

MIL INDUSTRIES & AEROSPACE LIMITED



FIFTH ANNUAL REPORT 2022-23

MIL INDUSTRIES & AEROSPACE LIMITED

CHAIRPERSON	SAROJA RAMAN
MANAGING DIRECTOR	RAJIV SREEDHAR
DIRECTORS	NOMAN H. MILLWALA DR. T. VENKATESAN (Resigned on 03.10.2022) K.J. JANAKAR A. RENGARAJAN R. GOVINDARAJU (Appointed w.e.f. 24.07.2023)
COMPANY SECRETARY & CFO	U. VISWANATH (Appointed w.e.f. 06.02.2023)
BANKERS	UCO Bank, International Banking Branch Chennai- 600 001
AUDIT COMMITTEE	A RENGARAJAN, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> KJ JANAKAR, <i>Member</i> NOMAN H. MILLWALA, <i>Member</i>
NOMINATION AND REMUNERATION COMMITTEE	NOMAN H. MILLWALA, <i>Chairman</i> SAROJA RAMAN, <i>Member</i> KJ JANAKAR, <i>Member</i> A RENGARAJAN, <i>Member</i>
STAKEHOLDERS RELATIONSHIP COMMITTEE	NOMAN H. MILLWALA, <i>Chairman</i> RAJIV SREEDHAR, <i>Member</i> A RENGARAJAN, <i>Member</i>
STATUTORY AUDITORS	Venkat & Rangaa LLP, Chartered Accountants, Chennai
INTERNAL AUDITORS	KVM & Associates., Chartered Accountants, Chennai
SECRETARIAL AUDITOR	A.K.Jain & Associates, Company Secretaries, Chennai
REGISTRAR AND SHARE TRANSFER AGENT	INTEGRATED REGISTRY MANAGEMENT SERVICES PVT LIMITED 'Kences Towers', II Floor, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017

MIL INDUSTRIES & AEROSPACE LIMITED

REGISTERED & HEAD OFFICE

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

FACTORIES**Unit-I**

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

Unit-II

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

LISTED WITH

METROPOLITAN STOCK EXCHANGE OF
INDIA LIMITED (MSEI)

SYMBOL

MILIAIND

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CIN

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MIL INDUSTRIES & AEROSPACE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of MIL Industries & Aerospace Limited will be held on Wednesday, the 27th September, 2023 at 11.00 a.m. [Indian Standard Time (IST)] through Video Conferencing / Other Audio-Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements for the year ended 31st March, 2023 and the reports of the Directors and Auditors thereon;
2. To declare a dividend of Rs.1/- per equity share for the financial year ended 31st March 2023;
3. To appoint M/s. Venkat and Rangaa LLP, Chartered accountants, Chennai as statutory auditors for the period of five years.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) M/s. Venkat and Rangaa LLP, Chartered accountants, (Firm Registration Number - 004597S), be and is hereby appointed as the Statutory Auditor of the Company for a term of five (5) consecutive years, to hold the office till the conclusion of 10th Annual General Meeting of the Company, on such remuneration, as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

To consider passing the following resolution as a special resolution:

“RESOLVED THAT subject to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Mrs. Saroja Raman (holding DIN 00481687), a Non-Executive non-independent director, aged 85 years, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

5. APPOINTMENT OF MR. R. GOVINDARAJU (DIN: 10237176) AS THE DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. R. Govindaraju (DIN: 10237176), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24th July, 2023 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Director, as a Director (Category: Non-Executive Non-Independent) of the Company, liable to retire by rotation;

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“**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company, be and are hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

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

Place : Chennai
Date : August 14, 2023

U. VISWANATH
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) and dispensed physical presence of the Members at a common venue. Accordingly, MCA issued Circular No. 10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No.21/2021 dated December 14, 2021 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 (hereinafter collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide Circular Nos. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated 5th January, 2023, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD1CIR/P/2020/79 dated 12th May, 2020, (hereinafter collectively referred to as SEBI Circulars). The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith.
2. Pursuant to the aforesaid Circulars, the AGM is being conducted through VC / OAVM, the facility for appointment of proxies by Members under Section 105 of the Companies Act, 2013 to attend and cast vote for the Members is not available for this Annual General Meeting, hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, corporate members are requested to send a copy of Board Resolution/ Power of Attorney authorising their representative to attend the AGM through VC / OAVM and cast their votes through remote e-voting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) for the purpose of ensuing AGM of the Company and determining the entitlement of the shareholders to the final dividend for the year 2022-23.
4. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, an explanatory statement setting out the material facts concerning special business to be transacted at the AGM is annexed and forms part of this Notice. Information pursuant to Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS2) in respect of the Directors seeking appointment /re-appointment, as the case may be, at the AGM is furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
5. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on “first come first served” basis.

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6. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
7. As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated March 16, 2023 in super session of its earlier Circulars dated 3rd November 2021 and 14th December 2021 provides revised common and simplified norms for processing investor's service request by RTAs and norms for mandatory furnishing of PAN, KYC details and Nomination including the fillable Forms are hosted on the Company's Website www.milia.in under "Investors Relations". The RTAs shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents / details are received. It is also to be noted that the Folios of holders of physical shares wherein any of the above cited documents / details are not available on or after October 01, 2023, particular folio shall be frozen by the RTA and with effect from April 01, 2024 any dividend payment with respect to such frozen folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above. Further, such frozen folios would be referred under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.
8. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25th January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.
9. The investors can register their complaints / queries to the email id of the Company i.e. secretarial@milia.in
10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at www.milia.in. The Notice can also be accessed from the website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the VC / OAVM facility, Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nSDL.com/. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@milia.in.
11. To support the "Green Initiative", Members who have not registered their e-mail address so far are requested to register their e-mail address, are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Members can also send email to secretarial@milia.in stating their name and folio no. electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can send an e-mail to secretarial@milia.in requesting for inspection of the Registers.
13. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
14. Pursuant to the Hon'ble NCLT Order, upon the Scheme becoming effective, MIL Industries & Aerospace Limited (the Resulting Company) has issued and allotted One (1) fully Paid-Up Equity Share of Rs. 10/- each for every One (1) fully paid-up Equity Share of Rs. 10/- held you in MIL Industries Limited (Demerged Company) on 25th August, 2022 being the Record Date. As the Equity Shares in MIL Industries Limited are still held by you in Physical Form and as you have not taken any action for Dematerialization of the

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same, the Shares allotted to you in MIL Industries & Aerospace Limited as mentioned above have been kept in 'MIL Industries and Aerospace Limited Unclaimed Suspense Account'. Accordingly, you have to inform your Demat Account Number which is maintained by you in the same names as mentioned above so that we can transfer the said Shares to your Demat Account. In case you are not maintaining any Demat Account in the said names, you are requested to open the same and inform us the Demat Account Number/Details so that the necessary steps can be taken at our end.

15. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline.
16. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. However, no tax will be deducted on payment of dividend to the resident individual shareholder, if the total dividend, paid during financial year ('FY') 2023-24, does not exceed INR 5,000/-.

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

I. RESIDENT SHAREHOLDERS:

- a) Tax deductible at source for Resident Shareholders (other than resident individual shareholders receiving dividend not exceeding INR 5,000 during the FY 2023-24)

Sl. No.	Particular	TDS Rate	Declaration / documents required
1.	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and share Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Shareholder	10%	N.A
2.	No PAN or Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	N.A
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act	Rate specified in Lower TDS certificate obtained from Income Tax Department	<ul style="list-style-type: none">• Copy of PAN Card• Copy of lower TDS Certificate obtained from Income Tax Dept.

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

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

II. NON-RESIDENT SHAREHOLDERS

Tax deductible at source for non-resident shareholders.

Sl. No.	Category	TDS Rate	Declaration / documents required
1.	Other Nonresident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> a) Copy of PAN card (if available) b) Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the financial year 2023 and financial year 2024 (covering the period from April 1, 2023 to March 31, 2024) c) Self-Declaration in Form 10F (Please download Annexure-3, from the website of the company) d) Self-declaration for non-existence of permanent establishment / fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Please download Annexure-4, from the website of the company)

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Sl. No.	Category	TDS Rate	Declaration / documents required
			(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).
2.	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	NA

Notes:

1. Update your KYC data to receive all communications and dividend information - The shareholders are requested to update their KYC data viz., PAN Number, email id, address, mobile number and bank account details by submitting the relevant details with our Registrar & Share Transfer Agent (RTA) and Shareholders holding shares in dematerialized mode are requested to update the same with their respective Depository Participant to ensure ease of communication and seamless remittances.
2. Shareholders will be able to download the tax credit statement from the Income Tax Department's website <https://www.incometax.gov.in/iec/foportal> (refer to Form 26AS)
3. The aforesaid documents and all the declarations such as Form 15G / 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be shared by email on secretarial@milia.in by September 20, 2023. Any communication in relation to tax rate determination/ deduction/TDS matters received after September 20, 2023 shall not be considered. Further, the shareholders can download the format of Annexures on the website of the company at www.milia.in
4. In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate, as applicable, without any further communication in this regard.
5. The Company has fixed Wednesday, 20th September, 2023 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31st March, 2023, if approved at the AGM.

Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended) and MCA Circulars dated December 28, 2022 read with May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 13, 2020 and April 08, 2020 the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM, the Company is pleased to provide members, facility to exercise their right to vote at the (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

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

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

Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- I. The remote e-voting period begins on Sunday, 24th September, 2023 (9:00 a.m. IST) and ends on Tuesday, 26th September, 2023 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 20th September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September, 2023. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
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 or joining virtual meeting & voting during the meeting.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/ IdeasDirectReg.jsp

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</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> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">  App Store  Google Play </div> <div style="text-align: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - 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:
- 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.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
-

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pankaj@akjainassociates.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 at evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic means.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@milias.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@milias.in. If you are an Individual shareholders holding securities in demat mode, you

are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@milias.in. The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@milias.in atleast 7 days in advance before the meeting i.e. by 20th September, 2023.

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7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2023.
 9. Any person, who acquires shares of the Company and become a member of the Company after sending soft copy of the notice and holding shares as of the cut-off date may obtain the User ID and password by sending a request at evoting@nsdl.co.in.
 10. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
 12. Pankaj Mehta, (M.No.A29407, C.P.10598), Partner, M/s. A.K. Jain & Associates., Company Secretaries, (Address: No. 2, Raja Annamalai Road, First Floor, Purasawalkam, Chennai - 600 084.) has been appointed for as the Scrutinizer inter alia for providing facility to the members of the Company to scrutinize the remote e-voting process in a fair and transparent manner.
- II. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM (conducted through "VC") and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairperson or a person authorized in this regard, within 2 working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- III. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.milia.in immediately after the declaration of results by the Chairman or a person authorized by him in writing.

The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Ltd., Mumbai.

Information at glance:

Particulars	Details
Time and date of AGM	27 th September 2023, 11.00 a.m.
Mode	Through Video Conferencing ("VC")
Dividend record date	20 th September 2023
Annual dividend payment date	Within 30 days from the date of AGM
Cut-off date for e-Voting	20 th September 2023
e-voting start time and date	24 th September 2023; Sunday 9.00 a.m. IST
e-voting end time and date	26 th September 2023; Tuesday 5.00 p.m. IST

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and information as required under Regulation 36(3) SEBI (LODR) Regulations, 2015 and Secretarial Standards-2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

Item No. 3

On recommendation of the Audit Committee and the Board of Directors of the Company, it is proposed to the shareholders to appoint M/s. Venkat and Rangaa LLP, Chartered Accountants, (Firm Registration No. 004597S), as Statutory Auditors of the Company pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 for a period of 5 years to hold office from the conclusion of ensuing 5th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company.

M/s. Venkat and Rangaa LLP, Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommends the Ordinary Resolution as set out in the item No.3 of the Notice for the appointment of M/s. Venkat and Rangaa LLP, Chartered Accounts as the Statutory Auditors of the Company for the first term of five years from the conclusion of this AGM till the conclusion of the 10th AGM taking into their credentials and based on the evaluation of the quality of audit work done by the Statutory Auditors.

Credentials of the Auditor

M/s. Venkat and Rangaa LLP, Chartered Accounts was established in the year 1984 and is headed by 7 partners at 6 different offices located in various whereabouts across Tamil Nadu and Bangalore. Partners assisted with a team comprising of Qualified Chartered Accountants and other supporting staff members. The firm's clientele inter-alia includes PSUs, Listed Companies in the Manufacturing, Banking and Service sectors.

The terms and conditions of appointment of the Statutory Auditors and the proposed fees are as follows:

- i. Term of Appointment: 5 years from the conclusion of this AGM till the conclusion of 10th AGM.
- ii. Proposed Fees: Remuneration for Statutory Audit is Rs.1,50,000 (Rupees One Lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2023-24. The remuneration payable to the Statutory Auditors for the remainder of the tenure of the proposed appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee from year to year.

The proposed fees is based on expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested in the resolution.

Item No. 4

Mrs. Saroja Raman, was appointed as a director of the company from the incorporation date i.e. April 17, 2018. Since then, she has been associated with the Company and she is the Non-Executive Non-Independent director and the Chairperson of the Company. She is aged about 85 years. As per Regulation 17(1A) of Listing Regulations no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment specifies the justification for such appointment. The Directors are of the view that though she has attained the age of 85 years, considering her knowledge and experience it is in the best interests of the Company to continue her as a Non-executive director of the Company.

Mrs. Saroja Raman is associated with MIL Industries Limited (MIL) since 1998, having vast experience on the board, have contributed for effective functioning of the board and General Management.

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

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

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

- i. **Chairman / Member of the Committee of the Board of Director of the Company:** Chairperson of the Company and Member of the Nomination and Remuneration Committee
- ii. **Shareholding:** NIL
- iii. **Listed entities from which resigned in the past three years:** NIL
- iv. **Directorship:** She is the Non-Executive Director of MIL Industries Limited and member of CSR Committee of MIL Industries Limited.

She is the member of the Nomination & Remuneration Committee (NRC) of the Company. She is related to Mr. Rajiv Sreedhar, Managing director of the company.

Item No.5

Mr. R. Govindaraju, who was appointed as an Additional Director (Non-Executive & Non-Independent) of the Company under Section 161(1) of the Companies Act, 2013 effective from July 24, 2023, holds office up to the date of this Annual General Meeting, and is eligible for appointment as Director of the company. As recommended by the Nomination & Remuneration Committee and the Board of Directors considers it in the interest of the company to appoint Mr. R. Govindaraju, as a Director and hence it recommends the said resolution No 5 for approval by the members of the Company.

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

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

Brief Resume: Mr. R. Govindaraju (DIN: 10237176) is having 33 years of experience in PTFE related products and aerospace business and he has qualification in Diploma in Mechanical Engineering from Muthiah Polytechnic College, Chidambaram, Tamil Nadu and Post Diploma in Die & Tool design (Advanced) from Directorate of technical education, Chennai, Tamil Nadu. He was previously working in MIL Industries Limited as an Assistant General Manager PTFE Production.

- i. **Chairman / Member of the Committee of the Board of Director of the Company:** NIL
- ii. **Shareholding:** NIL
- iii. **Age:** 61 Years
- iv. **Listed entities from which resigned in the past three years:** NIL
- v. **Directorship:** He doesn't hold directorship in any other companies.

By Order of the Board
for MIL Industries & Aerospace Limited

Place : Chennai
Date : August 14, 2023

U. VISWANATH
Company Secretary

MIL INDUSTRIES & AEROSPACE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

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

FINANCIAL RESULTS (Standalone)

(Rs. in lakhs)

Particulars	Standalone	
	For the year ended 2023	*For the year ended 2022
Profit Before Finance cost, Depreciation and Tax	350.86	(1.53)
Less:		
i) Finance Cost	1.70	-
ii) Depreciation	51.07	-
iii) Provision for Taxation		
- Current Tax	85.00	-
- Deferred Tax	15.22	-
Profit / (Loss) after Tax	197.87	(1.53)

* The figures for the previous year ended 31.03.2022 are not comparable due to demerger of the PTFE division from MIL Industries Limited and the assets and liabilities vested with the Company with effect from 1st April 2022, being the appointed date sanctioned by the Hon'ble National Company Law Tribunal.

SCHEME OF ARRANGEMENT OF DE-MERGER:

- During the Financial Year under review, the Hon'ble National Company Law Tribunal, Chennai Bench approved the Scheme of Demerger vide its Order dated 22nd July, 2022 for Demerger of PTFE Division of MIL Industries Limited (MIL) into MIL Industries & Aerospace Limited (MILIA). The Certified copy of the order received on August 3, 2022. Accordingly, the PTFE Business of MIL was demerged into the Company w.e.f. 8th August, 2022.
- The Company was a wholly-owned Subsidiary of MIL. The Company ceased to be the subsidiary of MIL w.e.f. 8th August, 2022. The order of Hon'ble NCLT was filed with ROC on 8th August, 2022 being the effective date.
- Pursuant to the Scheme of Demerger, the shareholders as appearing in the Register of Members on Record Date i.e. 22nd August, 2022 of MIL were allotted 1 (One) Equity share of Rs. 10/- each fully paid up in the Company for every 1 (One) Equity Share of Rs. 10/- each fully paid up held in MIL. The said Equity Shares were allotted on 25th August, 2022.

