



CMI Limited

# Annual Report 2015-16



Cables that  
**Empower**

# Inside Our Report

## Corporate Overview

Our Mission & Vision **03**

Our Values **05**

Chairman's Speech **07**

Our Company **09**

## Management Reports

Management Discussion & Analysis **13**

Directors' Report **31**

Corporate Governance Report **61**

## Financial Statements

Standalone Financial Statements & Notes **83**

Consolidated Financial Statements & Notes **113**

Notice of AGM **141**



# Mission

## **“Sustainable growth through innovation”**

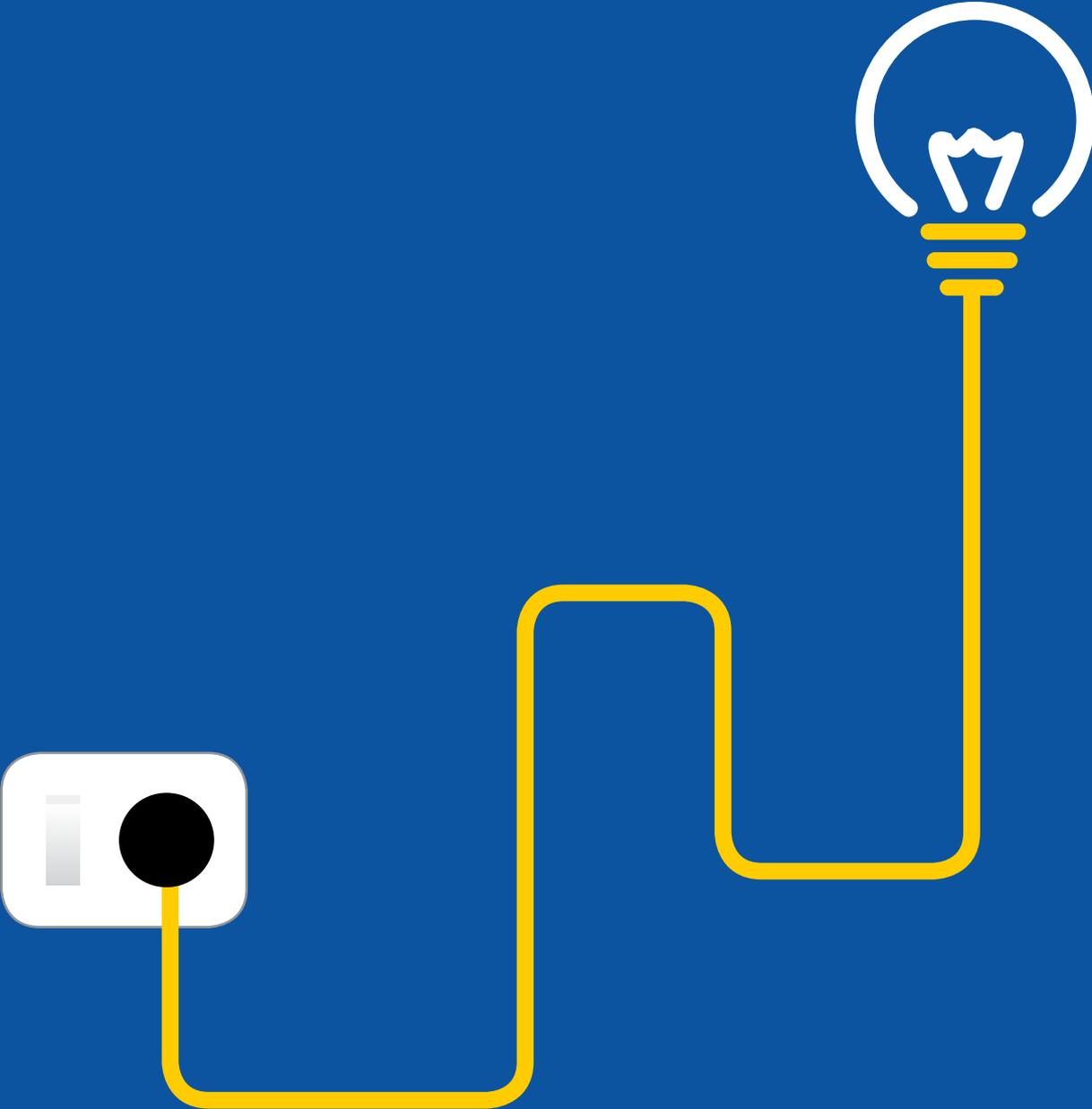
Our mission is to achieve sustainable growth by delivering high-quality, innovative products that meet new, undefined or existing market needs in unique ways. We achieve this by fostering innovation which helps us to stay ahead in the competition, provide meaningful differentiation and gain increased recognition in the wires and cables industry.



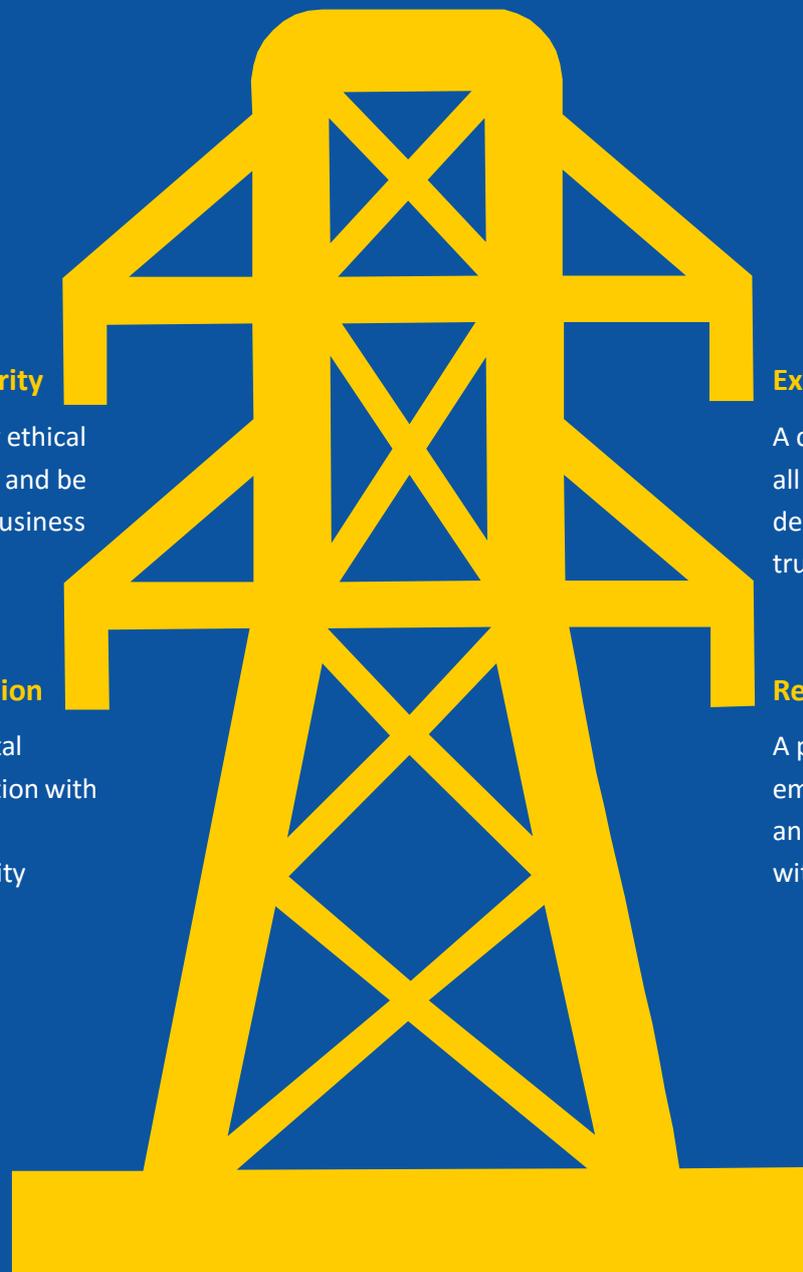
## **“To maximise shareholders value through leadership position in the global specialty cable space”**

Our vision is to become one of the world's leading cable manufacturers by utilising state-of-the-art manufacturing facilities and best-in-class resource pool. We aim to be the first choice amongst significant players in the specialty cable manufacturing industry by delivering products which exceed customers' expectations. Our priority is to maximise shareholders value through product development, improved efficiency and open culture within the Company.

# OUR VALUES



# Our Values



## Integrity

A pledge to follow ethical business practices and be honest in all our business dealings

## Excellence

A commitment to excel in all our operations by demonstrating teamwork, trust and efficiency

## Customer Satisfaction

A guarantee of total customer satisfaction with products meeting international quality standards

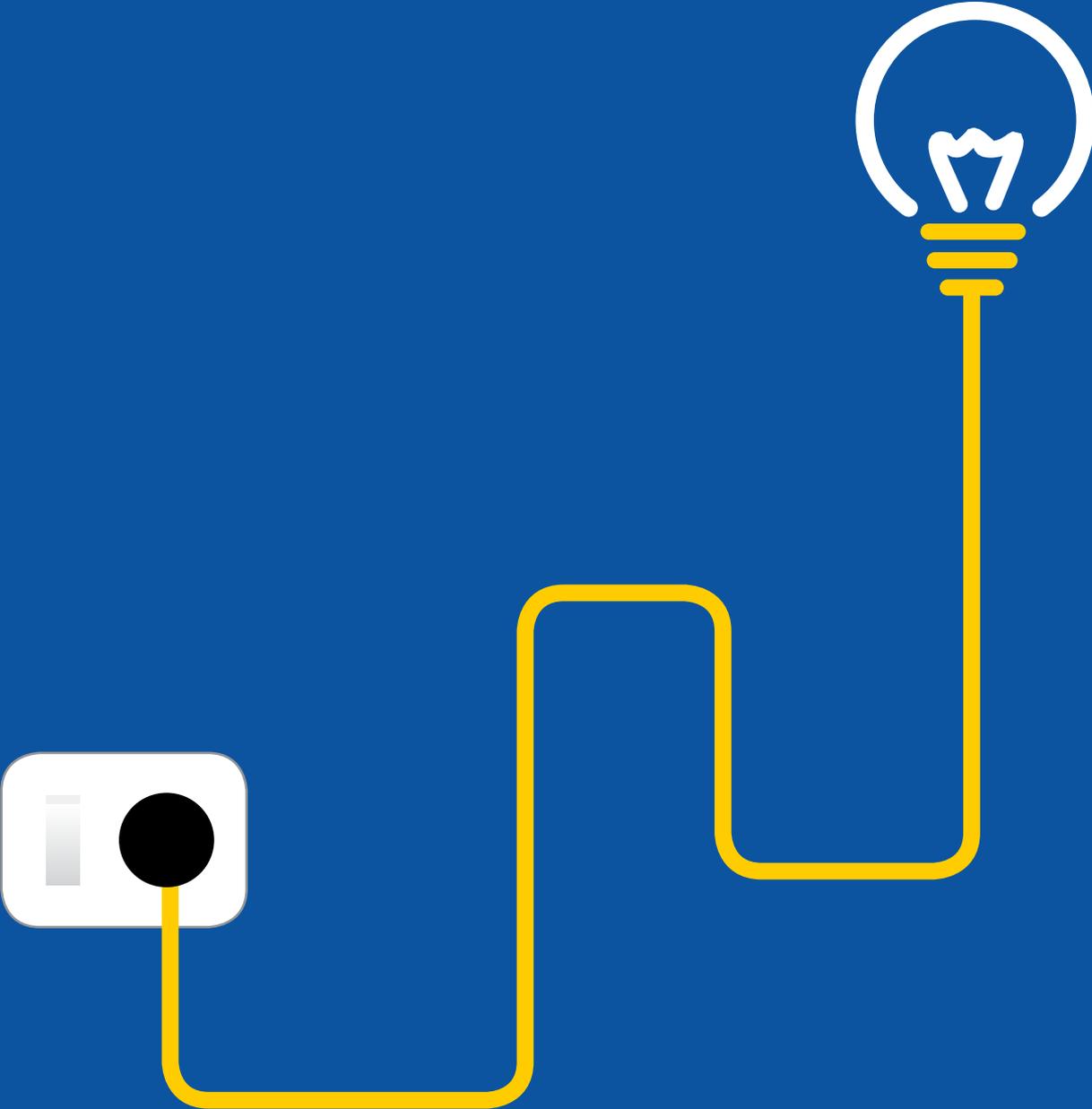
## Respect

A promise to treat all employees, customers and other stakeholders with dignity and respect

## Safety

An assurance of safety and security to all by framing and following thorough safety rules

# CHAIRMAN'S SPEECH



## Chairman's Speech



Dear Shareholders,

Our Company began a fruitful journey of excellence and transformation, with modest operations in 1967 to becoming one of the leading players in the wires and cables industry today. I take pride in announcing that our Company witnessed another year of outstanding performance by delivering excellent revenue and profit growth in FY2015-16. The product portfolio expansion, robust order book, elite clientele base and successful inorganic expansion strategy primarily aided our strong performance. Our turnover for the year rose to Rs. 240.2 Crores, an increase of about 77% over the previous financial year, with net profit reaching a record Rs. 17.0 Crores. The impressive financial health demonstrates the strength of our business model and highlight our prowess in the wires and cables market.

The year under review entails some significant events, one of them being the acquisition of General Cable Energy India Private Limited, a fully owned Indian subsidiary of General Cable Corporation, a Fortune 500 company. General Cable Energy India Private Limited (Rebranded as CMI Energy India Private Limited) has now become our fully owned subsidiary, with its offerings complementing the existing product portfolio. The acquisition has opened up an enormous revenue generation opportunity for us and created substantial synergies from the inheritance of General Cable Corporation's international processes and systems for manufacturing specialised cables. On the operational front, we have received significant orders from Bharat Heavy Electricals Limited and Indian Railways which has opened up new avenues for us. The inflow of such prestigious orders coupled with an optimistic view on the Indian wires and cables industry position us well to achieve multifold growth in revenue and profitability going forward.

Our Company is expected to be a key beneficiary from the overall traction in the Indian economy. The Government of India has undertaken several projects to rejuvenate the Indian economy including 'Make in India', 'Smart City Programme', 'Atal Mission for Rejuvenation and Urban Transformation', 'Swachh Bharat Abhiyan', and 'Digital India'. Similarly, the government's massive planned capital expenditure for Indian Railways, the largest revenue segment for us, is likely to translate into higher orders for our Company.

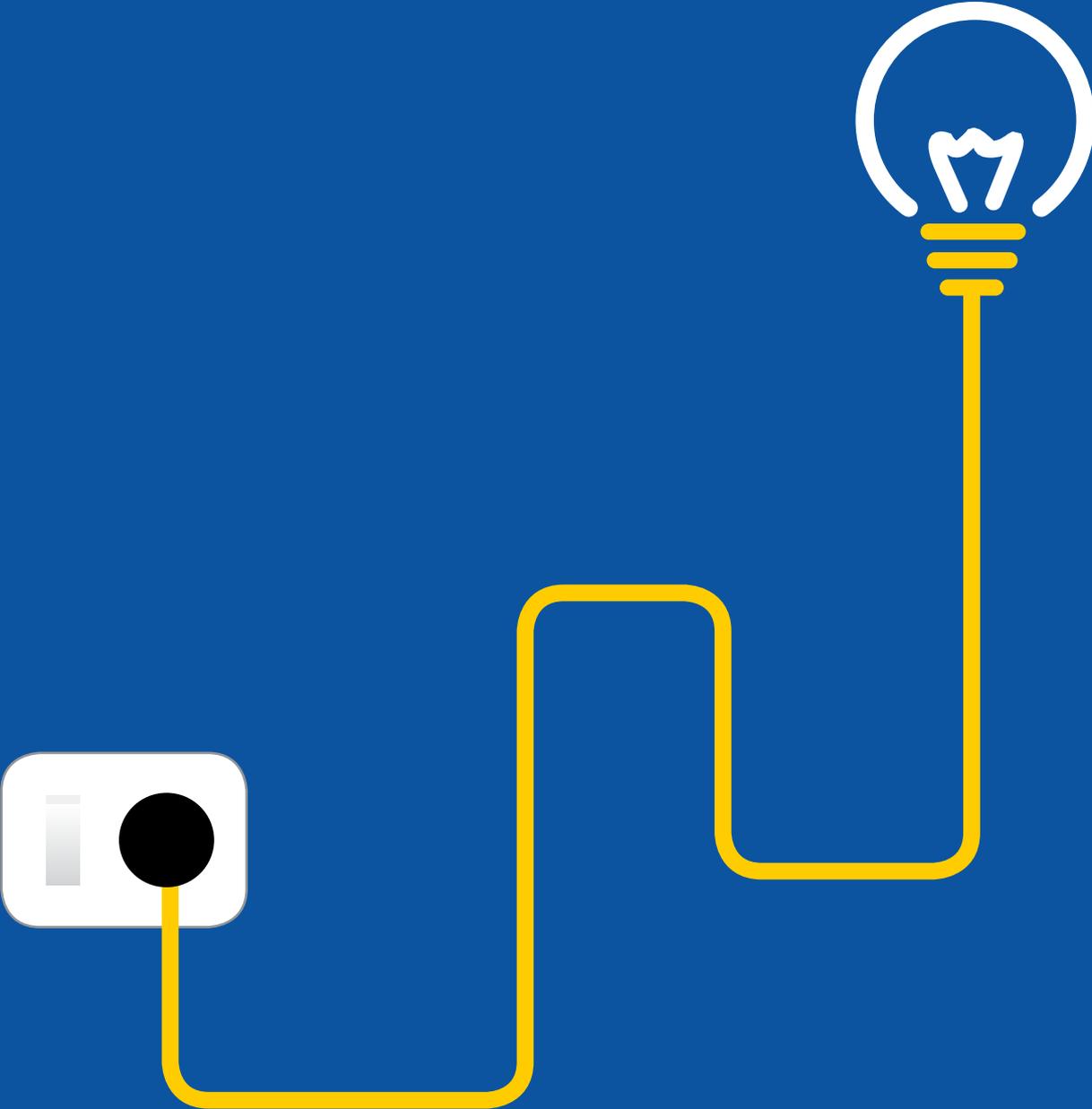
While aspiring for growth, we acknowledge the need to act with integrity and responsibility while taking care of the interests of all our stakeholders including clients, employees and shareholders. We are dedicated maintaining the highest safety standards to avoid any unforeseen events. We treat all our employees with dignity and respect and take all safety precautions to ensure that they work in a healthy and risk-free environment.

