

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

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

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

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

AUDITORS : Suri & Co

SECRETARY : V.P.K. MANI

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

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

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of MIL INDUSTRIES LIMITED will be held at the Registered Office of the Company at 25-A, Industrial Estate, Ambattur, Chennai – 600 098 on Friday, the 23rd September, 2016 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the reports of the Directors and Auditors, the audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Dr. T. Venkatesan, who retires by rotation under Article 107 of the Company's Articles of Association and who is eligible for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution:
"RESOLVED that the appointment of M/s. Suri & Co., Chartered Accountants (Firm Registration No. 004283S), for the period commencing from the conclusion of the 50th Annual General Meeting till the conclusion of the 51st Annual General Meeting made at the 48th Annual General Meeting be and are hereby ratified.
RESOLVED further that the Board of Directors be and is hereby authorised to fix the annual remuneration payable to the said Auditor"

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Section 152 of the Companies Act 2013 and Article 109 (1) of the Articles of Association of the Company, Mr. S.S.R. Rajkumar be and is hereby appointed as a Director of the Company liable to retire by rotation.
5. To consider and if thought fit to pass the following resolution with or without modification as an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Section 152 of the Companies Act 2013 and Article 109 (1) of the Articles of Association of the Company, Mr. Noman H. Millwala be and is hereby appointed as a Director of the Company liable to retire by rotation.

Chennai
29th July, 2016

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

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members of the Company will remain closed from 16th September 2016 to 23rd September, 2016 both days inclusive.

EXPLANATORY STATEMENT FOR SERIAL NO. 4 AND 5 OF THE AGENDA

Serial No. 4

Mr. S.S.R. Rajkumar has been a Director of the company from the year 1967 till September 2014 liable to retire by rotation. At the 48th Annual General Meeting held on 24th September 2014 he was appointed as an Independent Director under Section 149 and 152 of the Companies Act to hold office till the conclusion of the 50th Annual General Meeting of the company. Consequent to the Madras Stock Exchange opting voluntary de-recognition, our company ceased to be listed company, and therefore provisions relating to appointment of independent Directors is no longer applicable to the company. Thus, there is no need to appoint any Independent Director.

The Company has now received notice from the Shareholder seeking to appoint Mr.S.S.R Rajkumar as a Director of the company under Article 109 (1) of the Articles of Association of the Company liable to retire by rotation.

Mr. S.S.R. Rajkumar is having the qualification of M.A., M.Com., M.B.A., L.L.B. He holds Directorship in the following companies:

1. The Central Scientific Supplies Co. Ltd.
2. Madras Chipboard Ltd.
3. eGits India Pvt. Ltd.

Serial No. 5

Mr. Noman H. Millwala has been a Director of the company from the year 1989 till September 2014 liable to retire by rotation. At the 48th Annual General Meeting held on 24th September 2014 he was appointed as an Independent Director under Section 149 and 152 of the Companies Act to hold office till the conclusion of the 50th Annual General Meeting of the company. Consequent to the Madras Stock Exchange opting voluntary de-recognition, our company ceased to be listed company and therefore provisions relating to appointment of independent Directors is no longer applicable to the company. Thus, there is no need to appoint any Independent Director.

The Company has now received notice from the Shareholder seeking to appoint Mr. Noman H. Millwala as an Director of the company under Article 109 (1) of the Articles of Association of the Company liable to retire by rotation.

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

1. Fermier Engineers (P) Ltd.
2. AHT Holdings Private Limited

DIRECTORS' REPORT

To the Members:

The Directors have pleasure in presenting their Fiftieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

	<u>Rs. Million</u>
Profit before depreciation and finance costs	65.36
LESS:	
i) Interest and Finance Charges	3.70
ii) Depreciation	<u>9.24</u>
	<u>12.94</u>
	<u>52.42</u>
LESS: Extraordinary items - flood damages	<u>17.54</u>
	<u>34.88</u>
LESS: Tax Expense	<u>11.51</u>
Profit after tax for the year	<u>23.37</u>

With a view to consolidate resources, the Directors have decided not to declare a dividend for the year but to carry forward the entire surplus to the Balance Sheet.

2. OPERATIONS

There has been a decrease in the turnover of the Rubber Products Division from Rs. 207.26 million in the previous year to Rs.179.20 million.

There has been a increase in the turnover of PTFE Division from Rs.95.45 million in the previous year to Rs.128.04 million in the current year.

The company's export earnings have decreased from Rs.105.94 million in the previous year to Rs.48.01 million in the current year.

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

3. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return as on the financial year ended on 31st March 2016 in Form MGT-9 is annexed.

4. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-2016 and of the profit of the company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis.
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

5. FIXED DEPOSITS

The Company has not accepted any deposits from Public during the year and Fixed Deposits outstanding with the Company at the end of the financial year stood at Rs. NIL. There are no unclaimed deposits as on 31st March 2016.

6. DIRECTORS

Dr. T. Venkatesan, Director of the Company retire by rotation and is eligible for re-appointment.

Mr.S.S.R. Rajkumar and Mr. Noman H. Millwal were appointed as Independent Directors to hold office till the conclusion of the 50th Annual General Meeting of the Company under Section 149 and 152 of the Companies Act.

As the Company ceased to be a listed company, the Directors have been advised that the provisions relating to appointment of Independent Directors is no longer applicable to the company.

A Notice has been received proposing to appoint Mr. S.S.R. Rajkumar as a Director of the company liable for rotation under Article 109 (1) of the Company's Articles of Association.

A Notice has been received proposing to appoint Mr. Noman H. Millwala as a Director of the company liable for rotation under Article 109 (1) of the Company's Articles of Association.

7. MEETING OF THE BOARD

During the financial year Board meetings were held on 22nd May 2015, 31st July 2015, 16th September, 2015, 23rd December, 2015 and 23rd March 2016.

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

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

8. AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Suri & Co., Chartered Accountants, were appointed as Statutory Auditors of the company from the conclusion of the 48th Annual General Meeting of the Company held on 24th September 2014 till the conclusion of the 51st Annual General Meeting, subject to ratification by Members at every Annual General Meeting. Your Directors recommend ratifying their appointment at the forthcoming Annual General Meeting.

9. COST AUDIT

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

10. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Though the nature of Company's operation does not involve substantial energy consumption, various steps have been taken to conserve energy. These efforts have enabled to substantially bring down the Maximum Demand at the Ambattur Factory from 425 KVA to 225 KVA.

Technology absorption:

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

Benefits derived as a result of the above R & D efforts are improvement in quality to make the Company's products comparable to that of international standards and to achieve import substitution. R & D work on the above areas will continue to be pursued. Continuous efforts are being made to absorb, adopt and innovate technologies obtained from indigenous and foreign sources and such efforts help to increase productivity and in import substitution of raw materials and finished products.