The shareholders of MIL who were holding their shares in Demat form on the Record Date i.e. 22nd August, 2022 were allotted shares of the Company in Demat Form and were credited to their respective Demat accounts. The shareholders of MIL who were holding shares in physical mode, as on record date, the shares allotted to them are credited to "MIL Industries and Aerospace Limited Unclaimed Suspense Account". The shareholders who have not yet intimated the details of the Demat Account held by them are requested to inform the same immediately so that the shares held in suspense can be credited to their respective Demat Accounts.

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- iv. Pursuant to the Scheme of Demerger, the Equity Shares of the Company were listed on the MSEI Ltd., on 25th January 2023.

OPERATIONS

During the period under review (2022-23), the total revenue from operations and other income was Rs.2,288.06 Lakhs, Profit before tax was Rs. 298.09 Lakhs during the period. Net Profit after taxes was Rs.197.87 Lakhs.

This being the 1st financial period after the demerger, the comparative figures of previous year is not applicable.

Company Performance Overview

During the current Financial Year 2022-2023, the PTFE related Business has been demerged from MIL Industries Limited w.e.f. 8th August, 2022 and the Company started to carry forward the business of the PTFE Business independently. The Company now with a single segment of Business can focus on PTFE Related Business and after initial consolidation expects to achieve new levels of growth in the years to come.

DIVIDEND

The Board of Directors at their meeting held on 30th May 2023, recommended annual dividend of Rs 1/- per share (10%) absorbing a sum of Rs. 31,50,000/-. The dividend income shall be taxable in the hands of shareholders. The record date for the purposes of the annual dividend will be 20th September 2023.

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

ANNUAL RETURN

As required under Section 92(3), copy of Annual Return is placed on the Company's website. The same is available on the Company's website www.milia.in

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-2023 and of the profit of the company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis;
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- vi) The Directors had laid down internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.

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PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year within the meaning of Section 76 of the Act, 2013, for the year ended 31st March 2023.

RELATED PARTY TRANSACTIONS

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

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

SUBSIDIARY / ASSOCIATE/JOINT VENTURE COMPANIES

MIL Industries & Aerospace Limited was the wholly owned subsidiary of MIL Industries Limited as on March 31, 2022.

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

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

SHARE CAPITAL

Consequent to the approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal (NCLT) the following changes have been made in the Share Capital of the Company;

- a) The authorized Share Capital of the Company stands increased from Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of face value of Rs. 10 each to Rs. 3,50,00,000 divided into 35,00,000 Equity shares of face value of Rs. 10 each.
- b) The existing Paid-up share capital of Rs.20,00,000 consisting of 2,00,000 equity shares of face value of Rs. 10 each issued stood cancelled.
- c) 31,50,000 equity shares aggregating Rs. 3,15,00,000 were allotted to the shareholders of MIL Industries Limited (MIL) whose names appeared in their Register of Members on record date 22nd August, 2022.
- d) Shares were allotted in demat form, except those shareholders who had shares in physical form, as those share in physical form has been issued in demat to MIL Industries & Aerospace Limited unclaimed suspense account.
- e) Your company was admitted with NSDL and CDSL and has been allotted ISIN No. INE02ZJ01013
- f) The paid-up Equity Capital as on March 31, 2023 was Rs. 3,15,00,000.

During the period under review, the Company has not issued any other Equity Shares except as mentioned above

LISTING

Your company made an application to the MSEI for listing of its Equity Shares as a consequence of the approval of the Scheme of Arrangement by Hon'ble NCLT, Chennai. The MSEI have given their approval

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and Company's shares were listed w.e.f. January 25, 2023. The Company has paid the Annual Listing Fees for the financial year 2023-2024 to MSEI Limited, Mumbai, where your Company's shares are listed. The symbol allotted by MSEI Ltd., to the Company is 'MILIAIND' and the ISIN allotted to the Company is INE02ZJ01013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board has Managing Director Mr. Rajiv Sreedhar and five non-executive directors viz., Mrs. Saroja Raman, Chairperson (Woman Director), Mr. Noman H. Millwala, Mr. K.J. Janakar, Mr. A. Rengarajan & Mr. R. Govindaraju.

Retire by Rotation

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mrs. Saroja Raman, Director of the Company, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

APPOINTMENTS

During the period under review, Mr. Rajiv Sreedhar, was designated as a Managing Director w.e.f. October 1, 2022 and Mr. Noman H. Millwala, Mr. K.J. Janakar and Mr. A. Rengarajan were appointed as an Independent Director of the Company w.e.f. October 1, 2022.

Mr. U. Viswanath was appointed as a Company Secretary and CFO of the Company w.e.f. February 6, 2023.

Further, the Board on recommendation of Nomination and Remuneration Committee, appointed Mr. R. Govindaraju, as an additional director (Non-Executive & Non-Independent) of the Company w.e.f. July 24, 2023. The appointment of Mr. R. Govindaraju as a Non-Executive Director has been recommended to the shareholders for the approval in this Annual general Meeting.

RESIGNATION

Dr. T. Venkatesan has tendered his resignation and ceased to be a Director of the Company w.e.f. close of business hours of October 3, 2022.

INDEPENDENT DIRECTORS

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

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

Independent Directors meeting was held on 6th February 2023 without the attendance of the other directors.

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

The detailed terms of appointment of IDs is disclosed on the Company's website www.milia.in.

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AUDIT COMMITTEE

Composition Of Audit Committee

The Audit Committee was constituted with effect from 3rd October, 2022 and at present the constitution of the committee is as under:

S. No.	Name of Director	Designation	Remarks
1.	Mr. A. Rengarajan	Chairman	Independent Director
2.	Mr. Rajiv Sreedhar	Member	Managing Director
3.	Mr. Noman H. Millwala	Member	Independent Director
4.	Mr. K. J. Janakar	Member	Independent Director

The Board has not rejected any proposal / recommendations of Audit Committee during the year.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company www.milia.in. The Nomination & Remuneration Committee was constituted with effect from 3rd October, 2022 and at present the constitution of the committee is as under:

S. No.	Name of Director	Designation	Remarks
1.	Mr. Noman H. Millwala	Chairman	Independent Director
2.	Mrs. Saroja Raman	Member	Non-Executive & Non-Independent Director
3.	Mr. K. J. Janakar	Member	Independent Director
4.	Mr. A. Rengarajan	Member	Independent Director

POLICY ON VIGIL MECHANISM

The Company has in place an established Whistle Blower Policy, which provides a formal mechanism for all Directors, Employees and other stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

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

The Policy is disclosed on the Company's website: www.milia.in.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013 in respect of CSR activities are not applicable to the Company.

MANAGERIAL REMUNERATION DETAILS UNDER SECTION 197

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

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MEETING OF THE BOARD

Eight meetings of the Board of Directors were held during the period ended 31st March, 2023 and the gap between the two meetings was not more than 120 days.

AUDITORS AND AUDITORS' REPORT

INTERNAL AUDITOR

After the listing of the shares of the Company on MSEI Ltd, Mumbai, the Company has appointed M/s. KVM & Associates, Chartered Accountants as an Internal Auditor of the Company for the Financial Year 2022-2023 pursuant to the provisions of Section 138 of the Companies Act, 2013.

He has conducted Internal Audit for the financial year ended on 31st March, 2023 and submitted the periodical Internal Audit Reports to the Audit Committee. The said Reports have been reviewed by the Statutory Auditors and the Board of Directors.

STATUTORY AUDITORS

M/s. Venkat and Rangaa LLP, Chartered Accountants was appointed as the Company's Statutory Auditor to fill the casual vacancy and his term of appointment is valid till the conclusion of this Annual General Meeting and given their consent to act as the Auditors of the Company for a period of 5 years to hold office from the conclusion of ensuing 5th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company.

The Auditor's Report to the Shareholders for the year under review does not contain any qualifications.

SECRETARIAL AUDITOR

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

The Secretarial Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remarks except observation as given below.

"The Company has been advised to file MR-1 for the appointment of Managing Director" – *The Company has taken the necessary steps to file the Form MR-1 for appointment of Managing Director.*

COST AUDIT

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Though the nature of Company's operation does not involve substantial energy consumption, various steps have been taken to conserve energy.

TECHNOLOGY ABSORPTION:

Research & Development activities of the Company are directed towards

- (a) upgradation of existing production methods to improve the operating efficiency.
- (b) to improve the quality of the PTFE lining by the use of special tools.
- (c) to continue to reduce overall costs.

MIL INDUSTRIES & AEROSPACE LIMITED

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:

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

	<u>Rs. In Lakhs</u>
Foreign Exchange used	12.39
Foreign Exchange earned	53.88

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

The Company has not given any Loan or guarantee or provided any security or made any investments during the year. However pursuant to the Scheme, the PTFE Business of MIL Industries Limited (MIL) had been demerged into MIL Industries & Aerospace Limited (MILIA). Further the investments made by MIL in MIL Trading Private Limited, had been transferred in the name of the Company.