Shareholders' value maximisation has always been at the top of our priority. In sync with our vision to maximise shareholders return, we declared the first ever interim dividend this year, owing to high revenue and earnings growth. The move is expected to boost shareholders' confidence and partner them in the Company's growth prospects.

At CMI, we have always believed in delivering the best and satisfying our customers to the highest level. We have always taken into account the interests of all our stakeholders and strongly value ethical business practices. With a sense of trust, commitment, passion and expertise, I would like to thank all our stakeholders for their support and encouragement. As we steadily move up the corporate ladder, we look forward to your continued support, guidance and trust, which will help our Company to achieve new heights of success in the coming years.

Mr. Amit Jain

# OUR COMPANY



# About Our Company



**CMI Limited**

CMI Limited (hereinafter “the Company” / “CMI” / “CMI Limited”) is an ISO 9001 accredited Company, headquartered in Delhi. Our Company is engaged in the business of manufacturing cables for various industries including Railways, Oil & Gas, Telecommunications, Energy, Industrial, Power, Petrochemicals, etc. Our diversified range of cables meet the requirements of a broad spectrum of clients. We are involved in the entire process chain from development, design and manufacture to marketing & distribution of cables. Our comprehensive product portfolio includes electric cables for Railways, Metros, Utility, Buildings, Data Transmission, Instrumentation, Submarine Cables, Control Cables, Special Cables and Extra High Voltage (EHV) Cables which conform to several international specifications. We are an approved vendor for supply of signalling cables to Railways, and our primary source of revenue is the supply of signalling cables and other safety cables to Railways and other government agencies. We are equipped with state-of-the-art production, R&D and testing facilities. At present, we have two manufacturing facilities in India located at Faridabad and Baddi. We maximise the value of our products and technologies with proficiency in distribution & logistics, marketing, sales, and technical & customer service.

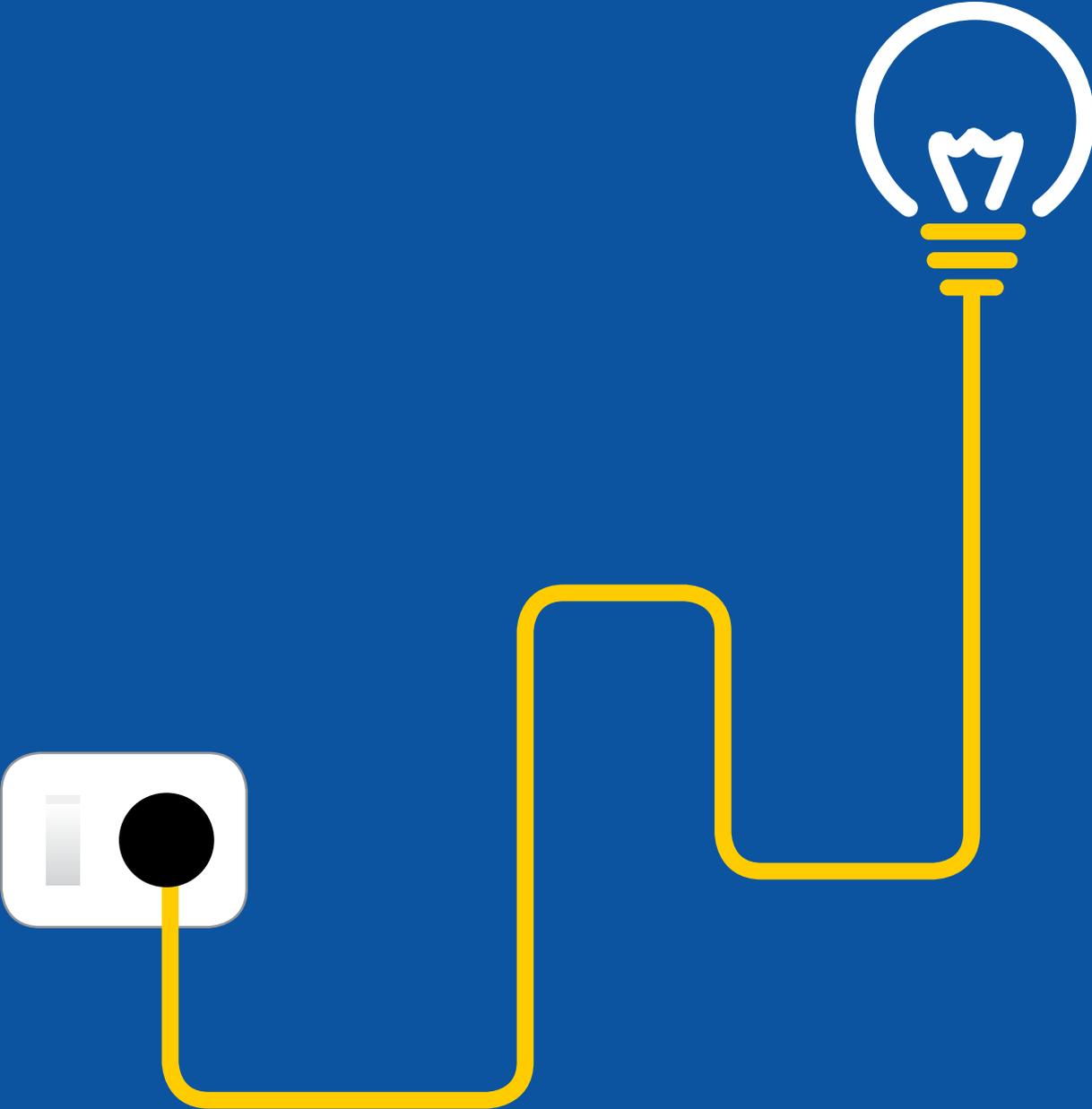
# General Corporate Information

<b>Registered Office Address</b>	Flat No. 501 - 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001 Phone: 011-49570000 Fax: 23739902
<b>Website</b>	www.cmilimited.in
<b>Board of Directors</b>	Amit Jain - Chairman-cum-Managing Director Vijay Kumar Gupta - Whole-time Director Pyare Lal Khanna - Non-Executive Independent Director Ramesh Chand - Non-Executive Independent Director Archana Bansal - Non-Executive Independent Director Kishor Punamchand Ostwal - Additional Director Manoj Bishan Mittal - Additional Director
<b>Chief Financial Officer</b>	Ghan Shyam Dass
<b>Company Secretary &amp; Compliance Officer</b>	Subodh Kumar Barnwal
<b>Auditors</b>	M/s J. K. Manocha & Associates Chartered Accountants 27/55, Street No.8, Vishwas Nagar, Shahdara, Delhi - 110032
<b>Audit Committee</b>	Ramesh Chand - Chairman Pyare Lal Khanna - Member Vijay Kumar Gupta - Member
<b>Nomination and Remuneration Committee</b>	Pyare Lal Khanna - Chairman Ramesh Chand - Member Archana Bansal - Member
<b>Stake Holder Relationship Committee</b>	Pyare Lal Khanna - Chairman Ramesh Chand - Member Vijay Kumar Gupta - Member
<b>Corporate Social Responsibility Committee</b>	Ramesh Chand - Chairman Pyare Lal Khanna - Member Vijay Kumar Gupta - Member
<b>Internal Auditor</b>	Ms. Sarita Yadav
<b>Secretarial Auditor</b>	M/s Himanshu Sharma & Associates, Practicing Company Secretary
<b>Bankers of the Company</b>	Syndicate Bank Parsavnath Metro Tower, Shahdara, Delhi - 110032 HDFC Bank Limited 1 <sup>st</sup> Flr., Kailash Building 26, Kasturba Gandhi Marg, New Delhi - 110001
<b>Plant Address</b>	Plot No. 71 & 82, Sector - 6, Faridabad - 121006, Haryana Plant of CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company is located at Village - Bhatouli Khurd, Tehsil - Nalagarh, Baddi, District - Solan - 173205, Himachal Pradesh

# Key Management Personnel of CMI Limited and CMI Energy India Private Limited

Sr. No.	Name	Designation
1	Munishvar Gaur	Group President - Marketing
2	Ramesh Chandra Jalani	President - Works, Baddi
3	V. K. Maheshwari	President - Works, Faridabad
4	S. K. Chopra	General Manager - Business Development
5	D. W. De	Deputy General Manager - Technical
6	S. R. Sarup	General Manager - Sales
7	S. Suresh	Deputy General Manager - EHV
8	Rajeshwar S Dhuppe	DGM - Marketing & Sales
9	P. Aggarwal	DGM - Technical
10	Mohit Madan	AGM - Marketing & Sales
11	Jaitendra Yadav	Senior Manager - Production
12	Madhurendu Bajpai	Senior Manager - International Business
13	Ajay Kumar Bajpai	Senior Manager - Production
14	Aatif Rasheed Khan	Senior Manager - Marketing & Sales
15	Kalyan Chakravarty Santpur	Senior Manager - Marketing & Sales
16	Siddharth Jain	Senior Manager - Marketing & Sales
17	Natigue Quamar	Senior Manager - Technical

# MANAGEMENT DISCUSSION & ANALYSIS





CMI Limited is one of the Indian cable manufacturers, with strong brand equity and a robust business model that has continuously steered its growth over the years. The Company with its wide product portfolio and R&D capabilities, has built a robust business model in today's competitive business environment.

With its tag line **“Cables that empower”** and with the continuous focus on developing specialty products in the past years, the Company has developed cables for Delhi Metro and various other players in infrastructure, power, telecom and other sectors. CMI was a relatively small-sized Company few years back. With its continued focus on growth, over last five years, it has achieved gross sales of Rs. 269.90 Crores in the year ended on 31<sup>st</sup> March, 2016. With a view to prepare the ground for future growth, augment the capacity and diversify the product portfolio, it acquired CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) in February 2016. With this acquisition, it has become one of the few players in Indian cable industry capable of producing wide range of wires and cables.

CMI is now well positioned to harness the plethora of possibilities it sees opening up across its business segments, domestically and globally, as it continues to deliver on its promises to its customers. CMI, with its wide range of product portfolio such as EHV Power Cables, MV Power Cables, Aerial Bunched Cables (ABC), LV Power Cables, LV Control Cables, Individual and Overall Shielded Cables, Overall Shielded Cables, Compensating Cables, Thermocouple Extension Cables, Railway Signalling Cables, Conductors, Industrial / Flexible & House Wires and Telecom Cables, has emerged as the preferred vendor for many prestigious clients across industries.



**Main Segments:**

The Company is one of the leading manufacturers of wires and cables, serving clients in India and abroad in various sectors, with all the latest certifications (ISO 9001, ISO 14001, OHSAS 18001). The broad segmentation of the products manufactured by the Company are as follows:

Types of Cables	Application
Quad Cables	Specialised safety cables used by Railways for counting incoming & outgoing axles / coaches at any particular section to ensure no coach is left behind.
Railway Signalling Cables	Used for transmitting signals to signal posts for smooth movement of trains.
Fire Survival Cables	Used to maintain circuit integrity in case of fire for 3 hours up to 950° C, to ensure transmission of signals to safety equipment.
Fire Retardant Low Smoke Zero Halogen (LSZH) Cables	Ensures better visibility and low toxicity in case of fire.
Highly Flexible Multi-core Copper Shielded Abrasion Resistant Thermoplastic Polyurethanes (TPU) Sheathed Cables	Used for gas insulated substations.
EHV/MV/HV/LV Power Cables	Used for supplying power.
LV Control Cables	Used for special purposes in various sectors.
Polythene Insulated Jelly Filled ( PIJF) Telecom Cables	Used for last mile connectivity.
Fire Alarm & Communication Cables	Used for fire detection & alert equipment.
Ethylene Propylene Rubber (EPR)-Chloro-Sulfonated Polyethylene (CSP)-Polychloroprene (PCP)-Silicon Cables	Used at high temperature in mines, steel, ship building & wind energy generation industry.

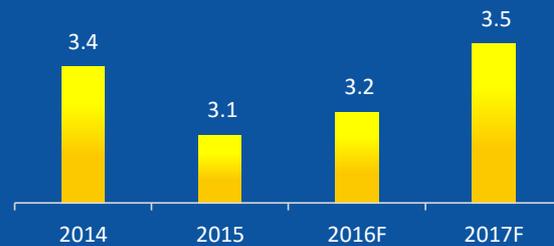
# Global Economy

The year 2015 for the global economy has largely been clouded, weighed down by weak demand from around the world, tumbling commodity & oil prices, continued slower growth in emerging and developing economies and aggravating financial market volatility in major economies. At present, the world economy can largely be categorized as - recovery in the US, slowing growth in China and other emerging markets (except India) and weak but improving growth in Europe and Japan.

Notwithstanding, the current and next years are poised to show some tepid recovery from last year's below-par performance, but at a slower pace than envisioned earlier. The recovery engine will be driven by continued gains in major advanced and emerging economies, a stabilisation in commodity prices and a gradual rebalancing in China.

According to the World Economic Outlook report released by the International Monetary Fund (IMF), the global economy is forecast to grow 3.2% this year and 3.5% in 2017, boosted by modest acceleration in growth of advanced and emerging economies, recovery in global trade demand and continuation of the accommodative monetary policy stance worldwide. The gradual improvement in the world economy would further help to arrest the downward pressure on commodity prices, which would essentially boost investment sentiment and lift growth trajectory of commodity dependent economies, in particular.

## World Economy



## Advanced Economies



## Emerging and Developing Economies



## Middle East and North Africa



Source: International Monetary Fund

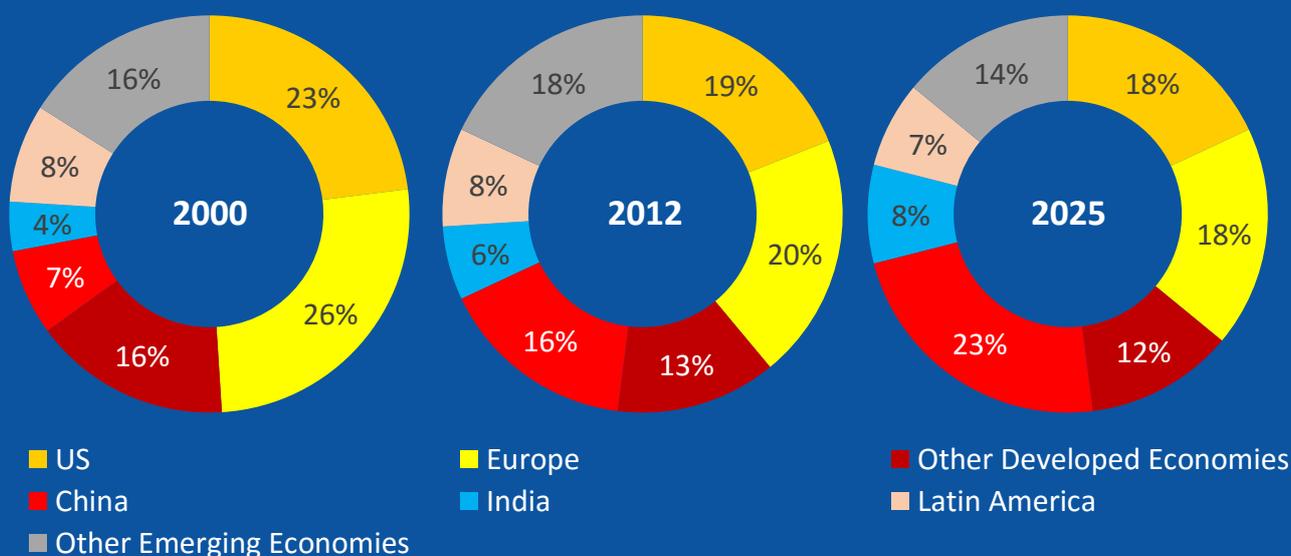
Emerging and developing economies are likely to contribute significantly to the world GDP growth in 2016. Though their growth rate is projected to expand at a moderate pace, they are expected to comfortably outpace advanced economies. Emerging markets growth would be mainly driven by growth in India, China, Indonesia and the Philippines. Meanwhile, a modest acceleration of growth in advanced economies would largely be driven by lower energy prices and accommodative monetary policies.

World economy is forecast to gather further momentum beyond 2016 and 2017, to grow at ~4% by the end of 2021, mirroring resilient growth recovery in emerging and developing markets. The steady improvement in countries such as China and India would also play a pivotal role in leading global economic growth.

On the regional front, the US economy is expected to witness a moderate-paced growth of 2.4% in 2016, further expanding with a slight uptick in 2017, while Euro-zone economic recovery is forecasted to be in place in 2016 and 2017, registering a GDP growth rate of 1.5% this year and 1.6% in 2017, on the back of lower energy prices, an expansionary monetary policy and supportive financial conditions. In Asia, the Chinese economy is forecast to grow at 6.5% in 2016 and 6.2% in the next year, as the economy continues to shift itself from investment to consumption driven economy. The Indian economy, the brightest spot in the region, is expected to register a 7.5% growth in 2016 and 2017, on the back of healthy private consumption, investment demand and gradual progress on domestic policy reforms.