Expenditure incurred during the financial year for R & D work was Rs. 8,23,790/-.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Foreign exchange earnings and outgo:

	<u>Rs. Million</u>
Foreign Exchange used	6.08
Foreign Exchange earned	48.01

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS COVERED under Section 186 of the Companies Act, 2013

The Company has not given any loan or guarantee or provided any security or made any investment during the year.

13. Audit Committee

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

14. Remuneration Committee

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

15. Risk Management:

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

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

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

17. CORPORATE SOCIAL RESPONSIBILITY

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

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

Average net profit of the company for the last three financial years : Rs.4,57,12,182
Prescribed CSR expenditure at 2% of the above amount : Rs 9,14,244

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

The sum of Rs.9,14,244/- together with the unspent amount of Rs.6,91,948/- in respect of the financial year 2014-15 is proposed to be spent on CSR activities during the financial year 2016-17 in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

18. SECRETARIAL AUDIT

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

19. AUDITORS REPORT

There are no qualifications, reservations or adverse remarks mentioned in the Auditors Report, except reporting of non-compliance regarding transfer of Unclaimed Dividends of Rs.1,50,300/- to the Investor Education and Protection Fund, due for transfer in November 2015.

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

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

21. INSURANCE

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

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

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

23. INDUSTRIAL RELATIONS

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

24. INTERNAL CONTROLS

The Company has internal control systems commensurate with the size and nature of its business and has appointed a firm of Chartered Accountants as the Internal Auditors. The Internal Audit coverage is adequate to ensure that the assets of the company are safeguarded and protected and there is regular review by Management on policies, internal controls & procedures and also on internal audit reports, the company has laid down adequate systems and well drawn procedures for ensuring internal financial controls. The external audit firm appointed as internal auditors periodically check and monitor the internal financial control measures. The Board of Directors have put in place effective control measures for ensuring the orderly and efficient conduct of the business of the company, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial controls system adopted by the company has been evaluated, which is adequate and operating effectively and the statutory auditors have also expressed satisfaction with the existing system in their Audit Report to the members of the company.

25. ACKNOWLEDGEMENT

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

for and on behalf of the Board

Saroja Raman
Chairperson

Chennai
29th July, 2016

Form No. MGT 9

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2016 of
MIL INDUSTRIES LIMITED
(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
Management and Administration) Rules, 2014)**

I. REGISTRATION AND OTHER DETAILS:

1) CIN:	L25199TN1966PLC005397
2) Registration Date	11.02.1966
3) Name of the Company	MIL INDUSTRIES LIMITED
4) Category/sub category of the Company	Public Limited Company/ Limited by Shares
5) Address of the Registered Office & Contact Address	25A, Industrial Estate, Ambattur Chennai - 600 098 Phone: 044-26258382 Fax: 044-26257583 Email: mil@milindustries.com Website: www.milindus.com
6) Whether shares listed on recognised Stock Exchange(s)	The shares were listed with Madras Stock Exchange Ltd. Due to voluntary exit of Madras Stock Exchange, we cease to be a listed company with effect from 27.03.2015
7) Name, Address & contact details of the Registrar & Transfer Agent, if any	Integrated Enterprises (India) Limited 'Kences Towers', II Floor, 1, Ramakrishna Street, North Usman Road T. Nagar, Chennai - 600 017. Phone: 044-28140801 - 803 Fax: 044-28142479 Email: corpserv@integratedindia.in

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

S.NO	Name and Description of Main Product / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Rubber Lining Products, Trading of Rubberlining materials and Rubberlinings	22191	58.33
2	Manufacture of PTFE Lined Pipes and Fittings and PTFE Products	22209	41.67

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES NIL
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

IV SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2015)				No of Shares held at the end of the year (AS on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	596680	162220	758900	24.09	600280	190620	790900	25.11	1.02
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	1195000	--	1195000	37.94	1195000	--	1195000	37.94	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Subtotal (A) (1)	1791680	162220	1953900	62.03	1795280	190620	1985900	63.04	1.02
(2) Foreign									
a) NRI – Individuals	--	5250	5250	0.17	--	5250	5250	0.17	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Subtotal (A) (2)	--	5250	5250	0.17	--	5250	5250	0.17	--
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1791680	167470	1959150	62.20	1795280	195870	1991150	63.21	1.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	168000	168000	5.33	--	168000	168000	5.33	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	43750	--	43750	1.39	43750	--	43750	1.39	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (individual)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	43750	168000	211750	6.72	43750	168000	211750	6.72	--
2. Non-Institutions									
a) Bodies Corp.	35000	155000	190000	6.03	35000	155000	190000	6.03	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	50600	324735	375335	11.92	101600	127205	228805	7.26	4.66
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	59860	228905	288765	9.17	245295	158000	403295	12.80	3.63

c) Others (NRIs)	—	125000	125000	3.96	—	125000	125000	3.96	—
Sub-total (B)(2):-	145460	833640	979100	31.08	381895	565205	947100	30.07	1.02
Total Public Shareholding (B)= (B)(1)+ (B)(2)	189210	1001640	1190850	37.80	425645	733205	1158850	36.79	1.02
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	1980890	1169110	3150000	100.00	2220925	929075	3150000	100.00	—

B) Shareholding of Promoter-

Sl No	Share holder's Name	Share holding at the beginning of the year			Share holding at the yend of the year			% change in share holding during the year
		No of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to total shares	No of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Mr. M.D. Vijayaraghavan	3500	0.11	—	3500	0.11	—	—
2	Mrs. Indrani S. Iyer	4300	0.14	—	4300	0.14	—	—
3	Mrs. Saroja Raman	279145	8.86	—	311145	9.88	—	1.02
4	Mr. Chandramouli Thirumurthy	1340	0.04	—	1340	0.04	—	—
5	Mr. C. Venkatesan	5850	0.19	—	5850	0.19	—	—
6	Mrs. Indrani S. Iyer	4600	0.15	—	4600	0.15	—	—
7	Mrs. Ramila Sreedhar	135095	4.29	—	135095	4.29	—	—
8	Mr. Ramesh Raman	99295	3.15	—	99295	3.15	—	—
9	Mr. Raghu Raman	112675	3.58	—	112675	3.58	—	—
10	Mrs. Vimala Vijayaraghavan	1750	0.06	—	1750	0.06	—	—
11	Mr. S. Mohanram	2000	0.06	—	2000	0.06	—	—
12	Mr. A. Ganesh	150	0.00	—	150	0.00	—	—
13	Krebs Engineering P Ltd.	955000	30.32	—	955000	30.32	—	—
14	Mrs. Malathi Raman	43300	1.37	—	43300	1.37	—	—
15	Mr. Rajiv Sreedhar	4650	0.15	—	4650	0.15	—	—
16	Mrs. Rashmi Raman	27050	0.86	—	27050	0.86	—	—
17	Mrs. Lalitha Sangameswaran	8000	0.25	—	8000	0.25	—	—
18	Mrs. Malathi Rajan	3800	0.12	—	3800	0.12	—	—
19	Mrs. Radha Ramakrishnan	19050	0.60	—	19050	0.60	—	—
20	M/s Chemical Consultants & Engrs. P Ltd	130000	4.13	—	130000	4.13	—	—
21	M/S Milgerlan Engg. & Constn. Pvt. Ltd.	110000	3.49	—	110000	3.49	—	—
22	Mr. Ramesh Ramakrishnan	2000	0.06	—	2000	0.06	—	—
23	Mr. S.A. Raja	4600	0.15	—	4600	0.15	—	—
24	Mr. D. Sangameswaran	2000	0.06	—	2000	0.06	—	—