BUY BACK OF SECURITIES

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

RISK MANAGEMENT

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

LISTING OF EQUITY SHARES AND COMPLIANCE

Our Company's equity shares are listed with the Metropolitan Stock Exchange of India Limited, Mumbai (MSEI) with effect from 25th January, 2023.

The details of the securities listed are as follows:-

Symbol	MILIAIND
Security Name	MIL Industries & Aerospace Limited
ISIN code	INE02ZJ01013
Market lot	1
Series	BE

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

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

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

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

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SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review the holding subsidiary relationship between MIL Industries Limited and MIL Industries & Aerospace Limited has been extinguished and both the entities have started working independently. Apart from this, there is no change in the nature of business.

ANNUAL PERFORMANCE EVALUATION

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

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

CORPORATE GOVERNANCE

As per Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the provisions of Corporate Governance are not applicable to those Companies whose paid up equity share capital does not exceed Ten Crore and net worth does not exceed Twenty Five Crore, as on the last day of the previous financial year.

As the Company falls under the abovesaid criteria, the Corporate Governance is not applicable to the Company and accordingly the Company has not furnished the Corporate Governance Report and the Compliance Certificate of CEO/Managing Director in terms of SEBI Listing Regulations, 2015.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of Listing Regulations, the Business Responsibility Report is not applicable for the company as company does not fall under the top one thousand listed entities based on market capitalization as at financial year 31st, March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

(a) Industry structure and developments

The Company's products such as PTFE lined pipes and fittings, High performance hoses and other PTFE products are supplied to core sector industries like fertilizer, metallurgical, chemical, as well as the aerospace industry and therefore our growth depends on the growth of such consuming industries.

(b) **Opportunities and Threats.**

There are only limited no. of corporate players in the PTFE products field in which the company mainly operates. However, there is a huge threat from the unorganized players in the PTFE lining and PTFE products segment.

(c) **Segment-wise or product-wise performance.**

The company mainly operates in one segment. viz., PTFE Lining of pipes & fittings and PTFE components/ products for the aerospace and power turbine industry.

Being 1st financial year after the demerger, the comparable data for the performance is not available.

(d) **Outlook**

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

(e) **Risks and concerns.**

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

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

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

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

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

Being 1st financial year after the demerger, the comparable data for the performance is not available.

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

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

(a) **Key Financial Ratios**

Being 1st financial year after the demerger, the comparable data for calculating the key financial ratios is not available.

(b) **Reporting of fraud**

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

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(c) Secretarial Standards

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

DISCLOSURE OF ACCOUNTING TREATMENT:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS". Accordingly, the financial statements for the year 2022-23 have been prepared in compliance with the said Rules.

ACKNOWLEDGEMENT

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

On behalf of the Board
For **MIL Industries & Aerospace Limited**

Place : Chennai
Date : 14th August, 2023

Saroja Raman
Chairperson

MIL INDUSTRIES & AEROSPACE LIMITED

ANNEXURE I TO BOARD'S REPORT

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

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

Name	Designation	Ratio
Mr. Rajiv Sreedhar	Managing Director	12.61:1

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

The Company was listed only during the F.Y. 2022-23 after demerger, hence the previous year figures were not taken in to account for the calculation. Hence the increase or decrease in median remuneration of employees, increase or decrease in average salary is not available. Other details has been given below:

- There were 29 permanent employees on the rolls of the Company as on 31st March, 2023.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, Key Managerial Personnel and other Employees.

STATEMENT OF PARTICULARS OF EMPLOYEES:

Details of top ten employees in terms of remuneration drawn during the year:

Sl. No.	Name of Employee	Designation	Remuneration in lakhs	Nature of Employment	Qualification	Experience (Years)	Date of employment commencement	Age	Previous Employment
1	Saravanan Sundaram	DGM-O	24.05	Regular	DME	23	01.02.2019	45	BMW India Pvt. Ltd
2	Gopalakrishnan G	SM-Marketing	10.40	Contractual	DME	37	07.03.1991	58	Kranes Kraft & Controls P Ltd
3	Kishore Kumar B	Manager – Engg	9.36	Regular	BE, MBA Mktg	16	19.02.2007	39	NIL
4	Baskar. S	AGM-Coatings	9.10	Regular	DME, Dip in B.Mgmt	36.5	06.09.1990	56	Raman Alloy Steel Industries Pvt Ltd
5	Sivakumar M	AM - Marketing	8.19	Regular	BE – Mech	16	22.04.2011	40	Mehta And Padamsey Surveyors Pvt Ltd
6	Gunasekaran K S	AGM	8.19	Contractual	DME	32	21.01.1991	61	NIL
7	Praveen J	QC-Manager	6.96	Regular	DME	13	27.06.2011	31	Rolltec Engineering
8	Mahesh K	AM - Machine Shop Programing	6.96	Regular	DME	6	12.07.2017	48	NIL
9	Gopi B	Junior Engineer	6.83	Regular	DME	19	04.06.2012	41	IRIZAR-TVS
10	Samy R	Cost Assistant	5.46	Regular	MBA-Finance	12	01.12.2011	34	NIL

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

Annexure - II

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2023

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

To,

The Members,

M/s.MIL INDUSTRIES & AEROSPACE LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. MIL INDUSTRIES & AEROSPACE LIMITED (CIN: U74999TN2018PLC122159)(hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Applicable w.e.f. 25.01.2023**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Applicable w.e.f. 25.01.2023**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit period).**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period).**

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- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Applicable w.e.f. 25.01.2023**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit period).**
- (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit period).**

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

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

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

We have also examined the applicable clauses of the following:

- (i) Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Ltd as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. – Applicable w.e.f. 25.01.2023
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above except as stated below

- (i) *The Company has been advised to file MR-1 for the appointment of Managing Director.*

We further report that:

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

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We further report that during the year under review:-

- A. The Hon'ble National Company Law Tribunal Division Bench-II Chennai vide its Order dated 22nd July, 2022 & Corrigendum Order dated 28th July, 2022 sanctioned the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between the Company and MIL Industries Limited and their respective Shareholders & Creditors.
- B. The Company had increased its authorised capital from Rs.2,00,00,000/- (Rupees Two Crores only) to Rs.3,50,00,000/- (Rupees Three Crores and Fifty Lakhs only) in the Extra Ordinary General Meeting held on 05.08.2022
- C. The Company had pursuant to the National Company Law Tribunal Division Bench-II Chennai Order dated 22.07.2022 in the Scheme of Arrangement between MIL INDUSTRIES LIMITED (Demerged Company) and MIL INDUSTRIES & AEROSPACE LIMITED (Resulting Company) allotted 31,50,000 equity shares of Rs.10/- each on 25.08.2022.

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

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

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

PANKAJ MEHTA

Partner

M.NO. A29407

C. P. No. 10598

PR No. 1201/2021

UDIN: A029407E000424384

Place: Chennai

Date: 30.05.2023

Independent Auditors' Report

To the Members of MIL Industries & Aerospace Limited

Report on the standalone Financial Statements

Opinion

We have audited the standalone financial statements of MIL Industries & Aerospace Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the Note No.36 of the Standalone Financial statements wherein the disclosure about the scheme of demerger arrangements has been mentioned. The Company has filed an application with the Hon'ble National Company Law Tribunal, Chennai bench ("the Tribunal"), seeking approval for scheme of arrangement (scheme) demerger of the PTFE division in to a separate Company i.e. MIL Industries & Aerospace Limited under the provisions of section 230-232 of the Companies Act, 2013. The Hon'ble National Company Law Tribunal (NCLT), Chennai Bench had vide its order dated 22nd July 2022 sanctioned the Scheme of Arrangement between the Shareholders and Creditors of MIL Industries Limited and its wholly owned Subsidiary MIL Industries & Aerospace Limited (MILIA) for the demerger of the PTFE business to MILIA. The appointed date was fixed as 1st April 2022 by NCLT. The Company has complied with the formalities and the Scheme has become effective from 8th August 2022. Pursuant to the Scheme becoming effective, the PTFE business is demerged from the Company and transferred to and vested with MILIA from the appointed date, viz., 1st April 2022 and MIL Industries & Aerospace Limited ceased to be a subsidiary of MIL Industries Limited from the effective date.

