the Resulting Company

5.2. Upon the Scheme becoming effective but from the Appointed Date Since the transaction involves entities which are controlled by the same party before and after the transaction, the Resulting Company shall account for the demerger of the Demerged Undertaking in the books of account in accordance with the provisions of Ind AS 103 prescribed under section 133 of the Companies Act, 2013 and generally accepted accounting principles, as may be amended from time to time as under:

- (i) The Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested pursuant to this Scheme at the respective book values thereof.
- (ii) The Resulting Company shall credit the Share Capital account with the aggregate value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 4 of this Scheme.
- (iii) In respect of cancellation of shares issued by the Resulting Company and held by the Demerged Company the Resulting Company shall debit it to its Equity Share Capital Account with corresponding credit to the Capital Reserve of the Resulting Company.

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RAJIV SREEDHAR
Managing Director

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DIRECTOR

- (iv) The difference between Clause (i) and (ii) above shall be recorded as capital reserve by the Resulting Company.
- (v) If considered appropriate for the purposes of application of uniform accounting policies and method for compliance with applicable Accounting Standards, the Resulting Company may make suitable adjustments and adjust the effect thereof in the manner determined by the Board of Directors of the Resulting Company.
- (vi) Reduction of Share Capital of the Resulting Company
 - a) With the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company as part of this Scheme, all the shares issued by the Resulting Company and held by the Demerged Company, shall stand cancelled, extinguished and annulled on the Effective Date but from the appointed date as an integral part of the Scheme.
 - b) The cancellation as aforesaid, which amounts to reduction of capital of the Resulting Company, shall be effected as an integral part of the Scheme itself in accordance with the provisions of section 66 of the Companies Act, 2013 and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under section 66 of the Companies Act, 2013 for the purpose of confirming the reduction,
 - c) Notwithstanding the reduction as mentioned above, the Resulting Company shall not be required to add "and reduced" as suffix to its name and the resulting Company shall continue with the existing name.

5.3. TAX TREATMENT

All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly

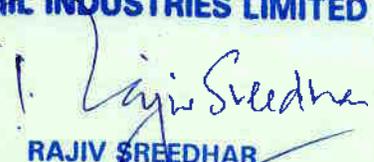
PART 6

GENERAL TERMS AND CONDITIONS

6.1. CONSEQUENTIAL MATTERS RELATING TO TAX

- 6.1.2. Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Demerged Company from the Appointed Date onwards including all or any

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RAJIV SREEDHAR
Managing Director

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RAJIV SREEDHAR
DIRECTOR

refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, in relation to the Demerged Undertaking, shall, for all purposes, be treated as the tax/cess/ duty, liabilities or refunds, claims, credits and accumulated losses of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, GST returns other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

Provided further that upon the Scheme becoming effective, the Demerged Company and the Resulting Company are also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

6.1.3. In accordance with the Tamil Nadu Value Added Tax Act, 2006, GST Act, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT/GST paid on inputs/capital goods lying in the accounts of the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

6.1.4. Upon the Scheme coming into effect, any refunds and/or credits due from any Central/State Government departments, including from Income tax department, Sales Tax department, Central Excise department, Service Tax department etc., as are prevalent on the effective date with respect to the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company and the Transferee Company shall be entitled to claim such refunds and/or credits from the respective Central/State Government departments, as if all such refunds and/or credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to all such refunds and credits.

6.2. Conduct of Business until the Effective Date

6.2.1. From the Appointed Date and upto and including the Effective Date (as defined in the clause 1.4) the Demerged Company:

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RAJIV SREEDHAR
Managing Director

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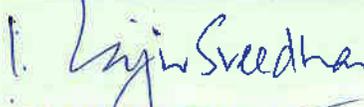
RAJIV SREEDHAR
DIRECTOR

- a. Shall, in so far as it is necessary for the implementation of the Scheme, stand possessed of all its properties, assets, liabilities referred to in clause 3 above for and on account of and in trust for the Resulting Company and shall account for the same to the Transferee company and be entitled to be indemnified accordingly:
 - b. All profits or income accruing or arising to the Demerged Company or losses arising or expenditure incurred by it in respect of the Demerged Undertaking shall for all purposes be treated as and be deemed to be treated as the profits or income or losses or expenditure of the Transferee Company, as the case may be.
 - c. All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
 - d. The Transferor Company shall not make any modification to its capital structure in any manner whatsoever except with written consent of the Transferee Company.
- 6.2.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.
- 6.2.3. From the Date of filing of the Scheme and upto and including the Effective Date (as defined in the clause 1.4) the Demerged Company shall not without the written concurrence of the Resulting Company alienate, charge, or encumber or otherwise deal with any of their properties or assets otherwise than in the ordinary course of business, of the Demerged Undertaking. Nothing in this clause shall, however, affect or derogate from the vesting of the undertaking, properties, rights, powers and assets as provided in Clause 3 hereof.

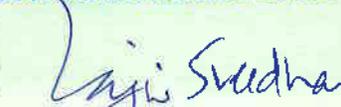
6.3. LEGAL PROCEEDINGS

- 6.3.1. All legal proceedings of any nature whatsoever by or against the Demerged Company pertaining to the Demerged Undertaking, pending on the Appointed Date shall not abate or be discontinued but the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Resulting Company.

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RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


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DIRECTOR

6.3.2. After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause 5.3.1. above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company.

6.3.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company relating to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6.4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

6.4.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, assignments, insurance policies and other instruments of whatsoever nature to which the Demerged Company is a party and subsisting or having effect, against or in favour of the Transferor Company may be enforced by or against the Transferee Company as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party thereto.

6.4.2. As a consequence of the demerger of the Demerged Undertaking in favour of the Resulting Company, in accordance with this Scheme, the recording of change in name from the Demerged Company to the Resulting Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

6.4.3. The Resulting Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

6.5. EMPLOYEES OF THE TRANSFEROR COMPANY

6.5.1. All the employees of the Demerged Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, unless otherwise desired by any of the employees, become the employees of the Resulting Company on the Effective Date.

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RAJIV SREEDHAR
Managing Director

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RAJIV SREEDHAR
DIRECTOR

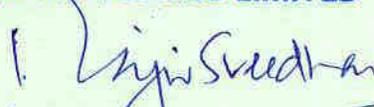
6.5.2. On the Scheme finally taking effect as hereinafter provided:

- (a) The employees of the Demerged Undertaking of the Demerged Company shall become the employees of the Resulting Company, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date. Services of all employees with the Demerged Company up to the Effective Date shall be taken into account from the date of their respective appointment with the Demerged Company for purposes of all retirement benefits for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account;
- (b) The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company;
- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company are concerned, upon the Scheme becoming finally effective, the Resulting Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to adopt such course in this regards as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

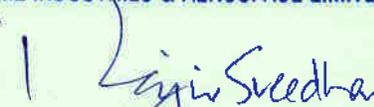
6.6. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Demerged Company shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

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RAJIV SREEDHAR
Managing Director

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RAJIV SREEDHAR
DIRECTOR

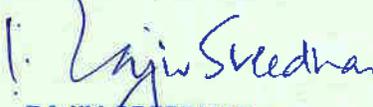
6.7. MODIFICATION OR AMENDMENTS TO THE SCHEME AND GENERAL TERMS AND CONDITIONS

- 6.7.1. The Demerged Company and the Resulting Company through their respective Boards of Directors in their full and absolute discretion, may assent to any modification or amendment to the Scheme which the Tribunal, shareholders of the Transferor Company and / or the Transferee Company and / or any other competent authority may deem fit to approve / impose and effect any other modification or amendment which the Boards in the best interests of the Transferor Company or the Transferee Company may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected there with and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Demerged Company and / or the Resulting Company for any reason whatsoever, the Demerged Company and / or Resulting Company shall be at liberty to withdraw from the Scheme at any time.
- 6.7.2. For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Boards of Directors of the Demerged Company and the Resulting Company or any Committee thereof is authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

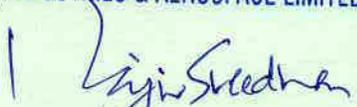
6.8. CONDITIONALITY OF THE SCHEME

- 6.8.1. This Scheme is and shall be conditional upon and subject to:
The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 6.8.2. The Scheme being agreed to by the respective requisite majorities of the members/creditors of the Transferor and Transferee Company by way of a meeting or dispensation as provided for under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India circulars, rules and regulations as may be applicable.
- 6.8.3. The sanction by the Central Government under section 233 or the Tribunal under section 232 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.
- 6.8.4. The filing with the Registrar of Companies ("**ROC**") of certified copies of the order sanctioning the Scheme by the Demerged Company and the Resulting Company.

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

6.9. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Central Government and/or Tribunal and / or the Order or Orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

6.10 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company and the Resulting Company equally.

SCHEDULE A

IMMOVABLE PROPERTY OF THE DEMERGED UNDERTAKING TO BE VESTED WITH THE RESULTING COMPANY

(1) Factory at Gummidipoondi

All that piece and parcel of land situated at Plot No. F-65 in the SIPCOT Industrial Complex at Gummidipoondi measuring about 1.31 acres situated in Survey No.14 (pt) in Sinthalakuppam Village and Survey No. 264 (pt) in Pappankuppam village and bounded.

On the North by **Plot No. B 51**

On the South by **18M Road**

On the East by **Plot No. F 64**

On the West by **28M Road**

LINEAR MEASUREMENTS:

East to West on the North **71.00 M**

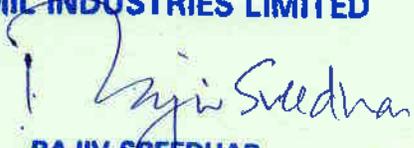
East to West on the South **80.00 M**

North to South on the East **68.00 M**

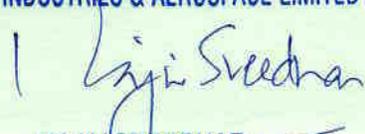
North to South on the West **73.00 M**

(2) Factory at Ambattur

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

All that piece and parcel of land bearing Plot No. 25 A/1 at Ambattur Industrial Estate in Ambattur Taluk, Thiruvallur District **admeasuring about 1.855 acres (33.661 grounds)** comprised in Survey No. 79/part, 80/part, 81/part, 83/part, 84/part, 85/part, 89/part, 90/part and 91/part of Patravakkam Village, bounded on the ---

North by : 503 feet - 11 inch long Railway Line

East by : 182 feet bounded by - SIDCO Shed No. 128 Owned by Switzer Process Instruments Pvt Ltd

South by : 500 feet 11inch (with offset of 41 feet) bounded by-MIL Industries Limited Factory

West by : 164 feet bounded by 120' Road

and buildings on it

AND

(3) Ambattur Office Premises

All that piece and parcel of land bearing Plot No. 25 A/1 /6 at Ambattur Industrial Estate in Ambattur Taluk, Thiruvallur District **admeasuring about 6.738 grounds (16171 sq.ft)** comprised in Survey No. 79/part, 80/part, 81/part, 83/part, 84/part, 85/part, 89/part, 90/part and 91/part of Patravakkam Village, bounded on the ---

North by : 141 feet bounded by Common Private Road

East by : 119 feet 6 inch bounded by Plot No. 25A /1/5 owned by Rams Engineering Industries

South by : 129 feet bounded by Plots Owned by Akhil Industries and Precision Products

West by : 119 feet 6 inch bounded by MIL Industries Limited Office and buildings on it .

(4) Other Immovable Property

- a) All that piece and parcel of Vacant land comprised in Survey No. 292/10, in MADHARPAKKAM Village, Gummidipoondi Taluk, Thiruvallur District, measuring an extent of 5 Acres or thereabouts, delineated and coloured RED in the PLAN attached herewith, and the said land bounded on the-

North by: Poramboke land

South by: Gummidipoondi to Madharpakkam Road

East by: Property comprised in Survey No. 292/11

West by: Property comprised in Survey No. 292/9

And admeasuring

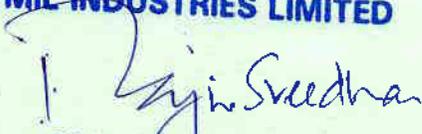
East to West on the North **211.2 M**

East to West on the South **212.6 M**

North to South on the East **84.6 M**

North to South on the West **100.6 M**

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

b) All that piece and parcel of Vacant land 1 ground (2400 Sq. Ft.) (Plot No.35) in Survey No. 15/1, 2, 3, 4, 5, 7, 8 in No. 47, Chenthalakuppam village, Gummidpoondi Taluk, situate within the Sub-Registration District of Gummidipoondi and Revenue District of Thiruvallur bounded on

North by : 24' Road

South by : Park

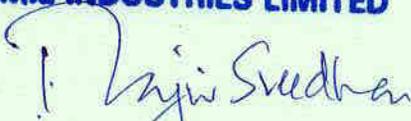
East by : Vacant Land

West by : Plot No. 36

And admeasuring North to South 60' East to West 40'

c) Office premises with buildings measuring about 328 sq.ft area situated at 514, centre point, R.C. Dutt Road, Alkpuri, Baroda-390005. State of Gujarat

For MIL INDUSTRIES LIMITED


RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED


RAJIV SREEDHAR
DIRECTOR

MIL INDUSTRIES LIMITED

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

PHONE : 0091 - 44 - 2625 8382 FAX : 0091 - 44 - 2625 7583 Website : www.milindus.com
 E-MAIL : mil@milindustries.com, CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MIL INDUSTRIES LIMITED ("MIL" OR "THE COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 2ND DECEMBER 2019.

1. Background:

Meeting of the Board of Directors of MIL Industries Limited ("MIL" or demerged company") was held on 2nd December, 2019 to consider the scheme of arrangement under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the companies Act, 2013 (the Scheme) between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL").

1. The Scheme of Arrangement between MIL Industries Limited ('Demerged Company') and MIL Industries & Aerospace Limited, a wholly owned subsidiary of the company ('Resulting Company') and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act'), provides for the demerger of PTFE Business of the Demerged Company into the Resulting Company.
2. The Board of Directors of the Demerged Company at its meeting held on 2nd December 2019 had approved the Scheme.
3. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key managerial personnel laying out in particular the share exchange ratio, specifying any special valuation difficulties.

While deliberating on the Scheme, the Board had inter alia considered and taken on record:

- i. Draft Scheme of Arrangement.
- ii. Valuation report dated 02.12.2019, from Mr.Vinay Totla., Chartered Accountants (Registered Valuer), Hyderabad (Registration No. IBBI/RV/04/2019/11470)
- iii. Fairness Opinion of the SEBI registered merchant banker 'Quintessence Enterprises Private Limited (QEPL), Hyderabad. (Registration code INM000011997). The merchant banker has confirmed that their signed report will be received by the company next day.



No special valuation difficulties were reported by the Registered Valuer.

MIL

Share Entitlement Ratio Report:

Following share exchange ratio were recommended in the Share Entitlement Report by Mr.Vinay Totla Registered Valuer:

"1 (One) equity share of the Resulting Company (i.e. MIL Industries & Aerospace Limited) of face value of INR 10 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in the Demerged Company (i.e. MIL Industries Limited)"

Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:

Both the promoter and non-promoter shareholders of the Company will receive shares in the Resulting Company in accordance with Clause 4 (a) of the scheme.

Effect of the Scheme on the KMPs of the Company:

There is no impact of the Scheme on the KMPs of the Company. Further, none of the KMPs has any interest in the Scheme except to the extent of shares held by them, if any, in the Company.

For MIL Industries Limited

Place: Chennai
Date : 02.12.2019



Rajiv Sreedhar
Rajiv Sreedhar
Managing director

MIL INDUSTRIES & AEROSPACE LIMITED

25A, SIDCO INDUSTRIAL ESTATE, AMBATTUR, CHENNAI 600 098.
Tel: 0091-44-2625 8382; CIN: U74999TN2018PLC122159; e-mail: admin@mial.tech

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MIL INDUSTRIES & AEROSPACE LIMITED ("MIAL" OR "THE COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 2ND DECEMBER 2019.

1. Background:

Meeting of the Board of Directors of MIL Industries & Aerospace Limited ("MIAL" or Resulting company") was held on 2nd December, 2019 to consider the scheme of arrangement under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the companies Act, 2013 (the Scheme) between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL").

2. The Scheme of Arrangement between MIL Industries Limited ('Demerged Company') and MIL Industries & Aerospace Limited, a wholly owned subsidiary of the company ('Resulting Company') and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act'), provides for the demerger of PTFE Business of the Demerged Company into the Resulting Company.
3. The Board of Directors of the Resulting Company at its meeting held on 2nd December 2019 had approved the Scheme.
4. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key managerial personnel laying out in particular the share exchange ratio, specifying any special valuation difficulties.

While deliberating on the Scheme, the Board had inter alia considered and taken on record:

- i. Draft Scheme of Arrangement.
- ii. Valuation report dated 02.12.2019, from Mr.Vinay Totla., Chartered Accountants (Registered Valuer), Hyderabad (Registration No. IBBI/RV/04/2019/11470)
- iii. Fairness Opinion of the SEBI registered merchant banker 'Quintessence Enterprises Private Limited (QEPL), Hyderabad. (Registration code INM000011997). The merchant banker has confirmed that their signed report will be received by the company next day.

No special valuation difficulties were reported by the Registered Valuer.



MIL INDUSTRIES & AEROSPACE LIMITED

25A, SIDCO INDUSTRIAL ESTATE, AMBATTUR, CHENNAI 600 098.
Tel: 0091-44-2625 8382; CIN: U74999TN2018PLC122159; e-mail: admin@mial.tech

Share Entitlement Ratio Report:

Following share exchange ratio were recommended in the Share Entitlement Report by Mr.Vinay Totla Registered Valuer:

"1 (One) equity share of the Resulting Company (i.e. MIL Industries & Aerospace Limited) of face value of INR 10 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in the Demerged Company (i.e. MIL Industries Limited)"

Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:

The entire equity share capital of MIAL is held by MIL (Promoter) and its nominees. The Company does not have any non-promoter shareholders.

The existing equity share capital of the Company, held by the Demerged Company, shall stand cancelled in terms of the Sub-Clause (vi) of Clause 5.2 of the Scheme. The cancellation of equity share capital will be effected as part of this Scheme in accordance with provision of Section 66 of the Act and the order of the NCLT shall be deemed to be the order under the applicable provisions of the Act for confirming the cancellation of share capital.

Upon the Scheme becoming effective, the shareholding pattern of MIAL shall be identical to the shareholding pattern of MIL.

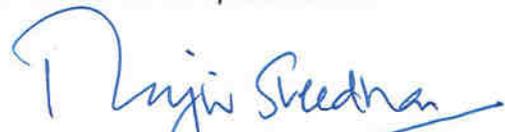
Effect of the Scheme on the KMPs of the Company:

There is no impact of the Scheme on the KMPs of the Company. Further, none of the KMPs has any interest in the Scheme except to the extent of shares held by them, if any, in the Company.

For MIL Industries & Aerospace Limited

Place: Chennai
Date : 02.12.2019




Rajiv Sreedhar
Director

**MIL****MIL INDUSTRIES LIMITED**

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

PHONE : 0091 - 44 - 2625 8382 FAX : 0091 - 44 - 2625 7583 Website : www.milindus.com
E-MAIL : mil@milindustries.com, CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5

REPORT OF THE AUDIT COMMITTEE OF MIL INDUSTRIES LIMITED ("MIL" OR "THE COMPANY") ON THE SCHEME OF ARRANGEMENT BETWEEN MIL INDUSTRIES LIMITED ("MIL" OR "DEMERGED COMPANY") AND MIL INDUSTRIES AND AEROSPACE LIMITED ("MIAL" OR "RESULTING COMPANY") AND THEIR SHAREHOLDERS

MEMBERS PRESENT: Mr. Noman H. Millwala, Chairman
Mr. Rajiv Sreedhar, Member

IN ATTENDANCE : Mr. VPK Mani, Company Secretary
Mr. N. Guruswamy, Chief Financial Officer

1. Background:

Meeting of the Audit Committee of MIL Industries Limited ("the demerged company") was held on 2nd December, 2019 to consider and recommend to the Board of Directors the modified scheme of arrangement under section 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the companies Act, 2013 (the Scheme) between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL"). Mr. Rajiv Sreedhar, member, stated that application made to the MSEI on 9th August 2019 under regulation 37 was withdrawn as the terms proposed by the company for demerger was not acceptable to MSEI. A modified scheme of arrangement has now been prepared and placed before the Committee for its consideration.

The Scheme provides for:

- i) Demerger of the PTFE Products Business of the Company into a separate business entity.
- ii) Issue of equity shares by MIAL to the equity shareholders of MIL as consideration for Demerger.

The Equity Shares of the company are listed on Metropolitan Stock Exchange of India Limited ("MSEI").

The report of the Audit Committee is made in order to comply with the requirements of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10,



2017 (as amended from time to time) after considering the following documents placed before the Committee.

- 1) Draft Scheme of Arrangement duly initialed by the Managing Director of the company for the purpose of identification.
- 2) Valuation report dated 02.12.2019, from Vinay Totla., Chartered Accountants (Registered Valuer), Hyderabad.
- 3) Certificate dated 02.12.2019 from the statutory auditors of the company regarding compliance of accounting treatment prescribed in the scheme;
- 4) Pre and Post demerger shareholding pattern.
- 5) Audited financial Statements of the Company as on 15th November 2019
- 6) The Company had forwarded the draft of the valuation report of Mr. Vinay Totla to a SEBI registered merchant banker `Quintessence Enterprises Private Limited (QEPL), Hyderabad. The Managing Director had stated that Quintessence informed that they have reviewed the valuation report and believe that MIAL issuing one equity share of Rs. 10 each for every one equity shares of Rs. 10 each held by the shareholders in MIL is fair and reasonable from financial and commercial point of view to the holders of equity shares of MIL and that they promised to courier their signed report on 3rd December 2019.

2. Proposed Scheme

The salient features of the Draft Scheme of Arrangement are as under:

1. The Scheme provides for the transfer by way of demerger, of the PTFE Related Business ("**Demerged Undertaking**") of the Demerged Company to the Resulting Company, the consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company.
2. The main lines of business are Rubber Lining and PTFE Products. These are two distinct lines of business with different nature of risks and competition necessitating different management approaches and focus. The competitive dynamics of these businesses are also different. The Audit Committee is of the opinion that the proposed arrangement would inter-alia achieve the following objectives:



(i) reorganise its corporate structure and integrate/consolidate its operations by placing the Rubber lining business in MIL and PTFE business in MIAL

(ii) Streamlining the revenues by creating specialised entities.

(iii) provide more flexibility in terms of business synergies in the Resulting company i.e. MIAL, and optimizing utilization of valuable resources which will enable enhance management focus on the different businesses being placed under separate entities, thereby leading to higher operational efficiency.

3. The Audit Committee reviewed the Share Exchange Ratio and recommend the following:

In consideration for the demerger of the PTFE business into MIAL in terms of the scheme and based on the Share Exchange Ratio suggested by Vinay Totla, Chartered Accountants and Fairness opinion provided by Quintessence Enterprises Private Limited (QEPL), Merchant Banker, MIAL will issue one equity share of the face value of Rs.10/- each for every one equity shares of face value of Rs.10/- each held in MIL on the Record Date (as may be determined in terms of the Scheme)

4. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of section 2(19AA) of the Income tax Act, 1961, such that:

- (a) All the properties and assets of the Demerged Undertaking being transferred by the Demerged Company belonging to the Demerged Undertaking as on the Appointed Date will become the properties and assets of the Resulting Company.
- (b) All liabilities relatable to the Demerged Undertaking as on the Appointed Date shall become the liabilities of the Resulting Company.
- (c) The properties and liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company to the Resulting Company shall be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger.
- (d) MIAL will issue one equity share of the face value of Rs.10/- each for every one equity shares of face value of Rs.10/- each held in MIL.
- (e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company by virtue of the demerger.