C) Change in Promoters' Shareholding:

S. No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Promoters' shareholding	1959150	62.20		
	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease			32000	1.02
	At the end of the year			1991150	63.21

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

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

E) Shareholding of Directors and Key Managerial Personnel:

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Rajiv Sreedhar	4650	0.150	4650	0.150
2	Mrs. Saroja Raman	279145	8.860	311145	9.870
3	Mr. S.S.R. Rajkumar	20800	0.660	20800	0.660
4	Mr. Noman H. Millwala	3750	0.120	3750	0.120
5	DR. T. Venkatesan	500	0.020	500	0.020
6	Mr. V.P.K. Mani	50	0.002	50	0.002
7	Mr. N. Guruswamy	175	0.006	175	0.006

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	41127583	0.00	0.00	41127583
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	9800175	0.00	0.00	9800175
Total (i+ii+iii)	50927758	0.00	0.00	50927758
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	20401809	0.00	0.00	20401809
Net Change	(20401809)	0.00	0.00	(20401809)
Indebtedness at the end of the financial year				
i) Principal Amount	20113274	0.00	0.00	20113274
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10412675	0.00	0.00	10412675
Total (i+ii+iii)	30525949	0.00	0.00	30525949

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

Sl. No.	Particulars of Remuneration	Name of MD		Total Amount
		Mr. Rajiv Sreedhar		
1	Gross salary	4669626		4669626
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--		--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--		--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--		--
2	Stock Option	--		--
3	Sweat Equity	--		--
4	Commission- as % of profit-others, specify...	--		--
5	Others, please specify			
	Total (A)	4669626		4669626
	Ceiling as per the Act	5400000		5400000

B. Remuneration to other directors

	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S.S.R Rajkumar	Mr. Noman H Millwala	Dr. T. Venkatesan	Mrs. Saroja Raman	
1	Independent Directors					
	Fee for attending board committee meetings	35000	35000	---	---	70000
	Commission	---	---	---	---	---
	Others, please specify	---	---	---	---	---
	Total (1)	35000	35000	---	---	70000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	---	---	35000	20000	55000
	Commission	---	---	---	---	---
	Others, please specify	---	---	---	---	---
	Total (2)	---	---	35000	20000	55000
	TOTAL (1+2)	35000	35000	35000	20000	125000
	Total Managerial Remuneration	---	---	---	---	4794626
	Overall Ceiling as per the Act					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. V.P.K. Mani CS	Mr.N. Guruswamy CFO	Total
1	Gross salary		300000	960000	1260000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	---	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	---	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission- as % of profit-others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A)	--	300000	960000	1260000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

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

FOR MIL INDUSTRIES LIMITED
SAROJA RAMAN
CHAIRPERSON

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

Report on the Financial Statements

We have audited the accompanying financial statement of MIL Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in

order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in Annexure 'A', a statement on the matters specified in paragraph 3 and 4 of the 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 Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i) The company has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 22 (d) to the financial statements.
 - ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) The Company has not transferred Unclaimed Dividends of Rs. 1,50,300/- to the Investor Education and Protection Fund, due for transfer in November 2015.

For Suri & Co.,
Chartered Accountants
Firm Regn. No. 004283S

R. Mahesh
Partner
Membership. No. 024775

Place: Chennai
Date: 29.07.2016

ANNEXURE - A TO THE INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MIL INDUSTRIES LIMITED, CHENNAI - 98

- i.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) The title deeds of the immovable properties are held in the name of the Company.
- ii. Physical verification of Inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. The company has not given any loans or provided any guarantee. In respect of investments made the provisions of section 185 and 186 of the Companies Act, 2013 has been complied with.
- v. The company has not accepted any deposits from the public during the year.
- vi. We have broadly reviewed the cost records maintained by the company in respect of products where the Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There were no undisputed statutory dues payable as at the last day of financial year for a period of more than six months from the date they became payable.
 (b) According to the information and explanations given to us, the details of disputed statutory dues are as under:

Name of the Statute	Nature of Dues	Amount Disputed (Rs.)	Amount paid (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	33,94,095/-	NIL	June 2013 to May 2015	Hon'ble High Court of Madras

- viii) The company has not defaulted in repayment of dues to financial institutions or banks. The company has no outstanding debentures.
- ix) The Company has not raised any monies by way of Initial Public Offer or further public offer (including debt instruments) or term loans during the year.
- x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- xii) The Company is not a Nidhi Company and hence paragraph 3 (xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

R. Mahesh
Partner
Membership No. 024775

Place: Chennai
Date: 29.07.2016

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

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

We have audited the internal financial controls over financial reporting of MIL Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 to 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, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suri & Co.,

Chartered Accountants
Firm Regn. No. 004283S

R. Mahesh
Partner
Membership. No. 024775

Place: Chennai
Date: 29.07.2016

BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	31.03.2016 Rs.	31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
a) Share Capital	2	31,500,000	31,500,000
b) Reserves and Surplus	3	276,872,604	253,523,784
2. Non-Current Liabilities			
a) Long Term borrowings	4	12,861,011	19,771,829
b) Deferred Tax Liabilities (Net)		890,323	2,224,092
3. Current Liabilities			
a) Short Term Borrowings	5	7,252,263	21,355,754
b) Trade Payables			
(i) Due to Creditors - Micro and Small Enterprises		-	-
(ii) Due to creditors - Other than micro and small Enterprises		31,488,514	40,933,265
c) Other Current Liabilities	6	25,808,426	33,762,881
d) Short Term Provisions	7	1,475,549	4,867,454
TOTAL		<u>388,148,690</u>	<u>407,939,059</u>
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets - Tangible Assets	8	168,548,004	172,394,026
b) Non-Current Investments	9	78,000	78,000
c) Long term Loans and Advances	10	1,958,112	1,772,828
2. Current Assets			
a) Inventories	11	52,342,536	61,506,465
b) Trade Receivables	12	58,858,773	73,516,727
c) Cash and Bank Balances	13	99,720,520	89,867,283
d) Short Term Loans and Advances	14	6,642,745	8,803,730
TOTAL		<u>388,148,690</u>	<u>407,939,059</u>

See accompanying notes to financial statements.