However, downside risks to the global economy still exist, amid weak demand, trimmed investment, falling commodity prices and financial market turbulences. To mitigate these risks, well-coordinated actions among key global economies is highly warranted to boost global demand and investment sentiment, supported by structural economic reforms and prudent fiscal monetary policy.

### Distribution of World GDP



Source: Conference Board Global Outlook 2014 Note: GDP shares are converted to US Dollars using purchasing power parities

# Indian Economy

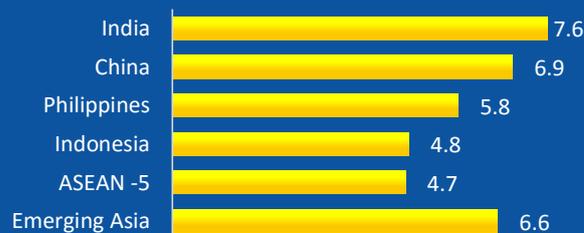
Last year turned out to be propitious for the Indian economy, bringing in a sustainable turnaround in the macroeconomic health. At a time when worries surrounded global economic growth prospects, our nation's economy stood tall among all and has been resilient in an uncertain global economic environment.

Riding on robust private consumption, increased public investment and stumbling commodity prices, the Indian economy has shown resilience in 2015, renouncing the dominance of gloomy external environment spread across the globe. During FY2015-16, the Indian economy accelerated at stellar rate of 7.6%, propelled by growing consumer spending and strong performance in the manufacturing sector. On the inflation side too, lower commodity prices, opening up of supply-side bottlenecks and a prudent monetary policy have translated into a comfortable level of inflation, making further room for interest rate cuts in the future.

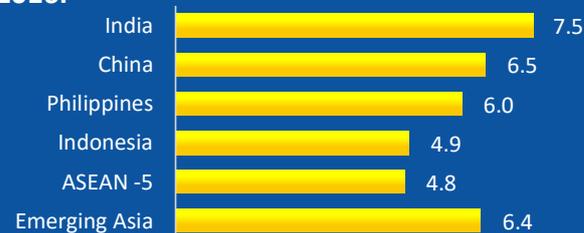
As per the World Economic Outlook report released by the IMF, the Indian economy is projected to be the fastest growing major economy in 2016 and 2017, expanding at a pace

## GDP Growth Rate (%)

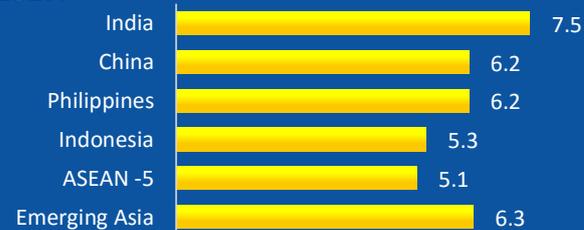
### 2015



### 2016F



### 2017F



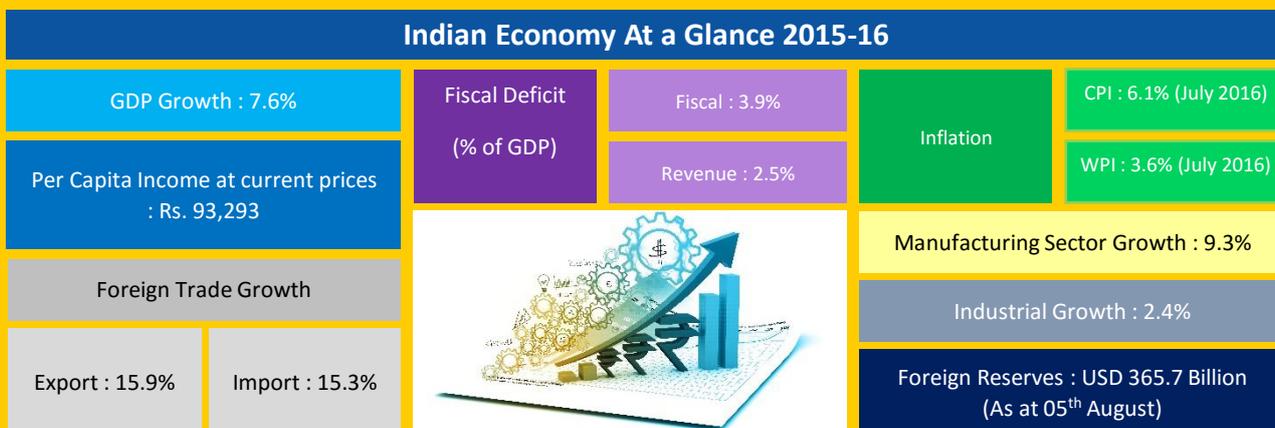
Source: International Monetary Fund

Note: Emerging Asia comprises the ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam) economies, China, and India

of 7.5% each in these two years, comfortably outperforming China and other emerging nations at a time when world economy is grappling with increased downside risks. World Bank also expects India to become the fastest growing economy in the world in the next three years and anticipates India’s economic growth to outpace China.

After coping with the global economic crisis during the end of the past decade, the second half of the current decade is expected to witness India’s progress chariot reaching a new high. India is committed to deliver an inclusive growth in the medium to long term, on the back of a slew of reforms undertaken by the government including revenue reforms for fiscal consolidation, further reduction in subsidies, easing of FDI norms and continued focus on dismantling infrastructure bottlenecks. The budget for FY2016-17 has shown government’s commitment to further curtail the fiscal deficit to 3.5% of GDP in FY2016-17, without significantly tinkering with its capital expenditure plans.

The impressive era in which the Indian economy is set to enter would not be possible without the much appreciable efforts taken by the government in the form of various initiatives such as Make in India, Smart cities, Digital India, Startup India, Housing for All by 2022, etc. As a result, many foreign companies have set eyes on India as an investment destination which is likely to translate into billions of dollar of foreign investment flowing into the domestic market and millions of job being created within the economy. These initiatives are bound to set a platform and open up huge investment opportunities for domestic companies.



Source: CSO, Office of the Economic Adviser, Department of Economic Affairs, Labour Bureau

# Industry Structure and Developments

## Global Wires and Cables Market

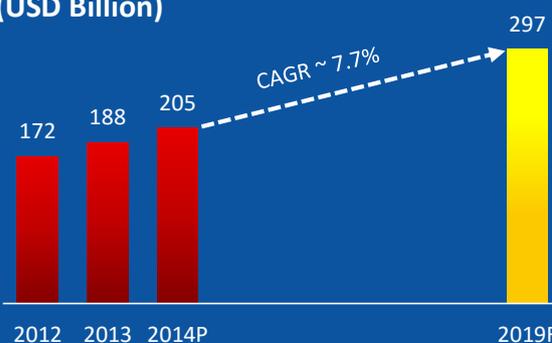
The demand dynamics of global cables and wires market is primarily driven by growth in power generation & transmission, telecommunications, industrial development and commercial & residential infrastructure industries. Over the years, the global cables and wires market has been exhibiting strong growth momentum, supported by demand from power supply companies, telecom operators and other end-user industries such as building & construction and industrial segments.

On the application front, power transmission, telecommunications and building wiring are some of the major uses which constitute the majority of wires and cables market. In terms of region, China & Asia Pacific region leads the global wires and cables market, accounting for around 34% of the total market size, closely followed by North America with 33%, thanks to the presence of several large manufacturing-based economies in these regions. In terms of demand also, Asia-Pacific leads the pack, followed by North America and Europe, boosted by ongoing infrastructure developments.

The global wires and cables market size stood at USD 188 Billion in 2013. According to estimates from BCC Research, the global wires and cables market is forecast to cross USD 297 Billion by 2019, registering a healthy CAGR of 7.7% between 2014 and 2019. Asian countries are likely to be the key growth engine for the global market, on

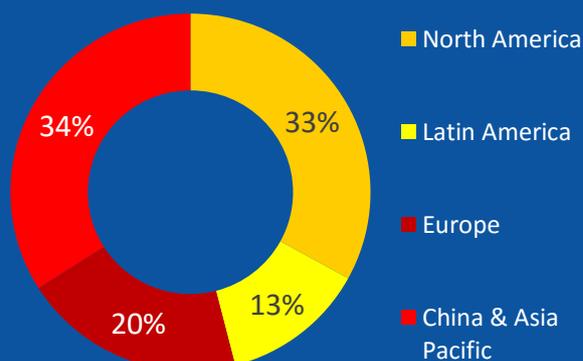
The global wires and cables market size stood at USD 188 Billion in 2013. According to estimates from BCC Research, the global wires and cables market is forecast to surpass USD 297 Billion by 2019, registering a healthy CAGR of 7.7% between 2014 and 2019.

### Global Wires & Cables Market Size (USD Billion)



Source: BCC Research

### Global Wires & Cables Market Geographical Breakdown



Source: Anixter International Investor Presentation, 2012

the back of continuous spend on infrastructure development and growing economy. Rising global demand for alternative sources of energy coupled with strong demand from power transmission and telecom operators would also facilitate the global wires and cables market growth.

Riding on gradual recovery in the global economy and increased energy demand and utilisation in emerging economies, power cables segment is well positioned to retain its dominance in the global wires and cables market, accounting for more than 70% of the total market. Going forward, the power cables segment is expected to grow to around USD 220 Billion by 2019, showcasing a CAGR of 7.5%, while telecom cables market is estimated to grow at a CAGR of 8.5% through 2019, becoming USD 78 Billion in size by 2019. The telecom segment growth will be driven by increasing demand for optical fiber and wireless and wireline communications system.

In context of aforesaid analysis, the Management is confident that the growth of wires and cables will create avenues for additional opportunities leading to promising future for the Company.



## Indian Wires and Cables Industry

The Indian wires and cables industry has a large number of players, especially small and medium-sized enterprises, dealing in high volume commoditised products. However, over the last two decades, the wires and cables industry has witnessed a journey of transformation in terms of size. Although unorganised sector still constitutes around 35% of the industry, the share is expected to drop to 20% - 25% over the next five years, as growth in the organised space is expected to outpace the unorganised market.

The organised players generally target high voltage durable and specialty cables, whereas unorganised small players cater to the retail segment of the low voltage market. On the segmental front, power sector is the major demand driver for cables, accounting for more than 75% of the market, while telecom, refinery and automobile segments contribute relatively smaller portion.

Over the years, the growing investment in power, infrastructure and communication projects has kept the growth engine for wires and cables industry running. According to data released by Indian Electrical and Electronics Manufacturers Association (IEEMA), the Indian wires and cables industry is estimated to be around Rs. 360 Billion (FY2014-15), buoyed by strong demand from power, telecom, railway and petroleum sectors. This, coupled with the government’s ‘Make in India’ programme, is expected to keep the growth momentum of the industry intact.

At present, wires and cables form about 25% - 30% of the electrical equipment industry, and is expected to maintain its share in the overall spend on electrical equipment. With the Indian electrical equipment industry growing at a CAGR of 15%

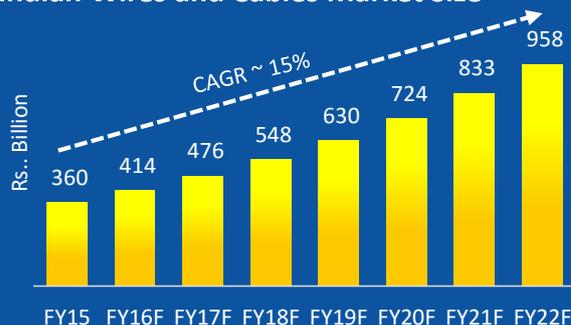
Over the years, the growing investment in power, infrastructure and communication projects have kept the growth engine for wires and cables industry running.

The Indian wires and cables industry is estimated to grow at a CAGR of 15%, translating into a market size of more than Rs. 900 Billion by FY2021-22.

The prospective investment in power and telecom sector along with steps taken by the government to improve digital connectivity, including the rollout of 3G/4G and broadband on a Pan-India basis would drive growth for the wires and cables industry in India.

Various initiatives taken by the government such as Make in India, Smart Cities, Housing for All, Mono and Metro rail projects and encouragement to refineries and fertilisers sector would act as a key growth catalyst for the wires and cables industry.

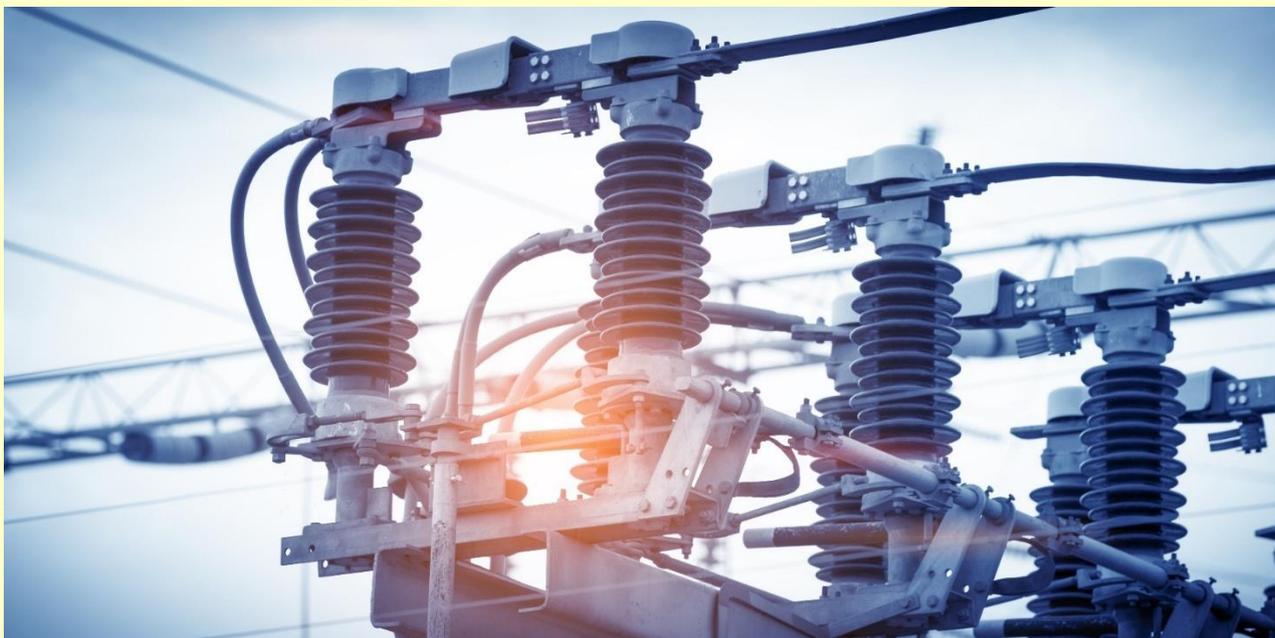
Indian Wires and Cables Market Size



Source: IEEMA Journal, January 2016

through FY2021-22, the wires and cables industry is also estimated to grow at least at the same pace, if not higher. This is expected to result in a wires and cables market worth more than Rs. 900 Billion by FY2021-22, considering the targeted spend on electrical equipment and increased adoption of cables due to change in dynamics such as requirement of underground cabling for smart cities and enhanced demand for cables from renewable sources of energy such as solar power. Moreover, up-gradation and modernisation of existing railway infrastructure including Route Relay Interlocking (RRI) system, rapid growth in metro rail infrastructure and impetus to the overall expenditure by the existing government, enforces conviction about the impressive growth prospects of the domestic wires and cables industry. India as a nation has a lot of potential in the mining, power, oil & gas, metro, railways, cement, steel and other sectors. We believe that the prospective investment in power and telecom sector along with steps initiated by the government to improve digital connectivity including the rollout of 3G/4G and broadband on a pan-India basis would drive growth for the industry. Moreover, various initiatives undertaken by the government such as Make in India, Smart Cities, Housing for All, Mono and Metro projects and encouragement to refineries and fertilisers would act as a key growth catalyst for the wires and cables industry. Other segments including automobile and railways would also stimulate the demand for wires and cables.

Therefore, the outlook for the growth of wires and cables is quite promising and the Management of CMI Limited expects that all these positives will open new avenues for growth in the coming years.

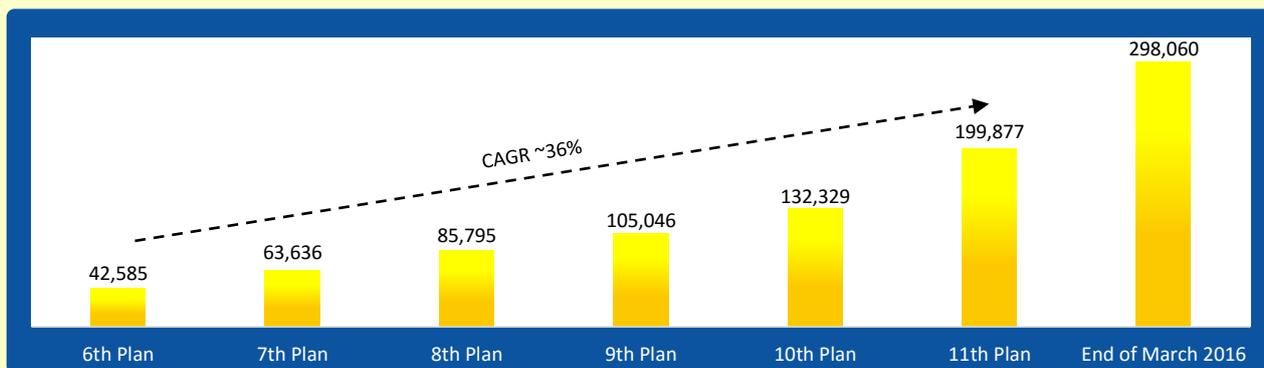


## Power Sector

Historically, India has invested heavily in the power sector to meet the ever increasing demand of rising populace in the nation.