Key Audit Matters

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

MIL INDUSTRIES & AEROSPACE LIMITED

our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters and Conclusion
<p>Cash and Cash Equivalents As at 31st March 2023, the Company carries Cash and Cash Equivalents to the extent of Rs.1170.08 lakhs which has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operating effectiveness of the controls with respect to the maintenance of cash balances, and the transactions with banks, the manner of operation of the bank accounts, etc. • The cash balance has been physically verified at the end of the year. • The Bank Reconciliation Statements have been verified at the end of the year. • In respect of deposits, the original deposit receipts, wherever held have been verified and those deposited as margin for credit facilities have been verified with respect to the confirmation furnished by the lender. • Direct confirmation for the deposits and the balances held in other accounts with Banks have been obtained and validated with reference to the books of accounts.
<p>Inventories As at 31st March 2023, the Company carried inventories to the extent of Rs.798.09 lakhs- which having regard to the value has been considered as a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and operative effectiveness of the controls with respect to Inventories, like the receipt and issue of materials, the determination of the quantity of inventories as at the end of the year and the valuation of such inventories. • We have also tested and verified the records relating to the valuation of finished goods and work in progress and the value of other store materials. • We have tested the judgments and estimates made by the Company for the determination of the realisable value of inventories. • Based on the above procedures, the value of inventories as considered in the financial statements is considered reasonable.
<p>Trade Receivables As at 31st March 2023, the Company carried Trade Receivables to the extent of Rs.57.27 lakhs which has been considered to be a Key Audit Matter</p>	<ul style="list-style-type: none"> • We have verified and tested the design and maintenance and the operating effectiveness of the controls relating to sale of goods/ services, revenue recognition. • The outstanding in the Trade Receivables have been validated with respect to the invoices raised and the correspondences with the company and to the extent realised subsequent to 31st March 2023 till the date of our report. • We have tested the estimates and judgments made by the Company for assessment of expected credit loss and the provision for impairment of trade receivable. • Based on the above procedures, the estimate of credit risk and the provision for impairment made by the Company is reasonable.

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<p>De-merger of the PTFE Undertaking of the MIL Industries Limited</p> <p>As described in the standalone financial statements, a business combination in nature of demerger has taken place in which significant judgments were required related to:</p> <ul style="list-style-type: none"> - determining the acquisition date; - derecognizing the identifiable assets and assumed liabilities; and - determination of the consideration of business combination. 	<p>Following procedures have been performed to address this key audit matters:</p> <ul style="list-style-type: none"> • We reviewed the board resolution to ensure the approval of the scheme of demerger and other power used to give effect of demerger. • We reviewed the approved Scheme of Arrangement to ensure the acquisition date, to identify assets and liabilities to be transferred to resulting companies. • We refer the applicable accounting standard to ensure the effect of demerger in the standalone financial statement.
<p>Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters.</p> <p>In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under Note No. 26 to the financial statements for the year ended 31.03.2023. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"> • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.

Information other than the Financial Statements and Auditors' Report thereon

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give

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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.

MIL INDUSTRIES & AEROSPACE LIMITED

Materiality is the magnitude of misstatements in the financial statements, that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
3. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
4. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
5. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. There are no pending litigations.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above.
- e. i) The dividend paid by the Company during the year, in respect of the Dividend declared in the previous Annual General Meeting, for the previous financial year is in accordance with the provisions of section 123 of the Act.
- ii) As stated in Note No.38 of the Standalone Financial Statements, the Board of Directors of the Company have proposed the payment of Dividend Re.1/- per Equity Share aggregating to Rs.31.50 lakhs for the year which is subject to the approval of the Shareholders at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

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

T.Zameer
Partner

Membership No.230441

ICAI UDIN No. 23230441BGTKYD1252

Place: Chennai
Dated : 30th May 2023

Annexure A to the Independent Auditors' Report

To the Members of MIL Industries & Aerospace Limited

- i) (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) In our opinion and according to the information and explanations given to us, the Property, Plant and Equipment have been physically verified during the year by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of all the immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- (d) Property, Plant and Equipment and Intangible assets have not been revalued.
- (e) As explained to us, and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- ii) (a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted by the Management at reasonable intervals and in our opinion the coverage and procedure of such verification conducted by the management is adequate. As explained to us, no discrepancies in excess of 10% or more in the aggregate for each class of inventory were noticed.
- (b) In our opinion and according to the explanations given to us, the quarterly returns submitted by the Company in respect of working capital facilities availed from banks on the security of current assets of the Company, are in agreement with the books of accounts maintained by the Company.
- iii) In respect of investments made and advances given, in our opinion and according to the explanations given to us,
 - (a) During the year, the Company has not granted any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
 - (b) The terms and conditions of the investments made are not prejudicial to the interests of the Company.
 - (c) Since the Company has not granted any loans or advances in the nature of loans, the provisions of clause (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the aforesaid Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to loans availed by it and the investments made by it.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the activities of the Company.

MIL INDUSTRIES & AEROSPACE LIMITED

- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2023 for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute.
- viii) As explained to us and according to the information and explanations furnished to us, no transactions not recorded in the books of accounts have been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.
- ix) (a) The Company has not defaulted in the repayment of loans or other borrowings during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution.
- (c) The Company has not availed any term loans during the year.
- (d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according the information and explanations give to us, the Company has not taken any funds from any entity to meet the obligations of its subsidiary company, associate companies or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the Company has not availed any loans on the basis of the pledge of its investments in Subsidiary Company.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year.
- xi) (a) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.
- (b) No report under sub-section 12 of section 143 of the Companies Act, 2013 have been filed by the Auditors in Form ADT – 4 as prescribed under rule 13 of the Companies (Audit and Auditors’) Rules 2014 with the Central Government.
- (c) As explained to us and based on the information, explanations and representations furnished to us, the Company has not received any whistle blower complaints during the year (upto and including the date of this report).

MIL INDUSTRIES & AEROSPACE LIMITED

- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv) (a) The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
(b) The reports of the Internal Auditors have been considered by us.
- xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.
- xvi) (a) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) are not applicable.
- xvii) The Company has not incurred any cash losses during the current financial year or in the immediately preceding financial year.
- xviii) There has been resignation of statutory auditors during the year under audit. However, there were no any issues, objections or concerns raised by the outgoing auditors
- xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion and according to the information and explanations given to us, no material uncertainty exists as on the date of the audit report, that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) The provisions of section 135 of the act with respect to Corporate Social Responsibility are not applicable to the company and hence the provisions of clause (xx)(a) and (xx)(b) of the aforesaid Order are not applicable to Company.

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

T.Zameer
Partner

Place: Chennai
Dated : 30th May 2023

Membership No.230441
ICAI UDIN No. 23230441BGTKYD1252

MIL INDUSTRIES & AEROSPACE LIMITED

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of MIL Industries & 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 & Aerospace Limited** (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

MIL INDUSTRIES & AEROSPACE LIMITED

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our Opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T.Zameer
Partner

Place: Chennai
Dated : 30th May 2023

Membership No.230441
ICAI UDIN No. 23230441BGTKYD1252

MIL INDUSTRIES & AEROSPACE LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

Rupees in lakhs

PARTICULARS	Note	As at 31-03-2023	As at 31-03-2022
ASSETS			
Non Current Assets			
i) Property, Plant and Equipment	4	462.99	-
ii) Capital Work in Progress			
iii) Financial Assets			
a) Investments	5	0.78	-
b) Other Financial Assets	6	4.22	-
iv) Preliminary Expenses not written off		-	3.05
Total Non current Assets	(A)	468.00	3.05
Current Assets			
Inventories	7	798.10	-
i) Financial Assets			
a) Trade Receivables	8	57.27	-
b) Cash and cash equivalents	9	1,170.08	15.53
c) Other financial assets			-
ii) Other current assets	10	280.83	-
Total current assets	(B)	2,306.28	15.53
Total Assets	(A)+(B)	2,774.28	18.58
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	315.00	20.00
b) Other Equity			
Reserves and Surplus	12	2,309.29	(1.53)
Total Equity	(C)	2,624.29	18.47
LIABILITIES			
Non Current Liabilities			
i) Financial Liabilities			
a) Borrowings	13	-	-
ii) Deferred tax liabilities	14	15.22	-
iii) Other non current liabilities			
Total Non Current Liabilities	(D)	15.22	-
Current Liabilities			
i) Financial Liabilities			
a) Borrowings	15	-	-
b) Trade Payables	16	73.05	-
c) Other Financial Liabilities	17	21.06	-
ii) Other current liabilities	18	40.66	0.12
Total Current Liabilities	(E)	134.77	0.12
Total Equity and Liabilities	(C)+(D)+(E)	2,774.28	18.58

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants
Firm Regn. No. 004597S

T.ZAMEER

Partner
Membership No. 230441

Place: Chennai
Dated: : 30th May 2023

RAJIV SREEDHAR
Managing Director
DIN: 00181532

A. RENGARAJAN
Director
DIN: 06598828

NOMAN H. MILLWALA
Director
DIN: 00471544

U. VISWANATH
Company Secretary & CFO

MIL INDUSTRIES & AEROSPACE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023

(Rupees in lakhs)