Vide our report of even date attached

For Suri & Co.

Firm Regn. No. 004283S

R. Mahesh
Partner

Chartered Accountants
Membership No. 024775

Place: Chennai - 600 098

Date: 29.07.2016

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Managing Director

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

	Note No.	31.03.2016 Rs.	31.03.2015 Rs.
I. Revenue from Operations			
Sales and Other Operating Income	15	313,528,977	310,754,483
Less: Excise Duty		<u>6,293,602</u>	<u>8,045,664</u>
		307,235,375	302,708,819
II. Other Income	16	<u>12,705,703</u>	<u>10,269,981</u>
III. Total Revenue (I + II)		<u>319,941,078</u>	<u>312,978,800</u>
Expenses			
Cost of Materials consumed	17	99,173,227	106,364,437
Purchase of Stock-in-Trade		3,276,829	3,975,363
Changes in inventories of finished goods and work-in-progress	18	3,593,857	(408,875)
Employee benefit expense	19	36,436,519	33,437,815
Finance costs	20	3,697,807	6,655,522
Depreciation and amortization expense	8	9,240,335	8,071,874
Other expenses	21	<u>112,098,744</u>	<u>104,356,875</u>
IV. Total Expenses		<u>267,517,318</u>	<u>262,453,011</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		52,423,760	50,525,789
		17,543,913	---
VI. Extraordinary items		---	---
VII. Profit before Tax (V - VI)		34,879,847	50,525,789
VIII. Tax Expense			
Current Tax		12,550,000	18,300,000
Tax for earlier years		293,876	---
Deferred Tax		<u>(1,333,769)</u>	<u>(660,912)</u>
IX. Profit for the period (VII - VIII)		<u>23,369,740</u>	<u>32,886,701</u>
X. Earnings per equity share			
Basic and Diluted		7.42	10.44

See accompanying notes to financial statements.

Vide our report of even date attached

For Suri & Co

Firm Regn. No. 004283S

R. Mahesh
Partner

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Managing Director

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

Chartered Accountants

Membership No. 024775

Place: Chennai - 600 098

Date : 29.07.2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts:

The financial statements have been prepared on the historical cost basis in accordance with the generally accepted accounting principles except in so far as they relate to revaluation of Land, Buildings and Plant and Machinery in the past and comply in all material respects with the applicable Accounting Standards.

b. Valuation of Inventories:

i) Inventories are valued at lower of Cost and Net Realisable Value.

ii) The cost of raw materials, components, stores and consumables is arrived at on the basis of weighted average cost.

iii) The cost of stock in progress is arrived at on the basis of weighted average cost of raw materials, components and consumables, cost of conversion and other costs incurred to bring inventories to its present condition.

c. Revenue Recognition:

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

i) Sale of goods is recognised when the risk and rewards of the ownership are passed on to the customers which is generally on despatch of goods.

ii) Revenue arising from the use of enterprise resources is recognised when no significant uncertainty as to measurability and collectability exists.

iii) Dividend income is recognised when the right to receive dividend is established.

d. Fixed Assets :

Fixed assets are stated at cost or at revalued amounts wherever such assets have been revalued, less accumulated depreciation.

e. Investments :

i) Long term Investments are stated at cost less provision for diminution in the value of investment wherever applicable

ii) Current investments are carried at lower of cost and fair value.

f. Depreciation

i) Depreciation on the assets of Rubberlining Division has been provided on written down value method and on the assets of PTFE division on straight line method adopting useful lives of Fixed Assets as specified in Part C of Schedule II of Companies Act, 2013 and has provided depreciation at the above methods.

ii) In respect of assets revalued, depreciation has been provided on the revalued amounts and the additional depreciation over the depreciation computed on the historical cost of the said assets is adjusted from Revaluation Reserve.

g. Taxes On Income :

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

h. Research and Development Expenditure :

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

i. Foreign Currency Transactions :

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

j. Employee Benefits :

- i) The Company is contributing to Provident Fund for the employees and the same is remitted to the Regional Provident Fund Commissioner and charged to Statement of Profit and Loss.
- ii) The Company has a Superannuation scheme for eligible employees duly recognised by the Commissioner of Income Tax and the annual liability as determined by the Life Insurance Corporation of India is remitted as premium and charged to Statement of Profit and Loss.
- iii) The Company has a Group Gratuity scheme duly recognised by the Commissioner of Income Tax and the annual liability determined by the Life Insurance Corporation of India is remitted as premium and charged to Statement of Profit and Loss as actuarially ascertained.

iv) The Company as such does not have a policy for encashment of leave at the time of retirement by employees and payments are made as and when claim is admitted and charged to revenue.

k. Borrowing Costs :

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

l. Impairment of Assets

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

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

m. 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.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	31.03.2016	31.03.2015
	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	34,879,847	50,525,789
Adjustments for:		
Depreciation	9,240,335	8,071,874
Interest	1,699,764	3,245,118
(Profit)/Loss on sale of assets	(297,207)	(477,071)
Dividend and Interest income	<u>(7,003,054)</u>	<u>(7,029,655)</u>
Operating Profit before Working Capital Changes	38,519,685	54,336,055
Adjustments for :		
(Increase) / Decrease in Inventories	9,163,929	(8,845,458)
(Increase) / Decrease in Sundry Debtors	14,657,954	(28,838,170)
(Increase) / Decrease in Other Current Assets, Loans and Advances	2,726,575	2,283,942
(Increase) / Decrease in Deposits with Banks under lien and Unclaimed Dividend Account	(1,360,496)	(8,449,683)
Increase / (Decrease) in Current Liabilities	<u>(17,943,686)</u>	<u>13,138,634</u>
Cash Generated From Operations	45,763,961	23,625,320
Taxes paid (Net) including TDS	<u>(17,054,675)</u>	<u>(19,117,477)</u>
Net Cash flow from Operating Activities (A)	<u>28,709,286</u>	<u>4,507,843</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,564,321)	(18,784,388)
Sale of Fixed Assets	446,295	1,320,274
Dividend and Interest income	7,003,054	7,029,655
Net Cash Used in Investing Activities (B)	<u>1,885,028</u>	<u>(10,434,459)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans obtained / (repaid)	(21,014,307)	(10,117,475)
Interest paid	<u>(1,087,264)</u>	<u>(3,245,118)</u>
Net Cash flow from Financing Activities (C)	<u>(22,101,571)</u>	<u>(13,362,593)</u>
Net Increase/(Decrease) in Cash or Cash Equivalents (A+B+C)	8,492,743	(19,289,209)
Opening Balance Cash and Cash Equivalents	62,831,264	82,120,473
Closing Balance Cash and Cash Equivalents	71,324,007	62,831,264

For Suri & Co.