- (f) The transfer of the Demerged Undertaking shall be on a going concern basis.
5. Further, pursuant to the Scheme, the Company shall account for the Demerger as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS).
 6. Further, the Fairness opinion confirmed that the Share Exchange Ratio in the Valuation Report is fair to MIL and MIAL.
 7. The proposed date (i.e. Appointed Date) for the Demerger of the PTFE Business will be 15th November 2019 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority as may be applicable.
 8. Under the proposed scheme, all assets and liabilities, pertaining to PTFE Business of MIL, of whatsoever nature and where so ever situated, including the immovable properties shall without any further act or deed be transferred to and vested in MIAL as a going concern w.e.f. the appointed date 15th November 2019.

Recommendations of the Audit Committee

The Audit Committee after due deliberations and consideration of all the terms of the Scheme, Valuation Report, Fairness Opinion and the other points mentioned above, recommends the Draft Scheme of Arrangement for the favorable consideration by the Board of Directors of the Company, the stock exchange and SEBI.

For MIL INDUSTRIES LIMITED



A handwritten signature in blue ink, appearing to read 'Noman H. Millwala'.

Place: Chennai
Date : 02.12.2019

NOMAN H. MILLWALA
CHAIRMAN OF AUDIT COMMITTEE

MIL INDUSTRIES LIMITED

**REPORT ON SHARE ENTITLEMENT
RATIO
FOR
MIL INDUSTRIES LIMITED
(MIL)**

Purpose – Demerger of PTFE Division of MIL into MIAL
(Under “Scheme of Arrangement” U/s 230-232 of Companies
Act)

DEC 2019

VINAY TOTLA, FCA, ACMA, IP, RV
IBBI REGISTERED VALUER - SFA
MOBILE – 80082 07272
EMAIL – VTOTLA@GMAIL.COM

ADDRESS – 701, D BLOCK, MAHINDRA ASIHWITA, HAFEEZPET, HYDERABAD - 500085

VINAY TOTLA
REGISTERED VALUER (SFA)

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VINAY TOTLA
IBBI/RV/04/2019/11470
REGISTERED VALUER (SFA)

MIL INDUSTRIES LIMITED

Date : 2nd Dec 2019

To

The Board of Directors

MIL Industries Limited (MIL – “Demerging” Company)

Plot No 25A, SIDCO Industrial Estate,

Ambattur, Chennai - 600098

The Board of Directors

MIL Industries and Aerospace Limited (MIAL – “Resultant” Company)

Plot No 25A, SIDCO Industrial Estate,

Ambattur, Chennai – 600098

Dear Sirs.,

Sub: Report on Share entitlement ratio pursuant to demerger of PTFE division of MIL into MIAL

1. CONTEXT:

1.1: We refer to the engagement letter dated 29th Nov 2019 and the subsequent discussions we had with you wherein you had requested our report on the ratio of allotment of equity shares of the resultant company, MIAL, to be issued to the shareholders of MIL in connection with the proposed demerger of the PTFE division from MIL as part of scheme of arrangement with 15th Nov 2019 as the appointed date.

2. BACKGROUND:

2.1 MIL Industries Limited (MIL) was incorporated on 11-02-1966 under Companies Act 1956 bearing CIN No L25199TN1966PLC005397 registered at Chennai. The registered office of the Company is located at Plot No 25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098. MIL is engaged in the business of corrosion resistant lining of equipment used in chemical and other allied industries. The equipment of these industries are lined using either rubber or Poly Tetra Fluoro Ethylene (PTFE). The Company has two separate manufacturing facilities for the above, namely –

Division	Description
RL – Rubber Lining	Manufacturing of Rubber lining products, Trading of rubber lining materials and Rubber Linings
PTFE – Poly Tetra Fluoro Ethylene	Manufacturing of PTFE Lined pipes and fittings and PTFE Products.

VINAY TOTLA

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VINAY TOTLA
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REGISTERED VALUER (SFA)

MIL INDUSTRIES LIMITED

Each of the two divisions namely RL and PTFE are treated as separate business segments as required under the relevant Ind AS and the segment results are being disclosed as required by the said standard.

In view of the varied risks and other factors, the Management feels that the RL and the PTFE divisions should be divested and the PTFE business should be demerged into a new company, MIL Industries and Aerospace Limited (MIAL).

2.2 MIL was originally listed on the Madras Stock Exchange. Consequent to the closure of the Madras Stock Exchange it was transferred to the dissemination board and has effective February 2018 got itself listed on the Metropolitan stock Exchange. Though MIL is a listed company, there has been no trading in the shares for the last so many years and hence the shares of the company are to be treated as an infrequently traded shares.

2.3 The Authorized, issued and paid up share capital of MIL as on as on the appointed date, i.e 15th Nov 2019 is as under –

Share Capital	Amount
Authorized Share Capital	
49,00,000 Equity shares of Rs.10/- each	4,90,00000
1,00,000 Preference shares of Rs.10/- each	10,00,000
2,50,000 Cum Preference shares of Rs.10/- each	25,00,000
TOTAL	5,25,00,000
Issued, Subscribed and Paid up share capital (31,50,000 Equity shares of Rs.10/- Each)	3,15,00,000
TOTAL	3,15,00,000

Subsequent to the above date, there has been no change in the issued, Subscribed and Paid up share capital of MIL. The Equity Shares of the Demerged Company are listed in the Metropolitan Stock Exchange.

2.4 MIL Industries and Aerospace Limited (MIAL) is a company incorporated on 17th April 2018 having its registered office at Plot No 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600098 bearing CIN No U74999TN2018PLC122159. The Company is formed for the purpose of carrying on anti corrosive lining of equipment using PTFE and other related activities such as aerospace industry components and other specialized products.

2.5 The Authorized, issued and paid up share capital of MIAL as on the appointed date, i.e 15th Nov 2019 is as under –

Share Capital	Amount
Authorized Share Capital	

VINAY TOTLA

REGISTERED VALUER (SFA)

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VINAY TOTLA
IBBI/RV/04/2019/11470
REGISTERED VALUER (SFA)

MIL INDUSTRIES LIMITED

15,00,000 Equity shares of Rs.10/- each	1,50,00,000
5,00,000 Redeemable Preference shares of Rs.10/- each	50,00,000
TOTAL	2,00,00,000
Issued, Subscribed and Paid up share capital (2,00,000 Equity shares of Rs.10/- Each)	20,00,000
TOTAL	20,00,000

Subsequent to the above date, there has been no change in the issued, Subscribed and Paid up share capital of MIL. The Equity shares of the resulting company are presently not listed on any stock exchange.

2.6 The entire issued share capital of MIAL (The Resulting company) is held by MIL (The Demerged company) as on the appointed date and MIAL is thus wholly owned subsidiary of MIL.

3. VALUATION OBJECTIVE:

3.1 We understand that the management of MIL (Demerged Company) is contemplating to demerge its PTFE division to its wholly owned Subsidiary, MIAL (Resulting Company) vide a Scheme of arrangement under Sec 230 to 232 and other applicable provisions of Companies Act, 2013 (Hereinafter referred to as "Draft Scheme").

3.2 In connection with the demerger and the information made available by the management of MIL, The management had asked **Mr. VINAY TOTLA, REGISTERED VALUER** to provide a report on the ratio of allotment of equity shares of MIAL (The resulting company) to be issued to the shareholders of MIL (Demerged Company). As per the draft scheme provided to us, The appointed date for the demerger is 15th Nov 2019.

3.3 we understand that consequent to the demerger, The existing share capital of MIAL held by MIL will stand cancelled pursuant to the draft scheme.

3.4 We understand that consequent to the demerger, the beneficial economic interest of the shareholders of MIL (Demerged Company) in the paid up equity share capital of MIAL (Resulting Company) would be the same as it is in the equity share capital of MIL (Demerged Company)

3.5 As per the draft scheme and the discussion with the management of MIL, We understand that upon demerger, transfer and vesting of demerged undertaking in MIAL, Shares of MIAL will be issued to the shareholders of MIL such that MIAL and MIL will have mirror shareholding upon issue of shares.

4. SOURCES OF INFORMATION:

VINAY TOTLA
REGISTERED VALUER (SFA)

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VINAY TOTLA
IBBI/RV/04/2019/11470
REGISTERED VALUER (SFA)

MIL INDUSTRIES LIMITED

For the purpose of this valuation exercise, We have relied upon the following information/ Documents made available to us by the management of both the companies and the information available in public domain -

- a) Draft scheme of arrangement between MIL and MIAL and their respective shareholders to be adopted at their respective board meetings.
- b) Audited Financial statements for FY ending March 2018 and March 2019 of both the companies.
- c) Audited Interim Financial statements of both the companies as on 15th Nov 2019 certified by the management and Auditor on 2nd Dec 2019.
- d) CA certificate dated 2nd Dec 2019 for the confirmation of MIAL being wholly owned subsidiary of MIL w.e.f 12th Nov 2019.
- e) CA certified Networth certificates with the breakup of assets and Liabilities of both MIL and MIAL pre and post demerger as on the appointed date ,i.e 15th Nov 2019.
- f) Information on Business and Company profile.
- g) MOA and AOA of both the Demerged and Resultant companies.

We have also obtained necessary information and explanations which we believe were relevant to the present exercise, from the representatives of MIL. It may be mentioned that MIL has been provided opportunity to review the draft report (Excluding our valuation analysis and recommendation) for the current job as part of our standard practice to make sure that the factual inaccuracies are avoided in our report.

5. SHARE SWAP RATIO:

5.1 Considering the following aspects –

- a) MIL is wholly owned subsidiary (WOS) of MIL
- b) Upon the draft scheme becoming effective, existing shareholding of MIL in MIAL shall stand cancelled without any payment (Refer to share cancellation clauses -5.1(c) in draft scheme).
- c) Upon the draft scheme becoming effective, The shareholders of MIL would be entitled to shares in MIAL in the same proportion in which they own shares in MIL
- d) Upon the draft scheme becoming effective, the beneficial economic interest of the shareholders of MIL in the paid up equity share capital of MIAL would be the same as it is in the paid up equity share capital of MIL,

the determination of swap ratio would not have any economic impact on the ultimate value of the shareholders of MIL and the proposed demerger of demerged business of MIL in MIAL will be value neutral to MIL's shareholders. Hence, The determination of swap ratio of companies is at best an internal arrangement between companies and

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its shareholders and a detailed valuation of the companies to determine the swap ratio would not be relevant in the present case.

5.2 We have been informed by the management of MIL and as observed from the audited interim financial statements as on 15th Nov 2019 and the NW certificates issued by the statutory auditor of both the companies, that the Net asset value of RL Division is about **Rs.1620.72 Lacs as on 15th Nov 2019**. Similarly, net asset value of PTFE Division as on 15th Nov 2019 is **Rs.1720.17 lacs**. Having regard to the size of net assets of both the divisions, The requirement of capital of PTFE Division and other relevant factors, The management had proposed share entitlement ratio of 1 (one) fully paid equity share of face value of Rs.10/- each of MIAL for every 1 (one) fully paid equity share of face value of Rs.10/- each held in MIL (Refer clause 4 (a) of the scheme) .

5.3 We have been informed by the management of MIAL that upon the scheme being approved, the authorized capital of MIAL would be increased to Rs.3,50,00,000/- (Rupees three crore fifty lakhs) divided into 35,00,000 (Thirty five lakhs) Equity Shares of Rs.10 each (Refer Clause 3.1 of the scheme).

5.4 Based on the aforesaid, in particular read with 5.1 and 5.3 above and the caveats below, and considering that all the shareholders of MIL are and will, upon demerger, become shareholders of MIAL holding beneficial economic interest in the same proportion as they hold in MIL, the following proposed share entitlement ratio is fair to the shareholders of MIL in relation to the demerger –

“1 (one) fully paid equity share of face value of Rs.10/- each of MIAL for every 1 (one) fully paid equity share of face value of Rs.10/- each held in MIL”

5.5 Our report on the share entitlement ratio is based on the current equity share capital structure of the companies and proposed cancellation of existing share capital of MIL. Any variation in the equity share capital structure of the companies apart from the above mentioned prior to the scheme of arrangement becoming effective may have an impact on the share entitlement ratio.

5.6 Further we understand that the exchange ratio determination in the instant case is in keeping with similar schemes permitted by the Bombay Stock exchange in April 2019, and by both BSE and NSE in 2014, wherein the resulting company is 100% subsidiary company of the Demerging company (WOS of demerging company). These have also been reviewed by us in this regard.

6. CAVEATS, LIMITATIONS AND DISCLAIMERS

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6.1 We have relied upon the information, data and explanations set out at para 3 above, for the purpose of reporting on the ratio of allotment of equity shares of MIAL to the shareholders of MIL in connection with the proposed demerger. Our recommendation is dependent upon the information furnished to us being complete in all material respects.

6.2 For the purpose of opining on the share entitlement ratio, we have used financial and other information provided by the management, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the financial and other information provided to us by the management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the audits carried out by the statutory auditors of the financials of MIL provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.

6.3 The PTFE division is proposed to be demerged into MIAL with effect from the appointed date, i.e 15th Nov 2019. The management has explained that the business of the PTFE division would be carried on in the due course of business till the appointed date and subsequently till the demerger scheme is approved. The management had further represented that there would be no change in the structure of the paid-up equity share capital of MIL and MIAL till the appointed date and subsequently, till the demerger scheme is approved.

6.4 We have assumed that the final terms of the scheme of demerger will not vary from those set forth in the draft reviewed by us.

6.5 This report has been prepared for the Board of Directors of MIL and MIAL and solely for the purpose of recommending the share entitlement ratio for the issue of equity shares of MIAL to the shareholders of MIL in consideration for the demerger of PTFE division of MIL.

6.6 Our report is not nor should it be construed as our opining as certifying the compliance of the proposed demerger of PTFE division of MIL with the provisions of any law including Companies Act, FEMA and regulations thereunder, Income Tax Act, SEBI and regulations thereunder, or as regards any legal implications or issue arising from such proposed demerger.

6.7 We have not opined on the fairness of any terms and conditions of the scheme other than the Exchange Ratio. Further, We have neither opined nor

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advised on the viability or legality of the proposed structure, Mechanics and terms and conditions of the scheme. We have not provided any opinion whatsoever as to any scenario where only some (and not all) parts of the scheme take effect (including on account of non receipt of governmental approvals). Our opinion is not intended to be and does not constitute a recommendation to any shareholder, creditor or other person of MIL and MIAL as to how such shareholder, creditor or other person should vote or act on any matters relating to the proposed scheme.

6.8 The information contained herein and our report is intended only for the sole use and information of the MIL and MIAL, and only in connection with the proposed demerger as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.

6.9 No investigation on the MIL and MIAL claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, No responsibility is assumed for matters of legal nature.

6.10 We assume no responsibility for any errors in the information furnished by MIL and MIAL and the consequential impact on the present exercise.

6.11 By reason of delivering this opinion, neither MIL and MIAL nor its partners, directors, manager, employees or agents are required to give expert testimony nor are required to be in attendance in any court or any governmental or regulatory hearing with reference to the matter dealt with in this opinion, unless prior arrangement has been made with MIL and MIAL in that regard as an additional engagement.

6.12 We acknowledge that we have no present or contemplated financial interest in the companies. We have been retained by MIL and MIAL to act as advisor to the Board of Directors of MIL and MIAL with respect to this opinion and will receive the fee for our services in connection with the delivery of this opinion. Our fee for our services will be payable on delivery of this opinion and is not contingent upon the successful completion of the demerger.

6.13 We and our affiliates in the past may have provided services to MIL and MIAL and its subsidiaries unrelated to the proposed demerger, for which services we and such affiliates received professional fees. Further, we and our affiliates may maintain professional relationship with MIL and MIAL and its subsidiaries and their respective affiliates.

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MIL INDUSTRIES LIMITED

6.14 Further, MIL and MIAL respectively agrees to indemnify and hold harmless MIL and MIAL, its directors, partners, shareholders, manager, employees and agents from and against any and all costs, expenses, losses, claims, demands, actions, suits or proceedings paid, incurred or suffered by or made or initiated against them or any of them by any third party arising out of or in connection with this engagement, except to the extent that any such expenses, losses, claims, demands, actions, suits or proceedings arise from our willful default.

7. DISTRIBUTION OF OUR REPORT

7.1 This letter report is prepared for the Board of Directors of MIL and MIAL to the extent mandatorily required under applicable laws of India may be produced before judicial, regulatory or Government authorities, in connection with the transaction envisaged in the draft scheme.

7.2 In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the MIL and MIAL, their directors, employees or agents. In no circumstances, shall our liability relating to the service provided in connection with the engagement setout in this report exceed the amount paid to us in respect of the fees charged for these services.

Thanking You,

Your Sincerely,



VINAY TOTLA
IBBI/RV/04/2019/11470
REGISTERED VALUER (SFA)

UDIN -19224801AAAAAC1311

CA VINAY TOTLA
REGISTERED VALUER
IBBI/RV/04/2019/11470
R/O: 701, D Block,
Mahindra Ashwita,
Hafeezpet, Hyderabad - 500085
Phone: 8008207272
Email - vtotla@gmail.com

Date: 2nd Dec 2019
Place: Hyderabad

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QUINTESSENCE ENTERPRISES PVT. LTD.
SEBI Registered Category-I Merchant Banker

3rd December, 2019.

The Board of Directors,
MIL Industries Limited (MIL)
Plot No. 25A, SIDCO Industrial Estate,
Ambattur, Chennai - 600 098.

The Board of Directors
MIL INDUSTRIES AND AEROSPACE Limited, (MIAL)
Plot No. 25A, SIDCO Industrial Estate,
Ambattur, Chennai - 600 098.

Re: Fairness opinion on the Equity Share Exchange ratio pursuant to the scheme of arrangement under sections 230 to 232 of the companies act, 2013 between MIL INDUSTRIES LIMITED and MIL INDUSTRIES AND AEROSPACE LIMITED and their respective shareholders and creditors on a going concern basis for the demerger and vesting of the PTFE Lining Business of MIL INDUSTRIES LIMITED (“**Demerged Undertaking**”) into MIL INDUSTRIES AND AEROSPACE LIMITED (**Wholly owned Subsidiary Company**”).

Dear Sirs,

We, **Quintessence Enterprises Pvt. Ltd., ('QEPL')**, refer to our offer letter dated 28th November, 2019 which has been duly accepted by you by your mandate letter dated 29th November, 2019, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, for the proposed demerger as per the Companies Act, 2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

1. Merchant Banker – Quintessence Enterprises Private Limited (QEPL)

QEPL formed in 1999, is a Category I, Merchant Banking Company, based in Hyderabad, Telangana, having its registered and Corporate office at 6-3-542/1, Flat No.502, 5th Floor, Golden Green Apartments, Erramanzil Colony, Hyderabad – 500 082. Phone: 040 – 23398744

It is SEBI registered Merchant Banker with Registration Code INM000011997 in terms of Regulation 8 of SEBI (Merchant Bankers) Regulations, 1992.



2. SOURCES OF INFORMATION

1. A copy of the Incorporation Certificate, Memorandum and Articles of Association of MIL.
2. A copy of the Incorporation Certificate, Memorandum and Articles of Association of MIAL
3. Audited financial statements of MIL for the years ended March 31, 2017, 2018, 2019
4. Audited Financial Statements of MIAL for the year 2018-19
5. Provisional Financial statements of both the companies as on 30th Sep 2019 and 15th Nov 2019 certified by the management.
6. Shareholding pattern of MIL and MIAL both before and after demerger as certified by the company secretary of MIL
7. Provisional CA certified Networth certificates with the breakup of assets and Liabilities of both MIL and MIAL pre and post demerger as on the appointed date, i.e 15th Nov 2019.
8. A note on the companies and their business.
9. Draft scheme of arrangement between MIL and MIAL and their respective shareholders to be adopted at their respective board meetings.
10. Valuation Report dated 2nd December, 2019 by CA. Vinay Totla, Registered Valuer Reg. No. IBBI/RV/04/2019/11470, R/O: 701, Mahindra Ashwita, Hafeezpet, Hyderabad- 500085

3. BACKGROUND OF THE COMPANIES

i) MIL INDUSTRIES LIMITED (MIL)

MIL Industries Limited, the Demerged Company, is a public limited Company incorporated under the Companies Act, 1956. It is listed on the Metropolitan Stock Exchange of India Limited ("MSEI"). The Demerged Company is engaged in the business of anti corrosive lining of plant and machinery used in heavy chemical and other specified industries. The anti corrosive lining is being carried out using rubber and Poly Tetra Fluoro Ethylene(PTFE). The Corporate Identity



Number of the Company is L25199TN1966PLC005397. The Registered Office of the Demerged Company is situated at No.25A SIDCO Industrial Estate, Ambattur, Chennai-600098.

The Company has two separate manufacturing facilities for the above, namely -

Division	Description
RL - Rubber Lining	Manufacturing of Rubber lining products, Trading of rubber lining materials and Rubber Linings
PTFE - Poly Tetra Fluoro Ethylene	Manufacturing of PTFE Lined pipes and fittings and PTFE Products.

Each of the two divisions namely RL and PTFE are treated as separate business segments as required under the relevant Ind. AS and the segment results are being disclosed as required by the said standard.

The Management feels that the RL and the PTFE divisions should be divested and the PTFE business should be demerged into its wholly owned subsidiary company, MIL Industries and Aerospace Limited (MIAL).

Though MIL is a listed company, there has been no trading in the shares for the last so many years and hence the shares of the company are to be treated as infrequently traded shares

ii) MIL INDUSTRIES AND AEROSPACE LIMITED (MIAL)

MIL INDUSTRIES AND AEROSPACE LIMITED, the Resulting Company, is a public limited company incorporated under the Companies Act, 2013. The Corporate Identity Number of the Company is U74999TN2018PLC122159. The Company is formed for the purpose of carry on anti corrosive lining of equipments using PTFE and other related activities such as aerospace industry components and other specialized PTFE products. The Registered Office of the Company is situated at Plot No. 25A SIDCO Industrial Estate, Ambattur, Chennai-600098. It is a wholly owned subsidiary of MIL.



4. RATIONALE OF THE SCHEME

- (i) The Scheme provides for the transfer by way of demerger, of the PTFE Related Business of MIL (“**Demerged Undertaking**”) of the Demerged Company to the wholly owned subsidiary company or Resulting Company, the consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company on a equal basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company and the cancellation of the Shares held by the Demerged Company in the Resulting Company as an integral part of the scheme.
- (ii) Consequent to the demerger, the existing share capital of MIAL held by MIL will stand cancelled pursuant to the draft scheme.
- (iii) Consequent to the demerger, the beneficial economic interest of the shareholders of MIL (Demerged Company) in the paid up equity share capital of MIAL (Resulting Company) would be the same as it is in the equity share capital of MIL (Demerged Company)
- (iv) Upon demerger, transfer and vesting of demerged undertaking in MIAL, Shares of MIAL will be issued to the shareholders of MIL such that MIAL and MIL will have same shareholding upon issue of shares.