PARTICULARS	Note No.	Figures as at the end of the current reporting period 31-03-2023	Figures as at the end of the previous reporting period 31-03-2022
INCOME			
Revenue From Operations	19	2,253.15	-
Other Income	20	<u>34.91</u>	-
Total Revenue		<u>2,288.06</u>	-
EXPENDITURE			
Cost of raw materials and components consumed	21	923.95	-
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress	22	(196.86)	-
Employee Benefit Expenses	23	360.62	-
Finance Cost	24	1.70	-
Depreciation and amortisation expenses	4	51.07	-
Other Expenses	25	<u>849.49</u>	<u>1.53</u>
		<u>1,989.96</u>	<u>1.53</u>
Profit before exception and extraordinary items and tax		298.09	(1.53)
Extraordinary items			
Profit before tax		298.09	(1.53)
Tax Expenses			
Current Tax		85.00	-
Deferred Tax		<u>15.22</u>	-
Profit after tax		197.87	(1.53)
Other Comprehensive Income			
Remeasurement of Defined Benetit Plans		(10.71)	-
Tax effect on above			-
Total Other Comprehensive Income for the yea		<u>(10.71)</u>	-
Total Comprehensive Income for the year comprising Profit and		<u>187.17</u>	<u>(1.53)</u>
Other Comprehensive income			
Earnings per Equity Share (Basic and Diluted)		6.28	(0.77)
See accompanying Notes to Financial Statements			

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants
Firm Regn. No. 004597S

T.ZAMEER

Partner
Membership No. 230441

Place: Chennai
Dated: : 30th May 2023

RAJIV SREEDHAR
Managing Director
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DIN: 00471544

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Company Secretary & CFO

MIL INDUSTRIES & AEROSPACE LIMITED

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

(Rupees in lakhs)

PARTICULARS	Figures as at the end of the current reporting period 31-03-2023	Figures as at the end of the previous reporting period 31-03-2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit as per Profit and Loss Account	298.09	(0.56)
Adjustments for		
Depreciation	51.07	-
Interest Expenses	1.70	-
Interest income	(21.07)	-
Operating Profit before working capital changes	<u>329.80</u>	<u>(0.56)</u>
Adjustment for changes in		
Other non current financial assets	-	-
Inventories	-	-
Trade Receivables	-	-
Other Current Assets	-	-
Trade Payables	(6.96)	-
Other Financial Liabilities	-	-
Other Current Liabilities	-	-
Remeasurement of defined benefit obligations	10.71	-
	<u>3.75</u>	<u>-</u>
Cash generated from operations	333.55	(0.56)
Less: Income tax paid	97.11	-
Net Cash Generated from Operations	(A) 236.44	(0.56)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(42.48)	-
Interest Income	21.07	-
Net Cash from Investing Activities	(B) (21.41)	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

(Rupees in lakhs)

PARTICULARS	Figures as at the end of the current reporting period 31-03-2023	Figures as at the end of the previous reporting period 31-03-2022	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	(82.52)	-	
Dividend paid	-	-	
Net Cash from Financing Activities	(82.52)	-	
Net Increase/(decrease) in cash and cash equivalents	(A)+(B)+(C)	132.51	(0.56)
Opening Cash and Cash Equivalents	15.53	16.09	
Add: Cash and Cash Equivalents vested on demerger			
As per Scheme of Arrangement	1,150.46	-	
Adjusted opening Cash and Cash Equivalents	1,165.99	-	
Closing Cash and Cash Equivalents	1,170.08	15.53	

See accompanying Notes to Financial Statements

Note: The PTFE division was demerged from MIL Industries Limited and the assets and liabilities vested with the Company with effect from 1st April 2022, being the appointed date sanctioned by the Hon'ble National Company Law Tribunal. In preparing the cash flow statement, the movement in the assets and liabilities is considered vis-à-vis the value of assets and liabilities that vested with the Company on 1-4-2022.

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants
Firm Regn. No. 004597S

T.ZAMEER

Partner
Membership No. 230441

Place: Chennai

Dated: : 30th May 2023

RAJIV SREEDHAR
Managing Director
DIN: 00181532

A. RENGARAJAN
Director
DIN: 06598828

NOMAN H. MILLWALA
Director
DIN: 00471544

U. VISWANATH
Company Secretary & CFO

MIL INDUSTRIES & AEROSPACE LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH 2023

(Rupees in lakhs)

PARTICULARS	As at 31-03-2023	As at 31-03-2022
A. EQUITY SHARE CAPITAL		
Balance at the beginning of the year	20.00	20.00
Changes in Equity Share Capital during the year		
Increase pursuant to scheme of arrangement	315.00	-
Reduction pursuant to scheme of arrangement	20.00	-
Balance at the end of the year	315.00	20.00

B. OTHER EQUITY

	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Compre- hensive Income
Balance as on 1st April 2022	-		-	(1.53)	-
Transferred from MIL Industries Limited as per the Scheme of Arrangement		2,103.66			
Reduction in Share Capital pursuant to Scheme of Arrangement		20.00			
Profit for the year after tax				197.87	
Remeasurement of Defined Benefit Plans (net of tax)					(10.71)
Balance as at 31st March 2023	-	2,123.66	-	196.34	(10.71)

See accompanying Notes to Financial Statements

Vide our report of even date attached

For **Venkat and Rangaa LLP**

Chartered Accountants
Firm Regn. No. 004597S

T.ZAMEER

Partner
Membership No. 230441

Place: Chennai

Dated : 30th May 2023

RAJIV SREEDHAR

Managing Director
DIN: 00181532

A. RENGARAJAN

Director
DIN: 06598828

NOMAN H. MILLWALA

Director
DIN: 00471544

U. VISWANATH

Company Secretary & CFO

MIL INDUSTRIES & AEROSPACE LIMITED

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

1 Corporate Information

MIL Industries & Aerospace Limited, is a Company which is registered under the Companies Act, 2013 and is domiciled in India. The Registered Office of the Company is situated at 25A/1/6 SIDCO Industrial Estate, Ambattur, Chennai 600098.

The Company is listed on Metropolitan Stock Exchange of India Limited, Mumbai from January 25, 2023.

The Company is engaged in the business of anti corrosive lining of steel pipes and fittings using Poly Tetro Flouro Ethylene (PTFE). The Company's factories are situated at Ambattur and Gummidipoondi in the state of Tamil Nadu.

Pursuant to the National Company Law Tribunal (NCLT) order, dated July 22, 2022 the PTFE business of MIL Industries Limited (MIL) has been demerged into MIL Industries & Aerospace Limited (Resulting Company or MILIA) with appointed date as April 1, 2022 and the effective date of demerger was 8th August, 2022 and pursuant to NCLT Order MIL Industries & Aerospace Limited ceased to be a subsidiary of MIL Industries Limited (Demerged Company) w.e.f. the effective date.

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 2022. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto adopted.

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

3 Significant Accounting Policies

a) Use of Estimates

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

b) Operating Cycle

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

c) Property, Plant and Equipments

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

Depreciation is provided over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013 on Straight Line Basis in the case of Property, Plant and Equipment of the company.

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

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.

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

- 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 & AEROSPACE LIMITED

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

4. Property, Plant & Equipment

Rupees in lakhs

Particulars	COST BLOCK			
	Cost as at 1.4.2022 transferred from MIL Industries Ltd.	Additions during the year	Deletions	Total Cost as at 31.03.2023
Land- Ambattur	0.58	-	-	0.58
Land -Madharpakkam	69.38	1.62	-	71.00
Land-GPD	0.17	0.38	-	0.55
Land-Lease hold	2.38	-	-	2.38
Buildings	216.50	-	-	216.50
Buildings- Baroda	1.19	-	-	1.19
Plant & Machinery	718.98	40.58	-	759.56
Furniture	7.69	-	-	7.69
Vehicle	49.24	-	-	49.24
Office equipment	23.07	0.23	-	23.30
Computer	8.54	1.84	-	10.38
TOTAL	1,097.74	44.65	-	1,142.39

Rupees in lakhs

Particulars	DEPRECIATION BLOCK			
	Depreciation as at 1.04.2022 transferred from MIL Industries Ltd.	Depreciation for the year 2022-23	Deletions	Total Depreciation as at 31.3.2023
Land- Ambattur	-	-	-	-
Land -Madharpakkam	-	-	-	-
Land-GPD	-	-	-	-
Land-Lease hold	0.92	0.03	-	0.95
Buildings	67.99	4.37	-	72.36
Buildings- Baroda	1.13	-	-	1.13
Plant & Machinery	513.42	40.15	-	553.57
Furniture	2.06	0.40	-	2.47
Vehicle	15.31	3.73	-	19.04
Office equipment	21.05	0.88	-	21.93
Computer	6.44	1.49	-	7.94
TOTAL	628.32	51.07	-	679.39