Power industry acts as a very important spoke in the wheel of development for an economy. The Government of India has been prioritising investments for developing power infrastructure in the country. The installed capacity for power generation has witnessed additions over the years, growing at a CAGR of 36% by the 11<sup>th</sup> five-year plan. By March 2016, the total installed captive generation capacity touched around 300GW.

### Installed Power Generation Capacity (MW)



Source: Ministry of Power, Government of India

The development of transmission and distribution segment has also kept pace with the addition of generation capacity. As of April 2016, India's transmission network encompassed nearly 3,42,631 circuit km (ckm) of transmission lines along with 6,63,214MW of sub-station distribution capacity.

Government of India has charted out huge investment plans for the Indian Transmission and Distribution (T&D) segment. With India gaining prominence as a global economic powerhouse, there is an increase in demand for power to satiate its energy needs. Also, India's focus on expanding its manufacturing sector through its flagship initiative 'Make in India' is likely to drive demand for power even higher. But, even with the current power generation capacity, the nation is not able to cope up with the energy deficit faced by all regions of the nation. This makes it imperative to develop a distribution system which assists in the transfer of resources across the nation.

During the 12<sup>th</sup> five-year plan, the Government of India carved out ambitious growth plans for the power sector, specifically the transmission and distribution segment. It earmarked huge investments in the power sector to expand the generation capacity as well as to promote the Transmission and Distribution (T&D) segment. The government's plans are expected to boost the demand for power cables.

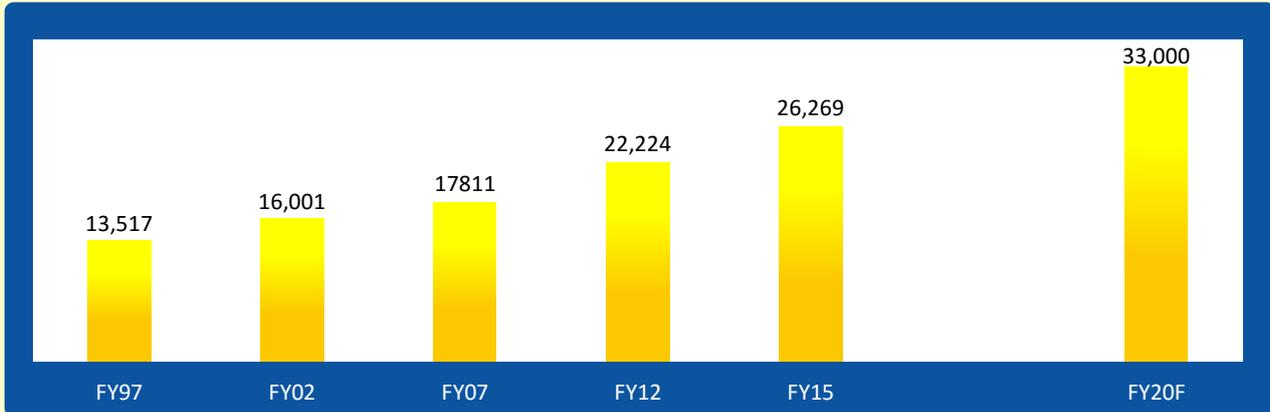
In the context of above analysis, the Management is confident that the development in power sector will provide considerable opportunities to the Company and will open the avenues for growth, thereby increasing the profitability of the Company.



## Railways

Erstwhile, Indian Railways was dependent on petroleum-based energy for their operations. But the oil crisis of 1970s brought forward the requirement to formulate a long term policy for electrification of railways, which could lower the dependence on fossil-based energy. The Indian Railways initiated electrification of railway routes at a greater pace with an aim of achieving at least 1,000 Route Kilometer (RKM) per year.

### Cumulative Route Kilometers



Source: Central Organisation for Railway Electrification

For the initial three years of the 12<sup>th</sup> five year plan (2012-17), Indian Railways was able to electrify approximately 4,042 RKM of railway tracks against the total target of 6,500 RKM. As of 31<sup>st</sup> March, 2015, a cumulative 26,269 RKM has been electrified by the Indian Railways, up from 13,517 RKM electrified by 1997. By 2020, the government aims to electrify around 33,000 RKM, targeting around 40% of the total Indian Railways network. Currently, about 51% of passenger traffic and 65% of freight traffic is operated by electric traction, showing a huge potential for further electrification.

The Indian Railways is gradually modernising the signalling systems as well. The up-gradation of the old signalling system, maintenance of existing RRI system and new RRI deployment will create an enormous demand for cables in India.

With an impetus from the Government for electrification and modernisation of signalling system, the Management believes that the demand for railway signalling cables will be robust for the foreseeable future. The outlook here is positive both in the near as well as long term.



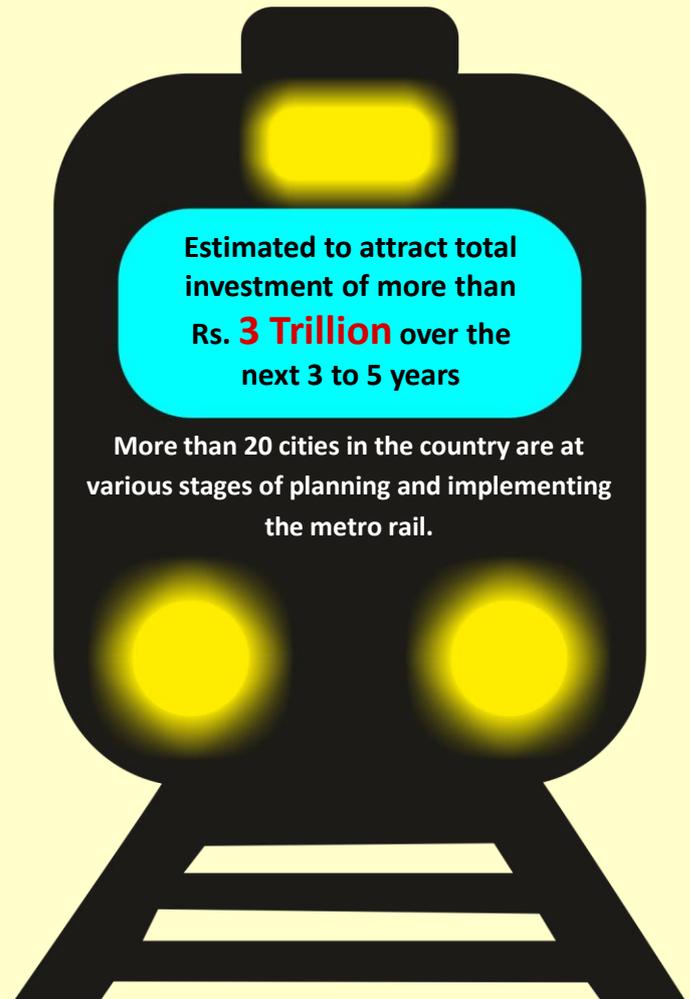
### Metro Rail Projects

With the view of achieving advancement in compliance with the rest of the world, India is in the process of advancing and modifying the existing transportation system by the introduction of metro rails in major cities. Currently, metro rail projects are running in several cities across the country. Encouraged with the success of Delhi metro, a number of metro rail projects are currently underway across cities in India including Delhi, Mumbai, Bengaluru, Chennai, Hyderabad, Kolkata, Kochi and Jaipur.

Following the government's commitment to create a world class metro rail infrastructure for cities with more than 2 Million population, the union urban development ministry has also decided to consider the proposal for Metro rail in Tier II cities such as Lucknow, Kanpur, Patna, Ahmedabad, Pune, Surat, Indore, Nagpur, Coimbatore and Kozhikode.

The government has put urban rail transport system on a high priority and has accordingly shortlisted 24 metro projects, (currently in various stages of planning and implementation), covering more than 20 cities across India, which are estimated to attract a total investment of more than Rs. 3 Trillion over the next three to five years. This is expected to create a massive demand for domestic wires and cables, on the back of increased deployment of signalling and electrification projects.

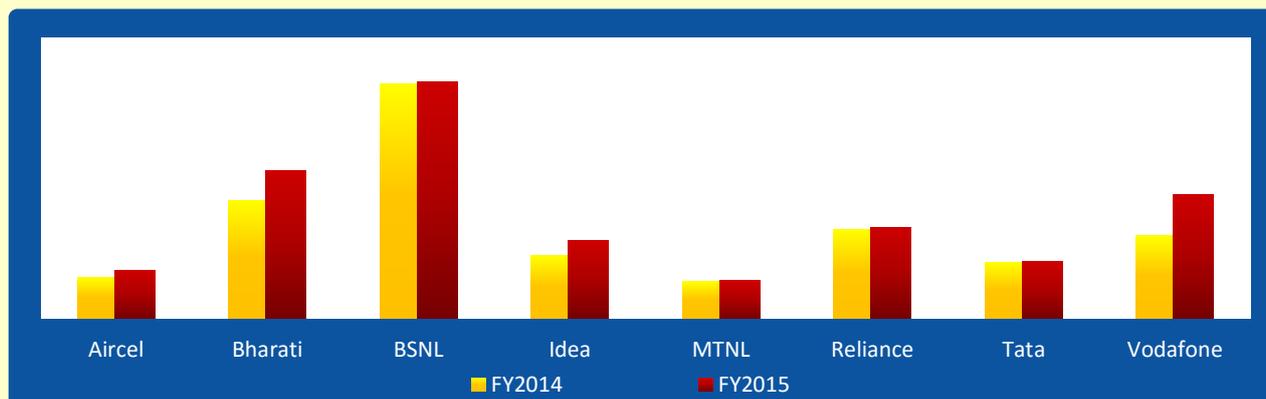
Foreseeing the future and rising demand for domestic wires and cables, the Management believes that the Company will have growing prospects in the field of manufacturing of domestic wires and cables and thereby adding efficiency and effectiveness in the business operations of the Company.



## Telecommunication

Telecommunication industry in India has witnessed strong growth over the past few years, driven by increased subscriber base and data usage. With rapid growth in subscriber base and data consumption, telecom operators have made significant investments in network upgrades. According to a TRAI report, telecom services sector witnessed 12% rise in capital investments (gross block) in FY2015, with private sector capital investments growing by 17.9%.

### Gross Block (Fixed Assets) of Major Telecom Service Providers (Rs. Crores)



Source: TRAI Annual Report, 2014-15

With the steady rise in telecommunication, the Management believes that aforesaid developments will drive the growth for cable industry in general and telecom in particular and therefore, will be an important area to focus for continuing the growth momentum achieved in recent years.

### Challenges and Outlook

The new Government at the centre has ambitious plans for modernisation of Indian Railways besides expanding the reach of Metro Rails. This is going to be a significant growth driver for CMI Limited as Indian Railways is its major customer.

The Government's targets for the power sector are critically dependent on consistent fuel supply (coal as well as gas), better financial health of the State Electricity Boards (SEBs) and making Power Purchase Agreements and Integrated Power Protection Systems economically viable. All these factors also affect the capital expenditure program in the power sector. The Government is making concrete efforts for improving the health of SEBs by bond purchase programs. Similarly, coal and gas sector reforms are the priorities of this Government. Therefore, it is expected that power sector will generate additional demand for various types of cables in coming years. Recently acquired facility at Baddi would be able to tap this demand and will help to achieve the growth targets of the Company.

A strong marketing push, backed by intensive brand promotion and multi-media communication strategy will also supplement the efforts of the Company to increase sales of the Company in the coming years.

The growth outlook for the economy in general is positive and all round development will act as enabler for the Company and will generate demand in various other sectors like telecommunication, oil and gas, house wires, flexibles, etc.



# Performance of the Company

## Operational Performance

During the year the Company increased its production capacity and developed Catenary and Contact Wire, Multicore and Single Core Indoor and Railway Signaling Cable thereby enhancing the existing product portfolio.

During the year, the Company also got following approvals from its esteemed customers, leading to create avenues for new projects, thereby creating strong potential of growth prospects for the Company:

- i. Approval from BPCL for Fire Survival Cables having a length of more than 300 km.
- ii. Approval from NTPC and order for Instrumentation Cable.
- iii. Approval from BHEL and SAIL for various types of Cables.

## Financial Performance

The Company's Gross Sales stood at Rs. 269.91 Crores in FY2016, an increase of 79% as compared to Rs. 150.76 Crores in FY2015. The increase was supported by growth in all sectors and products.

During the year, EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) stood at Rs. 34.16 Crores which increased by 114.7% as compared to Rs. 15.91 Crores in FY2015. Net Profit after tax for FY2016 stood at Rs. 16.99 Crores, higher than Rs. 6.31 Crores reported in FY2015. Total net worth of the Company stood at Rs. 78.92 Crores in FY2016, showing an increase of 113% as compared to Rs. 37.02 Crores in FY2015.

The Company's wholly owned subsidiary, CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) had recognised an impairment loss in accordance with Accounting Standard 28 due to decision of erstwhile management for closing down the manufacturing decision operations. Now, in view of the commencement of manufacturing operations, the impairment loss has been reversed on 31<sup>st</sup> March, 2016 and disclosed as reversal impairment on fixed assets under the head "Exceptional item".

## Internal Controls Systems & Adequacy

The Company has in place a robust and streamlined system of internal controls, ensuring regular:

- Authorisation, recording and reporting of transactions.
- Recording and safeguarding of assets against unauthorised use or disruption.
- Maintenance of proper accounting records and reliability of financial information.

Your Company has also designed and implemented various internal control policies to ensure achievement of aforesaid objectives. Audit Committee regularly reviews the internal control system to ensure implementation and effectiveness.

## Risks and Concerns

At CMI, we have a comprehensive risk management structure with benchmarks and reporting framework. Our objective is to identify, evaluate and counter potential risks through an institutionalised approach.

Nature of Risk	Risk Explanation	Risk Mitigation
<b>Sectoral Risk - Railways, Oil, Gas, etc.</b>	The Company's products are used primarily by railways, telecommunications and industrial segments. Any slowdown in these sectors can have a major impact on the demand for the Company's products.	The Company is continuously diversifying its product portfolio and expanding footprints in new sectors like Power Cables, Overhead Conductors, EHV Cables, etc.
<b>Peer Risk</b>	The Company's products, in general, can face challenges from other competitors.	The Company has established history of satisfactory performance in the past on consistent basis which helps in retaining the customer. Besides this, the Company has expanded its product portfolio, thereby giving one stop solution to its customers and improving retention levels.
<b>Input Price Risk</b>	Excessive volatility in the Company's raw material prices can have an impact on its profitability.	The Company has put in place procurement process to mitigate the risk arising from volatility in raw material prices; the Company incorporates price escalation clauses in most of the contracts.
<b>Human Resource Risk</b>	The pool of competent human resources is critical to the Company's business operations.	The Company has a well-established HR strategy, focused on grooming and retaining the talent.

## Human Resources

Human Resources is the greatest asset that plays vital role in achieving the growth, development and targets of the Company and helps the Company to gain and retain stable position in the competitive market, ultimately contributing to the growth of the economy. We believe that people are at the heart of corporate purpose and constitute the primary source of sustainable competitive advantage. Market connectivity, proactive response to market signals, unity of purpose and world class execution of strategy is the hallmark of CMI's performance culture. In pursuit of your Company's strategy to create new engines of growth by blending competencies residing in different parts of CMI, human resource strategies continue to focus on the development of distributed leadership at all levels in the organisation. Your Company continues to believe in trust, transparency, ethics, teamwork and improved employee productivity at all levels. CMI's commitment to harmonious industrial relations through partnership and collaboration has resulted in enhancing effectiveness of operations, and enabled the achievement of international benchmarks in productivity and quality. Your Company's ongoing objective is to create an inspirational work climate where talented employees engage in creating sustained value for the shareholders and other stakeholders. Besides above, your Company has been taking various initiatives for overall development of its talented people by focusing on training and skill development.



## DIRECTORS' REPORT

To,

**The Members of CMI Limited**

The Board of Directors presents the Forty Nine (49<sup>th</sup>) Annual Report on the business and operations together with the Company's Audited Financial Statements and the Auditor's Report thereon for the financial year ended 31<sup>st</sup> March, 2016.

### Financial Performance Summary

(Rs. in Lakhs)

Financial Results	FY2015-16	FY2014-15
Total Revenue	24,170.54	13,727.73
Less: Total Expenditure excluding Depreciation	21,596.37	12,727.22
<b>Profit before Depreciation and Tax</b>	<b>2,574.17</b>	<b>1,000.51</b>
Less: Depreciation	127.90	87.77
Add: Exceptional items	5.58	0.64
<b>Profit Before Tax</b>	<b>2,451.85</b>	<b>913.38</b>
Less: Provision for Tax	(752.253)	(282.976)
<b>Net Profit for the Year carried to the Balance Sheet</b>	<b>1,699.60</b>	<b>630.40</b>

### OVERALL REVIEW

Overall, FY2015-16 has been a very successful year; there is an increase of about 77.0% in the turnover of your Company. The profit before depreciation and tax has increased by 157.3% while the net profit has increased by 169.6%. Your Company has adopted adequate cost control measures throughout the year, and has been aggressive in its quest for new business and maintained pricing disciplines. This helped to deliver a decent revenue growth during the year, with major improvement in margins. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market. With stable government at centre, the long term outlook of cable industry is expected to be favourable, driven by power sector reforms, modernisation of railways, new metro railways and other infrastructures developmental projects.