5. FAIRNESS CONCLUSION

As per the valuation report of the Registered Valuer CA Vinay Totla, registered number, IBBI/RV/04/2019/11470 (having his office at R/O: 701, Mahindra Ashwita, Hafeezpet, Hyderabad-), **MIAL will issue 1 equity share of nominal value of Rs. 10/- each for every 1 equity shares of nominal value of Rs. 10 each held by shareholders in MIL.**

Further we understand from the Registered valuer, the exchange ratio determination in the instant case is in keeping with similar schemes permitted by the Bombay Stock exchange in April 2019, and by both BSE and NSE in 2014, wherein the resulting company is 100% subsidiary company of the Demerging company (WOS of demerging company). These have also been reviewed by us in this regard.



We **Quintessence Enterprises Private Limited** have reviewed the Valuation Report and **believe it to be fair and reasonable** from financial and commercial point of view to the holders of the equity shares of the Company subject to our caveats and disclaimers.

6. LIMITATION AND CAVEATS OF THE FAIRNESS OPINION

1. It is the responsibility of the Board of Directors of the company for ensuring compliances in connection with the proposed proposal. Our role is to examine the Valuation carried out by the Registered Valuer and comment on the Fairness of the same.
2. Our fairness opinion is based on the information made available to us by the management of MIL. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis set out in this report. We have reviewed the information made available to us for over all consistency but have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company. Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
3. The information contained in this report is selective and is subject to updation, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.
4. In rendering this Opinion, QEPL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly QEPL does not assume any responsibility in respect thereof. Further QEPL has assumed that the proposal will be implemented on the terms and conditions as set out without any material changes to or waiver of its terms and conditions.
5. We further declare that we do not have any direct or indirect interest in the Companies / assets valued.



6. This report is intended only for the sole use and information of the company and its shareholders only in connection with the Demerger including for the purpose of obtaining judicial and regulatory approvals for the same.
7. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person /party intending to provide finance / invest in the shares / business of any of the companies or their subsidiaries / joint venture / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.
8. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposal as aforesaid can be done only with our prior permission in writing.
9. Our analysis and results are also specific to the date of this report and based on information as at 31st, March, 2019. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses. and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposal.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

It may further be noted that in no circumstances shall the liability of Quintessence Enterprises Private Limited (QEPL), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fees for this opinion





We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report

Thanking you,

Yours faithfully,

For and on behalf of
Quintessence Enterprises Private Limited

Lavanya Chandra
Lavanya Chandra
Executive Director
Hyderabad.
3rd December 2019

Encl (1): Valuation Report by the Registered Valuer dtd. 2nd December, 2019



MSEI/LIST/2020/252

February 12, 2020

The Company Secretary and Compliance Officer,
MIL Industries Limited
 25A, Industrial Estate,
 Ambattur, Chennai,
 Tamil Nadu 600098

Dear Sir/ Madam,

Sub.: Observation letter regarding the Draft Scheme of Arrangement between MIL Industries Limited & MIL Industries and Aerospace Limited.

This is in reference to the draft scheme of arrangement filed by MIL Industries Limited in terms of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 07, 2020 has *inter alia* given the following comment(s) on the draft scheme of arrangement:

- *The Company shall ensure that a statement is inserted in the scheme that it is in compliance with Minimum Public Shareholding (MPS) on fully diluted basis.*
- *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the website of the company.*
- *The Company shall duly comply with various provisions of the said circular.*
- *The Company is advised that the observations of SEBI/ Stock Exchange shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- *The Company shall ensure that applicable information pertaining to unlisted company – MIL Industries and Aerospace Limited is included in abridged prospectus as per specified format.*
- *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/ observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/ observation's/ representation's.*

According, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.

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Metropolitan Stock Exchange of India Limited

Registered Office: 4th Floor, Vibgyor Towers, Plot No. C - 62, G Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai 400 098

Tel: +91-22-6112 9000 | customerservice@mse.in | www.mse.in | CIN: U65999MH2008PLC185856

- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To comply with various provisions of the said SEBI circulars.

Further, it is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/ observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to the Exchange for its comments/ observation's/ representation's.

In the light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/ de-listing/ continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with NCLT.

However, the listing of equity shares of MIL Industries and Aerospace Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirement of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017. Further, MIL Industries and Aerospace Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchanges' criteria for listing the securities of the aforesaid company and also comply with other applicable statutory requirements. However, the listing of shares of MIL Industries and Aerospace Limited is at the discretion of the Exchange. In addition to the above, the listing of MIL Industries and Aerospace Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about MIL Industries and Aerospace Limited in line with the disclosure requirements.
2. To publish an advertisement in the newspapers containing all the information pertaining to MIL Industries and Aerospace Limited, in line with the details required as per the aforesaid SEBI circular no. CFD/DIL/3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the Company as well as MSE.
3. To disclose all the material information about MIL Industries and Aerospace Limited on a continuous basis as per the applicable law so as to make the same public, in addition to the requirements if any, specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Listing Agreement for disclosures about the subsidiaries, if any.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository (ies) system till listing/ trading permission is given by the designated stock exchange.
 - ii. There shall be no change in the shareholding pattern of MIL Industries and Aerospace Limited between the record date and the listing which may affect the status of this Observation Letter.

Further, you are advised to bring the contents of this letter to the notice of the shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Pursuant to Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to NCLT.

The Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

Yours faithfully,

For Metropolitan Stock Exchange of India Limited



Hardik Bhuta
Assistant Vice President – Listing

**MIL****MIL INDUSTRIES LIMITED**

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

 PHONE : 0091 - 44 - 2625 8382 FAX : 0091 - 44 - 2625 7583 Website : www.milindus.com
 E-MAIL : mil@milindustries.com, CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5

Annexure IV

Period of Complaints Report: 24.12.2019 to 16.01.2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.			NIL

For MIL INDUSTRIES LIMITED

RAJIV SREEDHAR
 MANAGING DIRECTOR

 Place: Chennai
 Date: 17.01.2020

18
**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI**

CA/793/CAA/2020

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Arrangement (Demerger)*

Between

M/s. MIL INDUSTRIES LIMITED

CIN NO. L25199TN1966PLC005397

Reg. Off.,

NO. 25A, SIDCO Industrial Estate, Ambattur,
Chennai – 600098.

... Applicant / Demerged Company

And

M/s. MIL INDUSTRIES AND AEROSPACE LIMITED

CIN NO. U74999TN2018PLC122159

Reg. Off.,

NO. 25A, SIDCO Industrial Estate, Ambattur,
Chennai – 600098.

... Applicant / Resulting Company

Order Pronounced on 17th November 2021

CORAM

R. SUCHARITHA, MEMBER (JUDICIAL)

ANIL KUMAR B, MEMBER (TECHNICAL)

*For Applicant(s): Om Prakash, Senior Advocate
Naveen Kumar Murthi, Advocate*

ORDER

Per: R.SUCHARITHA, MEMBER (JUDICIAL)

This is joint application filed by the Applicant Companies,
namely M/s.MIL INDUSTRIES LIMITED (for brevity "Applicant or

Demerged Company”) with M/s. MIL INDUSTRIES AND AEROSPACE LIMITED (for brevity “Applicant or Resulting Company”) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the “SCHEME”) proposed by the M/s.MIL INDUSTRIES LIMITED (for brevity “Applicant or Demerged Company”) with M/s. MIL INDUSTRIES AND AEROSPACE LIMITED (for brevity “Applicant or Resulting Company”). The said Scheme is also annexed as Annexure at page – 256 to the CA/793/CAA/2020.

2. The applicant companies in this company application has sought for the following reliefs:

First Applicant/Demerged Company:

- (a) *Necessary directions to conduct the meeting of equity shareholders.*
- (b) *Dispensing the meeting of Secured Creditors.*
- (c) *Necessary directions to conduct the meeting of Unsecured Creditors.*

Second Applicant/Resulting Company:

- (a) *Dispensing the meeting of Equity Shareholders.*
- (b) *Dispensing the meeting of Unsecured Creditors*

3. An affidavit in support of the above application is sworn for and behalf of the first applicant company has been filed by Mr. Rajiv Sreedhar in the capacity as Managing Director it is also represented that the Registered office of the applicant companies is situated within the territorial jurisdiction of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Chennai.

4. **MIL INDUSTRIES LIMITED
(FIRST APPLICANT/DEMERGED COMPANY)**

- (i) There are 588 (Five Hundred and Eighty Eight) Equity Shareholders and the list of shareholders to this effect is placed at page 298 to 310 of the typed set filed with the application seeks necessary directions to conduct the meeting.
- (ii) There is 1 Secured Creditor and the certificate issued by the Chartered Accountants to this effect is placed at page 311 of the typed set filed along with the application and also the consent by way of Affidavits given are placed at page 312 to 314 and sought for dispensation with holding of meeting.
- (iii) There are 173 (One hundred and seventy three) Unsecured Creditors and the certificate issued by the Chartered Accountants to this effect is placed at page

315 to 320 of the typed set filed along with the application seeks necessary directions to conduct the meeting.

5. **MIL INDUSTRIES AND AEROSPACE LIMITED
(SECOND APPLICANT/RESULTING COMPANY)**

- (i) There are 7 (Seven) Equity Shareholders and the list of shareholders to this effect is placed at page 321 to 322 of the typed set filed with the application and also the consent by way of Affidavits given by the Equity Shareholders are placed at page 323 to 343 and sought for dispensation with holding of meeting.
- (ii) There is NIL Secured Creditors and the certificate issued by the Chartered Accountant to this effect is placed at page 344 of the typed set filed along with the Application. Hence the conduct of the meeting does not arise.
- (iii) There is 1 (One) Unsecured Creditors and the certificate issued by the Chartered Accountants to this effect is placed at page 345 of the typed set filed with the application and also the consent by way of Affidavits given by the unsecured creditors are placed at page 346 to 347 and sought for dispensation with holding of meeting.

6. We have perused the application and the connected documents / papers filed therewith including the Scheme contemplated between the Applicant companies.

7. From the certificate of incorporation filed, it is evident that applicant or demerged company is a Public limited company incorporated under the provisions of Companies Act 1956 on 11.02.1966. The Authorized Share Capital of the first applicant company is ₹5,25,00,000/- (Rupees Five Crore Twenty Five Lakh Only) consisting of 49,00,000 Equity Shares of Rs.10/- each 1,00,000 Preference Shares of Rs.10/- each 2,50,000 Cumulative Preference Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Capital of the first applicant company is Rs. ₹3,15,00,000/- (Rupees Three Crore Fifteen Lakh Only) consisting of 31,50,000 Equity Shares of Rs.10/- each.

8. From the certificate of incorporation filed, it is evident that the second applicant or resulting Company is a Public limited company incorporated under the provisions of Companies Act, 2013 on 17.04.2018. The Authorized Share Capital of the second applicant or resulting Company is ₹2,00,00,000/- (Rupees Two Crore Only) consisting of 20,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Capital of the second applicant/resulting company is Rs. ₹20,00,000/- (Rupees Twenty Lakh only) consisting of 2,00,000 Equity Shares of Rs.10/- each.



9. The applicant companies has filed its Memorandum and Articles of Association *inter alia* delineating its object clauses as well as their last available audited annual accounts for the year ended 31.03.2019 and unaudited financial statements upto 31.03.2020.

10. The Board of Directors of the Applicant Companies vide meeting held on 02nd December 2019 has unanimously approved the proposed Scheme as contemplated above and copies of resolutions passed thereon have been placed on record by the applicant companies.

11. The Appointed date as specified in the Scheme is 15th November 2019.

12. The Statutory Auditors of the applicant companies have examined the Scheme in terms of provisions of Sec. 232 of Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The Certificate of the Statutory Auditors issued in this regard is placed at pages 294 to 297 of the typed set filed along with the Application.



13. Taking into consideration the application filed by the Applicant Company and the documents filed therewith as well as the position of law, this Tribunal propose to issue the following directions : -

A) IN RELATION TO THE FIRST APPLICANT COMPANY:

(i) With respect to Equity shareholders:

Meeting of Equity Shareholders is directed to be held on **23.12.2021 at 11:00 AM** at the Registered office address of the first Applicant Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

(ii) With respect to Secured Creditors:

Since it is represented by the first applicant company that there is 1 Secured Creditor whose consent by way of Affidavits have been obtained and is placed on record, the necessity of holding the meeting to consider and if thought fit, the approval of the scheme is *dispensed with*.

(iii) With respect to Unsecured Creditors:

Meeting of Unsecured Creditors is directed to be held on **23.12.2021 at 12:00 Noon** at the Registered office address of the first Applicant Company or through video conferencing or if not convenient at any other suitable place for which

prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

B) IN RELATION TO THE SECOND APPLICANT COMPANY:

(i) With respect to Equity shareholders:

Since it is represented by the second Applicant Company that there are 7 Equity Shareholders whose consents by way of Affidavits have been obtained and are placed on record, the necessity of holding a meeting to consider and if thought fit, the approval of the scheme is *dispensed with*.

(ii) With respect to Secured Creditors:

Since it is represented by the second Applicant company that there are NIL Secured Creditors in the Company and hence the necessity of convening a meeting does not arise.

(iii) With respect to Unsecured Creditors:

Since it is represented by the second applicant company that there is 1 Unsecured Creditor whose consent by way of Affidavits have been obtained and is placed on record, the necessity of holding a meeting to consider and if thought fit, the approval of the scheme is *dispensed with*.

14. The quorum for the meeting of the Equity shareholders and Unsecured Creditors of the First Applicant Company shall be 15 and 10 respectively.



- i) The Chairperson appointed for the above said meetings shall be **Mr. Balu Sridhar, PCS** and the alternate chairperson appointed for the above said meeting shall be the Managing Director of the Company who has sworn in affidavit on behalf of the respective Applicant Companies.
- ii) **Ms. Nithya Pasupathy, PCS (Mob:- 95660 33007)** is appointed as a Scrutinizer and would be entitled to fee of ₹30,000/- (*Rupees Forty Thousand Only*) for services in addition to meeting incidental expenses. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.
- iii) In case the quorum as noted above, for the above meeting of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.



- iv) To meetings shall be conducted either by way of physical means or by video or other audio visual means enabled with e-voting as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);
- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily "Business Standard" (All India Edition), and "Makkal Kural" Tamil (Tamil Nadu Edition) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

- vii) Voting shall be allowed on the proposed Scheme by voting in person. The Chairperson shall as aforesaid be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
- viii) The companies shall individually send notice to concerned Regional Director, MCA, the Income Tax Authorities, Registrar of Companies Chennai, as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- ix) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.
- x) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and

formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

15. The Application stands **allowed** on the aforesaid terms.

-sd-
(ANIL KUMAR B)
MEMBER (TECHNICAL)


(ARITHA
MEI JUDICIAL)

Raymond

(2) MA(CA)98(CHE)/2021 IN CA(CAA)/793(CHE)2020

ORDER

Ld. Counsel Mr. G.V. Mohan Kumar for the Applicant is present.

Ld. Counsel for the Applicant Company, in order to seek extension of time for holding an Extra Ordinary General Meeting (EGM) which have been held on 23.12.2021 for seeking approval of the shareholders and unsecured creditors.

Ld. Counsel for the Applicant Company states that the company was unable to serve notice upon the shareholders and unsecured creditors since the order was received only on 18.11.2021 and he has moved an application on 25.11.2021 in order to seek extension of the date for holding the Extra-Ordinary General Meeting (EGM).

This Tribunal observes that there is an omission on the side of the Applicant to mention before this Tribunal regarding the urgency of the matter.

However, in the interest of justice, this Adjudicating Authority is allowed to hold the EGM on 15.03.2022 subject to payment of cost of Rs10,000/- to "**Prime Minister's National Relief Fund**" within three days from today and to file the proof of the receipt of payment in the Registry before the next date of hearing.

The Registry is directed to confirm the compliance of the cost paid by the Applicant.

For compliance, list the matter on 27.01.2022.

Certified to be True Copy

-Sd-

B. ANIL KUMAR
MEMBER (TECHNICAL)

ks

-Sd-

Justice (Retd.) S. RAMATHILAGAM
MEMBER (JUDICIAL)

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI 600001



**Independent Auditors' Report
To the Members of MIL Industries Limited
Report on the standalone Financial Statements**

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31st March 2021, the Company carries Cash and Cash Equivalents to the extent of Rs.19,56,09,908/- representing 35.11% of the total assets which has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the controls with respect to maintenance of cash balances and the transactions with the banks, like the manner of operation of the bank accounts, etc. • The cash balance has been physically verified at the end of the year. • The Bank Reconciliation statements have been verified as at the end of the year. • IN respect of Deposits, the original deposits, wherever held by the Company have been verified and those deposited as margin or security have been verified with respect to the relevant documents. • Direct confirmation for the amount of Deposits and balances held as at 31-3-2021 has been obtained and validated with the financial statements.
<p>As at 31st March 2021, the Company carried Inventories to the extent of Rs.12,32,86,392/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence. • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and



	<p>spares.</p> <ul style="list-style-type: none"> • We have also tested the judgment and procedure adopted by the Company for the determination of the realizable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>As at 31st March 2021, the Company had Trade Receivables of Rs.12,87,91,132/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition. • The outstanding in the accounts of the parties have been validated with reference to the invoices raised and the correspondence between the Company and the parties. • We have also tested the judgment made by the management relating to credit risk and the impairment assessment. • Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.

Information other than the Financial Statements and Auditors’ Report thereon

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes



maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
4. With respect to the matters to be included in the Auditors' Report under section 197(16) of the Companies Act, 2013, in our opinion and according to the information and explanations given to us, the payment of remuneration to the Directors is in accordance with the provisions of section 197 of the Companies Act 2013.



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

ICAI UDIN No.21020899AAAAHU7553

Chennai
Dated: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.0062975)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

**Annexure A to the Independent Auditors' Report
To the Members of MIL Industries Limited**

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



- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.
- xi) According to the information and explanations given to us, the managerial remuneration paid/provided in the accounts is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.
- xvi) In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Chennai

Dated: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)


(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of MIL INDUSTRIES LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ICAI UDIN No.21020899AAAAHU7553

Chennai

Date: 5TH July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)



(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

MIL INDUSTRIES LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

Rs.

PARTICULARS	Note	As at 31-03-2021	As at 31-03-2020
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	8,09,14,161	7,09,92,796
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	20,78,000	20,78,000
b) Other Financial Assets	6	15,81,632	14,75,390
iv) Deferred Tax Assets (net)	14	2,66,622	1,80,903
Total Non current Assets	(A)	8,48,40,415	7,47,27,089
Current Assets			
Inventories	7	12,32,86,392	8,94,24,120
i) Financial Assets			
a) Trade Receivables	8	12,87,91,132	9,71,27,504
b) Cash and cash equivalents	9	19,56,09,908	18,50,73,035
c) Other financial assets			
ii) Other current assets	10	2,44,64,501	1,89,55,481
Total current assets	(B)	47,21,51,933	39,05,80,140
Total Assets	(A)+(B)	55,69,92,348	46,53,07,229
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	3,15,00,000	3,15,00,000
b) Other Equity			
Reserves and Surplus	12	38,52,53,658	32,39,93,699
Total Equity	(C)	41,67,53,658	35,54,93,699
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings	13		
ii) Deferred tax liabilities	14	-	-
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	-	-
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	46,69,993	68,28,348
b) Trade Payables		6,20,47,955	4,35,68,278
c) Other Financial Liabilities	16	4,63,64,507	4,16,90,669
ii) Other current liabilities	17	2,71,56,235	1,77,26,235
Total Current Liabilities	(E)	14,02,38,690	10,98,13,530
Total Equity and Liabilities	(C)+(D)+(E)	55,69,92,348	46,53,07,229

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S. Nagarajan
S. NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar
RAJIV SREEDHAR
Managing Director

N. Millwala
NOMAN H. MILLWALA
Chairman

Saroja Ramam
SAROJA RAMAN
Director

Dr. T. Venkatesan
DR. T. VENKATESAN
Director

K. J. Janakar
K. J. JANAKAR
Director

A. Rengarajan
A. RENGARAJAN
Director

N. Guruswamy
N. GURUSWAMY
Chief Financial Officer

U. Viswanath
U. VISWANATH
Company Secretary

Place: Chennai

Dated: : 5th July 2021

PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2021	Figures as at the end of the previous reporting period 31-03-2020
INCOME			
Revenue From Operations	18	41,92,16,409	60,93,34,939
Other Income	19	41,92,16,409 1,71,76,079	60,93,34,939 2,77,64,187
Total Revenue		43,63,92,488	63,70,99,126
EXPENSES			
Cost of raw materials and components consumed	20	14,24,36,411	22,08,87,427
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	21	(2,88,44,230)	71,38,475
Employee Benefit Expenses	22	5,80,48,472	6,31,40,250
Finance Cost	23	30,84,878	26,76,409
Depreciation and amortisation expenses	4	1,32,19,346	1,13,34,699
Other Expenses	24	16,01,54,215	22,62,11,135
		34,80,99,091	53,13,88,395
Profit before exception and extraordinary items and tax		8,82,93,397	10,57,10,731
Extraordinary items		-	-
Profit before tax		8,82,93,397	10,57,10,731
Tax Expenses			
Current Tax		2,64,67,658	3,26,59,227
Deferred Tax		(85,720)	(27,98,445)
Profit after tax		6,19,11,459	7,58,49,949
Other Comprehensive Income			
Remeasurement of Defined Benefit Plans		9,19,158	5,46,796
Tax effect on above		(2,67,658)	(1,59,227)
Total Other Comprehensive Income for the year		6,51,500	3,87,569
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		6,12,59,959	7,54,62,380
Earnings per Equity Share (Basic and Diluted)		19.65	24.08

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S



S.NAGARAJAN

Partner

Membership No. 020899

RAJIV SREEDHAR

Managing Director

NOMAN H. MILLWALA

Chairman

SAROJA RAMAN

Director

Dr. T. VENKATESAN

Director

K. J. JANAKAR

Director

A. RENGARAJAN

Director

N. GURUSWAMY

Chief Financial Officer

U. VISWANATH

Company Secretary

Place: Chennai

Dated: : 5th July 2021

MIL INDUSTRIES LIMITED

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

	Rs.	
	As at 31-03-2021	As at 31-03-2020
A. EQUITY SHARE CAPITAL		
Balance at the beginning of the year	3,15,00,000	3,15,00,000
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	3,15,00,000	3,15,00,000

B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as on 1st April 2019	30,00,000	15,00,000	18,26,000	24,81,28,876	(21,26,065)
Remeasurement of Defined Benefit Plans (net of tax)					(3,87,569)
Profit for the year after tax				7,58,49,949	
Interim Dividend paid				(31,50,000)	
Dividend Distribution tax				(6,47,492)	
Balance as at 31st March 2020	30,00,000	15,00,000	18,26,000	32,01,81,333	(25,13,634)
Profit for the year after tax	-	-	-	6,19,11,459	
Remeasurement of Defined Benefit Plans (net of tax)					(6,51,500)
Balance as at 31st March 2021	30,00,000	15,00,000	18,26,000	38,20,92,792	(31,65,134)

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S.NAGARAJAN
Partner
Membership No. 020899

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

Dr. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

Place: Chennai
Dated: : 5th July 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

RS.