Firm Regn. No. 004283S

R. Mahesh V.P.K. MANI RAJIV SREEDHAR
Partner Secretary Managing Director

Chartered Accountants
 Membership No. 024775
 Place: Chennai - 600 098
 Date: 29.07.2016

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

	31.03.2016	31.03.2015
	Rs.	Rs.
2. SHARE CAPITAL		
<u>AUTHORISED</u>		
49,00,000 Equity Shares of Rs.10/- each	49,000,000	49,000,000
1,00,000 10% Redeemable Cumulative Preference Shares of Rs.10/- each	1,000,000	1,000,000
2,50,000 10% Convertible, Redeemable & Cumulative Preference Shares of Rs.10/- each	2,500,000	2,500,000
	<u>52,500,000</u>	<u>52,500,000</u>
<u>ISSUED, SUBSCRIBED AND FULLY PAID UP</u>		
31,50,000 Equity Shares of Rs.10/- each	<u>31,500,000</u>	<u>31,500,000</u>
	<u>31,500,000</u>	<u>31,500,000</u>

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

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

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

S. No.	Name of the shareholder	No. of Shares		Percentage of shares held	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
1.	Krebs Engineering Private Limited	955,000	955,000	30.32%	30.32%
2.	Saroja Raman	311,145	279,145	9.88%	8.86%
3.	Mahendra Girdharilal	190,085	190,085	6.03%	6.03%
4.	Tamilnadu Industrial Investment Corporation Ltd.	168,000	168,000	5.33%	5.33%
		1,624,230	1,592,230	51.56%	50.54%

	31.03.2016	31.03.2015
	Rs	Rs
3. RESERVES AND SURPLUS		
1. CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	<u>3,000,000</u>	<u>3,000,000</u>
2. CAPITAL RESERVE		
Capital Investment Subsidy from SIPCOT & ICICI		
As per last Balance Sheet	<u>1,500,000</u>	<u>1,500,000</u>
3. REVALUATION RESERVE		
As per last Balance Sheet	114,040,192	114,062,319
Less: Extra Depreciation on account of revaluation	<u>20,920</u>	<u>22,127</u>
	<u>114,019,272</u>	<u>114,040,192</u>
4. GENERAL RESERVE		
As per last Balance Sheet	<u>1,826,000</u>	<u>1,826,000</u>
5. SURPLUS IN PROFIT AND LOSS STATEMENT		
As per last Balance Sheet	133,157,592	100,270,890
Add: Profit for the year	23,369,740	32,886,702
	<u>156,527,332</u>	<u>133,157,592</u>
	<u>276,872,604</u>	<u>253,523,784</u>

4. LONG TERM BORROWINGS	31.03.2016	31.03.2015
	Rs.	Rs.
From Others - Liquid Propulsion Systems Centre - Secured	12,861,011	19,771,829
(Interest free loan, secured by First Charge on PTFE Flexible Hose Manufacturing Equipment with all standard accessories erected at Gummidipoondi and Ambattur Plants repayable against deliverables over a period of 2 to 3 years)		
Period and amount of continuing default - Nil		
	<u>12,861,011</u>	<u>19,771,829</u>
5. SHORT TERM BORROWINGS		
(i) From Banks		
Working Capital borrowings - Secured	3,752,263	17,855,754
Cash Credit & Bills Discounted: - includes Buyer's Credit in Foreign Currency Rs.2,628,288/- (Previous Year - Nil)		
(Secured by hypothecation of all stocks of raw materials, stores and spares, work-in-progress, finished goods and book debts and also by way of first charge on the fixed assets of the company)		
Period and amount of default - NIL		
ii) From Others		
IFST Loan - Secured	3,500,000	3,500,000
(Secured by way of pari passu second charge on all and singular Plant & Machinery and Land & Building at Gummidipoondi factory)		
Period and amount of default - NIL		
	<u>7,252,263</u>	<u>21,355,754</u>

	31.03.2016	31.03.2015
	Rs.	Rs.
6. OTHER CURRENT LIABILITIES		
Interest accrued but not due on loans	10,412,675	9,800,175
Advance from Customers	12,099,221	19,993,434
Unclaimed dividends	150,300	150,700
Security Deposits	205,000	205,000
Other payables:		
Excise Duty	1,362,461	3,022,387
VAT Payable	201,742	---
CST Payable	928,604	200,000
Cess Payable	---	44,500
TDS Payable	448,423	346,685
	<u>25,808,426</u>	<u>33,762,881</u>
7. SHORT TERM PROVISIONS		
Provision for Employee Benefits	1,475,549	1,407,529
Provision for Taxation (Net)	---	<u>3,459,925</u>
	<u>1,475,549</u>	<u>4,867,454</u>
9. NON-CURRENT INVESTMENTS		
Non-Trade - Unquoted		
7800 Equity Shares of Rs.10/- each fully paid in MIL Trading Private Limited	78,000	78,000
	<u>78,000</u>	<u>78,000</u>
10. LONG TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Security Deposits	<u>1,958,112</u>	<u>1,772,828</u>
	<u>1,958,112</u>	<u>1,772,828</u>

8. FIXED ASSETS

Tangible Assets

(In Rupees)

Sl. No	Particulars	Gross Block			Depreciation				Net Block		
		As at 31.03.2015	Additions	Deletions	As at 31.03.2016	As at 31.03.2015	For the Year	Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1.	Land - Free hold										
	a. Ambattur	114,054,387	-	-	114,054,387	-	-	-	-	114,054,387	114,054,387
	b. Others	7,305,325	-	-	7,305,325	-	-	-	-	7,305,325	7,305,325
2.	Land - Lease Hold	238,485	-	-	238,485	69,226	3,196	-	72,422	166,063	169,259
3.	Buildings	22,965,983	888,590	-	23,854,573	13,444,291	599,156	-	14,043,447	9,811,126	9,521,692
4.	Plant and Equipments	105,641,092	1,558,705	137,734	107,062,063	69,997,765	6,482,715	79,610	76,400,870	30,661,193	35,643,327
5.	Furniture and Fixtures	2,107,935	570,073	-	2,678,008	2,089,161	21,267	-	2,110,428	567,580	18,774
6.	Vehicles	7,863,362	1,343,591	897,704	8,309,249	2,978,468	1,770,174	748,616	4,000,026	4,309,223	4,884,894
7.	Office Equipments	6,866,825	143,240	41,350	6,968,715	6,228,715	192,020	41,350	6,379,385	589,330	638,110
8.	Computer	231,138	1,118,246	31,518	1,317,866	72,880	192,727	31,518	234,089	1,083,777	158,258
	Total	267,274,532	5,622,445	1,108,306	271,788,671	94,880,506	9,240,335*	901,094	103,240,667	168,548,004	172,394,026
	Previous Year	251,376,708	18,784,388	2,886,564	267,274,532	88,829,866	8,094,001	2,043,361	94,880,506	172,394,026	162,546,842