MIL INDUSTRIES & AEROSPACE LIMITED

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

Rupees in lakhs

Particulars	NET BLOCK	
	WDV as at 31.03.2023	WDV as at 31.03.2022
Land- Ambattur	0.58	-
Land -Madharpakkam	71.00	-
Land-GPD	0.55	-
Land-Lease hold	1.44	-
Buildings	144.14	-
Buildings- Baroda	0.06	-
Plant & Machinery	205.99	-
Furniture	5.23	-
Vehicle	30.21	-
Office equipment	1.37	-
Computer	2.44	-
TOTAL	462.99	-

Rupees in lakhs

PARTICULARS	31-03-2023	31-03-2022
5. NON CURRENT INVESTMENTS		
Investments in Equity Instruments (fully paid up)		
Non Trade - Unquoted	-	-
In other Companies		
7800 Equity Shares of Rs.10/- each fully paid up in MIL Trading Private Limited	<u>0.78</u>	-
	<u>0.78</u>	-
6. OTHER FINANANCIAL ASSETS		
Unsecured - Considered good		
Security Deposits	<u>4.22</u>	-
	<u>4.22</u>	-
7. INVENTORIES		
Raw Materials	411.10	-
Work in progress	210.69	-
Finished Goods	154.39	-
Stores and Spares	<u>21.92</u>	-
	<u>798.10</u>	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
8. TRADE RECEIVABLES		
Unsecured - Considered good	57.27	-
	<u>57.27</u>	<u>-</u>

Trade Receivables ageing schedule:

as at the end of 31.03.2023

Rupees in lakhs

Particulars	Outstanding for the following periods from due date of payments					
	Less than 6months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	45.79	8.75	2.73	-	-	57.27
(ii) Undisputed Trade receivables - Considered good doubtful	-	-	4.86	-	-	4.86
(iii) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good doubtful	-	-	-	-	-	-

as at the end of 31.03.2022

Rupees in lakhs

Particulars	Outstanding for the following periods from due date of payments					
	Less than 6months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Considered good doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good doubtful	-	-	-	-	-	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
9. CASH AND CASH EQUIVALENTS	-	-
Cash on hand	2.03	-
Balance with Banks		
In Current Account	368.05	-
In Deposit Accounts	750.00	-
In Deposits offered as security for credit facilities	50.00	-
	<u>1,170.08</u>	<u>-</u>
10. OTHER CURRENT ASSETS		
Unsecured - Considered Good		
Advances to employees	1.43	-
Prepaid Expenses	2.00	-
Advance to suppliers	89.44	-
Rent Receivables	-	-
Earnest Money Deposits	1.03	-
Balance with Excise Department	-	-
Balance GST-Input Tax Credit Available	124.04	-
MEIS Scripts on hand	-	-
Interest receivable	-	-
Duty Drawback Receivable	-	-
Receivables others	62.89	-
	<u>280.83</u>	<u>-</u>

MIL INDUSTRIES & AEROSPACE LIMITED

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

11. EQUITY SHARE CAPITAL

	Rupees in lakhs	
	31-03-2023	31-03-2022
SHARE CAPITAL		
<u>Authorised:</u>		
3,500,000 Equity Shares of Rs. 10/- each	<u>350.00</u>	<u>200.00</u>
	350.00	200.00
<u>Issued, Subscribed and Fully Paid-up:</u>		
3,150,000 Equity Shares of Rs. 10/- each	<u>315.00</u>	<u>20.00</u>
	315.00	20.00

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

Particulars	No. of Shares	Value (Rs.)
Outstanding at the beginning of the year	200,000	20.00
Increase pursuant to scheme of arrangement	3,150,000	315.00
Reduction pursuant to scheme of arrangement	200,000	20.00
Outstanding at the end of the year	3,150,000	315.00

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

S. No	Name of the shareholder	No. of shares		Percentage of shares held	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	MIL Industries Limited	-	200000	-	100.00%
2	Krebs Engineering Private Limited	962,000	-	30.54%	-
3	Mrs. Ramila Sreedhar	417,415	-	13.25%	-
4	Saroja Raman	315,795	-	10.03%	-
5	Mahendra Girdharilal	190,085	-	6.03%	-

MIL Industries Limited was holding the beneficial ownership of the entire paid up equity shares issued by the company before demerger. However the same stands cancelled pursuant to scheme of arrangement.

Rights attached to Equity Shares

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

MIL INDUSTRIES & AEROSPACE LIMITED

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

12. OTHER EQUITY

PARTICULARS	Rupees in lakhs					Total
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at 01-04-2022	-	-	-	(1.53)	-	(1.53)
Reduction in Share Capital pursuant to Scheme of Arrangement *		20.00				20.00
Transferred from MIL Industries Limited as per the Scheme of Arrangement **		2,103.66				2,103.66
Add: Profit for the period ended 31-03-2023				197.87		197.87
Remeasurement of defined benefit plans transferred to Other Comprehensive Income					(10.71)	(10.71)
Balance as at 31-03-2023	-	2,123.66	-	196.34	(10.71)	2,309.29

* Pursuant to the NCLT order and as per the scheme of arrangement, Capital Reserve of Rs. 20 lakhs is created by debiting Company's Equity Share Capital Account with a corresponding credit to Capital Reserve in respect of cancellation of shares held by MIL Industries Limited.

** Pursuant to the NCLT order and as per the scheme of arrangement, Company has recorded assets and liabilities of PTFE Undertaking transferred from MIL Industries Limited at their book values and the company has issued share capital of Rs. 315 Lakhs against such assets and liabilities acquired. Difference of net assets acquired and issued share capital is recognized as Capital Reserve.

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
13. BORROWINGS		
The Company does not have any Long Term Borrowings.	-	-
14. DEFERRED TAX LIABILITIES		
On Account of Depreciation	16.57	-
On account of fair valuation of financial assets	(1.35)	-
	<u>15.22</u>	<u>-</u>
Note: Figures in bracket represents asset		
15. BORROWINGS		
(i) From Banks		
Working Capital Borrowings - Secured	-	-
Secured by hypothecation of all stocks of raw materials, stores and spares, work in progress, finished goods and book debts and also by way of first charge on the fixed assets of the Company.		
Period and amount of default - NIL		
	<u>-</u>	<u>-</u>
16. TRADE PAYABLES		
A) Total Outstanding dues of Micro and Small and Medium Enterprises	-	-
B) Total Outstanding dues of Creditors other than Micro and Small and Medium Enterprises	73.05	-
Classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the Company.		
Disclosure requirement as required under Micro, Small, & Medium Enterprises Development Act 2006 is as follows		
a) Principal amount and interest due thereon remaining unpaid to each supplier at the end of each accounting year	-	-
b) Interest paid by the Company in terms of section 16 of MSME Act along with the amount of payment made to the supplier beyond the appointed date during each financial year	-	-
c) Interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed date during the year) but without adding the interest specified under MSME Act 2006	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid	-	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

Trade payables ageing schedule

as at the end of 31.03.2023

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	73.05	-	-	-	73.05
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

as at the end of 31.03.2022

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
17. OTHER FINANCIAL LIABILITIES		
Advance from customers	<u>21.06</u>	-
	<u>21.06</u>	-
18. OTHER CURRENT LIABILITIES		
Security Deposits	3.60	-
Other Payables:		
IGST payable	-	-
TDS payable	9.82	-
Payable to employees	16.06	-
Provision for taxation (net of payments)	3.29	-
Others	7.89	0.12
	<u>40.66</u>	<u>0.12</u>

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
19. REVENUE FROM OPERATIONS		
Sale of products (PTFE Lining & PTFE Products)	2,250.08	-
Sale of Services	3.07	-
Sale of Stock -in-trade	-	-
	<u>2,253.15</u>	<u>-</u>
20. OTHER INCOME		
Gain on foreign currency transactions	0.77	-
Profit on sale of assets	-	-
Interest received	21.07	-
Scraps Sales	5.94	-
Credit balances no longer required written back	-	-
Bad debts written off recovered	-	-
Export Incentives:		
Merchandise Export and Incentive Scheme Scrips	0.58	-
Duty Draw back	0.60	-
Insurance Claim Receipts	-	-
Rent Received	5.95	-
	<u>34.91</u>	<u>-</u>
21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw materials and components	923.95	-
	<u>923.95</u>	<u>-</u>
22. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	49.47	-
Work in progress	118.75	-
	<u>168.22</u>	<u>-</u>
Closing Stock		
Finished Goods	154.39	-
Work in progress	210.69	-
	<u>365.08</u>	<u>-</u>
(Increase) / Decrease in inventories of Finished Goods and Work in progress	<u>(196.86)</u>	<u>-</u>