PARTICULARS	Figures as at the end of the current reporting period ended 31-03-20201	Figures as at the end of the current reporting period ended 31-03-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	8,82,93,397	10,57,10,731
Adjustments for		
Depreciation	1,32,19,346	1,13,34,699
Interest Expense	7,63,903	7,86,696
Interest income	(1,00,23,169)	(96,37,362)
Loss on sale of assets		8,854
Profit on sal of assets	(8,72,875)	
Operating profit before working capital changes	9,13,80,602	10,82,03,618
Adjustments for changes in		
Other Non current financial assets	(1,06,242)	(96,665)
Trade Receivables	(3,16,63,628)	(72,69,026)
Inventories	(3,38,62,272)	(78,54,463)
Other Current Assets	(44,32,539)	(36,70,326)
Trade Payables	1 84 79 678	(1,22,85,136)
Bank deposits under lien and unclaimed dividend		(1,28,88,082)
Remeasurement of defined bebefit obligations	(6,51,500)	(3,87,569)
Other Financial Liabilities	46,73,838	1,10,13,008
Other Current Liabilities	(15,16,219)	44,18,377
	(4,90,78,884)	(2,90,19,883)
Cash Generated from operations	4,23,01,718	7,91,83,735
Income tax paid (net)	1,55,21,441	(3,16,15,088)
Net Cash generated from Operations	(A) 2,67,80,277	4,75,68,647
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(2,32,11,936)	(1,87,65,267)
Proceeds from sale of Property, Plant and Equipment	9,44,100	84,746
Investment in Subsidiary Company	-	(20,00,000)
Interest income	1,00,23,169	96,37,362
Net cash (used in)/from Investing activities	(B) (1,22,44,667)	(1,10,43,159)
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	(7,63,903)	(7,86,696)
Repayment of Non Current Borrowings		
Proceeds from current borrowings	(21,58,355)	68,28,348
Dividend Paid including Dividend tax		(37,97,492)
Net cash (used in)/from Financing Activities	(C) (29,22,258)	22,44,160
Net increase/(decrease) in cash and cash equal (A)+(B)+(C)	1,16,13,352	3,87,69,647
Opening Cash and Cash Equivalents (excluding deposits under lien)	16,21,73,035	12,34,03,387
Closing Cash and Cash Equivalents (excluding deposits under lien)	17,27,09,908	16,21,73,035

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S.NAGARAJAN
Partner
Membership No. 020899

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

Dr. T. VENKATESAN
Director

K. U. JANAKAR
Director

A. RENGARAJAN
Director

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

Place: Chennai
Dated: : 5th July 2021

1 Corporate Information

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

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

2 Basis of preparation on Financial Statements

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

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

3 Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that affect the reported amounts of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based on the 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 the historical cost as per the previous GAAP.

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

d) Inventories

The Inventories of raw materials, stores and spares, Finished Goods and Work-in-progress are valued at lower of cost or realisable value. The cost in respect of Raw Materials and Stores and Spares are determined on the basis of weighted average cost. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition, and duties and net of any tax credits which are eligible for refund.

e) Foreign Currency Transactions

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

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 actuarilly based determined on Projected Unit Credit Method as per Ind AS 19.
- iv) The Company does not have a policy for encashment of leave at the time of retirement by employees and payments are made as and when claim is admitted and charged to Revenue.

k) Impairment of Assets

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

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

l) Provisions and contingent liabilities

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



4. PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK

Rs.

PARTICULARS	As at 1-4-2020	Additions	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	1,72,887	-	-	1,72,887
Others	73,05,325	-	-	73,05,325
Leasehold land	2,38,485	-	-	2,38,485
Buildings	3,20,87,565	2,08,130	14,24,506	3,22,95,695
Plant and Equipment	12,81,68,499	2,07,02,606	-	14,74,46,599
Furniture and Fixtures	33,86,556	14,67,956	-	48,54,512
Vehicles	94,37,737	-	-	94,37,737
Office Equipment	77,38,523	2,82,016	-	80,20,539
Computers	29,02,594	5,51,229	-	34,53,823
TOTAL	19,14,38,171	2,32,11,937	14,24,506	21,32,25,602
Previous year total	17,45,48,904	1,87,65,267	18,76,000	19,14,38,171

DEPRECIATION BLOCK

PARTICULARS	As at 31-03-2020	For the year	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	85,206	3,196	-	88,402
Buildings	1,49,60,528	9,23,760	-	1,58,84,288
Plant and Equipment	8,61,52,506	1,01,08,314	13,53,281	9,49,07,539
Furniture and Fixtures	25,42,284	4,51,226	-	29,93,510
Vehicles	74,64,286	8,66,884	-	83,31,170
Office Equipment	71,48,376	3,29,862	-	74,78,238
Computers	20,92,189	5,36,104	-	26,28,293
TOTAL	12,04,45,375	1,32,19,346	13,53,281	13,23,11,440
Previous year total	11,08,93,076	1,13,34,699	17,82,400	12,04,45,375

NET BLOCK

PARTICULARS	31-03-2021	31-03-2020
Land		
Freehold		
Ambattur	1,72,887	1,72,887
Others	73,05,325	73,05,325
Leasehold land	1,50,083	1,53,279
Buildings	1,64,11,407	1,71,27,037
Plant and Equipment	5,25,39,060	4,20,15,993
Furniture and Fixtures	18,61,002	8,44,272
Vehicles	11,06,567	19,73,451
Office Equipment	5,42,301	5,90,147
Computers	8,25,530	8,10,405
TOTAL	8,09,14,161	7,09,92,796
Previous year balance	7,09,92,796	6,36,55,828



PARTICULARS	31-03-2021	31-03-2020
5. NON CURRENT INVESTMENTS		
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted		
In Subsidiary Company		
200000 Equity Shares of Rs.10/- each fully paid up		
in MIL Industries & Aerospace Limited	20,00,000	20,00,000
(Wholly owned Susidiary)		
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up		
in MIL Trading Private Limited	78,000	78,000
	20,78,000	20,78,000
6. OTHER FINANANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	15,81,632	14,75,390
	15,81,632	14,75,390
7. INVENTORIES		
Raw Materials	5,52,67,807	5,03,92,128
Work in progress	4,41,91,191	2,81,03,919
Finished Goods	2,13,83,998	86,27,040
Stores and Spares	24,43,396	23,01,033
	12,32,86,392	8,94,24,120
8. TRADE RECEIVABLES		
Unsecured - Considered good	12,87,91,132	9,71,27,504
	12,87,91,132	9,71,27,504
Age analysis of receivables		
Outstanding for more than six months from the date		
they are due	2,27,06,051	35,78,960
Other Debts	10,60,85,081	9,35,48,544
The above is after considering loss on fair valuation	26,00,166	19,75,645
9. CASH AND CASH EQUIVALENTS		
Cash on hand	1,61,819	4,06,803
Balance with Banks		
In Current Account	1,29,85,499	1,21,92,420
In Deposit Accounts	15,95,62,590	14,95,73,812
In Deposits offered as security for credit facilities	2,29,00,000	2,29,00,000
	19,56,09,908	18,50,73,035
10. OTHER CURRENT ASSETS		
Unsecured - Considered Good		
1 Advances to employees	2,58,042	2,75,827
2 Prepaid Expenses	13,07,972	14,45,173
3 Advance to suppliers	44,42,328	1,23,98,544
4 Rent Receivables	-	-
5 Earnest Money Deposits	1,68,786	1,27,786
6 Balance with Excise Department	-	2,07,803
7 Balance GST-Input Tax Credit Available	1,73,33,083	32,10,900
8 MEIS Scrips on hand	3,12,769	1,44,589
9 Interest receivable	4,10,028	9,71,038
10 Duty Drawback Receivable	2,31,493	1,73,821
	2,44,64,501	1,89,55,481



MIL INDUSTRIES LIMITED

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

11. EQUITY SHARE CAPITAL

	31-03-2021	Rs. 31-03-2020
SHARE CAPITAL		
<u>Authorised:</u>		
4,900,000 Equity Shares of Rs. 10/-	4,90,00,000	4,90,00,000
100,000 10% Redeemable	10,00,000	10,00,000
250,000 10% Convertible	25,00,000	25,00,000
	<u>5,25,00,000</u>	<u>5,25,00,000</u>
<u>Issued, Subscribed and Fully Paid-up:</u>		
3,150,000 Equity Shares of Rs. 10/-	3,15,00,000	3,15,00,000
	<u>3,15,00,000</u>	<u>3,15,00,000</u>

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

Particulars	No. of Shares	Value (Rs.)
Outstanding at the beginning of the	31,50,000	3,15,00,000
Outstanding at the end of the year	31,50,000	3,15,00,000

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

S.No	Name of the shareholder	No. of shares		Percentage of shares held	
		31-03-2021	31-03-2020	31-03-2021	31-03-2020
1	Krebs Engineering Private Limited	9,62,000	9,62,000	30.54%	30.54%
2	Saroja Raman	3,15,295	3,15,295	10.01%	10.01%
3	Mahendra Girdharilal	1,90,085	1,90,085	6.03%	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	1,68,000	1,68,000	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.

12. OTHER EQUITY

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01-04-2020	30,00,000	15,00,000	18,26,000	32,01,81,333	(25,13,634)	32,39,93,699
Remeasurement of defined benefit plans transferred to Other Comprehensive Income (net of tax)					(6,51,500)	(6,51,500)
Add: Profit for the period ended 31-03-2021				6,19,11,459		6,19,11,459
Balance as at 31-03-2021	30,00,000	15,00,000	18,26,000	38,20,92,792	(31,65,134)	38,52,53,658



MIL INDUSTRIES LIMITED

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

Rs.

PARTICULARS	31-03-2021	31-03-2020
13. BORROWINGS		
The Company does not have any Long Term Borrowings.	-	-
14. DEFERRED TAX LIABILITIES		
On Account of Depreciation	4,90,546	3,94,405
On account of fair valuation of financial assets	(7,57,168)	(5,75,308)
	(2,66,622)	(1,80,903)
Note: Figures in bracket represents asset		
15. BORROWINGS		
(i) From Banks		
Working Capital Borrowings - Secured	46,69,993	68,28,348
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
	46,69,993	68,28,348
16. OTHER FINANCIAL LIABILITIES		
Advance from customers	4,63,64,507	4,16,90,669
	4,63,64,507	4,16,90,669
17. OTHER CURRENT LIABILITIES		
Security Deposits	1,92,000	1,92,000
Other Payables:		
Unclaimed Dividend in interim dividend Account	4,11,700	-
IGST payable	-	-
TDS payable	8,63,429	16,52,723
Payable to employees	21,48,341	22,53,176
Provision for taxation (net of payments)	1,86,67,764	77,21,516
Others	48,73,001	59,06,820
	2,71,56,235	1,77,26,235



PARTICULARS	31-03-2021	31-03-2020
18. REVENUE FROM OPERATIONS		
Sale of products (Rubber Lining and PTFE)	36,72,07,249	56,70,36,931
Sale of Services	5,20,09,160	4,22,98,008
Sale of Stock -in-trade	-	-
	41,92,16,409	60,93,34,939
19. OTHER INCOME		
Gain on foreign currency transactions	18,05,468	19,47,753
Profit on sale of assets	8,72,875	-
Interest received	1,00,23,169	96,37,362
Rent received	4,20,000	4,20,000
Scraps Sales	3,57,874	35,021
Credit balances no longer required written back	6,80,332	1,20,99,660
Bad debts written off recovered	-	93,599
Export Incentives:	-	-
Merchandise Export and Incentive Scheme Scrips	15,79,020	18,91,135
Duty Draw back	14,37,341	16,39,656
Miscellaneous Receipts	-	-
	1,71,76,079	2,77,64,187
20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	14,24,36,411	22,08,87,427
	14,24,36,411	22,08,87,427
21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	86,27,040	34,69,805
Work in progress	2,81,03,919	4,03,99,629
	3,67,30,959	4,38,69,434
Closing Stock		
Finished Goods	2,13,83,998	86,27,040
Work in progress	4,41,91,191	2,81,03,919
	6,55,75,189	3,67,30,959
(Increase) / Decrease in inventories of Finished Goods and Work in progress	(2,88,44,230)	71 38 475
22. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	4,80,75,800	5,28,17,805
Contribution to Provident and Other Funds	37,20,750	43,95,740
Welfare Expenses	62,51,922	59,26,705
	5,80,48,472	6,31,40,250
23. FINANCE COSTS		
Interest Expense	7,20,889	7,86,696
Other Borrowing Costs	23,63,989	18,89,713
	30,84,878	26,76,409



MIL INDUSTRIES LIMITED

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

Rs.

PARTICULARS	31-03-2021	31-03-2020
24. OTHER EXPENSES		
Lining Expenses	6,07,27,146	8,68,91,359
Power and fuel	1,32,26,960	1,60,10,700
Stores and Spares consumed	2,11,05,501	3,51,14,208
Rent	6,00,000	6,00,000
Insurance	11,35,932	11,06,633
Rates and Taxes	18,92,560	22,78,506
Postage and Telephone	13,14,133	14,29,862
Printing and Stationery	13,74,692	15,20,250
Travelling and Conveyance	61,88,697	1,32,43,328
Payment to Auditors:		
For Audit	2,40,000	4,90,000
For Certification and other Services	75,500	3,04,000
Repairs and Maintenance:		
Buildings	57,27,640	60,73,369
Plant & Machinery	44,43,989	74,66,716
Others - Maintenance Expenses	1,04,71,316	90,10,305
Selling expenses	10,77,546	17,02,680
Professional fees	1,94,82,347	3,15,80,120
Legal Fees	1,90,000	-
Advertisement and Sales Promotion	2,28,332	3,27,580
Loss on foreign currency transactions	9,34,456	3,07,563
Commission on Sales	1,95,000	3,90,000
Directors' Sitting fees	2,10,000	2,50,000
Security Service Charges	25,56,234	24,58,374
Bad Debts Written off	32,58,693	44,59,305
CSR Expenditure	13,36,000	9,21,000
Donations	67,500	45,000
Loss on fair valuation of financial assets	6,24,521	1,41,798
Loss on Sale of Assets	-	8,854
Miscellaneous expenses	14,69,520	20,79,625
	16,01,54,215	22,62,11,135



MIL INDUSTRIES LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	31-03-2021	31-03-2020
	Rs.	Rs.
25. Contingent Liabilities on account of:		
a) Guarantees given by Banks on behalf of the Company	4,98,73,570	1,78,41,230
26. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	74,59,651
27. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.		
28. The company has not discontinued any operations during the year.		
29. Corporate Social Responsibility:		
During the financial year 2020-21, the Company was required to spend Rs. 13,35,611/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 13,36,000/- during the financial year 2020-21		



30.1. Financial Risk Management and Objectives and Policies

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

30.2. Disclosure of Fair Value Measurements

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

Financial Instruments by category

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
Rs.					
As at 31-03-2021					
Financial Assets					
Long Term Investment	20,78,000			20,78,000	20,78,000
Other financial assets					
Trade Receivables		13,13,91,298		13,13,91,298	12,87,91,132
Cash and cash equivalents	19,56,09,908			19,56,09,908	19,56,09,908
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	46,69,993			46,69,993	46,69,993
Trade payables	6,20,47,955			6,20,47,955	6,20,47,955
Other financial liabilities	4,63,64,507			4,63,64,507	4,63,64,507
As at 31-03-2020					
Financial Assets					
Long Term Investment	20,78,000		-	20,78,000	20,78,000
Other financial assets			-	-	-
Trade Receivables		9,91,03,149	-	9,91,03,149	9,71,27,504
Cash and cash equivalents	18,50,73,035		-	18,50,73,035	18,50,73,035
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Short term borrowings	68,28,348	-	-	68,28,348	68,28,348
Trade payables	4,35,68,278	-	-	4,35,68,278	4,35,68,278
Other financial liabilities	4,16,90,669	-	-	4,16,90,669	4,16,90,669

Fair Value Hierarchy

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

- Level 1 - Quoted prices in the market for financial assets or liabilities
 Level 2 - Other techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.
 Level 3 - This technique uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

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

The amount charged is

	31.03.2021	31.03.2020
	18,90,514	20,45,311



	31.03.2021	31.03.2020
ii) Superannuation		Rs.
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	10,11,418	10,89,414

iii) Leave encashment

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

iv) Gratuity

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

a) Assumptions used

Gratuity

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

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

Opening value of DBO at the beginning of the year	1,20,80,926	1,04,39,861
Current Service Cost	6,32,524	6,90,921
Interest Cost	7,15,526	6,73,371
Benefits paid	(26,74,583)	-
Actuarial (Gains)/Loss	(8,68,751)	2,76,773
Closing value of DBO at the end of the year	98,85,642	1,20,80,926

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning	1,33,31,500	1,03,76,870
Interest income of the assets	8,37,711	7,14,977
Employer contribution	11,68,082	14,16,084
Benefits paid	(26,74,583)	-
Actuarial gain/(Loss)	50,407	8,23,569
Fair value of plan assets at the end of the year	1,27,13,117	1,33,31,500

d) Sensitivity Analysis

Significant actuarial assumptions for determination of defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions 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	5,40,278	6,84,344
decrease by	4,87,432	6,04,492

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

increase by	5,22,645	6,71,938
decrease by	4,80,199	6,04,307

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

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

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



MIL INDUSTRIES LIMITED

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

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
32. ADDITIONAL NOTES				
a) Turnover (Net of Excise Duty)				
Rubber				
Manufacturing :				
- Rubber lining Products (Sq.M.)	36910	21,70,74,492	45638	38,98,65,598
		21,70,74,492		38,98,65,598
Service:				
- Rubber lining		5,28,55,725		4,15,50,091
Total income - Segment A		26,99,30,217		43,14,15,689
PTFE				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	16334	14,86,48,411	21154	17,71,71,333
		14,86,48,411		17,71,71,333
Service:				
- PTFE Coating, etc		6,37,781		7,47,917
Total income - Segment B		14,92,86,192		17,79,19,250
Total Turnover - Sales		41,92,16,409		60,93,34,939
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. Natural and Synthetic rubber	139971	2,43,95,873	196724	3,60,65,547
2. Fillers	114900	96,64,556	162168	1,31,48,754
3. Solvents	68899	65,15,452	88676	82,07,004
4. Special Curing and bonding agents	21182	61,04,225	24660	63,58,762
5. Resins	17193	1,79,84,949	22828	2,48,49,910
6. Steel Pipes, Pipe Fittings, Steel Equipments of various	-	7,11,95,146	-	12,92,79,188
7. Others	-	65,76,210	-	29,78,262
		14,24,36,411		22,08,87,427
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubber lining Products (Sq. M.)	98	9,45,230	40	3,17,106
- PTFE Lined Products (Kgs)*	1263	76,81,810	707	31,52,699
		86,27,040		34,69,805
Closing Stock				
- Rubber lining Products (Sq. M.)	772	1,12,34,810	98	9,45,230
- PTFE Lined Products (Kgs)*	1374	1,01,49,188	1263	76,81,810
		2,13,83,998		86,27,040
(* Represents PTFE content in Finished Products)				



MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value	Qty.	Value Rs.
d) Capacity and Production:				
Licenced Capacity :				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity : (as certified by the Mg. Director)				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubber lining	(Sq. Mtr.)	37,584	(Sq. Mtr.)	45,696
2. PTFE (Resin Weight)	(Kgs.)	16,445	(Kgs.)	21,710
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		1,27,75,147		1,56,74,808
2. Capital Goods / Spares		28,592		75,28,513
		<u>1,28,03,739</u>		<u>2,32,03,321</u>
f) Expenditure in foreign currency:				
Foreign Travel		-		13,90,755
Fees for services rendered outside India		1,12,86,525		69,09,935
g) Details regarding consumption of imported and indigenous material:				
	%	Rs.	%	Rs.
1. Raw Materials & Components				
Imported	8.09	1,15,20,703	8.14	1,79,87,854
Indigenous	91.91	13,09,15,708	91.86	20,28,99,573
	<u>100.00</u>	<u>14,24,36,411</u>	<u>100.00</u>	<u>22,08,87,427</u>
2. Stores & Spare Parts				
Imported	3.23	6,81,280	1.49	5,21,766
Indigenous	96.77	2,04,24,221	98.51	3,45,92,442
	<u>100.00</u>	<u>2,11,05,501</u>	<u>100.00</u>	<u>3,51,14,208</u>
h) Number of Non-resident shareholders				
Number of Shares held		27		27
Number of Shares held		1,18,250		1,18,250
Amount of Interim Dividend Remitted (USD 1731.03 paid equivalent to Rs. 123250 to 28 Shareholders)				
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		10,73,95,951		6,05,09,886
2. Technical Services		3,84,49,952		2,19,75,636
		<u>14,58,45,903</u>		<u>8,24,85,522</u>



MIL INDUSTRIES LIMITED

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

33. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

Rs.

Particulars	Year to date figures for the period	Year to date figures for the period
	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020
1. Segment Revenue		
a. Rubber Lining & Rubber Products	26,99,30,217	43,14,15,689
b. PTFE Lining & PTFE Products	14,92,86,192	17,79,19,250
Total	41,92,16,409	60,93,34,939
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	41,92,16,409	60,93,34,939
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	5,45,35,508	8,74,01,786
b. PTFE Lining & PTFE Products	4,44,57,167	3,13,26,117
Total	9,89,92,675	11,87,27,902
Less: i. Interest and Finance Charges	30,84,878	26,76,409
ii. Other un-allocable expenditure net of unallocable income	76,14,400	1,03,40,762
Total Profit Before Tax	8,82,93,397	10,57,10,731
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	21,04,48,775	16,57,51,101
b. PTFE Lining & PTFE Products	20,63,04,883	18,97,42,598
Total	41,67,53,658	35,54,93,699



MIL INDUSTRIES LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

a) Key Management Personnel

Mr. Rajiv Sreedhar - Managing Director
 Mr. U.Viswanath - Company Secretary
 Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

C) Investing Company : Krebs Engineering Private Limited

Particulars	31-03-2021 Amount in Rs.			31-03-2020 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remune ration	Rent Paid	Year End Balance	Remune ration	Rent Paid	Year End Balance
Key Management Personnel						
Mr. Rajiv Sreedhar - Managing Director	84,00,000	6,00,000	---	83,80,000	6,00,000	---
Mr. V.P.K. Mani - Company Secretary- upto 8th June 2020	1,13,333	---	---	6,50,000	---	---
Mr. U.Viswanath - Company Secretary - wef 29th July 2020	4,22,496	---	---	---	---	---
Mr. N. Guruswamy - Chief Financial Officer	13,20,000	---	---	14,30,000	---	---
Directors		Sitting Fees			Sitting Fees	
Mr. S.S.R. Rajkumar	---	---	---	---	65,000	---
Mr. Noman H. Millwala	---	65,000	---	---	85,000	---
Mrs. Saroja Raman	---	35,000	---	---	50,000	---
Dr. T.Venkatesan	---	40,000	---	---	50,000	---
Mr. K.J.Janakar	---	60,000	---	---	---	---
Mr. A. Rengarajan	---	10,000	---	---	---	---
Krebs Engineering Private Limited	Professional services - Fees Paid	42,31,646	---	---	82,88,762	48,63,434



MIL INDUSTRIES LIMITED

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

31-03-2021 31-03-2020

35. Earnings Per Share

Profit for the year attributable to Equity Shareholders	6,19,11,459	7,58,49,949
Number of Equity Shares of Rs.10/- each	31,50,000	31,50,000
Earnings Per Share - Basic and Diluted	19.65	24.08

36. The Board of Directors of the Company at their meeting held on 2nd December 2019 approved a Scheme of Demerger of the PTFE Division into the wholly owned subsidiary, MIL Industries and Aerospace Limited, which is subject to the approval of the Shareholders and the sanction of the Hon'ble National Company Law Tribunal (NCLT). After receipt of the NOC from the Metropolitan Stock Exchange of India Limited, the Company has filed a petition with the Hon'ble NCLT, Chennai, under the provisions of section 230 to 232 of the Companies Act, 2013. Since it is pending before the Hon'ble NCLT, no effect has been given to the said Scheme.