### DIVIDEND

The Board, in its meeting held on 03<sup>rd</sup> December, 2015 declared an interim dividend of Rs. 1/- per equity share of the face value of Rs. 10/- each fully paid up.

Total interim dividend (excluding dividend distribution tax) for the current year is Rs. 133.774 Lakhs as against Nil in the previous year. Total dividend (including dividend tax) as a percentage of net profit after tax is 9.47% as compared to Nil in the previous year.

The Board of Directors does not recommend any final dividend for the financial year ended 31<sup>st</sup> March, 2016.

**RESERVES**

During the year under review, your Company has transferred an Amount of Rs. 1,699.59 Lakhs to General Reserves.

**AUDITORS AND THEIR REPORT**

M/s J. K. Manocha & Associates, Chartered Accountants, Delhi, (Firm Registration No. FRN: 007345N), the Statutory Auditors of the Company, who retires at the conclusion of this Annual General Meeting (AGM), being eligible, offer themselves for re-appointment as Statutory Auditors of the Company from the conclusion of this ensuing 49<sup>th</sup> AGM upto the conclusion of the 50<sup>th</sup> AGM to be held in the year 2017.

Accordingly, in terms of the first proviso of section 139 of the Companies Act, 2013 and based upon the recommendation of Audit Committee and Board of Directors, the re-appointment of M/s J. K. Manocha & Associates, Chartered Accountant, Statutory Auditor is being sought from the Members at the ensuing 49<sup>th</sup> AGM.

The observations made in the Auditor's Report on the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2016, are self explanatory and therefore, do not require further explanation. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Since the tenure of M/s J. K. Manocha & Associates as Statutory Auditor of the Company is getting over at 50<sup>th</sup> AGM, hence in order to comply with the provisions of Section 139 of the Act and to ensure a better understanding of system and practices followed in the Company before change in Auditors, it is proposed to appoint M/s. Krishna Neeraj & Associates, Chartered Accountants, (Firm Registration No.023233N) as the Statutory Auditors of the Company, to hold office from the conclusion of 49<sup>th</sup> Annual General Meeting until the conclusion of the 54<sup>th</sup> Annual General Meeting of the Company.

However, with a view to gain the benefit of expertise and long association with M/s J. K. Manocha & Associates, it is proposed to appoint joint statutory auditors for the financial year 2016-17 as it will also ensure smooth transition. Accordingly, it is proposed to appoint M/s J. K. Manocha & Associates and Krishna Neeraj & Associates, Chartered Accountants, as Joint Statutory Auditors for the financial year 2016-17.

A special notice has been received under section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s Krishna Neeraj & Associates, Chartered Accountants, as the statutory auditors. The Audit Committee has considered the qualification and experience of the proposed statutory auditors and has recommended their appointment as above.

Documents related to the appointment of M/s J. K. Manocha & Associates and Krishna Neeraj & Associates as Statutory Auditors shall remain open for inspection by the members at the registered office of the Company during normal business hours on any working day.

**COST AUDITOR**

The Directors have appointed M/s Ajay Kumar Singh and Co., Cost Accountants, as Cost Auditor to audit the accounts relating to cable manufacturing for the financial year ending 31<sup>st</sup> March, 2017.

## INTERNAL AUDITORS

Ms. Sarita Yadav, Internal Auditor of the Company, presents report and makes presentations to the audit committee on internal audit, which is reviewed by the audit committee from time to time.

## SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of the Companies Act, 2012, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Himanshu Sharma & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2015-16.

The Secretarial Audit Report is annexed as **Annexure - 1**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## INTERNAL CONTROL SYSTEM

Your Company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Your Company's internal control system comprises audit and compliance by in-house internal Audit Division. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. The independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditor to the Audit Committee of the Board.

## CREDIT RATING

During the year under review, your Company has improved its long term credit rating to CARE BBB-. The BBB- awarded by Care Analysis and Research Limited (CARE) reflects moderate degree of safety regarding timely servicing of financial obligation. Your Company's short term credit rating has also improved to CARE A3 by Care Analysis and Research Limited (CARE), reflecting moderate degree of safety regarding timely payment of financial obligations.

## SEGMENT WISE PERFORMANCE:

Your Company operates only in one segment.

## MATERIAL CHANGES:

There are following material changes and commitments, affecting the financial position of the Company between the end of financial year of your Company and the date of Director's Report:

- Your Company has applied for the listing of above said 7,00,000 Equity shares on 08<sup>th</sup> June, 2016 and received Listing Approval of 7,00,000 Equity shares from the Bombay Stock Exchange Limited vide its letter no. DCS/PREF/AM/FIP/1154/2016-17 dated 01<sup>st</sup> July, 2016. The Board of Directors of your Company at their meeting held on 19<sup>th</sup> March, 2016 had allotted these Equity shares consequent to conversion of 7,00,000 warrants issued @ Rs. 101/- per warrant (including premium of Rs 91/-per warrant), to promoters, on a preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.
- During the year, pursuant to the provisions of Section 391 to 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956 as well as the provisions of Companies Act, 2013, as and when the said provisions become applicable (hereinafter collectively

referred to as “Acts”) and subject to the necessary sanction(s), approval(s), confirmation(s) by the Hon’ble High Court of Delhi at New Delhi or National Company Law Tribunal, the Board of Directors at their Board Meeting held on 30<sup>th</sup> March, 2016, approved the scheme of Scheme of Amalgamation by and between CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) (Transferor Company) and CMI Limited (Transferee Company) with effect from 01<sup>st</sup> March, 2016 being the Appointed Date upon and subject to the terms and conditions as contained in the Scheme of Amalgamation.

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were checked and no reportable material weaknesses were observed.

#### **DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES**

**The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.**

During the year, the Company has acquired 100% shareholding of CMI Energy India Private Limited (previously known as General Cable Energy India Private Limited).

**Performance & Financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company’s subsidiaries in Form AOC-1, appended as [Annexure - 2](#) is attached to the Report.

Further, pursuant to the provisions of section 136 of the Act, the Company’s consolidated financial statements along with relevant documents and separate audited financial statement of subsidiaries are available on the website of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNELS:**

##### **Change in Directorship**

Ms. Archana Bansal was appointed as an Additional Director of the Company w.e.f. 01<sup>st</sup> May, 2015 and regularised as an Independent Director in 48<sup>th</sup> AGM held on 29<sup>th</sup> September, 2015, for five consecutive years, up to 30<sup>th</sup> April, 2020.

Ms. Himani Jain and Mr. Abhishek Aggarwal who were appointed as Additional Directors of the Company w.e.f. 31<sup>st</sup> March, 2015 had resigned as Additional Directors of the Company w.e.f. 01<sup>st</sup> May, 2015.

Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal have been appointed as the Additional Directors of the Company w.e.f. 29<sup>th</sup> July, 2016 who will be regularised as the Independent Directors at the ensuing 49<sup>th</sup> Annual General Meeting.

**Changes in Key Managerial Personnel (KMP)**

Mr. Raj Kumar resigned as Chief Financial Officer w.e.f. 01<sup>st</sup> March, 2016 and Mr. Ghan Shyam Dass was appointed as Chief Financial Officer of the Company w.e.f. 01<sup>st</sup> March, 2016 in place of Mr. Raj Kumar.

Mr. Amit Jain, Chairman Cum Managing Director; Mr. V. K. Gupta, Whole-time Director; Mr. Ghan Shyam Dass, Chief Financial Officer and Mr. Subodh Kumar Barnwal, Company Secretary are the KMPs of the Company as per provisions of the Act.

**Directors liable to retire by rotation**

Mr. Vijay Kumar Gupta is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

**Re-appointment of Chairman cum Managing Director**

Mr. Amit Jain was re-appointed as Managing Director of your Company at 45<sup>th</sup> AGM held on 29<sup>th</sup> September, 2012 for a period of three years w.e.f. 01<sup>st</sup> October, 2012. Due to his foresightedness and hard work, the Company is growing continuously under his leadership. Considering his valuable efforts, the Board of Directors at their meeting held on 29<sup>th</sup> September, 2015, on recommendation of Nomination and Remuneration Committee, re-appointed him as Chairman cum Managing Director of the Company w.e.f. 01<sup>st</sup> October, 2015 till 30<sup>th</sup> September, 2020, for five years subject to approval of shareholders at this AGM.

**Increase in remuneration of Chairman cum Managing Director and Whole-time Director**

The Board of Directors of your Company, at their meeting held on 29<sup>th</sup> July, 2016, subject to approval of the shareholders of the Company, has proposed to increase the remuneration payable to Mr. Amit Jain, Chairman Cum Managing Director and Mr. V. K. Gupta, Whole-time Director upto the remaining tenure of their appointment. The requisite resolution along with the explanatory statement is provided in the notice convening the ensuing Annual General Meeting.

A brief resume and other relevant details in respect of all the above Directors, being proposed for appointment and re-appointment, are given in the Explanatory Statement to the Notice convening the Annual General Meeting as well as under Corporate Governance Report of the Board. The Board of Directors recommends the appointment and re-appointment of Directors as aforesaid.

None of the Directors of your Company is disqualified under the provision of the Companies Act, 2013.

**Declaration by Independent Directors**

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and under the SEBI (LODR), Regulations, 2015.

As on the date of this report, the Board consists of following members:

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1	Mr. Amit Jain	00041300	Chairman cum Managing Director	01 <sup>st</sup> October, 2002
2	Mr. Pyare Lal Khanna	02237272	Independent Director	30 <sup>th</sup> September, 2004
3	Mr. Vijay Kumar Gupta	00995523	Whole-time Director	15 <sup>th</sup> January, 2009
4	Mr. Ramesh Chand	02759859	Independent Director	27 <sup>th</sup> February, 2009
5	Mrs. Archana Bansal	01129623	Independent Director	01 <sup>st</sup> May, 2015
6*	Mr. Kishor Punamchand Ostwal	00460257	Additional Director	29 <sup>th</sup> July, 2016
7*	Mr. Manoj Bishan Mittal	00282676	Additional Director	29 <sup>th</sup> July, 2016

\*The Board proposed to regularize Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal as the Non-Executive Independent Directors at the ensuing 49<sup>th</sup> Annual General Meeting who were appointed as Additional Directors w.e.f. 29<sup>th</sup> July, 2016.

### Evaluation of the Board, its Committees and Individual Directors

Your Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee. Some of the performance indicators based on which evaluation takes place are experience, expertise, knowledge and skills required for achieving strategy and for implementation of best governance practices which ultimately contributes to the growth of the Company in compliance with all policies of the Company.

## COMMITTEE OF THE BOARD

### A. Audit Committee

- i. Composition of Audit Committee : The Audit Committee comprises two Independent Directors namely, Mr. Ramesh Chand (Chairman) and Mr. Pyare Lal Khanna and Mr. Vijay Kumar Gupta, Executive Director as other members.
- ii. Reasons for not accepting the recommendations of the Audit Committee, if any : All the recommendations made by the Audit Committee were accepted by the Board.

### B. Nomination & Remuneration Committee

The policies have been laid down by the Nomination And Remuneration Committee for remuneration of Directors, KMPs & other employees and the criteria have been formulated by the committee for determining qualifications, attributes & independence of a Director.

Pursuant to section 178 (3) of Companies Act, 2013, the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Director, key Managerial Personnel and other employees.

Accordingly, in order to comply with the aforesaid provisions the following policies are available on the website of your Company ([www.cmilimited.in](http://www.cmilimited.in)):

- a. Policy for selection of Directors and determining Directors independence; and
- b. Remuneration Policy for Directors, Key Managerial Personnel and other employees.

#### **VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. Your Company has a Vigil mechanism and Whistle Blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee. During the financial year, no employee was denied access to the Audit Committee.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements read together with Notes annexed to and forming an integral part of the financial statements.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Under Section 135 of the Companies Act, 2013, the CSR Committee has been constituted.

The brief outline of the CSR policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in **Annexure - 3** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report.

#### **RELATED PARTY TRANSACTIONS:**

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) are included in **Form AOC- 2 (Annexure - 4)**.

#### **EXTRACT OF THE ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **Form MGT 9** is a part of this Annual Report (**Annexure - 5**).

#### **REGULATORY ACTION:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of your Company in future.

However, the BSE had issued a suspension notice no. 20160304-28 dated 28<sup>th</sup> March, 2016 to its trading members which included name of your Company. The suspension was withdrawn by BSE on 31<sup>st</sup> March, 2016 in pursuance of orders of Hon'ble High Court of Delhi in Writ Petition W.P.(C) 2857/2016 filed by your Company, on 30<sup>th</sup> March, 2016. The matter stands resolved and closed without any adverse findings as communicated by BSE vide their letter dated 15<sup>th</sup> June, 2016.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards read with requirements set out under Schedule III of the Act have been followed and no material departures have been made from the same.
- ii. Appropriate accounting policies have been selected and applied consistently and have 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 as at 31<sup>st</sup> March, 2016 and of the profit of the Company for that year ended on that date except to the extent mentioned in notes to accounts;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. 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.

## NUMBER OF MEETINGS:

### Board Meeting:

During the year, Eighteen (18) Board Meetings and one Independent Directors' Meeting were held. The Details of which are given in the Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

### Extraordinary General Meetings

One Extra ordinary General Meeting was held on 23<sup>rd</sup> July, 2015 during FY2015-16.

## SHARE CAPITAL

Your Company's shares are listed on the Bombay Stock Exchange and Delhi Stock Exchange and are traded on Bombay Stock Exchange actively.

Your Company has made application to National Stock Exchange Limited as on 07<sup>th</sup> December, 2015 for listing of Company's Shares.

### Equity Shares

- The Company has allotted 19,25,650 Equity shares having face value Rs. 10/- each to Non Promoters and 7,00,000 warrants convertible into equal number of Equity shares to Promoters group, at a premium of Rs 91/- Per Equity Share, on 14<sup>th</sup> August, 2015, in pursuance of resolution for preferential issue passed by the members through Extra ordinary General Meeting on 23<sup>rd</sup> July, 2015 and received Listing Approval of 19,25,650 Equity shares from the Bombay Stock Exchange Limited vide its letter no DCS/PREF/KS/FIP/414/2015-16 dated 01<sup>st</sup> October, 2015 and trading approval on 31<sup>st</sup> October, 2015.
- The Board of Directors of your Company at their meeting held on 19<sup>th</sup> March, 2016 has allotted 7,00,000 Equity Shares in consequent to conversion of 7,00,000 warrants issued @ Rs. 101/- per

warrant (including premium of Rs 91/- per warrant), to promoters, on a preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.

Your Company has filed listing application for listing of above said 700,000 Equity Shares on 8<sup>th</sup> June, 2016 and received Listing Approval of 700,000 Equity shares from the Bombay Stock Exchange Limited vide its letter no DCS/PREF/AM/FIP/1154/2016-17 dated 01<sup>st</sup> July, 2016

Your Company has made preferential allotment of shares during the year and duly complied the requirements of section 42 and 62 of the Companies Act, 2013. Accordingly, the amount raised have been applied for the purpose of which funds were raised.

#### **FIXED DEPOSITS**

During the year under review, your Company has not accepted any deposits within the meaning of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules. Your Company did not have any unclaimed or overdue deposits as on 31<sup>st</sup> March, 2016.

#### **HUMAN RESOURCES**

Your Company has put in place an effective human resource acquisition and maintenance function, which is benchmarked along with best corporate practices designed to meet the organisational needs and it takes pride in its highly motivated manpower that contributed its best to your Company. The Employees' relations within the organisation have been very cordial and harmonious during the year.

#### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by SEBI. Your Company has also implemented best Corporate Governance practices. Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement ('Listing Agreement') with the stock exchanges for the period from 01<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation) for the period from 01<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

As per SEBI Listing Regulation-

- A report on Corporate Governance is included as a part of this Annual Report.
- Certificate of the CFO and Managing Director, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measure and reporting of matters to the Audit Committee, is attached and forms part of this report.
- Certificate from the Practicing Company Secretaries confirming the compliance with the conditions of Corporate Governance is attached to this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

The detailed analysis of the operating performance of your Company for the year, the state of affairs and the key changes in the operating environment has been included in the Management Discussion and Analysis section which forms part of the Annual Report.

#### **HEALTH, SAFETY AND ENVIRONMENTAL (HSE) REVIEW**

CMI Limited is committed to maintain the highest standards in the areas of Health, Safety and Environment. It has made good progress in these areas with no fatal accident reported during the period.

With an aim to certify its operational location CMI Limited, Plot No. 71 & 82, Sector - 06, Faridabad, Haryana - 121006 with the integrated Management system OHSAS 18001 and ISO 14001 - Occupational Health, Safety and Environment, CMI Limited has got externally accreditation for its said manufacturing location by M/s American Quality Assessors.

#### **MANAGERIAL REMUNERATION:**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is mentioned in **Annexure – 6**.

No employees is in receipt of remuneration as specified under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The disclosure of particulars with respect to conservation of energy, technology absorption, Research and technology and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of the Directors' Report are as under:

##### **A. Conservation of Energy:-**

###### **a. Energy conservation measures taken:**

A number of energy conservation techniques were initiated on a large scale and successfully implemented which helped in improving efficiency levels.

Some of the key initiatives were as follows:-

In the existing manufacturing units, your Company continued various initiatives to conserve / reduce environmental impact, by adapting to green manufacturing and concept of "Reduce, Reuse and Recycle" viz.

- Efficient maintenance and daily monitoring of capacitor bank for improvement of power factor.
- Replacing energy inefficient equipments with new technologies which are efficient with AC drives.

###### **b. The capital investment on energy conservation equipments or any other additional investments and proposals, if any, being implemented for reduction of consumption of energy:-**

No material capital investment on energy conservation equipments or any other investment was made for reduction of consumption of energy during the financial year but no separate records were kept for costs incurred on proper maintenance of all machineries and equipments.