* Depreciation on revaluation withdrawn from Revaluation Reserve Rs.20,920/- (Previous year - Rs.22,127/-)

	31.03.2016	31.03.2015
	Rs.	Rs.
11. INVENTORIES		
(Valued at lower of cost and net Realisable value)		
Raw Materials	26,784,480	31,490,522
Work-in-Progress	18,804,926	24,401,994
Finished Goods	4,195,017	2,191,806
Stores and Spares	2,558,113	3,422,143
	<u>52,342,536</u>	<u>61,506,465</u>
12. TRADE RECEIVABLES		
Unsecured - Considered Good		
Exceeding six months	3,161,630	3,774,022
Other debts	55,697,143	69,742,705
	<u>58,858,773</u>	<u>73,516,727</u>
13. CASH AND BANK BALANCES		
(i) Cash and Cash equivalents		
Balance with Banks		
In Current Accounts	11,310,767	12,456,688
In Deposit Accounts	60,011,918	50,011,918
Cash on hand	1,322	362,659
	<u>71,324,007</u>	<u>62,831,265</u>
(ii) Unclaimed Dividend Account	150,300	150,700
(iii) Bank Deposits offered as security	28,246,213	26,885,318
	<u>99,720,520</u>	<u>89,867,283</u>
14. SHORT-TERM LOANS AND ADVANCES		
Unsecured Considered Good		
(i) Employee Advance	255,999	151,019
(ii) Prepaid Expenses	859,778	726,263
(iii) Advance to Suppliers	3,090,828	5,498,875
(iv) Rent Advance	13,000	13,000
(v) Earnest Money Deposits	45,150	88,150
(vi) Tax payments pending adjustment	750,874	---
(vi) Balance with Excise Department	1,013,762	1,062,877
(vii) Balance with Sales Tax Department	613,354	1,263,546
	<u>6,642,745</u>	<u>8,803,730</u>

	31.03.2016	31.03.2015
	Rs.	Rs.
15. SALES AND OTHER OPERATING INCOME		
Sale of Products (Rubber Lining & PTFE)	294,318,507	269,599,955
Sale of Services	10,737,132	27,755,130
Sale of Stock-in-Trade	<u>8,473,338</u>	<u>13,399,398</u>
	<u>313,528,977</u>	<u>310,754,483</u>
16. OTHER INCOME		
Gain on foreign currency transactions	495,528	1,396,574
Profit on sale of Assets	297,207	477,071
Interest received	7,003,054	7,029,655
Rent received	360,000	360,000
Duty Drawback	1,775,630	740,732
Reversal of provision for Excise Duty on closing stock	243,083	220,381
Other Non-Operating income	531,201	45,568
Insurance Claim received	<u>2,000,000</u>	---
	<u>12,705,703</u>	<u>10,269,981</u>
17. COST OF MATERIALS CONSUMED		
Raw materials and components (Rubber, Resins, Pipes etc.)	78,810,938	85,038,275
Stores and Spares	<u>20,362,289</u>	<u>21,326,162</u>
	<u>99,173,227</u>	<u>106,364,437</u>
18. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	2,191,806	4,686,872
Work-in-progress	<u>24,401,994</u>	<u>21,498,053</u>
	<u>26,593,800</u>	<u>26,184,925</u>
Closing Stock		
Finished Goods	4,195,017	2,191,806
Work-in-progress (excluding flood damage)	<u>18,804,926</u>	<u>24,401,994</u>
	<u>22,999,943</u>	<u>26,593,800</u>
(Increase)/Decrease in inventories of finished goods and work in progress	3,593,587	(408,875)

	31.03.2016	31.03.2015
	Rs.	Rs.
19. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages, Bonus and Allowances	30,256,015	27,923,843
Contribution to Provident and Other Funds	3,756,599	3,567,493
Welfare Expenses	2,423,905	1,946,479
	<u>36,436,519</u>	<u>33,437,815</u>
20. FINANCE COSTS		
Interest Expense	1,699,764	3,245,118
Other Borrowing costs	1,998,043	3,410,404
	<u>3,697,807</u>	<u>6,655,522</u>
21. OTHER EXPENSES		
Lining Expenses	51,499,987	44,621,155
Power and Fuel	11,842,936	11,641,824
Rent	648,000	648,000
Insurance	721,922	675,944
Rates and Taxes	5,608,017	6,043,781
Postage and Telephone	1,374,325	1,591,426
Printing and Stationery	1,282,862	1,083,859
Travelling and Conveyance	10,455,463	11,377,482
Payment to Auditors:		
For Audit	200,000	200,000
For Certification	13,000	45,000
For Reimbursement of expenses	20,500	14,000
For Service Tax	34,256	32,012
Repairs and Maintenance		
Buildings	2,633,168	1,124,940
Plant & Machinery	4,720,187	4,116,587
Others	2,918,079	2,651,240
Selling expenses	1,292,750	999,588
Professional fees	12,383,352	11,573,111
Advertisement and Sales Promotion	202,990	361,153
Commission on Sales	148,248	455,494
Directors' Sitting fees	125,000	201,640
Security Service Charges	1,779,944	1,911,676
Bad Debts Written off	922,511	1,238,242
Miscellaneous expenses	1,271,247	1,748,721
	<u>112,098,744</u>	<u>104,356,875</u>

	31.03.2016 Rs.	31.03.2015 Rs.
22. Contingent Liabilities on account of:		
a) Guarantees given by Banks on behalf of the Company	49,876,122	44,232,512
b) <u>Service Tax demand disputed for the period April 2010 to March 2011</u> The Company's appeal filed during the year ended 31.03.2013 against the assessment made by the Commissioner of Service Tax, Chennai, for non-payment of service tax on Business Auxiliary Services, viz., rubber lining on materials supplied by customers. The appeal before the Commissioner of Central Excise (Appeals) has been allowed and the demand raised has been quashed.	---	1,295,000
c) <u>Sales Tax demand disputed for the financial years 2006-07 to 2009-10</u> The Company's appeal filed during the year ended 31.03.2013 against the assessment made by the Assistant Commissioner (Commercial Taxes), Chennai, relating to VAT Input Credit claimed by the company, has been allowed.	---	1,401,473
d) <u>Excise duty demand for the period June 2013 to May 2015</u> The Company's writ petition filed during the year ended 31.03.2016 against the assessment made by the Additional Commissioner of Central Excise for non-payment of Excise Duty on activity of rubber lining on bought out steel tanks and pipes, is pending before the High Court of Madras. In view of the disputed nature of demand, the same has not been provided for.	3,394,095	---
23. Deferred Tax Liability / (Asset)		
On account of depreciation	(1,333,769)	(660,912)

24. 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.