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

38. The Board of Directors have recommended a Dividend of 10% (Re.1/- per share of face value of Rs.10/-) amounting to Rs.31,50,000/- which is subject to approval of the Shareholders at the ensuing Annual General Meeting. The same is not considered in the financial statements and would be considered when it is approved by the Shareholders as per Ind AS 10.

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

Vide our report of even date attached

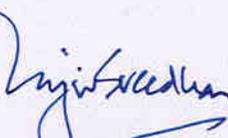
For S.N.S ASSOCIATES

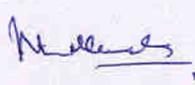
Chartered Accountants

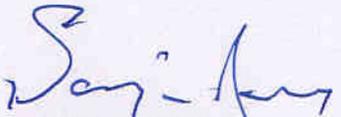
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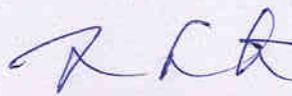


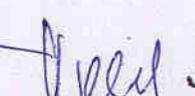

S. NAGARAJAN
Partner
Membership No. 020899


RAJIV SREEDHAR
Managing Director

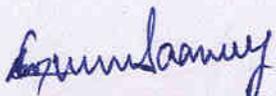

NOMAN H. MILLWALA
Chairman

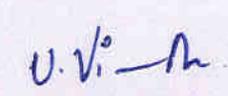

SAROJA RAMAN
Director


Dr. T. VENKATESAN
Director


K. J. JANAKAR
Director


A. RENGARAJAN
Director


N. GURUSWAMY
Chief Financial Officer


U. VISWANATH
Company Secretary

Place: Chennai

Dated: : 5th July 2021



Independent Auditors' Report
To the Members of MIL Industries Limited
Report on the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>As at 31st March 2021, the Group carries Cash and Cash Equivalents to the extent of Rs.19,72,19,380/- representing 35.41% of the total assets which has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the controls with respect to maintenance of cash balances and the transactions with the banks, like the manner of operation of the bank accounts, etc. • The cash balance has been physically verified at the end of the year. • The Bank Reconciliation statements have been verified as at the end of the year. • IN respect of Deposits, the original deposits, wherever held by the Company have been verified and those deposited as margin or security have been verified with respect to the relevant documents. • Direct confirmation for the amount of Deposits and balances held as at 31-3-2021 has been obtained and validated with the financial statements.
<p>As at 31st March 2021, the Group carried Inventories to the extent of Rs.12,32,86,392/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • Due to Covid 19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management at the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 Audit Evidence – Specific considerations for stipulated items, which includes inspection of supporting documentation relating to purchases, production, sales, physical verification performed by the management and such other third party evidences where applicable and have obtained sufficient and appropriate audit evidence. • We have verified and tested the design and the operating effectiveness of the controls with respect to the maintenance of inventories, like the issue of materials, determination of the quantum of stocks at the end of the year. • We have verified and tested the preparation of the cost sheet for the valuation of inventories of finished goods and work in progress and the determination of the value of stores and spares.



	<ul style="list-style-type: none"> • We have also tested the judgment and procedure adopted by the Company for the determination of the realizable value of the inventories. • Based on the above procedures, the determination of the value of inventories by the Management at the end of the year is considered reasonable.
<p>As at 31st March 2021, the Group had Trade Receivables of Rs.12,87,91,132/- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the control with regard to sale of goods and revenue recognition. • The outstanding in the accounts of the parties have been validated with reference to the invoices raised and the correspondence between the Company and the parties. • We have also tested the judgment made by the management relating to credit risk and the impairment assessment. • Based on the above procedures, the estimate of credit risk and impairment assessment made by the Management is reasonable.

Information other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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



adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

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





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

ICAI UDIN No.21020899AAAAHV9038

Chennai
Dated: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of MIL Industries Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our Opinion, Holding Company, its subsidiary company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ICAI UDIN No.21020899AAAAHV9038

Chennai
Date: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

MIL INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

Rs.

PARTICULARS	Note	As at 31-03-2021	As at 31-03-2020
		Audited	Audited
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	8,09,14,161	7,09,92,796
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	78,000	78,000
b) Other Financial Assets	6	15,81,632	14,75,390
iv) Other Non Current Assets	7	3,05,411	3,05,411
v) Deferred Tax Assets (net)	8	2,66,622	1,80,903
Total Non current Assets	(A)	8,31,45,826	7,30,32,500
Current Assets			
Inventories	9	12,32,86,392	8,94,24,120
i) Financial Assets			
a) Trade Receivables	10	12,87,91,132	9,71,27,504
b) Cash and cash equivalents	11	19,72,19,380	18,67,18,403
c) Other financial assets			
ii) Other current assets	12	2,44,64,501	1,89,55,480
Total current assets	(B)	47,37,61,405	39,22,25,507
Total Assets	(A)+(B)	55,69,07,231	46,52,58,007
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	3,15,00,000	3,15,00,000
b) Other Equity			
Reserves and Surplus	14	38,51,56,739	32,39,34,476
Total Equity	(C)	41,66,56,739	35,54,34,476
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings		-	-
ii) Deferred tax liabilities			
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	-	-
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	46,69,993	68,28,348
b) Trade Payables		6,20,47,955	4,35,68,278
c) Other Financial Liabilities	16	4,63,64,507	4,16,90,669
ii) Other current liabilities	17	2,71,68,037	1,77,36,236
Total Current Liabilities	(E)	14,02,50,492	10,98,23,531
Total Equity and Liabilities	(C)+(D)+(E)	55,69,07,231	46,52,58,007

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S



S. Nagarajan

S. NAGARAJAN

Partner

Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR

Managing Director

Noman H. Millwala

NOMAN H. MILLWALA

Chairman

Saroja Ramana

SAROJA RAMAN

Director

Dr. T. Venkatesan

Dr. T. VENKATESAN

Director

K. J. Ganakar

K. J. GANAKAR

Director

A. Rengarajan

A. RENGARAJAN

Director

N. Guruswamy

N. GURUSWAMY

Chief Financial Officer

U. Viswanath

U. VISWANATH

Company Secretary

Place: Chennai

Dated: 5th July 2021

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

Rs.

PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2021	Figures as at the end of the current reporting period 31-03-2020
INCOME			
Revenue From Operations	18	41,92,16,409	60,93,34,939
Other Income	19	41,92,16,409 1,71,76,079	60,93,34,939 2,77,64,187
Total Revenue		43,63,92,488	63,70,99,126
EXPENSES			
Cost of raw materials and components consumed	20	14,24,36,411	22,08,87,427
Changes in inventories of finished goods and work-in-progress	21	(2,88,44,230)	71,38,475
Employee Benefit Expenses	22	5,80,48,472	6,31,40,250
Finance Cost	23	30,84,878	26,76,409
Depreciation and amortisation expenses	4	1,32,19,346	1,13,34,699
Other Expenses	24	16,01,91,910	22,62,57,552
		34,81,36,787	53,14,34,812
Profit before exception and extraordinary items and tax		8,82,55,701	10,56,64,314
Extraordinary items			
Profit before tax		8,82,55,701	10,56,64,314
Tax Expenses			
Current Tax		2,64,67,658	3,26,59,227
Deferred Tax		(85,720)	(27,98,445)
Profit after tax		6,18,73,763	7,58,03,532
Other Comprehensive Income			
Remeasurement of Defined Benefit Plans		9,19,158	5,46,796
Tax effect on above		(2,67,658)	(1,59,227)
Total Other Comprehensive Income for the year		6,51,500	3,87,569
Total Comprehensive Income for the year comprising Profit and Other Comprehensive income		6,12,22,263	7,54,15,963
Earnings per Equity Share (Basic and Diluted)		19.64	24.06

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S



S. Nagarajan
S. NAGARAJAN

Partner
Membership No. 020899

Rajiv Sreedhar
RAJIV SREEDHAR

Managing Director

Noman H. Millwala
NOMAN H. MILLWALA

Chairman

Saroja Ramam
SAROJA RAMAN

Director

Dr. T. Venkatesan
Dr. T. VENKATESAN

Director

K. J. Janakar
K. J. JANAKAR

Director

A. Rengarajan
A. RENGARAJAN

Director

N. Guruswamy
N. GURUSWAMY

Chief Financial Officer

U. Viswanath
U. VISWANATH

Company Secretary

Place: Chennai

Dated: 5th July 2021

MIL INDUSTRIES LIMITED

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

	As at 31-03-2021	As at 31-03-2020	Rs.
A. EQUITY SHARE CAPITAL			
Balance at the beginning of the year	3,15,00,000	3,15,00,000	
Changes in Equity Share Capital during the year	-	-	
Balance at the end of the year	3,15,00,000	3,15,00,000	

B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as at 1-4-2019	30,00,000	15,00,000	18,26,000	24,81,28,876	(21,26,065)
Debit balance in Retained earnings of Subsidiary at the time of acquisition				(12,806)	
Profit for the year after tax	-	-	-	7,58,03,532	
Remeasurement of Defined Benefit Plans (net of tax)					(3,87,569)
Interim Dividend paid				(31,50,000)	
Dividend Distribution tax				(6,47,492)	
Balance as at 31st March 2020	30,00,000	15,00,000	18,26,000	32,01,22,110	(25,13,634)
Profit for the year after tax	-	-	-	6,18,73,763	
Remeasurement of Defined Benefit Plans (net of tax)					(6,51,500)
Balance as at 31st March 2021	30,00,000	15,00,000	18,26,000	38,19,95,873	(31,65,134)

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S. NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar
RAJIV SREEDHAR
Managing Director

Noman H. Millwala
NOMAN H. MILLWALA
Chairman

Saroja Ramani
SAROJA RAMAN
Director

Dr. T. Venkatesan
Dr. T. VENKATESAN
Director

K. J. Janakar
K. J. JANAKAR
Director

A. Rengarajan
A. RENGARAJAN
Director

N. Guruswamy
N. GURUSWAMY
Chief Financial Officer

U. Viswanath
U VISWANATH
Company Secretary

Place: Chennai
Dated: 5th July 2021

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

PARTICULARS	Figures as at the end of the current reporting period ended 31-03-2021	Figures as at the end of the current reporting period ended 31-03-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	8,82,55,701	10,56,64,314
Adjustments for		
Depreciation	1,32,19,346	1,13,34,699
Interest Expense	7,63,903	7,86,696
Interest income	(1,00,23,169)	(96,37,362)
Loss on sale of assets		8,854
Profit on sale of assets	(8,72,875)	-
Operating profit before working capital changes	9,13,42,906	10,81,57,201
Adjustments for changes in		
Other Non current financial assets	(1,06,242)	(96,665)
Other Non Current Assets	-	(3,05,411)
Trade Receivables	(3,16,63,628)	(72,69,026)
Inventories	(3,38,62,272)	(78,54,463)
Other Current Assets	(55,09,018)	(36,70,325)
Trade Payables	1,84,79,678	(1,22,85,137)
Bank deposits under lien and unclaimed dividend	-	(1,28,88,082)
Remeasurement of defined benefit obligations	(6,51,500)	(3,87,569)
Other Financial Liabilities	46,73,838	1,10,13,008
Other Current Liabilities	(15,14,419)	44,15,572
	(5,01,53,563)	(2,93,28,098)
Cash Generated from operations	4,11,89,343	7,88,29,103
Income tax paid (net)	1,55,21,440	(3,16,15,088)
Net Cash generated from Operations	(A) 2,56,67,903	4,72,14,015
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(2,32,11,936)	(1,87,65,267)
Proceeds from sale of Property, Plant and Equipment	9,44,100	84,746
Investment in Subsidiary Company	-	-
Interest income	1,00,23,169	96,37,362
Net cash (used in)/from Investing activities	(B) (1,22,44,667)	(90,43,159)
C. CASH FROM FINANCING ACTIVITIES		
Interest expense	(7,63,903)	(7,86,696)
Repayment of Non Current Borrowings		
Proceeds from current borrowings	(21,58,355)	68,28,348
Dividend Paid including Dividend tax	-	(37,97,492)
Net cash (used in)/from Financing Activities	(C) (29,22,258)	22,44,160
Net increase/(decrease) in cash and cash equivalent (A)+(B)+(C)	1,05,00,978	4,04,15,016
Opening Cash and Cash Equivalents (excluding deposits under lien)	16,38,18,403	12,34,03,387
Closing Cash and Cash Equivalents	17,43,19,380	16,38,18,403

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S



S. NAGARAJAN

Partner

Membership No. 020899

RAJIV SREEDHAR

Managing Director

NOMAN H. MILLWALA

Chairman

SAROJA RAMAN

Director

Dr. T. VENKATESAN

Director

K. J. JANAKAR

Director

A. RENGARAJAN

Director

N. GURUSWAMY

Chief Financial Officer

U. VISWANATH

Company Secretary

Place: Chennai

Dated: 5th July 2021

1 Corporate Information

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

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

2 Basis of preparation on Financial Statements

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

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

Principles used in Preparing Consolidated Financial Statements

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

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

3 Significant Accounting Policies

a) Use of Estimates

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



b) Operating Cycle

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

c) Property, Plant and Equipments

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

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

d) Inventories

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

e) Foreign Currency Transactions

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

f) Revenue Recognition

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

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

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

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

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

g) Research and Development

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

h) Borrowing Costs

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

i) Investments

Long Term Investments are carried at cost.



j) Employee Benefits

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

k) Impairment of Assets

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

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

l) Provisions and contingent liabilities

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

m) Cash Flow Statement

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

n) Taxation

Income tax Expenses comprises of current taxes and deferred taxes

Current Tax

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

Deferred Tax

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

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



MIL INDUSTRIES LIMITED

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

4. PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK

Rs.

PARTICULARS	As at 1-4-2020	Additions	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	1,72,887	-	-	1,72,887
Others	73,05,325	-	-	73,05,325
Leasehold land	2,38,485	-	-	2,38,485
Buildings	3,20,87,565	2,08,130	14,24,506	3,22,95,695
Plant and Equipment	12,81,68,499	2,07,02,606	-	14,74,46,599
Furniture and Fixtures	33,86,556	14,67,956	-	48,54,512
Vehicles	94,37,737	-	-	94,37,737
Office Equipment	77,38,523	2,82,016	-	80,20,539
Computers	29,02,594	5,51,229	-	34,53,823
TOTAL	19,14,38,171	2,32,11,937	14,24,506	21,32,25,602
Previous year total	17,45,48,904	1,87,65,267	18,76,000	19,14,38,171

DEPRECIATION BLOCK

PARTICULARS	As at 31-03-2020	For the year	Deletions	Balance 31-03-2021
Land				
Freehold				
Ambattur	-	-	-	-
Others	-	-	-	-
Leasehold land	85,206	3,196	-	88,402
Buildings	1,49,60,528	9,23,760	-	1,58,84,288
Plant and Equipment	8,61,52,506	1,01,08,314	13,53,281	9,49,07,539
Furniture and Fixtures	25,42,284	4,51,226	-	29,93,510
Vehicles	74,64,286	8,66,884	-	83,31,170
Office Equipment	71,48,376	3,29,862	-	74,78,238
Computers	20,92,189	5,36,104	-	26,28,293
TOTAL	12,04,45,375	1,32,19,346	13,53,281	13,23,11,440
Previous year total	11,08,93,076	1,13,34,699	17,82,400	12,04,45,375

NET BLOCK

PARTICULARS	31-03-2021	31-03-2020
Land		
Freehold		
Ambattur	1,72,887	1,72,887
Others	73,05,325	73,05,325
Leasehold land	1,50,083	1,53,279
Buildings	1,64,11,407	1,71,27,037
Plant and Equipment	5,25,39,060	4,20,15,993
Furniture and Fixtures	18,61,002	8,44,272
Vehicles	11,06,567	19,73,451
Office Equipment	5,42,301	5,90,147
Computers	8,25,530	8,10,405
TOTAL	8,09,14,161	7,09,92,796
Previous year balance	7,09,92,796	6,36,55,828



MIL INDUSTRIES LIMITED

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

Rs.

PARTICULARS	31-03-2021	31-03-2020
5. NON CURRENT INVESTMENTS		
In other Companies 7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	78,000	78,000
	78,000	78,000
6. OTHER FINANCIAL ASSETS		
Unsecured - Considered good Security Deposits	1581632	14,75,390
	15,81,632	14,75,390
7. OTHER NON CURRENT ASSETS		
Preliminary Expenses (to the extent not written off or adjusted)	3,05,411	3,05,411
	3,05,411	3,05,411
8. DEFERRED TAX ASSET		
Asset on account of effect of fair valuation of financial assets	7,57,168	5,75,308
Liability on account of timing difference of Depreciation	(4,90,546)	(3,94,405)
	2,66,622	1,80,903
9. INVENTORIES		
Raw Materials	5,52,67,807	5,03,92,128
Work in progress	4,41,91,191	2,81,03,919
Finished Goods	2,13,83,998	86,27,040
Stores and Spares	24,43,396	23,01,033
	12,32,86,392	8,94,24,120
10. TRADE RECEIVABLES		
Unsecured - Considered good	12,87,91,132	9,71,27,504
	12,87,91,132	9,71,27,504
Age analysis of receivables		
Outstanding for more than six months from the date they are due	2,43,70,422	35,78,960
Other Debts	10,44,20,710	9,35,48,544
The above is after considering loss on fair valuation	26,00,166	1975645
11. CASH AND CASH EQUIVALENTS		
Cash on hand	1,70,268	4,15,252
Balance with Banks		
In Current Account	1,45,86,522	1,38,29,338
In Deposit Accounts	15,95,62,590	14,95,73,812
In Deposits offered as security for credit facilities	2,29,00,000	2,29,00,000
	19,72,19,380	18,67,18,403
12. OTHER CURRENT ASSETS		
Unsecured - Considered Good		
1 Advances to employees	2,58,042	2,75,827
2 Prepaid Expenses	13,07,972	14,45,173
3 Advance to suppliers	44,42,328	1,23,98,544
4 Rent Receivables	-	-
5 Earnest Money Deposits	1,68,786	1,27,786
6 Balance with Excise Department	-	2,07,803
7 Balance - GST Input Tax Credit	1,73,33,083	32,10,899
8 MEIS Scrips on hand	3,12,769	1,44,589
9 Interest receivable	4,10,028	9,71,038
10 Duty Drawback Receivable	2,31,493	1,73,821
	2,44,64,501	1,89,55,480



13. EQUITY SHARE CAPITAL

SHARE CAPITAL	Rs.	
	31-03-2021	31-03-2020
<u>Authorised:</u>		
4,900,000 Equity Shares of Rs. 10/- each	4,90,00,000	4,90,00,000
100,000 10% Redeemable Cumulative Preference shares of Rs. 10/-	10,00,000	10,00,000
250,000 10% Convertible Redeemable Cumulative Preference shares of Rs.10/- each	25,00,000	25,00,000
	<u>5,25,00,000</u>	<u>5,25,00,000</u>
<u>Issued, Subscribed and Fully Paid-up:</u>		
3,150,000 Equity Shares of Rs. 10/- each	3,15,00,000	3,15,00,000
	<u>3,15,00,000</u>	<u>3,15,00,000</u>

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

Particulars	No. of Shares	Value (Rs.)
Outstanding at the beginning of the	31,50,000	3,15,00,000
Outstanding at the end of the year	31,50,000	3,15,00,000

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

S.No	Name of the shareholder	No. of shares		Percentage of shares held	
		31-03-2021	31-03-2020	31-3-2021	31-3-2020
1	Krebs Engineering Private Limited	9,62,000	9,62,000	30.54%	30.54%
2	Saroja Raman	3,15,295	3,15,295	10.01%	10.01%
3	Mahendra Girdharilal	1,90,085	1,90,085	6.03%	6.03%
4	Tamilnadu Industrial Investment Corporation Ltd	1,68,000	1,68,000	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.

14. OTHER EQUITY

PARTICULARS	Capital Redemption Reserve	Capital Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 01-04-2020	30,00,000	15,00,000	18,26,000	32,01,22,110	(25,13,634)	32,39,34,476
Remeasurement of defined benefit plans Transferred to Other Comprehensive Income (net of tax)					(6,51,500)	(6,51,500)
Add: Profit for the period ended 31-03-2021				6,18,73,763		6,18,73,763
Balance as at 31-03-2021	30,00,000	15,00,000	18,26,000	38,19,95,873	(31,65,134)	38,51,56,739



MIL INDUSTRIES LIMITED

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

Rs.

PARTICULARS	31-03-2021	31-03-2020
15. BORROWINGS		
(i) From Banks		
Working Capital Borrowings - Secured	46,69,993	68,28,348
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
	46,69,993	68,28,348
16. OTHER FINANCIAL LIABILITIES		
Advance from customers	4,63,64,507	4,16,90,669
	4,63,64,507	4,16,90,669
17. OTHER CURRENT LIABILITIES		
Security Deposits	1,92,000	1,92,000
Other Payables:		
Unclaimed Dividend in interim dividend Account	4,11,700	
IGST payable	-	-
TDS payable	8,63,429	16,52,723
Payable to employees	21,48,341	22,53,176
Provision for taxation (net of payments)	1,86,67,764	77,21,516
Others	48,84,803	59,16,821
	2,71,68,037	1,77,36,236



PARTICULARS	31-03-2021	31-03-2020
18. REVENUE FROM OPERATIONS		
Sale of products (Rubber Lining and PTFE)	36,72,07,249	56,70,36,931
Sale of Services	5,20,09,160	4,22,98,008
Sale of Stock -in-trade	-	-
	41,92,16,409	60,93,34,939
19. OTHER INCOME		
Gain on foreign currency transactions	18,05,468	19,47,753
Profit on sale of assets	8,72,875	-
Interest received	1,00,23,169	96,37,362
Rent received	4,20,000	4,20,000
Scraps Sales	3,57,874	35,021
Credit balances no longer required written back	6,80,332	1,20,99,660
Bad debts written off recovered	-	93,599
Export Incentives:		
Merchandise Export and Incentive Scheme Scrips	15,79,020	18,91,135
Duty Draw back	14,37,341	16,39,656
Insurance claim received	-	-
Miscellaneous Receipts	-	-
	1,71,76,079	2,77,64,187
20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	14,24,36,411	22,08,87,427
	14,24,36,411	22,08,87,427
21. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	86,27,040	34,69,805
Work in progress	2,81,03,919	4,03,99,629
	3,67,30,959	4,38,69,434
Closing Stock		
Finished Goods	21383998	86,27,040
Work in progress	44191191	2,81,03,919
	6,55,75,189	3,67,30,959
(Increase) / Decrease in inventories of Finished Goods and Work in progress	(2,88,44,230)	71,38,475
22. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	4,80,75,800	5,28,17,805
Contribution to Provident and Other Funds	37,20,750	43,95,740
Welfare Expenses	62,51,922	59,26,705
	5,80,48,472	6,31,40,250
23. FINANCE COSTS		
Interest Expense	7,20,889	7,86,696
Other Borrowing Costs	23,63,989	18,89,713
	30,84,878	26,76,409



MIL INDUSTRIES LIMITED

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

Rs.