###### **c. Impact of measures on (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-**

The energy conservation measures maintained during the year have resulted into yearly savings and thereby lowered the cost of production by equivalent amount. These measures have also led to better pollution control, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

**B. Technology Absorption, Adaptation & Innovation****a. Efforts, in brief, made towards technology absorption, adoption and innovation****Energy conservation, up-gradation in manufacturing and efficiency improvement**

- Use of energy efficient LED and CFL lamps in whole plant.
- Recycling the vacuum pump cooling water for environment saving.
- Company now updated with the manufacturing of all types of cables.
- New and upgraded technology has been followed for energy conservation.

**b. Benefits derived as a result of the above efforts**

- Reduction in power usage and thereby reducing cost of production.
- Environmental savings.
- Improved efficiency and productivity.
- Cost and time saving.

**C. Research and Development**

<b>Specific areas in which R&amp;D carried out by your Company</b>	Product development and process improvement
<b>Benefits derived as a result of the above R&amp;D</b>	Your Company can manufacture all types of cables in the area in which it operates.
<b>Future plan of action</b>	Technology up-gradation
<b>Expenditure on R&amp;D</b>	Capital Expenditure: Rs. 5.69 Lakhs Recurring Expenditure: Rs. 8.59 Lakhs

**D. Foreign Exchange Earnings and Outgo****a. Activities relating to export, initiative to increase exports, development of new export markets for products and services and export plan**

Your Company has continued to maintain its focus and avail of export opportunities based on economic considerations. During the year, your Company had exports worth Rs. 3,02,05,893/- (including excise duty) from export of Cables.

**b. Total Foreign Exchange earned and used:**

		Amount in Rs.
<b>a.</b>	<b>Total Foreign Currency Earned</b>	277.72 Lakhs
<b>b.</b>	<b>Total Foreign Currency Used</b>	3,638.58 Lakhs

**ENVIRONMENTAL REVIEW**

Your Company has a defined environmental policy which is being followed rigorously by one and all across the organisation. There were no environmental issues at the CMI plant and the statutory compliance was in line with Governmental requirements.

The pollution control parameters as defined by the State Pollution Control Board were totally adhered to and effluent discharge levels were well within the prescribed limits. Air pollution has been tested and was in line with the requirement. Noise pollution level was contained by fixing all the generators in sound proof acoustic enclosures.

**INDUSTRIAL RELATIONS**

Your Company has taken various steps to improve productivity across the organisation. Industrial relations remained harmonious at the manufacturing unit of CMI.

**ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude to the Central Government, State Government and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Investors, Vendors, Dealers, Registrar and Transfer Agent, Financial Institutions, Business Associates, Media and their agencies and Employees at all levels in ensuring an excellent all around operational performance.

**By Order of the Board**

**CMI Limited**

**Amit Jain**

**Chairman Cum Managing Director**

**DIN - 00041300**

**Place: New Delhi**

**Date: 29<sup>th</sup> July, 2016**

Registered Office:

501 - 503, New Delhi House

27, Barakhamba Road, New Delhi - 110001

**Email Id:** info@cmilimited.in

**Annexure - 1****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013, and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To The Members

CMI LIMITED

501 - 503, New Delhi House,

27, Barakhamba Road,

New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CMI Limited (hereinafter called 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 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 authorised 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 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder 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 31<sup>st</sup> March, 2016 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-law framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the Audit period)
- vi. Other laws applicable to the Company:-
  - a. Industrial Disputes Act, 1947
  - b. The Payment of Wages Act, 1936
  - c. The Minimum Wages Act, 1948
  - d. Employee State Insurance Act, 1948
  - e. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - f. The Payment of Bonus Act, 1965 and Payment of Bonus (Amendment) Act, 2015;
  - g. The Payment of Gratuity Act, 1972
  - h. The Contract Labour (Regulation and Abolition) Act, 1970
  - i. The Maternity Benefits Act, 1961
  - j. The Income Tax Act, 1961
  - k. Indirect Tax Laws
  - l. The Child Labour Prohibition and Regulation Act, 1986;
  - m. The Equal Remuneration Act, 1976;
  - n. The Employment Exchange (Vacancies) Act, 1976;
  - o. The Environment (Protection) Act, 1986;
  - p. The Hazardous Wastes (Management & Handling) Rules, 1989 & Amendment Rules, 2008;
  - q. The Water (Prevention and Control of Pollution) Act, 1974;
  - r. The Air (Prevention and Control of Pollution) Act, 1981;
  - s. The Indian Contract Act, 1872;
  - t. The Indian Stamp Act, 1999 and other applicable labour laws.

We have also examined compliance with the applicable clause of the following:

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on 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.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

**Further allotment of Equity shares / warrants:**

The Company has allotted total 9,17,000 Equity shares having face value of Rs. 10/- each, to Non Promoters and 7,00,000 warrants convertible into equal number of equity shares of Rs. 10/- each, to Promoters, at a price Rs. 64/- per share (including premium of Rs 54/- per share), on preferential basis on 06<sup>th</sup> February, 2015 and 19<sup>th</sup> February, 2015 and got listing and trading approval from BSE through letter DCS/PREF/UZ/113/2015-16 dated 13<sup>th</sup> May, 2015.

**Further allotment of Equity shares / warrants:**

The Company has allotted 19,25,650 Equity shares having face value Rs. 10/- each at a premium of Rs. 91/- Per Equity share to Non Promoters and 7,00,000 warrants convertible into equal number of Equity shares to Promoters group, on 14<sup>th</sup> August, 2015, in pursuance of resolution for preferential issue passed by the members through Extra ordinary General Meeting held on 23<sup>rd</sup> July, 2015 and received Listing Approval of 19,25,650 Equity shares from The Bombay Stock Exchange Limited vide its letter No. DCS/PREF/KS/FIP/414/2015-16 dated 01<sup>st</sup> October, 2015 and trading approval on 31<sup>st</sup> October, 2015.

The Board of Directors of the Company at their meeting held on 19<sup>th</sup> March, 2016 has allotted 700,000 Equity shares, consequent to conversion of 7,00,000 warrants issued @ Rs. 101/- per warrant (including premium of Rs. 91/- per warrant), to Promoters, on a preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.

**Amalgamation with wholly owned subsidiary company**

During the year, pursuant to the provisions of Section 391 to 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956 as well as the provisions of Companies Act, 2013, as and when the said provisions become applicable (hereinafter collectively referred to as "Acts") and subject to the necessary sanction(s), approval(s), confirmation(s) by the Hon'ble High Court of Delhi at New Delhi or National Company Law Tribunal, Board of Directors at their Board Meeting held on 30<sup>th</sup> March, 2016, approved the scheme of Scheme of Amalgamation by and between CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) (Transferor Company) and CMI Limited (Transferee Company) with effect from 01<sup>st</sup> March, 2016 being the appointed date upon and subject to the terms and conditions as contained in the Scheme of Amalgamation.

**Himanshu Sharma & Associates**  
**(Company Secretaries)**

**CS Himanshu Sharma**  
**Proprietor**  
**CS27235: CP 11553**

**Place: New Delhi**  
**Date: 29<sup>th</sup> July, 2016**

**Annexure - 2****FORM NO. AOC - I****Part "A": Subsidiaries**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement Containing Salient Features of the Financial Statement of Subsidiary Companies:

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr.No.	Particulars	Details
1	Name of the subsidiary	CMI Energy India Private Limited (Formerly General Cable Energy India Pvt. Ltd.)
2	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Reporting period is same
3	Reporting currency and exchange rate as on the last date of the relevant financial year, in the case of foreign subsidiaries.	Not Applicable
4	Share capital	12,531.62 Lakhs
5	Reserves & Surplus	(2,840.09 Lakhs)
6	Total assets	19,415.86 Lakhs
7	Total liabilities	19,415.86 Lakhs
8	Investments	Nil
9	Turnover	366.12 Lakhs
10	Profit before taxation	7,891.21 Lakhs
11	Provision for taxation Earlier Year Tax	Nil
12	Profit after taxation	7,891.21 Lakhs
13	Proposed Dividend	Nil
14	% of shareholding	100%

**By Order of the Board**

**CMI Limited**

**Amit Jain**

**Chairman Cum Managing Director**

**DIN - 00041300**

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

Registered Office:

501 - 503, New Delhi House

27, Barakhamba Road, New Delhi - 110001

**Email Id:** info@cmilimited.in

**Annexure - 3****ANNUAL REPORT ON CSR ACTIVITIES**

- **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CMI's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalised cross section of the society by providing opportunities to improve their quality of life.

The Company constituted CSR Committee by the approval of Board of Directors at the Board Meeting duly held on **20<sup>th</sup> November, 2015** and thus the Company is in the process of conceptualising a structured programme to meet its CSR objective. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Accordingly, CSR projects such as training of youth to promote employability, providing functional literacy to adults, technology support to cancer research institutes and hospitals, training of women to encourage entrepreneurship, education of underprivileged children, construction of sanitation facilities in rural schools, support to disaster relief efforts, etc. will be carried out by the Company for the financial year 2016-17. Details of the CSR policy and projects or programmes undertaken by the Company will be updated on the website of the Company from time to time.

- **The Composition of the CSR Committee.**
  - Mr. Ramesh Chand, Non-Executive Independent Director - Chairman
  - Mr. Pyare Lal Khanna, Non-Executive Independent Director - Member
  - Mr. Vijay Kumar Gupta, Whole-time Director - Member
- **Average net profit of the Company for last three financial years: Rs. 478.47 Lakhs**
- **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 9.57 Lakhs**
- **Details of CSR spent during the financial year: Nil**
- **Total amount to be spent for the financial year: Rs. 9.57 Lakhs**
- **Amount unspent, if any: Rs. 9.57 Lakhs**
- **Manner in which the amount spent during the financial year is detailed below.**

**During the year, the Company has identified key focus areas in CSR, which include education, healthcare, environment, art and culture. The Company has started undertaking CSR projects during the current financial year.**

In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. The Company has identified the focus areas for CSR activities which includes healthcare, education, resources for securing environment sustainability, art and culture etc. Some of the large programmes are multiyear projects which involves planning and scheduling. The Company is putting its continuous efforts to implement the abovementioned projects effectively. In the quarter ended June 2016, the Company has spent sum of Rs. 2,18,000 in the field of education, towards CSR activities.

We, hereby, declare that implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company, as approved by the Board.

**Amit Jain**

(Chairman Cum Managing Director)

**Ramesh Chand**

(Chairman - CSR Committee)

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

**Annexure - 4****FORM NO. AOC.2**

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Amount	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Sr. No.	Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Amount	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1.	Mr. Amit Jain	Chairman Cum Managing Director	Lease rent of vehicle	3,00,000	Three Years	Rent paid every month in advance	No
2.	Mr. Amit Jain	Chairman Cum Managing Director	Interest paid	32,93,000	-	-	No

**By Order of the Board**

**CMI Limited**

**Amit Jain**

**Chairman Cum Managing Director**

**DIN - 00041300**

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

Registered Office:

501 - 503, New Delhi House

27, Barakhamba Road, New Delhi - 110001

**Email Id:** info@cmilimited.in

**Annexure - 5****Form No. MGT - 9**

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	<b>CIN</b>	L74899DL1985PLC018031
2	<b>Registration Date</b>	22 <sup>nd</sup> June, 1967
3	<b>Name of the Company</b>	CMI Limited
4	<b>Category / Sub-Category of the Company</b>	Company Limited by Shares
5	<b>Address of the Registered office of the Company</b>	501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
6	<b>Whether listed Company</b>	Yes
7	<b>Name, Address and Contact details of RTA, if any</b>	Beetal Financial & Computer Services Private Limited Add: Beetal House, 3rd Floor, 99, Madangir, B/4, Local Shopping Centre, New Delhi - 110062 Tel: 011 - 29961281, 29961282

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Cables	27320	99.38%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited)	U31300DL2006F TC152190	Wholly Owned Subsidiary	100%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Demat	% of Total Shares	Physical	Demat	% of Total Shares	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual / HUF	-	48,93,877	42.73	-	55,93,877	39.74	(2.99)
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any Other and their relatives, societies partnership firms, RBI, Employee welfare fund, EBIP / ESOS Trusts	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	48,93,877	42.73	-	55,93,877	39.74	(2.99)
<b>(2) Foreign</b>							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	48,93,877	42.73	-	55,93,877	39.74	(2.99)
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	-	1,00,000	0.87	-	-	-	(0.87)
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	15,00,000	10.66	10.66
<b>Sub-total (B)(1):-</b>	-	1,00,000	0.87	-	15,00,000	10.66	9.79
<b>2. Non-Institutions</b>							
a) Bodies Corp.	60,800	6,67,606	6.36	31,600	10,29,238	7.54	1.18
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	6,64,656	5,55,097	10.65	3,45,556	11,29,287	10.48	(0.17)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	6,60,500	28,77,762	30.90	20,000	35,39,097	25.28	(5.62)

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Demat	% of Total Shares	Physical	Demat	% of Total Shares	
c) Others							
- Directors	8,770	1,000	0.09	8,770	1,000	0.07	(0.0169)
- ESOP / ESOS / ESPS	3,200	-	0.03	0	0	0	(0.03)
- HUF	-	9,18,037	8.02	-	4,58,112	3.25	( 4.77)
- NRI	23,500	6,362	0.26	23,500	3,06,019	2.34	2.08
- Clearing Members	-	10,640	0.09	-	91,401	0.65	0.56
<b>Sub-total (B)(2):-</b>	<b>14,21,426</b>	<b>50,36,504</b>	<b>56.40</b>	<b>4,29,426</b>	<b>65,54,154</b>	<b>49.61</b>	<b>(6.80)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14,21,426</b>	<b>51,36,504</b>	<b>57.27</b>	<b>4,29,426</b>	<b>80,54,154</b>	<b>60.26</b>	<b>2.99</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>14,21,426</b>	<b>1,00,30,381</b>	<b>100</b>	<b>4,29,426</b>	<b>1,36,48,031</b>	<b>100</b>	<b>-</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Amit Jain	43,93,877	38.37	-	50,93,877	36.18	-	(2.19)
2	Dhruv Jain	5,00,000	4.37	-	5,00,000	3.55	-	(0.82)
	Total	48,93,877	42.74	-	55,93,877	39.74	-	(3.01)

## iii. Change in Promoters' Shareholding (Specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	48,93,877	42.74	48,93,877	42.74
Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease *	7,00,000	-3.00		
At the end of the year	55,93,877	39.74	55,93,877	39.74

\*Increase in shareholding of Promoters during the year is as follows:

Name	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)	
	No. of Shares	% of total Shares of the Company				No. of Shares	% of total shares of the Company
Amit Jain	43,93,877	38.37	19 <sup>th</sup> March, 2016	7,00,000	Preferential Allotment	50,93,877	36.18
Dhruv Jain	5,00,000	4.37		-	-	5,00,000	3.55

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

Name	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 31 <sup>st</sup> March, 2016	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
SHUBHAM GUPTA	6,00,000	5.24	15.01.2016 22.01.2016	4,00,000-Decease 75,000-Increase	Transfer	2,75,000	2.0557
SHASHANK GUPTA	6,00,000	5.24	15.01.2016	Decrease	Transfer	0.0	0.0
KUSUM AGARWAL	6,00,000	5.24		No Change	-	6,00,000	4.26
DEVENDER KUMAR GUPTA (HUF)	6,00,000	5.24	15.01.2016	Decrease	Transfer	0.0	0.0
CNI RESEARCH LIMITED	3,17,700	2.77	10.04.2015 24.04.2015 22.05.2015 26.06.2015 21.08.2015 09.10.2015 30.10.2015 06.11.2015 13.11.2015 04.12.2015 18.12.2015 25.12.2015 31.12.2015	15,818-Increase 27,518-Decease 300- Increase 6,300-Decease 5,000-Increase 5,000-Decease 27,500-Increase 3,600-Increase 200-Increase 9-Decease 7,100-Decease 100-Decease 24,091- Decease	Transfer	3,00,000	2.243
SAVITA AGARWAL	2,00,000	1.75	15.01.2016	Decrease	Transfer	1,00,000	0.745
NISHA GUPTA	1,50,000	1.31	15.01.2016 26.02.2016 04.03.2016 18.03.2016	42,321-Decease 4,191-Decease 719-Decease 9,500-Decease	Transfer	93,269	0.697
SORABH GUPTA	1,50,000	1.31		No Change	-	1,50,000	1.12
B N MITTAL (HUF)	1,00,000	0.87	22.05.2015	No Change	-	1,00,000	0.745
TARUN JAIN	Nil	Nil	14.08.2015	Increase	Transfer	2,250,000	1.689
GMO EMERGING DOMESTIC OPPORTUNITIES FUND	Nil	Nil	15.01.2016	Increase	Transfer	11,78,365	8.81
GMO EMERGING MARKETS FUND	Nil	Nil	15.01.2016	Increase	Transfer	3,01,113	2.25
PRASHANT OMPRAKASH KOTHARI	Nil	Nil	06.11.2015	Increase	Transfer	2,15,000	1.61
FAISAL Z HAWA	Nil	Nil	14.08.2015	Increase	Transfer	2,00,000	1.50
JAIDEEP NARENDRA SAMPAT	Nil	Nil	18.09.2015 12.02.2016 19.02.2016 26.02.2016 04.03.2016	25,000-Increase 10,801-Decease 600-Decease 10,494-Decease 3,105- Decease	Transfer	2,00,000	1.50
PULKIT.N.SEKHSARIA	Nil	Nil	18.12.2015 22.01.2016 12.02.2016	30,000-Increase 74,833-Increase 167-Increase	Transfer	1,55,000	1.16
PRAMERICA MIDCAP OPPORTUNITIES FUND	1,00,000	.747	24.04.2015 19.06.2015 30.06.2015 03.07.2015	12,589-Decease 17,011-Decease 22,482-Decease 47,918-Decease	Transfer	0.0	0.0