25. The company has not discontinued any operations during the year.

26. Corporate Social Responsibility

The Company is required to spend an amount of Rs.9,14,244/- for the Financial Year 2015-16 and Rs.6,91,948/- for the Financial Year 2014-15 towards CSR activities under Section 135 of the Companies Act, 2013. The company was unable to spend the required amount and has been exploring the possibilities of participating in approved CSR projects for implementation on an on-going basis.

27. Extraordinary items in the Statement of Profit & Loss represents extensive loss of inventories and other assets damaged at the factory premises on account of floods during November and December 2015. The insurance claim lodged by the company is under process and the survey has been completed. The initial payment of Rs.20 lakhs received against the claim has been credited to the Statement of Profit & Loss under 'Other Income'.

MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

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

(In rupees)

Funded Group Gratuity Plan

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
(a) Defined Benefit Plan :-				
(i) Changes in present value of obligations				
Present Value of obligations as at beginning of year	5,689,912	4,435,583	4,608,836	4,061,371
Interest cost	436,985	342,427	388,481	305,114
Current Service Cost	447,921	384,340	310,258	296,318
Benefits Paid	---	---	744,807	504,592
Actuarial loss/(Gain) on obligation	239,722	527,561	(127,184)	450,625
Present Value of obligations as at end of year	6,814,541	5,689,912	4,435,583	4,608,836
(ii) Changes in the fair Value of Plan Assets				
Fair Value of plan assets at beginning of year	5,608,874	4,636,873	4,617,055	4,057,388
Expected return on plan assets	487,897	487,270	355,008	372,846
Contributions	974,660	972,000	382,914	679,051
Benefits paid	---	---	744,807	504,592
Actuarial gain / (loss) on plan assets	491,613	(487,269)	26,703	12,362
Fair Value of plane assests at end of year	7,563,044	5,608,874	4,636,873	4,617,055
(iii) Fair Value of Plan Assets				
Fair Value of plan assets at beginning of year	5,608,874	4,636,873	4,617,055	4,057,388
Actual return on plan assets	979,510	1	381,711	385,208
Contributions	974,660	972,000	382,914	679,051
Benefits paid	---	---	744,807	504,592
Fair Value of plan assets at end of year	7,563,044	5,608,874	4,636,873	4,617,055
Funded status (Asset)	748,503	(81,038)	201,290	3,983
Excess of Actual over estimated return on plan assets	491,613	(487,269)	26,703	12,362
(iv) Actuarial Gain / Loss recognised				
Actuarial Loss/(Gain) for the year - obligation	239,722	527,561	(127,184)	450,625
Actuarial gain for the year - Plan Assets	491,613	(487,269)	26,703	12,362
Total loss/(Gain) for the year	(251,891)	1,014,831	(153,887)	438,263
Actuarial loss/(Gain) recognised in the year	(251,891)	1,014,831	153,887)	438,263

MIL INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

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

(In Rupees)

Funded Group Gratuity Plan

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
(v) Amounts to be recognised in the Balance Sheet and Statement of Profit and Loss				
Present Value of obligations as at end of year	6,814,541	5,689,912	4,435,583	4,608,836
Fair Value of plan assets at the end of year	7,563,044	5,608,874	4,636,873	4,617,055
Funded status (Asset)	748,503	(81,038)	201,290	8,219
Net Assets recognised in the Balance Sheet	-	-	-	-
(vi) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	447,921	384,340	310,258	296,318
Interest Cost	436,985	342,427	388,481	305,114
Expected return on plan assets	487,897	487,270	355,008	327,846
Net Actuarial loss/(Gain) recognised in the year	(251,891)	10,14,831	(153,887)	438,263
Expenses to be recognised in the profit & loss	145,118	1,254,328	189,844	666,849
(vii) Actuarial Assumptions				
Discount Rate	7.68%	7.72%	9.17%	8.00%
Expected return on Plan Assets	8.00%	8.00%	8.00%	6.00%
Salary increase	7.00%	7.00%	7.00%	9.00%

(b) Defined Contribution plans :-

The company makes contribution towards Employees Provident Fund, Family Pension Fund, Super Annuation Fund and Employees State Insurance Scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognised Rs.2,427,212/- as expense towards contribution to these plans.

29. ADDITIONAL NOTES	31.03.2016		31.03.2015	
	Qty.	Value Rs.	Qty.	Value Rs.
a) Turnover				
Rubber Manufacturing :				
- Rubberlining Products (Sq.M.)	28213	157,363,851	31589	165,633,367
- Other Recoveries		3,367,049		3,106,833
		160,730,900		168,740,200
Trading :				
Rubber lining materials - Solvents, Thinners, Bonding Agents etc.		8,473,338		13,399,398
Service - Rubber Lining		9,991,742		25,124,055
Total income - Segment A		179,195,980		207,263,653
PTFE - Manufacturing				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)	14,762	126,557,250	9709	92,224,272
- Other Recoveries		693,898		589,818
		127,251,148		92,814,090
Trading - SS Wire		42,857		---
Service - PTFE Coating etc.		745,390		2,631,076
Total income - Segment B		128,039,395		95,445,166
Total Turnover - Sales		307,235,375		302,708,819
b) Raw materials and components consumed (kgs):				
Manufacturing:				
1. Natural and Synthetic rubber	129,290	19,616,357	139,501	23,877,821
2. Fillers	90,593	9,547,133	104,653	10,588,891
3. Solvents	66,842	4,755,610	62,869	4,207,170
4. Special Curing and bonding Agents	13,704	1,631,258	14,668	1,870,141
5. Resins	16,228	16,920,261	12,978	11,631,924
6. Steel Pipes, Pipe Fittings, Steel Equipments of various specifications	-	36,178,518	-	24,000,925
7. Others (includes extraordinary items: Flood damages charged off)	-	4,112,705	-	8,861,403
		92,761,842		85,038,275
Trading				
Bought out components of various specification and descriptions		3,276,829		3,975,363