PARTICULARS	31-03-2021	31-03-2020
24. OTHER EXPENSES		
Lining Expenses	6,07,27,146	8,68,91,359
Power and fuel	1,32,26,960	1,60,10,700
Stores and Spares consumed	2,11,05,501	3,51,14,208
Rent	6,00,000	6,00,000
Insurance	11,35,932	11,06,633
Rates and Taxes	18,96,760	22,95,576
Postage and Telephone	13,14,133	14,35,408
Printing and Stationery	13,74,692	15,20,250
Travelling and Conveyance	61,88,697	1,32,43,328
Payment to Auditors:		
For Audit	2,51,800	5,00,000
For Certification	75,500	3,04,000
For Reimbursement of expenses	-	-
For Service tax	-	-
Repairs and Maintenance:		
Buildings	57,27,640	60,73,370
Plant & Machinery	44,43,989	74,66,717
Others - Maintenance Expenses	1,04,71,316	90,10,305
Selling expenses	10,77,546	17,02,680
Professional fees	1,95,03,607	3,15,93,920
Legal Fees	1,90,000	
Advertisement and Sales Promotion	2,28,332	3,27,580
Loss on foreign currency transactions	9,34,456	3,07,564
Commission on Sales	1,95,000	3,90,000
Directors' Sitting fees	2,10,000	2,50,000
Security Service Charges	25,56,234	24,58,374
Bad Debts Written off	32,58,693	44,59,305
CSR Expenditure	13,36,000	9,21,000
Donations	67,500	45,000
Loss on fair valuation of financial assets	6,24,521	1,41,798
Loss on sale of assets	-	8,854
Miscellaneous expenses	14,69,955	20,79,625
	16,01,91,910	22,62,57,552



MIL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	31-03-2021	31-03-2020
25. Contingent Liabilities on account of:		
. Guarantees given by Banks on behalf of the Company	4,98,73,570	1,78,41,230
26. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	74,59,651
27. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or		
28. The company has not discontinued any operations during the year.		
29. Corporate Social Responsibility:		
During the financial year 2020-21, the Company was required to spend Rs. 13,35,611/- as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company has actually spent Rs. 13,36,000/- during the financial year 2020-21		



MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

30.1. Financial Risk Management and Objectives and Policies

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

30.2. Disclosure of Fair Value Measurements

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

Financial Instruments by category

Rs.

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
As at 31-03-2021					
Financial Assets					
Long Term Investment	78,000			78,000	78,000
Other financial assets					
Trade Receivables		12,87,91,132		12,87,91,132	12,87,91,132
Cash and cash equivalents	-			-	-
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	46,69,993			46,69,993	46,69,993
Trade payables	6,20,47,955			6,20,47,955	6,20,47,955
Other financial liabilities	4,63,64,507			4,63,64,507	4,63,64,507

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comp. Income	Carrying amount	Fair Value
As at 31-03-2020					
Financial Assets					
Long Term Investment	78,000			78,000	78,000
Other financial assets					
Trade Receivables		9,91,03,149		9,91,03,149	9,71,27,504
Cash and cash equivalents	18,67,18,403			18,67,18,403	18,67,18,403
Financial Liabilities					
Long Term Borrowings	-			-	-
Short term borrowings	68,28,348			68,28,348	68,28,348
Trade payables	4,35,68,278			4,35,68,278	4,35,68,278
Other financial liabilities	4,16,90,669			4,16,90,669	4,16,90,669

Fair Value Hierarchy

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

- Level 1 Quoted prices in the market for financial assets or liabilities
- Level 2 Other techniques for which all inputs which have significant effect on the recorded fair value observable, either directly or indirectly.
- Level 3 This technique uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.



30.3. **Employee Benefits** Rs.
31.03.2021 **31-03-2020**

i) Provident Fund

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

18,90,514 20,45,311

ii) Superannuation

The Company has a Superannuation Scheme for eligible employees and the annual determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is

31.03.2021 **31-03-2020**
 10,11,418 10,89,414

iii) Leave encashment

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

iv) Gratuity

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

a) Assumptions used

Gratuity

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

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

Opening value of DBO at the beginning of the year		1,20,80,926	1,04,39,861
Current Service Cost		6,32,524	6,90,921
Interest Cost		7,15,526	6,73,371
Benefits paid		(26,74,583)	
Actuarial (Gains)/Loss		(8,68,751)	2,76,773
Closing value of DBO at the end of the year		98,85,642	1,20,80,926

c) Movement in Plan assets during the year

Fair value of plan assets at the beginning		1,33,31,500	1,03,76,870
Interest income of the assets		8,37,711	7,14,977
Employer contribution		11,68,082	14,16,084
Benefits paid		(26,74,583)	
Actuarial gain/(Loss)		50,407	8,23,569
Fair value of plan assets at the end of theyear		1,27,13,117	1,33,31,500

d) Sensitivity Analysis

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

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

		31-03-2021	31-03-2020
increase by		5,40,278	6,84,344
decrease by		4,87,432	6,04,492

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

increase by		5,22,645	6,71,938
decrease by		4,80,199	6,04,307

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

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

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



MIL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
32. ADDITIONAL NOTES				
a) Turnover (Net of Excise Duty)				
Rubber				
Manufacturing :				
- Rubber lining Products (Sq.M.)	36910	21,70,74,492	45638	38,98,65,598
		21,70,74,492		38,98,65,598
Service:				
- Rubber lining		5,28,55,725		4,15,50,091
Total income - Segment A		26,99,30,217		43,14,15,689
PTFE				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	16334	14,86,48,411	21154	17,71,71,333
		14,86,48,411		17,71,71,333
Service:				
- PTFE Coating, etc		6,37,781		7,47,917
Total income - Segment B		14,92,86,192		17,79,19,250
Total Turnover - Sales		41,92,16,409		60,93,34,939
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. Natural and Synthetic rubber	139971	2,43,95,873	196724	3,60,65,547
2. Fillers	114900	96,64,556	162168	1,31,48,754
3. Solvents	68899	65,15,452	88676	82,07,004
4. Special Curing and bonding agents	21182	61,04,225	24660	63,58,762
5. Resins	17193	1,79,84,949	22828	2,48,49,910
6. Steel Pipes, Pipe Fittings, Steel Equipments of various	-	7,11,95,146	-	12,92,79,188
7. Others	-	65,76,210	-	29,78,262
		14,24,36,411		22,08,87,427
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubber lining Products (Sq. M.)	98	9,45,230	40	3,17,106
- PTFE Lined Products (Kgs)*	1263	76,81,810	707	31,52,699
		86,27,040		34,69,805
Closing Stock				
- Rubber lining Products (Sq. M.)	772	1,12,34,810	98	9,45,230
- PTFE Lined Products (Kgs)*	1374	1,01,49,188	1263	76,81,810
		2,13,83,998		86,27,040
(* Represents PTFE content in Finished				



MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2021

PARTICULARS	31-03-2021		31-03-2020	
	Qty.	Value Rs.	Qty.	Value Rs.
d) Capacity and Production:				
Licenced Capacity :				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity : (as certified by the Mg. Director)				
1. Rubber lining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubber lining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubber lining	(Sq. Mtr.)	37,584	(Sq. Mtr.)	45,696
2. PTFE (Resin Weight)	(Kgs.)	16,445	(Kgs.)	21,710
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		1,27,75,147		1,56,74,808
2. Capital Goods / Spares		28,592		75,28,513
		<u>1,28,03,739</u>		<u>2,32,03,321</u>
f) Expenditure in foreign currency:				
Foreign Travel		-		13,90,755
Fees for services rendered outside India		1,12,86,525		69,09,935
g) Details regarding consumption of imported and indigenous materials				
	%	Rs.	%	Rs.
1. Raw Materials & Components				
Imported	8.09	1,15,20,703	8.14	1,79,87,854
Indigenous	91.91	13,09,15,708	91.86	20,28,99,573
	<u>100.00</u>	<u>14,24,36,411</u>	<u>100.00</u>	<u>22,08,87,427</u>
2. Stores & Spare Parts				
Imported	3.23	6,81,280	1.49	5,21,766
Indigenous	96.77	2,04,24,221	98.51	3,45,92,442
	<u>100.00</u>	<u>2,11,05,501</u>	<u>100.00</u>	<u>3,51,14,208</u>
h) Number of Non-resident shareholders				
Number of Shares held		27		27
Amount of Interim Dividend Remitted (USD 1731.03 paid equivalent to Rs. 123250 to 28 Shareholders)		1,18,250		1,18,250
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		10,73,95,951		6,05,09,886
2. Technical Services		3,84,49,952		2,19,75,636
		<u>14,58,45,903</u>		<u>8,24,85,522</u>



33. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

Particulars	Year to date figures for the period	Year to date figures for the period
	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020
1. Segment Revenue		
a. Rubber Lining & Rubber Products	26,99,30,217	43,14,15,689
b. PTFE Lining & PTFE Products	14,92,86,192	17,79,19,250
Total	41,92,16,409	60,93,34,939
Less: Inter segment revenue	-	-
Net Sales / Income from Operations	41,92,16,409	60,93,34,939
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	5,45,35,508	8,74,01,786
b. PTFE Lining & PTFE Products	4,44,57,167	3,13,26,117
Total	9,89,92,675	11,87,27,902
Less: i. Interest and Finance Charges	30,84,878	26,76,409
ii. Other un-allocable expenditure net of unallocable income	76,52,097	1,03,87,179
Total Profit Before Tax	8,82,55,701	10,56,64,314
Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	21,03,84,163	16,57,11,619
b. PTFE Lining & PTFE Products	20,62,72,576	18,97,22,857
Total	41,66,56,739	35,54,34,476

Rs.



MIL INDUSTRIES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

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

a) Key Management Personnel

Mr. Rajiv Sreedhar - Managing Director
Mr. U.Viswanath - Company Secretary
Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balances

C) Investing Company : Krebs Engineering Private Limited

Particulars	31-03-2021 Amount in Rs.			31-03-2020 Amount in Rs.		
	Nature of Transaction			Nature of Transaction		
	Remuneration	Rent Paid	Year End Balance	Remuneration	Rent Paid	Year End Balance
Key Management Personnel						
Mr. Rajiv Sreedhar - Managing Director	84,00,000	6,00,000	---	83,80,000	6,00,000	---
Mr. V.P.K. Mani - Company Secretary- upto 8th June 2020	1,13,333	---	---	6,50,000	---	---
Mr. U.Viswanath - Company Secretary - wef 29th July 2020	4,22,496	---	---	---	---	---
Mr. N. Guruswamy - Chief Financial Officer	13,20,000	---	---	14,30,000	---	---
Directors		Sitting Fees			Sitting Fees	
Mr. S.S.R. Rajkumar	---	---	---	---	65,000	---
Mr. Noman H. Millwala	---	65,000	---	---	85,000	---
Mrs. Saroja Raman	---	35,000	---	---	50,000	---
Dr. T.Venkatesan	---	40,000	---	---	50,000	---
Mr. K.J.Janakar	---	60,000	---	---	---	---
Mr. A. Rengarajan	---	10,000	---	---	---	---
Krebs Engineering Private Limited	Professional services - Fees Paid	42,31,646	---	---	82,88,762	48,63,434



MIL INDUSTRIES LIMITED

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

31-03-2021 31-03-2020

35. Earnings Per Share

Profit for the year attributable to Equity Shareholders	6,18,73,763	7,58,03,532
Number of Equity Shares of Rs.10/- each	31,50,000	31,50,000
Earnings Per Share - Basic and Diluted	19.64	24.06

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

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

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

Name of Entity	Net Assets as percentage of consolidated net assets	Share of profit/(loss) as percentage of consolidated profit	Share in other comprehensive income as percentage of other comprehensive income	Share in total comprehensive income as percentage of total comprehensive income
MIL Industries and & Aerospace Ltd				
Amount (in rupees)	19,03,083	(37,695)	-	(37,695)
Percentage	0.46	(0.06)	-	(0.06)

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

Vide our report of even date attached

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



S. NAGARAJAN
Partner
Membership No. 020899

RAJIV SREEDHAR
Managing Director

NOMAN H. MILLWALA
Chairman

SAROJA RAMAN
Director

Dr. T. VENKATESAN
Director

K. J. JANAKAR
Director

A. RENGARAJAN
Director

N. GURUSWAMY
Chief Financial Officer

U. VISWANATH
Company Secretary

Place: Chennai
Dated: 5th July 2021



LIMITED REVIEW REPORT ON STANDALONE UNAUDITED STANDALONE FINANCIAL RESULTS OF MIL INDUSTRIES LIMITED FOR THE QUARTER ENDED 31st DECEMBER 2021 PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE) REQUIREMENTS 2015

To

**The Board of Directors of
MIL Industries Limited**
Chennai

1. We have reviewed the accompanying Standalone statement of Unaudited Financial Results ("the Statement") of MIL Industries Limited ("the Company") for the quarter ended December 31, 2021, attached herewith (duly signed by us for identification purposes), which is being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure) Requirements, 2015.
2. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their Meeting held on 3rd February 2022 and has also been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Interim Financial Reporting) (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our Review.
3. We conducted our review in accordance with the Standard on Review Engagement ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable accounting standards, i.e., Ind. AS., prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure) Requirements, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

ICAI UDIN No.22020899AAFHVP5363

Chennai

Dated: 3rd February 2022



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No.006297S)

S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

Statement of Segment information of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31.12.2021						
Particulars	3 months ended	Preceeding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue (net sale/income from each segment)						
a. Rubber Lining & Rubber Products	792.54	850.56	694.64	2611.52	1462.38	2699.30
b. PTFE Lining & PTFE Products	649.19	385.36	554.19	1509.68	1160.97	1492.86
Total	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
Less: Inter segment revenue	NIL	NIL	NIL	NIL	NIL	NIL
Net sales/income from operations	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
2. Segment Results - Profit / (Loss) before tax and interest from each segment						
a. Rubber Lining & Rubber Products	117.06	36.54	93.14	393.30	121.58	545.35
b. PTFE Lining & PTFE Products	158.18	72.15	202.96	386.09	346.16	444.56
Total	275.24	108.69	296.10	779.39	467.74	989.91
Less: i. Interest	4.10	7.05	10.36	21.02	26.06	30.85
ii. Other un-allocable expenditure net off unallocable income	28.00	16.87	30.48	53.67	57.00	76.13
Total Profit Before Tax	243.14	84.77	255.26	704.70	384.68	882.93
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Rubber Lining & Rubber Products	2142.07	2039.21	1742.08	2142.07	1742.08	2104.49
b. PTFE Lining & PTFE Products	2500.68	2420.39	2106.00	2500.68	2106.00	2063.05
Total	4642.75	4459.60	3848.08	4642.75	3848.08	4167.54

Notes :

- The above Unaudited Standalone Financial results have been duly reviewed by Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 03.02.2022. The Accounts are prepared including its wholly owned Subsidiary, MIL Industries & Aerospace Limited in accordance with applicable Accounting Standards, viz., Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The company has filed an application with the Hon'ble NCLT, Chennai for sanctioning of a Scheme of Demerger of the PTFE Division into a separate company i.e. MIL Industries & Aerospace Limited under the provisions of sections 230-232 of the Companies Act, 2013. Hon'ble NCLT as per order dated 20.01.2022, directed the Company to convene shareholder and unsecured Creditors meeting on 15th March, 2022.
- COVID 19 second and third wave of infections during the year 2021-22 have impacted the Company's operations due to the lockdown and restrictions imposed by the Government of Tamil Nadu. The Company continues to monitor the economic effects of the pandemic and takes necessary steps to improve its execution efficiencies and the financials.
- Previous period's figures have been regrouped wherever necessary.



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION No.006297S)

S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

For MIL INDUSTRIES LIMITED

Rajiv Sreedhar

RAJIV SREEDHAR
MANAGING DIRECTOR
DIN : 00181532

Chennai - 600098
 February 03, 2022

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31.12.2021							Rs. in Lakhs
S.No	Particulars	3 months ended 31.12.2021	Preceeding 3 months ended 30.09.2021	Corresponding 3 months ended in the previous year 31.12.2020	Year to date figures for the current period ended 31.12.2021	Year to date figures for the previous period ended 31.12.2020	Previous year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Net Sales/Income from Operations(Net of all Taxes)	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
	(b) Other operating income	---	---	---	---	---	---
	Total income from operations (net)	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
2	Expenses						
	(a) Cost of materials consumed	459.18	493.18	276.10	1325.59	742.11	1424.36
	(c) Changes in inventories of finished goods , work-in-process and stock-in-trade	87.99	21.52	104.30	242.74	(28.84)	(288.44)
	(d) Employee benefits expense	166.90	154.19	121.60	503.35	463.70	580.49
	(e) Depreciation and amortisation expense	38.00	40.00	33.00	113.00	98.00	132.19
	(f) Other Expenses	519.35	485.40	481.27	1372.07	1050.34	1601.54
	Total expenses	1271.42	1194.29	1016.27	3556.75	2325.31	3450.14
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	170.31	41.63	232.56	564.45	298.04	742.02
4	Other income	76.93	50.19	33.06	161.27	112.70	171.76
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	247.24	91.82	265.62	725.72	410.74	913.78
6	Finance costs	4.10	7.05	10.36	21.02	26.06	30.85
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	243.14	84.77	255.26	704.70	384.68	882.93
8	Exceptional items	---	---	---	---	---	---
9	Profit / (Loss) from ordinary activities before tax (7+8)	243.14	84.77	255.26	704.70	384.68	882.93
10	Tax expense	60.00	25.00	72.00	198.00	108.00	263.82
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	183.14	59.77	183.26	506.70	276.68	619.11
12	Extraordinary items (net of tax expense)	---	---	---	---	---	---
13	Net Profit / (Loss) for the period (11-12)	183.14	59.77	183.26	506.70	276.68	619.11
14	Other Comprehensive Income (net of tax)	---	---	---	---	---	6.51
15	Total Comprehensive Income (after tax) for the period 16(13 +/- 14)	183.14	59.77	183.26	506.70	276.68	612.60
16	Paid up equity share capital of Rs. 10/- each	315.00	315.00	315.00	315.00	315.00	315.00
17	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	---	---	---	---	---	4167.54
18.i	Earnings per share in Rs. (before extraordinary items) of Rs.10/- each) (not annualised)						
	a) Basic	5.81	1.90	5.82	16.09	8.78	19.65
	b) Diluted	5.81	1.90	5.82	16.09	8.78	19.65
18.ii	Earnings per share in Rs. (after extraordinary items) of Rs.10/- each) (not annualised)						
	a) Basic	5.81	1.90	5.82	16.09	8.78	19.65
	b) Diluted	5.81	1.90	5.82	16.09	8.78	19.65



Chennai - 600098
February 03, 2022

For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
 (FIRM REGISTRATION No.006297S)

S. Nagarajan
(S. NAGARAJAN)
 Partner
 MEMBERSHIP No.020899

For MIL INDUSTRIES LIMITED

Rajiv Sreedhar
RAJIV SREEDHAR
 MANAGING DIRECTOR
 DIN : 00181532



LIMITED REVIEW REPORT ON CONSOLIDATED UNAUDITED FINANCIAL RESULTS OF MIL INDUSTRIES LIMITED FOR THE QUARTER ENDED 31ST DECEMBER 2021 PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE) REQUIREMENTS 2015

To

**The Board of Directors of
MIL Industries Limited
Chennai**

1. We have reviewed the accompanying statement of the consolidated unaudited financial results of MIL Industries Limited) ("the Parent") and its wholly owned Subsidiary (the Parent and its Subsidiary together referred to as "the Group") for the quarter ended 31st December 2021, which is being submitted by the Parent pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Statement is the responsibility of the Parent's Management and has been approved by the Board of Directors at their Meeting held on 3rd February 2022 and has also been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Interim Financial Reporting) (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our Review.
3. We conducted our review in accordance with the Standard on Review Engagement ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the SEBI under regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of MIL Industries and Aerospace Limited, the wholly owned Subsidiary of the Parent.
5. Based on review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable accounting standards, i.e., Ind. AS., prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure) Requirements, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.





6. The financial results of the wholly owned subsidiary included in the consolidated financial results, whose total revenue of Rs. NIL, total net loss after tax and total comprehensive income of Rs.0.09 lakhs for the quarter ended December 31, 2021 as considered in the consolidated unaudited financial results, have been reviewed by us.

ICAI UDIN NO. 22020899AAFIMX5407

Chennai

Dated: 3rd February 2022



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION No.006297S)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31.12.2021							Rs. in Lakhs
S.No	Particulars	3 months ended	Preceeding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Net Sales/Income from Operations(Net of all Taxes)	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
	(b) Other operating income	---	---	---	---	---	---
	Total income from operations (net)	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
2	Expenses						
	(a) Cost of materials consumed	459.18	493.18	276.10	1325.59	742.11	1424.36
	(c) Changes in inventories of finished goods , work-in-process and stock-in-trade	87.99	21.52	104.30	242.74	(28.84)	(288.44)
	(d) Employee benefits expense	166.90	154.19	121.60	503.35	463.70	580.49
	(e) Depreciation and amortisation expense	38.00	40.00	33.00	113.00	98.00	132.19
	(f) Other Expenses	519.44	485.52	481.33	1372.37	1050.54	1601.92
	Total expenses	1271.51	1194.41	1016.33	3557.05	2325.51	3450.52
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	170.22	41.51	232.50	564.15	297.84	741.64
4	Other income	76.93	50.19	33.06	161.27	112.70	171.76
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	247.15	91.70	265.56	725.42	410.54	913.40
6	Finance costs	4.10	7.05	10.36	21.02	26.06	30.85
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	243.05	84.65	255.20	704.40	384.48	882.55
8	Exceptional items	---	---	---	---	---	---
9	Profit / (Loss) from ordinary activities before tax (7+8)	243.05	84.65	255.20	704.40	384.48	882.55
10	Tax expense	60.00	25.00	72.00	198.00	108.00	263.82
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	183.05	59.65	183.20	506.40	276.48	618.73
12	Extraordinary items (net of tax expense)	---	---	---	---	---	---
13	Net Profit / (Loss) for the period (11-12)	183.05	59.65	183.20	506.40	276.48	618.73
14	Other Comprehensive Income (net of tax)	---	---	---	---	---	6.51
15	Total Comprehensive Income (after tax) for the period 16(13 +/- 14)	183.05	59.65	183.20	506.40	276.48	612.22
16	Paid up equity share capital of Rs. 10/- each	315.00	315.00	315.00	315.00	315.00	315.00
17	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	---	---	---	---	---	4166.57
18.i	Earnings per share in Rs. (before extraordinary items) of Rs.10/- each) (not annualised)						
	a) Basic	5.81	1.89	5.82	16.08	8.78	19.64
	b) Diluted	5.81	1.89	5.82	16.08	8.78	19.64
18.ii	Earnings per share in Rs. (after extraordinary items) of Rs.10/- each) (not annualised)						
	a) Basic	5.81	1.89	5.82	16.08	8.78	19.64
	b) Diluted	5.81	1.89	5.82	16.08	8.78	19.64



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION No.006297S)

(Signature)
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

For MIL INDUSTRIES LIMITED

(Signature)

RAJIV SREEDHAR
MANAGING DIRECTOR
DIN : 00181532

Chennai - 600098
 February 03 , 2022

Statement of Segment information of Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31.12.2021						
Particulars	3 months ended	Preceeding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous year ended
	31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1. Segment Revenue (net sale/income from each segment)						
a. Rubber Lining & Rubber Products	792.54	850.56	694.64	2611.52	1462.38	2699.30
b. PTFE Lining & PTFE Products	649.19	385.36	554.19	1509.68	1160.97	1492.86
Total	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
Less: Inter segment revenue	NIL	NIL	NIL	NIL	NIL	NIL
Net sales/income from operations	1441.73	1235.92	1248.83	4121.20	2623.35	4192.16
2. Segment Results - Profit / (Loss) before tax and interest from each segment						
a. Rubber Lining & Rubber Products	117.06	36.54	93.05	393.30	121.49	545.35
b. PTFE Lining & PTFE Products	158.18	72.15	202.91	386.09	346.11	444.56
Total	275.24	108.69	295.96	779.39	467.60	989.91
Less: i. Interest	4.10	7.05	10.36	21.02	26.06	30.85
ii. Other un-allocable expenditure net off unallocable income	28.09	16.99	30.68	53.97	57.20	76.51
Total Profit Before Tax	243.05	84.65	254.92	704.40	384.34	882.55
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Rubber Lining & Rubber Products	2141.22	2038.42	1741.95	2141.22	1741.95	2103.84
b. PTFE Lining & PTFE Products	2500.26	2420.00	2105.93	2500.26	2105.93	2062.73
Total	4641.48	4458.42	3847.88	4641.48	3847.88	4166.57

Notes :

- The above Unaudited Consolidated Financial results have been duly reviewed by Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on 03.02.2022. The Accounts are prepared including its wholly owned Subsidiary, MIL Industries & Aerospace Limited in accordance with applicable Accounting Standards, viz., Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The company has filed an application with the Hon'ble NCLT, Chennai for sanctioning of a Scheme of Demerger of the PTFE Division into a separate company i.e. MIL Industries & Aerospace Limited under the provisions of sections 230-232 of the Companies Act, 2013. Hon'ble NCLT as per order dated 20.01.2022, directed the Company to convene shareholder and unsecured Creditors meeting on 15th March, 2022.
- COVID 19 second and third wave of infections during the year 2021-22 have impacted the Company's operations due to the lockdown and restrictions imposed by the Government of Tamil Nadu.. The Company continues to monitor the economic effects of the pandemic and takes necessary steps to improve its execution efficiencies and the financials.
- Previous period's figures have been regrouped wherever necessary.