**v. Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	V. K. Gupta		8,770	0.077	8,770	0.0656
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease	Ramesh Chand		1,000	0.009	1,000	0.0075
At the end of the year	V .K. Gupta		8,770	0.077	8,770	0.0656
	Ramesh Chand		1,000	0.009	1,000	0.0090

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding / accrued but not due for payment.**

Amount in Rs. Lakhs

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	1,865.40	1,433.17	-	3,298.57
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1,865.40</b>	<b>1,433.17</b>	<b>-</b>	<b>3,298.57</b>
<b>Change in Indebtedness during the financial year</b>	6,801.37	887.75	-	-
• Addition				
• Reduction				
<b>Net Change</b>	<b>+6,801.37</b>	<b>+887.75</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>	8,666.77	2,320.92	-	10,987.69
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>8,666.77</b>	<b>2,320.92</b>	<b>-</b>	<b>10,987.69</b>

**VI. Remuneration of Directors and Key Managerial Personnel:****A. Remuneration to Managing Director, Whole-time Director and / or Manager**

Amount in Rs. Lakhs

Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
	Amit Jain MD	V. K. Gupta WTD	Manager	
Gross salary	27.00	7.20	-	34.2
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - as % of profit	-	-	-	-
<b>Total</b>	<b>27.00</b>	<b>7.20</b>	<b>-</b>	<b>34.2</b>
Ceiling as per the Act (in compliance with the provision of Schedule XIII Part II Section II(A))	-	-	-	-

**B. Remuneration to other Directors: Not paid any Remuneration**

Amount in Rs. Lakhs

Particulars of Remuneration	Name of Directors				Total Amount
Independent Directors	-	-	-	-	-
• Fee for attending board / committee meetings					
• Commission					
• Others, please specify					
<b>Total (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Non-Executive Directors	-	-	-	-	-
• Fee for attending board / committee meetings					
• Commission					
• Others, please specify					
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overall Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Amount in Rs. Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					
		CEO	Subodh Kumar (Company Secretary)	CFO		Manager	Total
				Raj Kumar Sharma	Ghan Shyam Dass		
1	Gross salary						-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6.22	1.65	4.44	-	12.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	<b>Total</b>	-	<b>6.22</b>	<b>1.65</b>	<b>4.44</b>	-	<b>12.31</b>

\*Salary paid to Mr. Raj Kumar upto February 2016 and to Mr. Ghan Shyam Dass for March 2016 only.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: N.A.**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**By Order of the Board  
CMI Limited**

**Amit Jain**

**Chairman cum Managing Director**

**DIN - 00041300**

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

Registered Office:  
501 - 503, New Delhi House  
27, Barakhamba Road, New Delhi - 110001  
**Email Id:** info@cmilimited.in

**Annexure - 6**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below

- i. The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2015-16 (in Rs.)	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director / to median remuneration of employees	Explanation of the remuneration of the KMP against the performance of the Company
1.	Mr. Amit Jain Chairman cum Managing Director	27.00 Lakhs	28.6%	1250%	The increase in remuneration is inline with the market trends in the country. The remuneration paid to KMPs as percentage to turnover and Profit before tax has declined during the year.
2.	Mr. V. K. Gupta, Whole-time Director	7.20 Lakhs	20%	334%	
3.	Mr. Subodh Kumar Company Secretary	6.22 Lakhs	11%	NA	
4.	Mr. Ghan Shyam Dass, CFO	4.44 Lakhs	NA	NA	

- ii. The percentage increase in the median remuneration of employees in the financial year 2015-2016 is 8.50%
- iii. There were 140 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2016.
- iv. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Aggregate remuneration of KMP in FY2016 (in Rs.)	Revenue from operations (in Rs.)	Remuneration of KMPs (as a % of revenue)	Profit before Tax (PBT) (in Rs.)	Remuneration of KMP (as a % of PBT)
46.51 Lakhs	24,022.20 Lakhs	0.1936%	2,451.85 Lakhs	1.90%

- v. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

	Closing Market Price per Share (Rs.)		Price Earnings Ratio		Market Capitalisation (Rs.)	
	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2016
BSE	96.90	241.30	7.27	13.42	110.96 Cr	228.05 Cr

- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2014-15 was 8.50% whereas the increase in the managerial remuneration for the same financial year was 31.30%.
- vii. Comparison of remuneration of the each Key Managerial Personnel against the performance of the Company:

Name and Designation	Aggregate remuneration of KMP in FY2016 (in Rs.)	Revenue from operations (in Rs.)	Remuneration of KMP (as a % of revenue)	Profit before Tax (PBT) (in Rs.)	Remuneration of KMP as a % of PBT
Mr. Amit Jain Chairman cum Managing Director	27.00 Lakhs	24,022.20 Lakhs	0.11%	2,451.85 Lakhs	1.11%
Mr. V.K. Gupta Whole-time Director	7.20 Lakhs	24,022.20 Lakhs	0.03%	2,451.85 Lakhs	0.29%
Mr. Subodh Kumar Company Secretary	6.22 Lakhs	24,022.20 Lakhs	0.025%	2,451.85 Lakhs	0.25%
Mr. Ghan Shyam Dass CFO	4.44 Lakhs	24,022.20 Lakhs	0.018%	2,451.85 Lakhs	0.18%

- viii. The key parameters for any variable component of remuneration availed by the Directors - Not applicable
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year- Not applicable
- x. It is hereby confirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2016 is as per the Remuneration Policy of the Company.

**By Order of the Board**

**CMI Limited**

**Amit Jain**

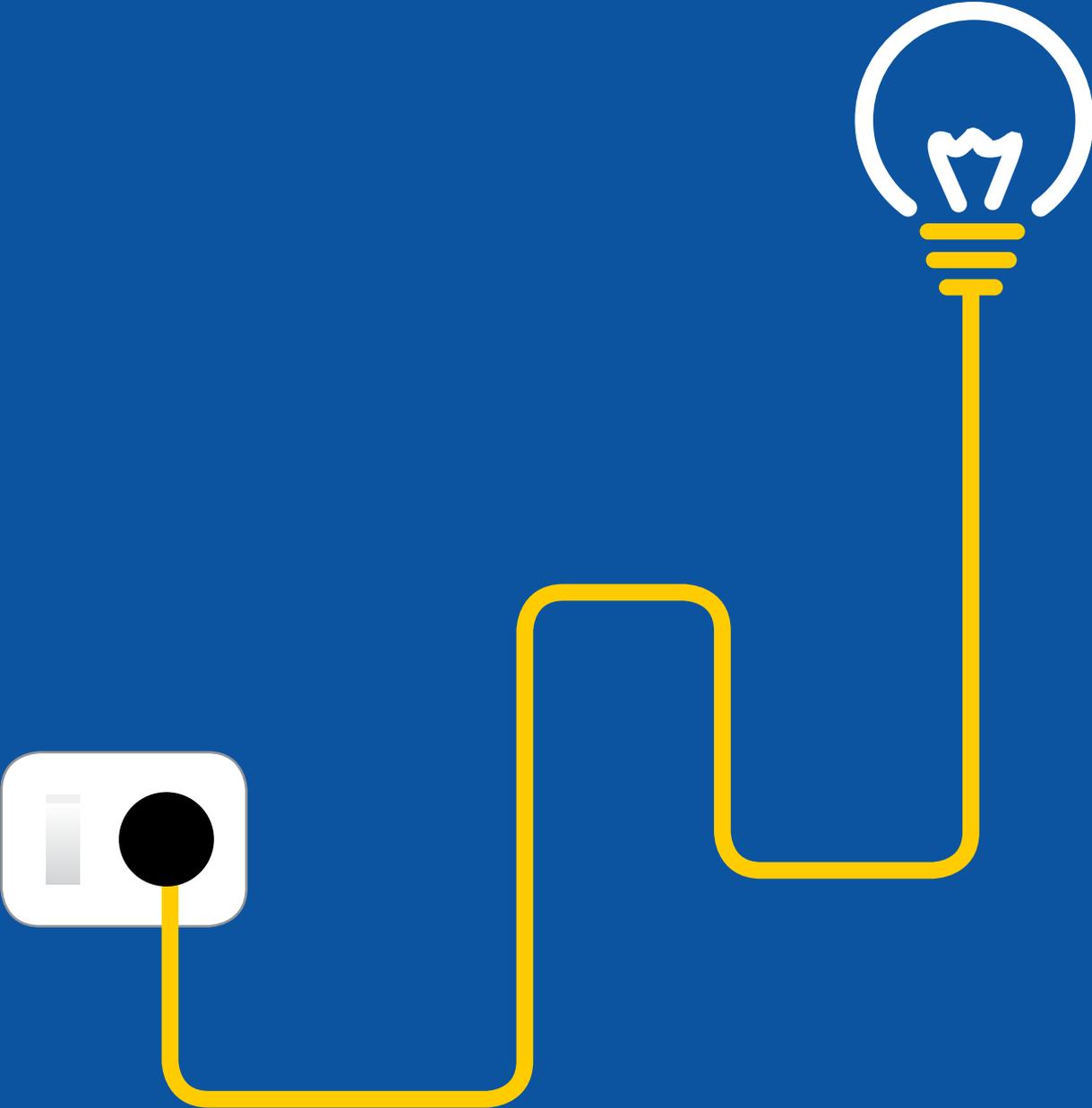
**Chairman Cum Managing Director**

**DIN - 00041300**

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

# CORPORATE GOVERNANCE REPORT



## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2015-16

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorised through principle based standards and not just through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

The Company's philosophy on corporate governance is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The corporate governance practices followed by the Company are compatible with international standards and best practices. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. The long term strategic objectives and the Code of Conduct which articulate the values, ethics, and business principles and serve as a guide to the Company, its Directors and Employees and an appropriate mechanism to report any concern pertaining to non-adherence to the said Code and addressing the same are also in place. The Company is in full compliance with the requirements of corporate governance under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Risk management and internal control functions have been geared up to meet the progressive governance standards.

### BOARD OF DIRECTORS

#### i. Composition

The composition of Board of Directors of the Company is a balanced one, comprising Executive and Non-Executive Directors, the latter including independent professionals. The strength of the Board of Directors as on 31<sup>st</sup> March, 2016 is five, of which two are Executive Directors.

Category	No. of Directors	Percentage %
Executive Directors	2	40
Non-Executive Independent Directors	3	60
<b>Total</b>	<b>5</b>	<b>100</b>

- Kishor Punamchand Ostwal and Manoj Bishan Mittal are appointed as Additional Directors at the Board Meeting held on 29<sup>th</sup> July, 2016 who will be regularised as Directors (Non-Executive Independent Directors) at the ensuing 49<sup>th</sup> Annual General Meeting.

Name of the Director	Category	No. of Board Meetings during the year 2015-16		Whether attended last AGM held on 29 <sup>th</sup> September, 2015	No. of other Directorships held in Indian public companies	No. of Committee positions as Members and as Chairperson in other public companies
		Held	Attended			
<b>Mr. Amit Jain</b> DIN 00041300	Chairman cum Managing Director	18	18	Yes	1	Nil
<b>Mr. Vijay Kumar Gupta</b> DIN 00995523	Executive Director	18	17	Yes	1	2
<b>Mr. Pyare Lal Khanna</b> DIN 02237272	Non-Executive Independent Director	18	14	Yes	1	2
<b>Mr. Ramesh Chand</b> DIN 02759859	Non-Executive Independent Director	18	16	Yes	1	2
<b>Mrs. Archana Bansal</b> DIN 01129623	Non-Executive Independent Director	18	13	No	1	Nil

\*Directors of CMI Limited have been duly appointed as Directors as well as Chairman and members of Audit and Nomination and Remuneration Committee of CMI Energy India Private Limited, wholly owned subsidiary of CMI Limited, a listed public company.

Eighteen Board Meetings were held during the financial year 2015-2016 and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

01<sup>st</sup> April, 2015; 01<sup>st</sup> May, 2015; 30<sup>th</sup> May, 2015; 27<sup>th</sup> June, 2015; 15<sup>th</sup> July, 2015; 14<sup>th</sup> August, 2015; 28<sup>th</sup> August, 2015; 29<sup>th</sup> September, 2015; 18<sup>th</sup> October, 2015; 09<sup>th</sup> November, 2015; 16<sup>th</sup> November, 2015; 20<sup>th</sup> November, 2015; 03<sup>rd</sup> December, 2015; 09<sup>th</sup> January, 2016; 10<sup>th</sup> February, 2016; 29<sup>th</sup>, February 2016; 19<sup>th</sup> March, 2016 and 30<sup>th</sup> March, 2016.

The necessary quorum was present for all the meetings.

- ii. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- iii. None of the Directors on the Board hold Directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2016 have been made by the Directors. None of the Directors are related to each other.
- iv. During the financial year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- v. The details of the familiarisation programme of the Independent Directors are available on the website of the Company [www.cmilimited.in](http://www.cmilimited.in)

**vi. ADDITIONAL INFORMATION IN TERMS SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS ON 31<sup>st</sup> March, 2016**

<b>Name of the Director</b>	<b>Mr. Amit Jain</b>	<b>Mr. Pyare Lal Khanna</b>	<b>Mr. Vijay Kumar Gupta</b>	<b>Mr. Ramesh Chand</b>	<b>Mrs. Archana Bansal</b>
<b>Designation</b>	Chairman cum Managing Director	Non-Executive Independent Director	Executive Director	Non-Executive Independent Director	Non-Executive Independent Director
<b>Date of Birth</b>	15 <sup>th</sup> October, 1973	13 <sup>th</sup> August, 1948	15 <sup>th</sup> December, 1949	15 <sup>th</sup> May, 1949	07 <sup>th</sup> September, 1973
<b>Nationality</b>	Indian	Indian	Indian	Indian	Indian
<b>Date of Appointment</b>	01 <sup>st</sup> October, 2002	30 <sup>th</sup> September, 2004	15 <sup>th</sup> January, 2009	27 <sup>th</sup> February, 2009	01 <sup>st</sup> May, 2015
<b>Qualification &amp; Experience</b>	Having rich experience in cable manufacturing industry	Having more than 40 years of grass root level experience in metals industry	Having more than 35 years experience in Technical and Marketing	Having more than 35 years experience in finance sector.	Having rich experience in business operations
<b>Shareholding in CMI Limited as on 31<sup>st</sup> March, 2016</b>	5,093,877 (36.18%)	Nil	8,770 (0.066%)	1,000 (0.0075%)	Nil
<b>Directorship in other Companies and Memberships of Committees*</b>	1 (Director in CMI Energy India Pvt. Ltd.)	3 (Director and Chairman of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd.)	3 (Director and Members of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd.)	3 (Director and Members of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd.)	Nil
<b>DIN</b>	00041300	02237272	00995523	02759859	01795684

\*Excludes the Directorships in Indian Private Limited Companies & Foreign Companies and Alternate Directorship.

\*Directors of CMI Limited have been duly appointed as Directors as well as Chairman and members of Audit and Nomination and Remuneration Committee of CMI Energy India Private Limited, wholly owned subsidiary of CMI Limited, a listed public company.

\* Kishor Punamchand Ostwal and Manoj Bishan Mittal are appointed as Additional Directors at the Board Meeting held on 29<sup>th</sup> July, 2016 who will be regularised as Directors (Non-Executive Independent Directors) at the ensuing 49<sup>th</sup> Annual General Meeting.

## vii. MEETINGS OF INDEPENDENT DIRECTORS

As per the provisions of the Companies Act 2013, the Independent Directors have to meet at least once in a year, without the presence of Executive Directors or Management representatives.

The Independent Directors met once during the Financial Year on 31<sup>st</sup> March, 2016, to take note of inter alia, the following activities to be undertaken by them:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the parameters for evaluation of Independent Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## RETIREMENT OF DIRECTOR BY ROTATION, RE-APPOINTMENT AND NEW APPOINTMENT OF DIRECTOR

Brief resume of Directors being re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and membership of the committees of the board are furnished hereunder:

### 1. Mr. Vijay Kumar Gupta, retires by rotation at the 49<sup>th</sup> Annual General Meeting of the Company and being eligible offers himself for re-appointment.

- Mr. Vijay Kumar Gupta, appointed as Director of the Company on 15<sup>th</sup> January, 2009, has rich experience in cable manufacturing industry. His shareholding in the Company as on 31<sup>st</sup> March, 2016 is 8,770 Equity Shares.
- He was appointed as Additional Director w.e.f. 29<sup>th</sup> February, 2016 in CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company.
- He is also appointed as member of the Audit Committee of CMI Limited and CMI Energy India Private Limited.

### 2. Confirmation of re-appointment of Mr. Amit Jain as Chairman cum Managing Director

- Mr. Amit Jain is a prominent and successful industrialist with a wide and varied experience in the management of business and cable industry. He was re-appointed as Chairman cum Managing Director of the Company w.e.f. 01<sup>st</sup> October, 2015, for five years, by the Board of Directors in its meeting held on 29<sup>th</sup> September, 2015, subject to approval of Shareholders.
- The holding of Mr. Amit Jain is 50,93,877 (36.18%) Equity shares of the Company.
- Mr. Amit Jain is also Director in CMI Energy India Private Limited, a wholly owned subsidiary of CMI Limited.