	Qty.	31.03.2016 Value Rs.	Qty.	31.03.2015 Value Rs.
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- Rubberlining Products (Sq.M)	56	396,320	278	1,573,989
- PTFE Lined Products (Kgs)*	312	<u>1,795,486</u>	738	<u>3,112,883</u>
		<u>2,191,806</u>		<u>4,686,872</u>
Closing Stock				
- Rubberlining Products (Sq.M)	73	416,956	56	396,320
- PTFE Lined Products (Kgs)*	744	<u>3,778,061</u>	312	<u>1,795,486</u>
		<u>4,195,017</u>		<u>2,191,806</u>
(* Represents PTFE content in Finished Products)				
	Unit			
d) Capacity and Production:				
Licenced Capacity :				
1. Rubberlining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubberlining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Installed Capacity :				
(as certified by the Mg. Director)				
1. Rubberlining	(Sq. M)	53,348	(Sq. M)	53,348
2. Fabrication of Steel Equipment for Rubberlining	(MT)	1,090	(MT)	1,090
3. PTFE (Resin Weight)	(MT)	50	(MT)	50
4. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	(MT)	550
Actual Production				
1. Rubberlining	(Sq. Mtr.)	28,230	(Sq. Mtr.)	31,367
2. PTFE (Resin Weight)	(Kgs.)	15,194	(Kgs.)	9,283
e) Value of Imports calculated on CIF basis (in Rs.) :				
1. Raw Materials		5,232,061		14,776,707
2. Others		<u>14,475</u>		<u>—</u>
		<u>5,246,536</u>		<u>14,776,707</u>
f) Expenditure in foreign currencies:				
Foreign Travel		832,046		664,320

	31.03.2016		31.03.2015	
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	12.59	11,678,445	17.13	15,252,289
Indigenous	87.41	81,083,397	82.87	69,785,986
	<u>100.00</u>	<u>92,761,842</u>	<u>100.00</u>	<u>85,038,275</u>
2. Stores & Spare Parts				
Imported	1.77	382,614	3.53	751,835
Indigenous	98.23	21,292,339	96.47	20,574,327
	<u>100.00</u>	<u>21,674,953</u>	<u>100.00</u>	<u>21,326,162</u>
h) Number of Non-resident shareholders		28		28
Number of Shares held		125,000		125,000
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		<u>45,278,188</u>		<u>93,602,277</u>
2. Technical Services		<u>2,732,423</u>		<u>12,337,022</u>
		<u>48,010,611</u>		105,939,299

30. SEGMENT REPORTING

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

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

The above business segments have been identified considering :

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

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

(In Rupees)

Particulars	Year to date figures for the period 01.04.2015 to 31.03.2016	Year to date figures for the period 01.04.2014 to 31.03.2015
1. Segment Revenue		
a. Rubber Lining & Rubber Products	179,195,980	207,263,653
b. PTFE Lining & PTFE Products	128,039,395	95,445,166
Total	307,235,375	302,708,819
Less: Inter segment revenue	—	—
Net Sales / Income from Operations	307,235,375	302,708,819
2. Segment Results Profit / (loss) (before tax and interest from each segment)		
a. Rubber Lining & Rubber Products	19,013,138	51,702,211
b. PTFE Lining & PTFE Products	37,537,757	22,598,976
Total	56,550,895	74,301,187
Less: i. Interest and Finance Charges	3,697,807	6,655,522
ii. Other un-allocable expenditure net of unallocable income	17,973,241	17,119,876
Total Profit Before Tax	34,879,847	50,525,789
1. Capital Employed (Segment assets - Segment Liabilities)		
a. Rubber Lining & Rubber Products	113,929,296	103,741,612
b. PTFE Lining & PTFE Products	93,285,048	87,013,800
Total	207,214,344	190,755,412

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

a) Key Management Personnel

Mr. Rajiv Sreedhar - Managing Director
Mr. V.P.K. Mani - Company Secretary
Mr. N. Guruswamy - Chief Financial Officer

b) Disclosure of Related Party Transactions and Year End Balance

c) Company under same Management : MIL Trading Private Limited

	31.03.2016						31.03.2015					
	Amount in Rs.						Amount in Rs.					
	Nature of Transaction						Nature of Transaction					
	Remune-ration	Interest on Deposits	Rent Paid	Deposit Received	Deposit Repaid	Year End Balance	Remune-ration	Interest on Deposits	Rent Paid	Deposit Received	Deposit Repaid	Year End Balance
Mr. Rajiv Sreedhar Managing Director	4,669,626	—	600,000	—	—	—	5,364,306	750,000	600,000	—	7,000,000	—
Mr. V.P.K. Mani Company Secretary	300,000	—	—	—	—	—	280,000	—	—	—	—	—
Mr.N.Guruswamy Chief Financial Officer	960,000	—	—	—	—	—	960,000	—	—	—	—	—
Directors			Sitting Fees						Sitting Fees			
Mr. S.S.R. Rajkumar	—	—	35,000				—		52,000			
Mr. Noman H. Millwala	—	—	35,000				—		46,000			
Mrs. Saroja Raman	—	—	20,000	—	—	—	—	19,512	31,000	—	—	—
Dr. T. Venkatesan	—	—	35,000				—		52,000			
Relatives of Key Management Personnel	—	—	—	—	—	—	—	333,707	—	—	5,050,000	—
MIL Trading Private Limited	Rent received for the premises		360,000				Rent received for the premises		360,000			

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

Vide our report of even date attached

For Suri & Co.

Firm Regn. No. 004283S

R. MAHESH
Partner

V.P.K. MANI
Secretary

RAJIV SREEDHAR
Managing Director

S.S.R. RAJKUMAR
NOMAN H. MILLWALA
SAROJA RAMAN
Dr. T. VENKATESAN
Directors

Chartered Accountants
Membership No. 024775
Place : Chennai
Date : 29.07.2016

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

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

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

Rajiv Sreedhar
Managing Director

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

Place : Chennai
Date : 29.07.2016

MIL INDUSTRIES LIMITED

25A, Industrial Estate, Ambattur, Chennai – 600 098

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the Annual General Meeting.

Venue : Plot No. 25A, Industrial Estate
Ambattur, Chennai – 600 098

Date : 23rd September, 2016

Time : 4.30 p.m.

L.F. No.

Signature of the Shareholder / Proxy

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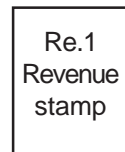
MIL INDUSTRIES LIMITED

25A, Industrial Estate, Ambattur, Chennai – 600 098

I/We..... of
in the District of being a member/members of MIL INDUSTRIES LIMITED,
hereby appoint in the District of
failing him/her of as my/our proxy in my/our absence to
attend and vote for me/us and my/our behalf, at the Annual General Meeting of the
Company, to be held on 23rd September, 2016.

Signed this day of 2016.

Signed by the said.....



Signature of the Shareholder

Note: The Proxy must be deposited at the Registered office of the Company at Plot No. 25A, Industrial Estate, Ambattur, Chennai – 600 098, not less than 48 hours before the time for holding the meeting.

The proxy need not be a member of the Company.

BOOK POST

If undelivered please return to :

MIL INDUSTRIES LIMITED

CIN No: L 25199 TN 1966PLC 005397

25A, Industrial Estate,

Ambattur, Chennai - 600 098

India.

Phone : (044) 26258382

MIL INDUSTRIES LIMITED

MIL Fiftieth Annual Report
2015-2016