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
 (FIRM REGISTRATION No.0062975)

S. Nagarajan
 (S. NAGARAJAN)
 Partner
 MEMBERSHIP No.020899

For MIL INDUSTRIES LIMITED

Rajiv Sreedhar

RAJIV SREEDHAR
 MANAGING DIRECTOR
 DIN : 00181532



Independent Auditors' Report
To the Members of MIL Industries and Aerospace Limited
Report on the standalone Financial Statements

Opinion

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

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

Information other than the Financial Statements and Auditors' Report thereon

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

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

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



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

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

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

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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.





3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
4. With respect to the matters to be included in the Auditors' Report under section 197(16) of the Companies Act, 2013, in our opinion and according to the information and explanations given to us, since no remuneration has been paid to the Directors, the provisions of section 197 are not applicable.
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.

ICAI UDIN No.21020899AAAAIF9334

Chennai
Dated: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899



Annexure A to the Independent Auditors' Report

To the Members of MIL Industries and Aerospace Limited

- i) The Company does not have any fixed assets.
- ii) The Company does not have any inventories.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) The Company has not made any investments requiring compliance with the provisions of sections 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- vii) (a) According to the information and explanations given to us, the Company is regular in depositing statutory dues including provident fund, employees' state insurance, income tax, sales tax, VAT, GST, duty of customs, duty of excise and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues on account of income tax, sales tax, service tax, value added tax, GST, duty of customs and duty of excise which have not been deposited on account of any dispute.
- viii) The Company does not have any borrowings.
- ix) The Company has not raised any funds during the year by way of initial public offer.
- x) According to the information and explanations given to us, no frauds by the company or any fraud on the company by its officers or employees have been noticed or reported during the year.
- xi) The Company has not paid any managerial remuneration to its Directors during the year.
- xii) The Company is not a Nidhi Company.





- xiii) There are no transactions with related parties during the year.

- xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.

- xv) The Company has not entered into non-cash transactions with its Directors or persons connected with its Directors.

- xvi) The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Chennai

Dated: 5th July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of MIL Industries and Aerospace 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 and Aerospace Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ICAI UDIN No.21020899AAAAIF9334

Chennai
Date: 5TH July 2021



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.006297S)

S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

MIL INDUSTRIES AND AEROSPACE LIMITED**BALANCE SHEET AS AT 31ST MARCH 2021**

31-3-2021 31-3-2020

ASSETS**NON CURRENT ASSETS**

I) Other Non Current Assets

Preliminary Expenses - to the extent not written
off or adjusted

3,05,411 3,05,411

CURRENT ASSETS**I) Cash and Cash Equivalents**

Cash on hand

8,449 8,449

Bank Balances with Scheduled Banks

In Current Account

16,01,023 16,36,918

Total Current Assets

16,09,472 16,45,367

Total Assets

19,14,883 19,50,778**EQUITY AND LIABILITIES****Equity**

i) Share Capital

20,00,000 20,00,000

II) Reserves and Surplus

-96,917 -59,222

Total Equity

19,03,083 19,40,778**LIABILITIES****Current Liabilities**

Sundry Creditors

Dues to MSME

- -

Dues to Others

11,800 10,000

Total Current Liabilities

11,800 10,000

Total Equity and Liabilities

19,14,883 19,50,778

Vide our Report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S


S. NAGARAJAN

Partner

Membership No. 020899

RAJIV SREEDHAR

DIRECTOR

SAROJA RAMAN

DIRECTOR

Place : Chennai

Dated: 5th July 2021

MIL INDUSTRIES AND AEROSPACE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

	31-3-2021	31-3-2020
INCOME		
Income from operations	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE		
Rates and Taxes	4,200	17,070
Bank charges	435	-
Professional Fees	21,260	13,800
Communication Expenses	-	5,546
Auditors' Remuneration - For Audit	11,800	10,000
	<u>37,695</u>	<u>46,416</u>
LOSS for the Year	-37,695	-46,416
Less: Taxation		
Current tax	-	-
Deferred Tax	-	-
	<u>-37,695</u>	<u>-46,416</u>
Other Comprehensive Income		
Remeasurement of defined benefit planst	-	-
Total of Other Comprehensive Income for the year	<u>-37,695</u>	<u>-46,416</u>
Earnings per Share (Basic and diluted)	-0.19	-0.23

Vide our report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S. Nagarajan
S. NAGARAJAN

Partner

Membership No. 020899

Place : Chennai

Dated: 5th July 2021

Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

Saroja Raman
SAROJA RAMAN
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	31-3-2021	31-3-2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year before tax	-37,695	-46,416
Adjustment for changes in		
Current liabilities	1,800	-13,600
Other non current assets	-	-
Cash generated from Operations (A)	<u>-35,895</u>	<u>-60,016</u>
B. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Cash generated from Financing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	-35,895	-60,016
Opening Cash and Cash Equivalents	16,45,367	17,05,383
Closing Cash and Cash Equivalents	16,09,472	16,45,367

Vide our Report of even date attached

For S.N.S. Associates
Chartered Accountants
Firm Regn. No. 006297S



S. Nagarajan
S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

Saroja Raman
SAROJA RAMAN
DIRECTOR

Place : Chennai
Dated: 5th July 2021

Chennai
Dated: 5th July 2021

MIL INDUSTRIES AND AEROSPACE LIMITED

STATEMENT OF CHANGES IN EQUITY

31-03-2021 31-03-2020

A. EQUITY SHARE CAPITAL

Balance at the beginning of the year	2,000,000	2,000,000
Changes in Equity Share Capital during the year		
Shares allotted during the year	-	-
	<u>2,000,000</u>	<u>2,000,000</u>

B. OTHER EQUITY

Retained Earnings		
Balance as on 1-4-2018	-	-
Loss for the year 31-03-2019	(12,806)	
Balance as on 31st march 2019	(12,806)	
Loss for the year 31-03-2020	(46,416)	
Balance as on 31st march 2020	(59,222)	
Loss for the year 31-03-2021	(37,695)	
TOTAL	<u>(96,917)</u>	

Vide our report of even date attached

For S.N.S Associates
Chartered Accountants
Firm Regn.No. 006297S



S. Nagarajan

S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR
Director

Saroja Raman

SAROJA RAMAN
Director

Place: Chennai
Date : 05th July 2021

MIL INDUSTRIES AND AEROSPACE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Basis of preparation of Financial Information

The accompanying Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the provisions of the Companies Act, 2013. The financial statements for the year ended 31st March 2019 were prepared under the Accounting Standards Rules 2006 (Indian GAAP). Since the Company became a wholly owned subsidiary of MIL Industries Limited, to which the provisions of Ind AS are applicable, the financial statements for the year ended 31st March 2020 have been prepared under Ind AS with the transition date being 17th April 2018, being the date of incorporation of the Company.

2 First time adoption of Ind AS

The Company has restated the financial statements as of 17th April 2018 being the transition date on the following basis:

- a) The value of all the assets, which consist of Cash and Cash Equivalents and the preliminary expenses incurred have been adopted at historical cost.

Exemptions availed under Ind AS 101

Since the assets and liabilities as on the transition date consisted only of Cash and Cash Equivalents and current liabilities and Share Capital, the Company has not availed any of the exemptions specified in Ind AS 101.

3 Significant Accounting Policies

a) Use of Estimates

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

b) Revenue Recognition

Revenue is recognised on accrual basis. Expenditure is also accounted for on accrual basis.

c) Other Policies

Since the Company does not have any Property Plant and Equipment and other assets and any employees, the accounting policies relating to these assets and activities would be determined at the relevant time and hence not disclosed in these financial statements.

4 Disclosure of Risk Management and other disclosures required under Ind AS

Since the activities of the Company are in the process of being set up, the disclosures required under various Ind AS as applicable will be disclosed as when the activities commence in a regular way.

5 Provision for tax and Deferred tax

In view of the loss, no provision for taxation is considered necessary. The Deferred tax asset in respect of the Loss has not been considered on prudence.



6 Demerger of the PTFE Division of MIL Industries Limited, the Holding Company

At the meeting held on 2nd December 2019 the Board of Directors of the Company have approved a Scheme of Demerger between the Company and the Holding Company and their respective Shareholders, for the demerger of the PTFE business from the Holding Company to the Company. After receipt of No objection from the Stock Exchange, an application has been filed before the Hon'ble National Company Law Tribunal (NCLT) at Chennai as per the provisions of sections 230 to 232 of the Companies Act, 2013. Pending sanction of the Hon'ble NCLT, no effect has been given to the Scheme.

7 Since the operations have not yet started, there is no impact on the financial statements on account of COVID 19 Pandemic.

8 The Other requirements of Schedule III of the Companies Act, 2013 and the requirements of Ind AS, other than those disclosed are not applicable to the Company.

9 Earnings per Share	31.03.2021	31.03.2020
Loss after tax	-37,695	-46,416
Number of Equity Shares of face value of Rs.10/- each	2,00,000	2,00,000
Earnings Per Share	-0.19	-0.23

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

Vide our report of even date attached

For S.N.S. Associates

Chartered Accountants

Firm Regn. No. 006297S



S.NAGARAJAN

Partner

Membership No. 020899

RAJIV SREEDHAR
DIRECTOR

SAROJA RAMAN
DIRECTOR

Place : Chennai

Dated: 5th July 2021



INDEPENDENT AUDITORS' AUDIT REPORT ON INTERIM FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

MIL Industries and Aerospace Limited

Chennai

Opinion

We have audited the accompanying Interim Financial Statements of **MIL INDUSTRIES AND AEROSPACE LIMITED** ("the Company"), for the from 1st April 2021 to 15th January 2022, which comprise the Balance Sheet as at 15th January 2022, the Statement of Profit and Loss, the Cash Flow Statement for the period from 1st April 2021 to 15th January 2022, and select explanatory notes forming part thereof ("Interim Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid interim financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 15th January 2022; (b) in the case of the Statement of Profit and Loss, of the Company for the quarter ended on that date; (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date; and (d) In the case of Statement of Changes in equity of the company for the period ended on that date.

Basis for Opinion

We conducted our audit of the interim financial statements in accordance with the Standards on Auditing ("SA's") issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.

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 financial statements.

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

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



- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships that bear on our independence, and where applicable, related safeguards.

ICAI UDIN NO.22020899AAAAAX9549

Chennai

Dated: 24th January 2022



For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION No.006297S)


(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

MIL INDUSTRIES AND AEROSPACE LIMITED

BALANCE SHEET AS AT 15TH JANUARY 2022

Particulars	15-01-2022	31-3-2021
ASSETS		
NON CURRENT ASSETS		
I) Other Non Current Assets		
Preliminary Expenses - to the extent not written off or adjusted	3,05,411	3,05,411
CURRENT ASSETS		
I) Cash and Cash Equivalents		
Cash on hand	8,449	8,449
Bank Balances with Scheduled Banks		
In Current Account	15,68,013	16,01,023
Total Current Assets	15,76,462	16,09,472
Total Assets	18,81,873	19,14,883
EQUITY AND LIABILITIES		
Equity		
i) Share Capital	20,00,000	20,00,000
II) Reserves and Surplus	(1,26,977)	(96,917)
Total Equity	18,73,023	19,03,083
LIABILITIES		
Current Liabilities		
Sundry Creditors		
Dues to MSME		-
Dues to Others	8,850	11,800
Total Current Liabilities	8,850	11,800
Total Equity and Liabilities	18,81,873	19,14,883

Vide our Report of even date attached

For S.N.S Associates
Chartered Accountants
Firm Regn.No. 0062975



S. Nagarajan

S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR
Director

Saroja Raman

SAROJA RAMAN
Director

Place: Chennai
Dated: 24.01.2022

MIL INDUSTRIES AND AEROSPACE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 15TH JANUARY 2022

Particulars	15-01-2022	31-3-2021
INCOME		
Income from operations		-
	-	-
EXPENDITURE		
Rates and Taxes	600	4,200
Bank charges	410	435
Professional Fees	20,200	21,260
Communication Expenses		-
Auditors' Remuneration - For Audit	8,850	11,800
	30,060	37,695
(LOSS) for the Year	(30,060)	(37,695)
Less: Taxation		
Current tax	-	-
Deferred Tax	-	-
	(30,060)	(37,695)
Other Comprehensive Income		
Remeasurement of defined benefit planst	-	-
Total of Other Comprehensive Income for the year	(30,060)	(37,695)
Earnings per Share (Basic and diluted)	-0.15	-0.19

Vide our report of even date attached
For S.N.S Associates
Chartered Accountants
Firm Regn.No. 006297S



S. Nagarajan

S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR
Director

Saroja Raman

SAROJA RAMAN
Director

Place: Chennai
Dated: 24.01.2022

MIL INDUSTRIES AND AEROSPACE LIMITED**CASH FLOW STATEMENT FOR THE PERIOD ENDED 15TH JANUARY 2022**

Particulars	15-01-2022	31-3-2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the year before tax	(30,060)	(37,695)
Adjustment for changes in		
Current liabilities	(2,950)	1,800
Other non current assets	-	-
Cash generated from Operations (A)	(33,010)	(35,895)
B. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Cash generated from Financing Activities (B)	-	-
Net Increase in Cash and Cash Equivalents	(33,010)	(35,895)
Opening Cash and Cash Equivalents	16,09,472	16,45,367
Closing Cash and Cash Equivalents	15,76,462	16,09,472

Vide our Report of even date attached

For S.N.S Associates
Chartered Accountants
Firm Regn.No. 006297S



S. Nagarajan

S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR
Director

Saroja Raman

SAROJA RAMAN
Director

Place: Chennai
Dated: 24.01.2022

MIL INDUSTRIES AND AEROSPACE LIMITED

STATEMENT OF CHANGES IN EQUITY AS ON 15TH JANUARY 2022

Particulars	15-01-2022	31-03-2021
A. EQUITY SHARE CAPITAL		
Balance at the beginning of the year	20,00,000	20,00,000
Changes in Equity Share Capital during the year		
Shares allotted during the year	-	-
	20,00,000	20,00,000
B. OTHER EQUITY		
Retained Earnings		
Balance as on 1-4-2018	-	-
Profit / (Loss) for the year 31-03-2019	(12,806)	(12,806)
Balance as on 31st march 2019	(12,806)	(12,806)
Profit / (Loss) for the year 31-03-2020	(46,416)	(46,416)
Balance as on 31st march 2020	(59,222)	(59,222)
Profit / (Loss) for the year 31-03-2021	(37,695)	(37,695)
Balance as on 31st March 2021	(96,917)	(96,917)
Profit / (Loss) till the period ended 15-01-2022	(30,060)	-
TOTAL	(1,26,977)	(96,917)

Vide our report of even date attached

For S.N.S Associates
Chartered Accountants
Firm Regn.No. 006297S



S. Nagarajan

S.NAGARAJAN
Partner
Membership No. 020899

Rajiv Sreedhar

RAJIV SREEDHAR
Director

Saroja Raman

SAROJA RAMAN
Director

Place: Chennai
Dated: 24.01.2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Basis of preparation of Financial Information

The accompanying Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the provisions of the Companies Act, 2013. The financial statements for the year ended 31st March 2019 were prepared under the Accounting Standards Rules 2006 (Indian GAAP). Since the Company became a wholly owned subsidiary of MIL Industries Limited, to which the provisions of Ind AS are applicable, the financial statements for the year ended 31st March 2020 have been prepared under Ind AS with the transition date being 17th April 2018, being the date of incorporation of the Company.

2 First time adoption of Ind AS

The Company has restated the financial statements as of 17th April 2018 being the transition date on the following basis:

- a) The value of all the assets, which consist of Cash and Cash Equivalents and the preliminary expenses incurred have been adopted at historical cost.

Exemptions availed under Ind AS 101

Since the assets and liabilities as on the transition date consisted only of Cash and Cash Equivalents and current liabilities and Share Capital, the Company has not availed any of the exemptions specified in Ind AS 101.

3 Significant Accounting Policies

a) Use of Estimates

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

b) Revenue Recognition

Revenue is recognised on accrual basis. Expenditure is also accounted for on accrual basis.

c) Other Policies

Since the Company does not have any Property Plant and Equipment and other assets and any employees, the accounting policies relating to these assets and activities would be determined at the relevant time and hence not disclosed in these financial statements.

4 Disclosure of Risk Management and other disclosures required under Ind AS

Since the activities of the Company are in the process of being set up, the disclosures required under various Ind AS as applicable will be disclosed as when the activities commence in a regular way.

5 Provision for tax and Deferred tax

In view of the loss, no provision for taxation is considered necessary. The Deferred tax asset in respect of the Loss has not been considered on prudence.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6 Demerger of the PTFE Division of MIL Industries Limited, the Holding Company

At the meeting held on 2nd December 2019 the Board of Directors of the Company have approved a Scheme of Demerger between the Company and the Holding Company and their respective Shareholders, for the demerger of the PTFE business from the Holding Company to the Company. After receipt of No objection from the Stock Exchange, an application has been filed before the Hon'ble National Company Law Tribunal (NCLT) at Chennai as per the provisions of sections 230 to 232 of the Companies Act, 2013. Pending sanction of the Hon'ble NCLT, no effect has been given to the Scheme.

7 Since the operations have not yet started, there is no impact on the financial statements on account of COVID 19 Pandemic.

8 The Other requirements of Schedule III of the Companies Act, 2013 and the requirements of Ind AS, other than those disclosed are not applicable to the Company.

9 Earnings per Share	15-01-2022	31-3-2021
Loss after tax	-30,060	-37,695
Number of Equity Shares of face value of Rs.10/- each	2,00,000	2,00,000
Earnings Per Share	-0.15	-0.19

Vide our report of even date attached

For S.N.S Associates
Chartered Accountants
Firm Regn.No. 006297S



S.NAGARAJAN
Partner
Membership No. 020899

S. Nagarajan
RAJIV SREEDHAR
Director

Saroja Raman
SAROJA RAMAN
Director

Place: Chennai
Dated: 24.01.2022



No.234/CER/2019-20
ICAI UDIN No.19020899AAAAANQ3924

December 2, 2019

To

The Board of Directors
MIL Industries Limited
25A SIDCO Industrial Estate
Ambattur
Chennai 600098

We the statutory auditors of **MIL Industries Limited**, (herein after referred to as "the Company"), have examined the proposed accounting treatment specified in clause 5.1 and 5.2 of the draft Scheme of Arrangement between **MIL Industries Limited** and **MIL Industries and Aerospace Limited**, as approved by the Board of Directors in their Meeting held on 2nd December 2019 in terms of the provisions of section(s) 230 to 232 of the Companies Act 2013 with reference to its compliance with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (the Applicable Accounting Standards) and other generally accepted accounting principles.

Management's Responsibility

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

Auditors' Responsibility

Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and the Other Generally Accepted Accounting Principles. Nothing contained in the Certificate, nor anything said are done in the course of, are in connection with the services that are subject to this Certificate, will extend the any duty of care that we may have in our capacity as the Statutory Auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Report and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Conclusion

Based on our examination and according to the information and explanations given to us, pursuant to the requirements of paragraph 5 of Circular No.CIR/DIL3/CIR/2017/21 dated March 10, 2017 issued under Regulation 37(4) of SEBI (Listing Obligations and Disclosure Requirements) we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with all the applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles.





Restriction on Use

This Certificate is issued at the request of MIL Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Metropolitan Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

For S.N.S. ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.0062975)



S. Nagarajan
(S. NAGARAJAN)
Partner
MEMBERSHIP No.020899

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED
PROSPECTUS AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI (ISSUE OF
CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS 2018**

This document contains information pertaining to the unlisted entity involved in the scheme of arrangement ("scheme") relating to the proposed demerger of PTFE related business ("Demerged Undertaking") of MIL industries limited ("demerged company") into MIL Industries & Aerospace Limited ("Resulting Company") on a going concern basis and their respective shareholders and creditors pursuant to Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder. Copies of the documents mentioned under Material Information on Page no. 6 of this Abridged Prospectus are available for inspection at the registered office of MIL.

This abridged prospectus has been prepared in terms of the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by Securities and Exchange Board of India ("SEBI Circulars") and is in accordance with the disclosures required to be made in the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable. You are also encouraged to read the greater details available in the Scheme. The Scheme along with the Abridged Prospectus is also available on the website of Metropolitan Stock Exchange of India Limited ("MSEI") i.e. <https://www.msei.in/> and MIL Industries Limited.