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	Rupees in lakhs	
	31-03-2023	31-03-2022
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	316.34	-
Contribution to Provident and Other Funds	20.85	-
Welfare Expenses	23.43	-
	<u>360.62</u>	<u>-</u>
24. FINANCE COSTS		
Interest Expense	-	-
Other Borrowing Costs	1.70	-
	<u>1.70</u>	<u>-</u>
25. OTHER EXPENSES		
Lining Expenses	384.27	-
Power and fuel	50.97	-
Stores and Spares consumed	121.80	-
Rent	3.90	-
Insurance	6.84	-
Rates and Taxes	3.38	0.02
Postage and Telephone	4.58	-
Printing and Stationery	9.09	-
Travelling and Conveyance	62.04	-
Payment to Auditors:	-	-
For Audit	2.50	0.12
For Certification and other Services	-	0.07
Repairs and Maintenance:	-	-
Buildings	11.04	-
Plant & Machinery	19.37	-
Others - Maintenance Expenses	31.38	-
Selling expenses	5.21	-
Professional fees	88.74	0.35
Legal Fees	2.80	-
Advertisement and Sales Promotion	0.10	-
Loss on foreign currency transactions	0.11	-
Commission on Sales	-	-
Directors' Sitting fees	0.55	-
Security Service Charges	19.59	-
Bad Debts Written off	7.27	-
CSR Expenditure	-	-
Donations	-	-
Loss on fair valuation of financial assets	-	-
Preliminary Expenses written off	3.15	-
Miscellaneous expenses	10.82	0.01
	<u>849.49</u>	<u>0.56</u>

MIL INDUSTRIES & AEROSPACE LIMITED

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

		Rupees in lakhs	
PARTICULARS	31-03-2023	31-03-2022	
26. Contingent Liabilities on account of:			
a) Guarantees given by Banks on behalf of the Company (100 % Security given by way of creating Fixed Deposits)	48.18	-	-
27. Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	-	-
28. In the absence of information from the company's creditors with regard to submission of memorandum with the specified authority as required under MSMED Act, 2006, the company is unable to furnish the information under the said Act and there are no overdue principal amounts/interest paid or payable.			
29. The company has not discontinued any operations during the year.			
30. Corporate Social Responsibility: The company is not required to spend as per Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility.			

31.1. 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.

31.2 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

Rupees in Lakhs

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
As at 31-03-2023					
Financial Assets					
Long Term Investment	0.78	-	-	0.78	0.78
Other financial assets					
Trade Receivables	-	62.14	-	62.14	57.27
Cash and cash equivalents	1,170.08	-	-	1,170.08	1,170.08

MIL INDUSTRIES & AEROSPACE LIMITED

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

Rupees in Lakhs

	Amortised Cost	Fair Value Through Profit and Loss	Fair value Through Other Comprehensive Income	Carrying amount	Fair Value
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	73.05	-	-	73.05	73.05
Other financial liabilities	61.72	-	-	61.72	61.72

As at 31-03-2022					
Financial Assets					
Long Term Investment	-	-	-	-	-
Other financial assets	-	-	-	-	-
Trade Receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-

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.

Rupees in Lakhs

31.3. Employee Benefits	31-03-2023	31-03-2022
i) Provident Fund		
The Company is contributing to Provident Fund for its employees and the same is remitted to the Regional Provident Fund Commissioner and the amount is charged to Profit and Loss Account. The amount charged is	10.89	-
ii) Superannuation		
The Company has a Superannuation Scheme for eligible employees and the annual liability is determined by Life Insurance Corporation of India and is remitted as premium and charged to Profit and Loss Account. The amount charged is	5.46	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

Rupees in Lakhs

31-03-2023 31-03-2022

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.

32. The Company expects to make a contribution of Rs. 7.19 lakhs to the defined benefit plan (gratuity - funded) during the next financial year.

PARTICULARS	31-03-2023		31-03-2022	
	Qty.	Value Rupees in lakhs	Qty.	Value Rupees in lakhs
33. ADDITIONAL NOTES				
a) Turnover (Net of GST)				
Manufacturing :				
- PTFE Lined Pipes and Fittings and PTFE Products (Kgs)*	21522	2,250.08	-	-
Service:				
- PTFE Coating, etc		3.07		-
Total income		<u>2,253.15</u>		<u>-</u>
b) Raw materials and components consumed (kgs) :				
Manufacturing:				
1. PTFE Resins - Indigenous	29392	529.49	-	-
2. PTFE Resins - Imported	170	3.92		
3. Raw Materials Indigenous	522	18.50	-	-
4. Raw Materials Imported	589	37.02	-	-
5. Steel Pipes, Pipe Fittings, other steel items of various specifications	-	335.02	-	-
6. Others	-	-	-	-
		<u>923.95</u>		<u>-</u>

MIL INDUSTRIES & AEROSPACE LIMITED

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

PARTICULARS	31-03-2023		31-03-2022	
	Qty.	Value Rupees in lakhs	Qty.	Value Rupees in lakhs
c) Opening and Closing stock of goods produced:				
Finished Goods:				
Opening Stock				
- PTFE Lined Products (Kgs)*	770	49.47	-	-
Closing Stock				
- PTFE Lined Products (Kgs)*	1082	154.39	-	-
(* Represents PTFE content in Finished Products)				
d) Capacity and Production:				
Licensed Capacity :				
1. PTFE (Resin Weight)	(MT)	50	-	-
2. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	-	-
Installed Capacity :				
(as certified by the Mg. Director)				
1. PTFE (Resin Weight)	(MT)	50	-	-
2. Fabrication of Steel Pipes & Fittings for PTFE Lining	(MT)	550	-	-
Actual Production				
PTFE (Resin Weight)	(Kgs.)	21,834	-	-
e) Value of Imports calculated on CIF basis :				
1. Raw Materials		12.39		-
2. Capital Goods / Spares		-		-
		<u>12.39</u>		<u>-</u>
f) Expenditure in foreign currency:				
Foreign Travel		-		-
Fees for services rendered outside India		-		-

MIL INDUSTRIES & AEROSPACE LIMITED

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

Rupees in lakhs

PARTICULARS	31-03-2023		31-03-2022	
	%	Rs.	%	Rs.
g) Details regarding consumption of imported and indigenous materials				
1. Raw Materials & Components				
Imported	4.01	37.02	-	-
Indigenous	95.99	886.93	-	-
	<u>100.00</u>	<u>923.95</u>	-	-
2. Stores & Spare Parts				
Imported	0.11	0.13	-	-
Indigenous	99.89	121.67	-	-
	<u>100.00</u>	<u>121.80</u>	-	-
h) Number of Non-resident shareholders				
Number of Shares held		-		-
(i) Earnings in Foreign Exchange				
1. Export of goods on FOB basis		53.88		-
2. Technical Services		-		-
		<u>53.88</u>		-

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 and CFO (From 06.02.2022 To 31.03.2023)

b) Disclosure of Related Party Transactions and Year End Balances

Particulars	31-03-2023 Rupees in lakhs			31-03-2022 Rupees in lakhs		
	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	65.56	3.90	-	-	-	-
Mr. U.Viswanath - Company Secretary & CFO - wef 06-02- 2023	1.48	-	-	-	-	-

MIL INDUSTRIES & AEROSPACE LIMITED

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

	31-03-2023 Rupees in lakhs			31-03-2022 Rupees in lakhs		
Particulars	Nature of Transaction			Nature of Transaction		
	Remuneration	Rent Paid	Year End Balance	Remuneration	Rent Paid	Year End Balance
Directors		Sitting Fees	–		Sitting Fees	–
Mr. Noman H. Millwala	–	0.15	–	–	–	–
Mrs. Saroja Raman	–	0.10	–	–	–	–
Mr. K.J.Janakar	–	0.15	–	–	–	–
Mr. A. Rengarajan	–	0.15	–	–	–	–
MIL Trading Private Limited	Professional services - Fees Paid	104.73	–	–	–	–
MILT Engineering Services Private Limited	Professional services - Fees Paid	36.40	–	–	–	–

Rupees in lakhs

31-03-2023 31-03-2022

35. Earnings Per Share

Profit for the year attributable to Equity Shareholders	197.87	(1.53)
Number of Equity Shares of Rs.10/- each	3,150,000	200,000
Earnings Per Share - Basic and Diluted	6.28	(0.77)

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

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

MIL INDUSTRIES & AEROSPACE LIMITED

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

38. The Board of Directors have recommended a dividend at Rs. 1/- per equity share (Face Value of Rs. 10/- each) , aggregating to Rs. 3,150,000/- (subject to deduction of Tax at Source) for the year ended 31st March, 2023 which is subject to shareholders' approval.
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 **Venkat and Rangaa LLP**

Chartered Accountants

Firm Regn. No. 004597S

T.ZAMEER

Partner

Membership No. 230441

Place: Chennai

Dated: : 30th May 2023

RAJIV SREEDHAR

Managing Director

DIN: 00181532

A. RENGARAJAN

Director

DIN: 06598828

NOMAN H. MILLWALA

Director

DIN: 00471544

U. VISWANATH

Company Secretary & CFO