**THIS ABRIDGED PROSPECTUS CONSISTS OF six (6) PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

<p>MIL INDUSTRIES & AEROSPACE LIMITED CIN:U74999TN2018PLC122159 Regd office: 25A, SIDCO Industrial Estate, Ambattur, Chennai, Tamil Nadu – 600 098, India Telephone: +91-40-2625 8382, E mail: admin@mial.tech Contact Person: Mr. Rajiv Sreedhar, Director</p>
<p>PROMOTER OF MIL INDUSTRIES & AEROSPACE LIMITED</p>
<p>(For further details refer to "Details of Promoters of MIAL" on Page No. 2 of this Abridged Prospectus)</p>
<p>SCHEME DETAILS, LISTING AND PROCEDURE</p>
<p>The Scheme of Arrangement between MIL Industries Limited ("MIL" or "Demerged Company") and MIL Industries & Aerospace Limited ("MIAL" or "Resulting Company") and their respective shareholders and creditors under the provisions of Section 230 to 232 read with Sections 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, provides for demerger of the PTFE Division Undertaking of the Demerged Company and vesting of the same in the Resulting Company on a going concern basis.</p> <p>Upon the Scheme becoming effective, all the Assets, Liabilities, interests and obligations, as applicable of the PTFE Division Undertaking of the Demerged Company, be transferred to and vested in the Resulting Company on a going concern basis without requirement of any further act, instrument or deed so as to become as and from the Appointed Date viz. 15th November, 2019, the Assets, Liabilities, interests and obligations, as applicable, of the Resulting Company. MIAL shall issue 1 (One) equity share of Rs. 10/- each fully paid up for every 1 (one) equity share of Rs. 10/- each fully paid to the shareholders of MIL Industries Limited.</p> <p>Such equity shares (issued by the Resulting Company to the relevant equity shareholders of the Demerged Company) will be listed and admitted for trading on the MSEI Limited ("MSEI"), (hereinafter referred as "Stock Exchange"), Further, as an integral part of the Scheme, existing Equity Shares of MIAL shall stand cancelled without any further act and deed.</p>



PROCEDURE

The procedure with respect to the public issue / offer would not be applicable as the Scheme does not involve issue of any equity shares to the public at large. The issue of equity shares by MIAL is only to the shareholders of MIL, in accordance with the Scheme. Hence, the procedure with respect to GID (General Information Document) is not applicable.

STATUTORY AUDITORS OF MIAL

SNS Associates, No.25, 11th Cross Street, Indira Nagar, Chennai, Tamil Nadu - 600 020.
Phone: +91-40- 24424736 Email id: sn@snsassociates.in Contact Person S. Nagarajan

INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory authorities including The National Company Law Tribunal, Chennai, India

GENERAL RISKS

Investment in Equity and Equity related securities involves a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the Resulting Company and the issue, including the risk involved. The Equity shares in this issue have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme. The Scheme does not envisage any issue to the public at large. Specific attention of the readers is invited to the sections titled 'Internal Risk Factors' on page 5 of this Abridged Prospectus.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable since the proposed issue is not to public shareholders but to the shareholders of the Demerged Company pursuant to the Scheme.

PROMOTERS OF MIL INDUSTRIES & AEROSPACE LIMITED (MIAL)

MIL Industries Limited (MIL) is the promoter of MIAL holding 99.997% stake. The acquisition happened on 12th November, 2019. MIL (CIN:L25199TN1966PLC005397) was incorporated on 11th February, 1966 with the name Madras Industrial Linings Limited. The registered office is located at Plot No.25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098. The Company is engaged in the business of anti-corrosive lining of plant and machinery used in heavy chemical and other specified industries. For the anti – corrosive lining, the Company uses Rubber Lining and Poly Tetra Flouro Ethylene (PTFE) and it has two factories at Ambattur and Gummidipoondi both located in Chennai. The Company was listed on the Madras Stock Exchange and later placed on the Dissemination Board of the National Stock Exchange Limited in the year 2015. Subsequently, it was admitted by the Metropolitan Stock Exchange Limited (MSEL) on 6th February, 2018 with the ISIN Code INE651L01019. The authorised equity share capital of the Company is Rs.4.9 crores comprising of 49 lakh equity shares of Rs.10/- each and the paid-up capital of the Company is Rs.3.15 crores comprising of 31.50 lakh equity shares of Rs.10/- each. KREBS Engineering Private Limited holds 30.54%, being the highest stakeholder in the Company.

The current shareholding pattern is as follows:

Promoters – Indian	24.94%
Promoters – Bodies Corporate	38.16%
Total promoter shareholding (%)	63.10%
Public – Institutions (Insurance Companies)	1.39%
Public – Bodies Corporate	10.12%
Public – Retail	24.28%
Public – Others NBFC registered with RBI	1.11%
Total Public Shareholding	36.90%

The Company is in compliance with the Minimum Public Shareholding on a fully diluted basis.



BUSINESS MODEL OVERVIEW AND STRATEGY OF MIAL

MIAL was incorporated on 17th April, 2018 under the provisions of the Companies, Act 2013 vide certificate of incorporation with CIN U74999TN2018PLC122159 issued by the Registrar of Companies. MIAL is an unlisted public limited company, having its registered office at 25A, SIDCO Industrial Estate, Ambattur, Chennai – 600 098. MIAL is authorised by its Memorandum of Association to carry on the main objects of

1. To manufacture all types of compounds and composites from Fluoro polymer and other engineering plastics/ thermoplastics, resins, natural, synthetic and silicone rubbers, elastomers, etc.,
2. To manufacture from the above compounds and composites, components for aircraft, space, power generation and other specialised industries.
3. To manufacture from the above compounds and composites, extruded tubes, sheets, mouldings, as necessary, to carryout lining and coatings, and other custom-made components, for all types of items and equipment for all industries including chemical and process industries.
4. To fabricate or manufacture all items connected with, or ancillary to, or which may conveniently be combined with the above activities.
5. To carry on, cultivate, maintain, develop agriculture, floriculture and similar activities, related upstream and downstream activities including processing and buying, selling, importing, exporting, trading, preparing for market and deal in all kinds of agricultural products.

Currently there are no business operations in MIAL.

MIAL shall undertake the business of the "PTFE Division" of MIL which is proposed to be demerged as per the proposed scheme of arrangement and demerger.

BOARD OF DIRECTORS OF MIAL

S. No.	Name	DIN	Designation	Other Directorship
1.	Mr. Rajiv Sreedhar	00181532	Director	MIL Industries Ltd
2.	Mrs. Saroja Raman	00481687	Director	MIL Industries Ltd KKR Investments Pvt Ltd MIL Trading Pvt Ltd
3.	Mr.VenkatesanThiruvenkatasamy	01793232	Director	MIL Industries Ltd

BRIEF EXPERIENCE OF THE DIRECTORS

1. Rajiv Sreedhar : Mr. Rajiv Sreedhar has done his B.Tech(Chemical Engineering) from IIT Madras and M.Sc. (Adv. Chemical Engineering) from Manchester University. He has overall 40 years working experience in Industries in Managerial level. He has 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.
2. Saroja Raman : Mrs. Saroja Raman is wife of late R.K. Raman, founder of MIL Industries Limited. Currently, she serves as a Non-Executive director. Associated with MIL since the year 1998, she has contributed to the effective functioning of the Board and general management of the Company.
3. Dr.Venkatesan Thiruvenkatasamy : Dr. Venkatesan Thiruvenkatasamy, is a qualified M.B.B.S., F.C.C.P and has been serving as a Non- Executive director inMIL



Industries Limited since 2007. He has been associated with the Board since 2007 contributing to the effective functioning of the Management.

OBJECTS - RATIONALE OF THE SCHEME

This Scheme provides for the demerger and vesting of the Demerged Undertaking (as defined hereinafter) of MIL to MIAL, results in the following benefits:

1. The proposed segregation will create enhanced value to the shareholders and creditors and allow a focussed strategy in operations, which would be in the best interest of all the stakeholders. The arrangement proposed by this Scheme will enable investors to hold investments in businesses with different characteristics, thereby enabling them to select investments which best suit their investment strategies and risk policies.
2. The nature of risk and competition involved in each of businesses run by the 1st Applicant Company/Demerger Company is distinct from each other and consequently such business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. This Scheme will enable the 1st Applicant Company/Demerger Company and the 2nd Applicant Company/Resulting Company to manage the businesses efficiently and independently.
3. The proposed implementation of this Scheme will provide:
 - (i) enhanced strategic flexibility to build a vibrant industrial platform;
 - (ii) will provide a dedicated management focus and accelerate the growth of the respective businesses; and
 - (iii) access to varied sources of funds for rapid growth of both the businesses.
 - (iv) The Scheme would not have any adverse effect on either the shareholders, or the employees or the creditors of both the Companies.
 - (v) The transfer and vesting of the Demerged Undertaking into the 2nd Applicant Company/Resulting Company would be in the best interests of both the shareholders of the 1st Applicant Company Demerger Company and the 2nd Applicant Company/Resulting Company as it would result in enhanced value for the shareholders and allow focussed strategy in the operation of the Demerged Undertaking and the remaining business of the 1st Applicant Company/Demerger Company. Pursuant to the Scheme all the Shareholders of the 1st Applicant Company/ Demerger Company will get shares in the Resulting Company and there would be no change in the economic interest of any of the shareholders of the Demerged Company pre and post implementation of the Scheme.
4. Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on MSEI. Therefore, the existing shareholders of the Demerged Company get an opportunity to hold shares in two listed entities after the Scheme becomes effective.

The Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders, employees and creditors.

For further details, please refer the Scheme.

SHAREHOLDING PATTERN

Pre-Scheme Shareholding Pattern of Demerged Company			
S. No.	Particulars	Number of shares	% holding
1.	Promoter and Promoter Group	19,87,560	63.10
2.	Public	11,62,440	36.90
Total		31,50,000	100.00



Post-Scheme Shareholding Pattern of Demerged Company*			
S. No.	Particulars	Number of shares	% holding
1.	Promoter and Promoter Group	19,87,560	63.10
2.	Public	11,62,440	36.90
Total		31,50,000	100.00

* Please note that demerged company's paid-up share capital will not have any change due to scheme of Arrangement and Demerger.

Pre-Scheme Shareholding Pattern of Resulting Company			
S. No.	Particulars	Number of shares	% holding
1.	Promoter and Promoter Group	2,00,000	100.00
2.	Public	-	-
Total		2,00,000	100.00

Post-Scheme Shareholding Pattern of Resulting Company			
S. No.	Particulars	Number of shares	% holding
1.	Promoter and Promoter Group	19,87,560	63.10
2.	Public	11,62,440	36.90
Total		31,50,000	100.00

AUDITED FINANCIALS OF MIAL				
Particulars (INR in lakhs)	Period ended 15th January, 2022	FY 21	FY 20	FY 19
Revenue from Operations	-	-	-	-
Other Income	-	-	-	-
Total Revenues	-	-	-	-
Net Profit / Loss before tax and extraordinary items	(0.30)	(0.38)	(0.46)	(0.13)
Extraordinary items	0.00	0.00	0.00	0.00
Net Profit / Loss after tax and extraordinary items	(0.30)	(0.38)	(0.46)	(0.13)
Equity Share Capital (Issued, Subscribed & Paid Up)	20.00	20.00	20.00	20.00
Reserves and Surplus (otherequity)	(1.27)	(0.97)	(0.59)	0.00
Net Worth	18.73	19.03	19.41	19.87
Basic Earnings per Share (INR)	(0.15)	(0.19)	(0.23)	(0.065)
Diluted Earnings Per Share (INR)	(0.15)	(0.19)	(0.23)	(0.065)
Return on Net Worth %	(1.60)	(2.00)	(2.37)	(0.65)
Net Asset Value per Share (INR)	9.37	9.51	9.70	9.93

Note:

1. Information has been taken from the audited Annual Reports of MIL Industries & Aerospace Limited for the three previous FYs and the period ended 15th January, 2022.
2. Net worth has been computed as per Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
3. Basic EPS and Diluted EPS have been calculated by - Net profit/(Loss) or the year divided by Weighted Average No. of Equity shares.
4. Return on Net Worth % - Net profit/(Loss) for the period divided by Net Worth X 100
5. Net Asset Value per Share (INR) calculated - Net worth less preference capital, if any, divided by No. of Equity shares.

RISK FACTORS
1. The proposed Scheme is subject to the approval of NCLT and requisite approvals of Shareholders and creditors. If the proposed Scheme does not receive the requisite approvals, the objects and



- benefits mentioned in the proposed Scheme will not be achieved.
2. The new equity shares issued by MIAL pursuant to the scheme of shall remain frozen in the depository system until listing/trading permission is given by the Stock Exchanges for the equity shares of MIAL.
 3. Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects and results of operations.
 4. The propose operations of the company may be subject to multiple challenges under the present uncertainty arising from COVID- 19 pandemic.

SUMMARY OF OUTSTANDING LITIGATIONS

- a. Total Number of outstanding litigations against the Company – NIL
- b. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the promoters/Group Companies in the last 5 financial years including outstanding action, if any – NIL
- c. Brief details of outstanding criminal proceedings against Promoters – NIL

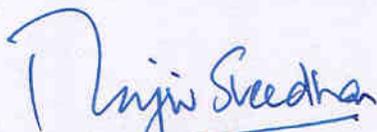
ANY OTHER MATERIAL INFORMATION

- a. Authority for the Issue – The Board of MIL and MIAL have approved the Scheme vide a resolution passed on 2nd December, 2019.
- b. Expert opinion obtained if any: Valuation Report and Fairness Opinion
- c. Material Contracts and Documents for Inspection:
 - i. Memorandum and Articles of Association
 - ii. Financial Statements & Shareholding Pattern
 - iii. Draft Scheme of Arrangement.
 - iv. Valuation Report and Fairness Opinion for the Scheme.

DECLARATION

We hereby declare that all relevant provisions of tire Companies Act, 1956, the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder as the case may be. We further certify that all statements in this document are true and correct.

FOR MIL INDUSTRIES & AEROSPACE LIMITED



Rajiv Sreedhar
Director
DIN: 00181532



Place: Chennai

Date: 27th January, 2022

QUINTESSENCE ENTERPRISES PVT. LTD.

SEBI Registered Category-I Merchant Banker



**The Board of Directors
MIL Industries Limited
25A, SIDCO Industrial Estate, Ambattur,
Chennai, Tamil Nadu – 600 098**

Dear Sir,

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to MIL Industries & Aerospace Limited in the Abridged Prospectus in compliance with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular SEBI/HO/CFD/ DIL1/CIR/P/2020/249 dated December 22, 2020 for the purpose of Scheme of Arrangement ("Scheme") between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL") and other applicable provisions of the Companies Act, 2013

We, M/s Quintessence Enterprises Private Limited ("QEPL") a Category I Merchant Banker registered with SEBI, having registration no. INM000011997 have been appointed by the Board of Directors of MIL Industries Limited (MIL) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Arrangement ("Scheme") between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL") for the demerger of the PTFS division ("Demerged Undertaking") of MIL and vesting of the same with MIAL ("Resulting Company") on a going concern basis.

1. Scope and Purpose of the Certificate:

According to the SEBI vide Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular SEBI/HO/CFD/ DIL1/CIR/P/2020/249 dated December 22, 2020, MIL Industries Limited, a listed company shall include the applicable information pertaining to MIL Industries & Aerospace Limited, the unlisted entity involved in the scheme in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme.

This certificate is being issued in compliance of above-mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above-mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

2. Certification:

We state and confirm as follows:

1) We have examined various documents and other materials made available to us by the management of MIL and MIAL in connection with finalization of the Abridged Prospectus dated 27th January, 2022 pertaining to MIAL, which will be circulated to the members at the time of seeking their consent to the Scheme.

2) On the basis of such examination and the discussion with the management of MIL and MIAL, we confirm that:

a. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to MIAL.

b. The Abridged Prospectus contains applicable information pertaining to MIAL as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Arrangement for the demerger of the PTFS division ("Demerged undertaking") of MIL and vesting of the same with MIAL ("Resulting Company") on a going concern basis.

3) Disclaimer and Limitation:

i. This certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.

ii. This certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity viz., MIAL and is not an opinion on the Scheme or its success.

iii. This certificate is issued on the basis of examination of information and documents provided by MIAL and information which is available in the public domain and wherever

required, the appropriate representation from MIAL has also been obtained.

iv. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

v. Our opinions are not and should not be constructed as our opining or certifying the compliance of the proposed Scheme of Demerger with the provision of any Jaw including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

For Quintessence Enterprises Private Limited



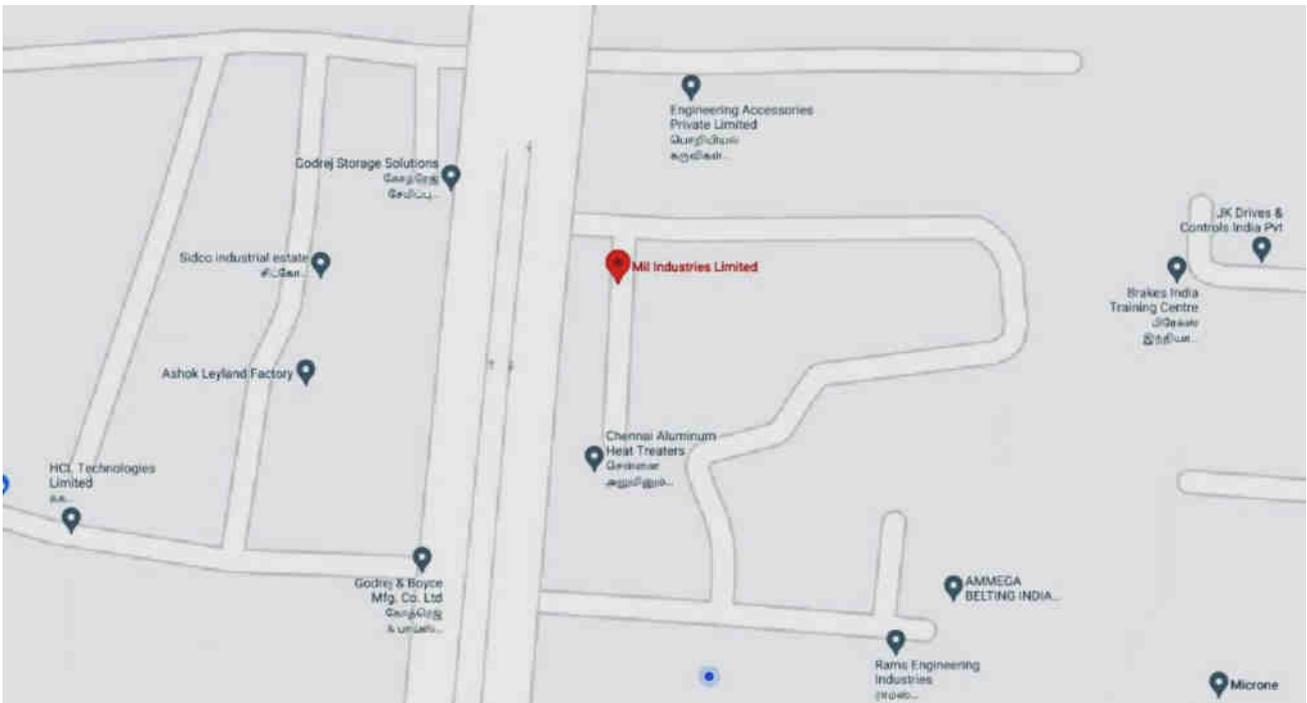
**Lavanya Chandra
Executive Director**



Date: 28th January, 2022

Place: Hyderabad

ROUTE MAP



MIL Industries Limited

Registered Office: 25-A, SIDCO Industrial Estate, Ambattur, Chennai 600 098.
CIN: L25199TN1966PLC005397, Email: secretarial@milindustries.com Phone:044-2625 8382
Website: www.milindus.com

MEETING OF EQUITY SHAREHOLDERS

ATTENDANCE SLIP

(Please complete this attendance slip and hand over at the entrance of the meeting venue.)

Name and Address of the Equity Shareholder: (IN BLOCK LETTERS)	
*DP ID/ Client ID No.	
**Regd. Folio No.	
No. of Shares held	
Full name of Proxy/ Authorised Representative	

I/We hereby record my/our presence at the meeting of Equity Shareholders of 1st Applicant Company/ Demerged Company convened as per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench, pursuant to order dated January 20, 2022 passed in the Company Application No. CA/793/CAA/2020 held on Tuesday, the 15th March, 2022 at 11.00 p.m. (IST) at the registered office of the Company at 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600098.

Signature of Equity Shareholder/ Proxy/ Authorised Representative

Notes:

- 1.1. Equity Shareholder/ Proxy/ Authorised Representative needs to furnish duly signed "Attendance Slip"
- 2.2. Equity Shareholder/ Proxy/ Authorised Representative is requested to bring his/ her copy of the Notice for reference at the meeting.
- 3.3. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of MIL Industries Limited in respect of such joint holding will be entitled to vote.

*Applicable for Equity Shareholder holding shares in Demat form

**Applicable for Equity Shareholder holding shares in Physical form

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH**

**Company Application No: CA/793/CAA/2020
In the matter of Companies Act, 2013**

And

In the matter of Sections 230-232, read with Section 66 and other applicable provisions of the Companies Act, 2013

And

IN THE MATTER OF

MIL INDUSTRIES LIMITED..... 1st APPLICANT COMPANY/ DEMERGED COMPANY

And

MIL INDUSTRIES & AEROSPACE LIMITED..... 2nd APPLICANT COMPANY/ RESULTING COMPANY

And

their respective Shareholders and Creditors

**MIL INDUSTRIES LIMITED
(CIN: L25199TN1966PLC005397)**

A Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 25A, Industrial Estate, Ambattur, Chennai - 600098, Tamilnadu, India.

.....1st Applicant Company/ Demerged Company

**MEETING OF THE EQUITY SHAREHOLDERS
FORM NO. MGT-11
PROXY FORM**

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

1.	Name of the Equity Shareholder	
2.	Registered Address	
3.	E-mail ID	
4.	Folio No./ DP ID*/ Client ID**	

I/We being Equity Shareholder holding equity shares of the 1st Applicant / "Demerged Company", hereby appoint:

1. Name: Email ID:

Address: Signature:

Or, failing him/her,

2. Name:..... Email ID:.....

Address:..... Signature:

Or, failing him/her,

3. Name:..... Email ID:.....

Address:..... Signature:

As my/our proxy to attend and vote for me/us and on my/ our behalf at the Meeting of the equity shareholders of the 1st Applicant/ "Demerged Company", convened as per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench pursuant to Order dated January 20, 2022 passed in the Company Application CA/793/CAA/2020 to be held on March 15, 2022 at 11:00 a.m. at its registered office at 25-A, SIDCO Industrial Estate, Ambattur, Chennai - 600 098, India and at any adjournment thereof in respect of the resolution as indicated below:

Sr. No.	Particulars of Resolution	Vote (Optional) (Please put a (√) mark)	
		For	Against
1.	Resolution for approval of the Scheme of Arrangement between MIL Industries Limited and MIL Industries & Aerospace Limited and their respective shareholders and creditors under Sections 230-232, section 66 and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.		

Signed this _____ day of _____ 2022.

Signature of Equity Shareholder _____

Signature of Proxy _____

Affix
Revenue
Stamp of
Re. 1

Notes:

1. This form of proxy is applicable only to those equity shareholders who have not voted, and do not wish to vote , through the e-voting facility. A Proxy need not be a member of the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the 1st Applicant Company / "Demerger Company" not later than 48 hours before the commencement to the Meeting.
3. It is optional to indicate your preference. If you leave the 'For' or 'against' column blank, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. In case the Equity Shareholder is a body corporate or other entity, the duly completed Proxy Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the Proxy holder.
5. Please affix Re. 1 Revenue Stamp in the space provided.
6. For the Resolution, Explanatory Statement and Notes, please refer the Notice of the Meeting.
7. Alterations, if any, made in the Form of Proxy must be initialled by the Shareholder.

*Applicable for members holding shares in dematerialised form.