### 3. Appointment of Mr. Kishor Punamchand Ostwal as Additional Director of the Company

- Mr. Kishor Punamchand Ostwal does not have any shareholding in the Company
- Mr. Kishor Punamchand Ostwal is also Director in following Companies:
  - i. Neil Information Technology Limited
  - ii. CNI Research Limited

iii. Shreenath Finstock Private Limited

iv. CNI Infoxchange Private Limited

Mr. Kishor Punamchand Ostwal is a qualified Chartered Accountant, having vast experience in business, economy and financial matters.

#### **4. Appointment of Mr. Manoj Bishan Mittal as Additional Director of the Company**

- Mr Manoj Bishan Mittal holds 80,000 equity shares, constituting 0.57%, in the Company.
- Mr Manoj Bishan Mittal is also Director in following companies:
  - i. Kemper Properties Holdings Private Limited
  - ii. Mittal Capital Finvest Private Limited
  - iii. Deepjyot Holding And Finance Private Limited
  - iv. Force Capital Markets Limited

Mr. Manoj Bishan Mittal is a qualified Chartered Accountant, having wide experience in business economy and financial matters.

## COMMITTEES OF THE BOARD

The Board has constituted the following Committees - the Audit Committee, the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The role and composition of these committees, including the number of the meetings held are as follows:

### ❖ AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;
- Reliability of financial and other management information;
- Compliance with relevant national laws and regulations;

The Audit Committee is empowered, pursuant to these terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek information from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting processes and inter alia perform the following functions:

- Overseeing the Company's financial reporting processes and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services.
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - Qualifications in the draft audit report, if any;
  - Significant adjustments arising out of audit;
  - Compliance with legal requirements concerning financial statements;
  - Related party transactions ;
  - Scrutiny of inter corporate loans and advances;
  - Approval of appointment of CFO or any other person heading Finance function after assessing the qualification, experience and background etc. of the candidate.
- Reviewing with the Management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purpose other than those stated in the offer document / prospectus, notice and report submitted by the monitoring agency monitoring the utilisation of the proceeds of a public or rights issue and

making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audits;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

### Composition

The Audit Committee comprises two Non-Executive Independent Directors and one Executive Director. The Managing Director, the head of internal audit and the representatives of statutory auditors are invitees to the Audit Committee and the Company Secretary is the Secretary to the committee.

All members of the committee are financially literate and two members have accounting and financial expertise.

The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2015 to answer Shareholder's queries.

The names of the members of the Audit Committee, including its Chairman is as under:

Name	Category	Number of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Ramesh Chand (Chairman)	Independent, Non-Executive	5	5
Mr. Pyare Lal Khanna (Member)	Independent, Non-Executive	5	5
Mr. Vijay Kumar Gupta (Member)	Executive Director	5	5

Five Audit Committee Meetings were held during the financial year 2015-2016. The dates on which the said meetings were held are as follows:

30<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 09<sup>th</sup> November, 2015; 10<sup>th</sup> February, 2016 and 28<sup>th</sup> February, 2016

The necessary quorum was present for all the meetings.

**\*Statutory Auditors were special invitees to the Audit Committee Meetings.**

## ❖ NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee, in line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Nomination and Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Executive Director. It also recommends successions and appointments for the membership of the Board and the senior management.

### a. Functions

- i. The broad terms of reference of the Nomination and Remuneration Committee are as under:
  - To approve the annual remuneration plan of the Company regarding Executive Director;
  - To approve the remuneration and commission / incentive payable to the Executive Directors for each financial year;
  - To approve the remuneration and annual performance bonus payable to the Executive Director of the Company for each financial year;
  - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve'
  - Identify persons who are qualified to become Directors and who may be appointed in senior management; (Functional Heads are covered in Senior Management);
  - Formulate the criteria for determining qualifications, positive attributes and independence of a Director and the Board;
  - Recommend to the Board their appointment and removal;
  - Recommend to the Board a policy, relating to the remuneration of the Director, Key Managerial Personnel and other employees;
  - Carry out evaluation of every Director's performance.

### b. Composition

The Nomination and Remuneration committee comprises of 3 Non-Executive Independent Directors. The composition of the Remuneration Committee and the details of meeting attended by its members are given below:

Name	Category	Number of meetings during the year 2015-16	
		Held	Attended
Mr. Pyare Lal Khanna (Chairman)	Non-Executive Independent Director	3	3
Mr. Ramesh Chand (Member)	Non-Executive Independent Director	3	3
Mrs. Archana Bansal (Member)	Non-Executive Independent Director	3	3

Three Nomination & Remuneration Committee meetings were held. The dates on which the said meetings were held are as follows:

28<sup>th</sup> August, 2015; 29<sup>th</sup> September, 2015 and 28<sup>th</sup> February, 2016

The necessary quorum was present at the meetings.

### c. Remuneration Policy

The Company's Remuneration Policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to the Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective from 01<sup>st</sup> April, each year. The Remuneration Committee decides on the commission payable to the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the performance of the Company as well as that of the each Executive Director.

The Company firmly believes in attracting and retaining high caliber talent. The remuneration policy, therefore, takes into account the competitive circumstances so as to attract & retain quality talent.

No sitting fee is paid to any Director.

Details of Remuneration of Directors and Key Managerial Personnel (KMP) for the financial year ended 31<sup>st</sup> March, 2016:

Rs. in Lakhs		
Director	Salary and Allowance	Total
Mr. Amit Jain (Chairman cum Managing Director)	27.00	27.00
Mr. Vijay Kumar Gupta (Executive Director)	7.20	7.20
Mr. Subodh Kumar Barnwal (Company Secretary)	6.22	6.22
Mr. Raj Kumar (C.F.O. upto February 2016)	1.65	1.65
Mr. Ghan Shyam Dass ( C.F.O. w.e.f. 01 <sup>st</sup> March, 2016)	4.44	4.44

**d. Presently, the Company does not have a scheme for grant of stock options.**

**e. Non-Executive Directors have not been paid any remuneration.**

**f. Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

## ❖ STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

### Composition

Presently, the Committee comprises of three Directors. Mr. Pyare Lal Khanna, the Chairman of the Committee, is a Non-Executive Independent Director. Details of the meeting duly attended by the Chairman and members of the Stakeholders Relationship Committee, held during the financial year 2015-2016 are as follows:

Name	Category	Number of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Pyare Lal Khanna (Chairman)	Non-Executive Independent Director	28	28
Mr. Ramesh Chand (Member)	Non-Executive Independent Director	28	28
Mrs. Archana Bansal (Member)	Non-Executive Independent Director	28	28

Twenty Eight Stakeholders Relationship Committee Meetings were held during the financial year 2015-2016. The dates on which the said meetings were held were as follows:

20<sup>th</sup> May, 2015; 25<sup>th</sup> May, 2015; 03<sup>rd</sup> August, 2015; 19<sup>th</sup> August, 2015; 28<sup>th</sup> August, 2015; 03<sup>rd</sup> September, 2015; 10<sup>th</sup> September, 2015; 16<sup>th</sup> September, 2015; 22<sup>nd</sup> September, 2015; 30<sup>th</sup> September, 2015; 15<sup>th</sup> October, 2015; 20<sup>th</sup> October, 2015; 03<sup>rd</sup> November, 2015; 17<sup>th</sup> November, 2015; 23<sup>rd</sup> November, 2015; 07<sup>th</sup> December, 2015; 22<sup>nd</sup> December, 2015; 30<sup>th</sup> December, 2015; 19<sup>th</sup> January, 2016; 25<sup>th</sup> January, 2016; 30<sup>th</sup> January, 2016; 08<sup>th</sup> February, 2016; 15<sup>th</sup> February, 2016; 23<sup>rd</sup> February, 2016; 29<sup>th</sup> February, 2016; 08<sup>th</sup> March, 2016; 22<sup>nd</sup> March, 2016 and 30<sup>th</sup> March, 2016.

The necessary quorum was present at these meetings.

### Terms of Reference

The Committee oversees and reviews all matters connected with transfer of shares, split and issue of duplicate share certificates, etc. The Committee also looks into redresses of Shareholders' / Investors' complaints / grievances pertaining to share transfers, non-receipt of annual reports, dividend payments and other miscellaneous complaints. The details of transfers / transmissions are placed before the Stakeholders Relationship Committee for confirmation. The Board has delegated the powers of approving transfer etc. of securities to Managing Director of the Company.

There were no pending share transfers or any complaints as on 31<sup>st</sup> March, 2016. Any complaints or query may be made on [info@cmilimited.in](mailto:info@cmilimited.in).

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirement of Section 135 of the Companies Act, 2013, the Company has constituted 'Corporate Social Responsibility Committee' to look into the Corporate Social Responsibility Policy of the Company. The broad terms of reference of the committee are as follows:

- Formulate and recommend to the Board a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

## Composition

Presently, the Committee comprises of three Directors. Details of the members of the Committee and the meetings duly attended by them during the financial year 2015-16 are as follows:

Name	Category	Number of Meetings during the financial year 2015-16	
		Held	Attended
Mr. Ramesh Chand (Chairman)	Non-Executive Independent Director	02	02
Mr. Pyare Lal Khanna (Member)	Non-Executive Independent Director	02	02
Mr. Vijay Kumar Gupta (Member)	Whole-time Director	02	02

Two Corporate Social Responsibility Committee Meetings were held during the financial year 2015-2016. The dates on which the said meetings were held were as follows:

20<sup>th</sup> November, 2015 and 28<sup>th</sup> February, 2016.

## GENERAL MEETING

### a. Annual General Meeting:

Details	Date	Time	Venue	Details of Special Resolutions Passed at AGM
46 <sup>th</sup> AGM for the Financial Year 2012-13	27 <sup>th</sup> September, 2013			No special resolution was passed.
47 <sup>th</sup> AGM for the Financial Year 2013-14	30 <sup>th</sup> September, 2014	11.30 A.M.	Lajwaab Banquet Hall, Vikas Marg, Delhi - 110092	*Increase in remuneration of Managing Director *Re-appointment of Whole-time Director *Adoption of New Set of Articles of Association of the Company.
48 <sup>th</sup> AGM for the Financial Year 2014-15	29 <sup>th</sup> September, 2015			*Increase in remuneration of Managing Director *Increase in remuneration of Whole-time Director

### b. Extra ordinary General Meetings:

One Extra ordinary General Meeting was held on 23<sup>rd</sup> July, 2015 during the financial year 2015-2016.

### c. Postal Ballot:

No Postal Ballot was conducted during the financial year 2015-16.

## DISCLOSURES

- During the financial year under review, the Company has not entered into any transaction of the material nature with its promoters, Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- During the financial year under review, there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority.

However, BSE had issued a suspension notice no. 20160304-28 dated 28<sup>th</sup> March, 2016 to its trading members which included name of the Company. The suspension was withdrawn by BSE on 31<sup>st</sup> March, 2016 in pursuance of orders of Hon'ble High Court of Delhi in Writ Petition W.P.(C) 2857/2016 filed by the Company, on 30<sup>th</sup> March, 2016. The matter stands resolved and closed without any adverse findings as communicated by BSE vide their letter dated 15<sup>th</sup> June, 2016.

- c. The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company and there are no statutory audit qualifications in this regard.
- d. The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimisation procedures, the Board reviews the same from time to time.
- e. All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.
- f. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company.
- g. The Company has also adopted a policy on determination of 'material' subsidiaries which has been also put up on the website of the Company.
- h. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
  - i. The Auditors' Report on statutory financial statements of the Company is unqualified.
  - ii. The Internal Auditors of the Company make presentations to the audit committee on their reports.

i. Code of Conduct

The members of the Board and Senior Management personnel have affirmed the compliance with Code applicable to them during the year ended 31<sup>st</sup> March, 2016. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

## SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March, 2016, the Company has a wholly owned subsidiary company, CMI Energy India Private Limited. The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meeting along with a report on significant developments of the unlisted subsidiary companies are placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies as on 31<sup>st</sup> March, 2016, except CMI Energy India Private Limited.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.

## MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within 45 days of the end of each quarter for all four quarters.

Quarterly results for the quarters ended on 30<sup>th</sup> June, 2015, 30<sup>th</sup> September, 2015, 31<sup>st</sup> December, 2015 and audited results for the quarter and year ended on 31<sup>st</sup> March, 2016 were published in "Pioneer English " and "Pioneer Hindi". The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting	Date of Press Release
April - June 2015	14 <sup>th</sup> August, 2015	15 <sup>th</sup> August, 2015
July - September 2015	09 <sup>th</sup> November, 2015	10 <sup>th</sup> November, 2015
October - December 2015	10 <sup>th</sup> February, 2016	11 <sup>th</sup> February, 2016
January - March 2016 (Audited)	27 <sup>th</sup> May, 2016	29 <sup>th</sup> May, 2016

***The official press releases of Company are displayed on the website of the Bombay Stock Exchange Limited.***

## CMI CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading ('CMI Code') in the shares and securities of the Company. The CMI Code, inter alia, prohibits purchase / sale of shares of the Company by its management and staff while in possession of unpublished price sensitive information in relation to the Company. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of CMI Limited, and cautioning them of the consequence of violations. The Company Secretary has been appointed as Compliance Officer.

## COMPLIANCE OFFICER

Mr. Subodh Kumar Barnwal, Company Secretary is the Compliance Officer of the Company as required under the Listing Agreement with the Stock Exchanges. *Contact details 0129-6522703 & e-mail ID [cmics@cmilimited.in](mailto:cmics@cmilimited.in)*

**GENERAL SHAREHOLDER INFORMATION**

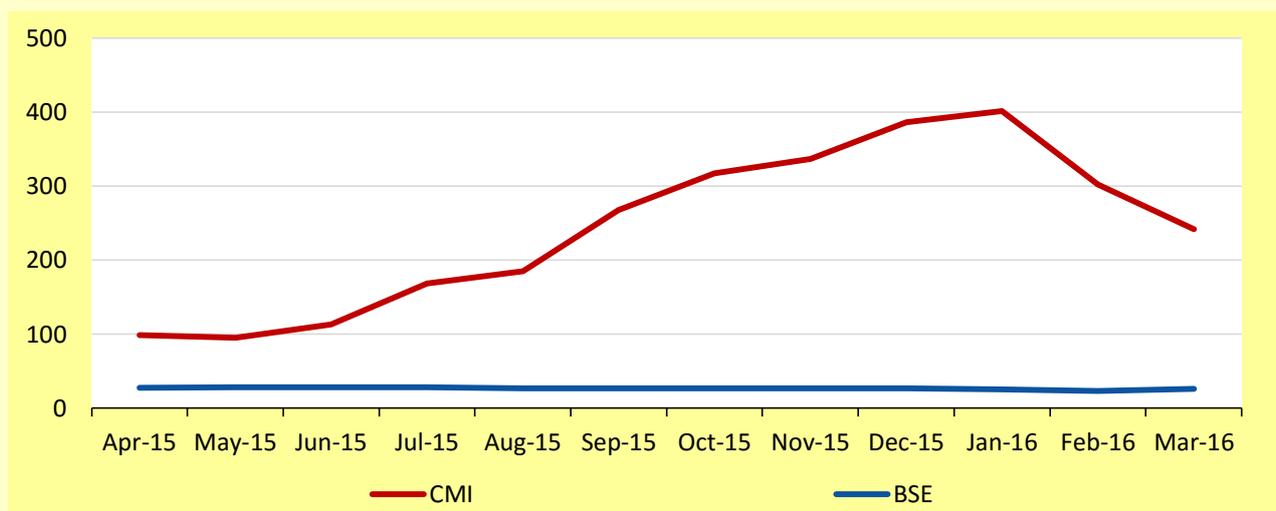
1.	Annual General Meeting: <ul style="list-style-type: none"> <li>▪ Day and Date</li> <li>▪ Time</li> <li>▪ Venue</li> </ul>	<p>Wednesday, 28<sup>th</sup> September, 2016 11.30 A.M. Lajwaab Banquet Hall, Vikas Marg, Delhi - 110092.</p>
2.	Financial Calendar for 2015-16: <ul style="list-style-type: none"> <li>▪ Accounting Period</li> </ul> <p>Un-audited financial results for the year ended 31<sup>st</sup> March, 2016 are as follows:</p> <ul style="list-style-type: none"> <li>▪ First quarter</li> <li>▪ Second quarter</li> <li>▪ Third quarter</li> <li>▪ Fourth quarter and annual</li> </ul>	<p>01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016</p> <p>14<sup>th</sup> August, 2015 09<sup>th</sup> September, 2015 10<sup>th</sup> February, 2016 27<sup>th</sup> May, 2016</p>
	Financial Calendar for 2016-17: <ul style="list-style-type: none"> <li>▪ Accounting Period</li> <li>▪ Un-audited financial results for the first three quarters</li> <li>▪ Fourth quarter Results</li> <li>▪ Annual General Meeting (Next Year)</li> </ul>	<p>01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 Announcement within 45 days from the end of each quarter Announcement of Audited Accounts on or before 30<sup>th</sup> May, 2017. September 2017 (Tentative)</p>
3.	Date of Book Closure	22 <sup>nd</sup> September, 2016 - 28 <sup>th</sup> September, 2016 (inclusive of both days)
4.	Dividend payment date	No dividend recommended by the Board of Directors of the Company.
5.	Listing on Stock Exchanges:	
	<ul style="list-style-type: none"> <li>▪ Delhi Stock Exchange Limited</li> <li>▪ Bombay Stock Exchange Limited</li> <li>▪ BSE Stock Code</li> </ul>	<p>Address</p> <p>DSE House, 3/1 Asaf Ali Road, New Delhi - 110002.</p> <p>25<sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai - 400001</p> <p>517330</p>
<p>Note: During the year, the listing fees for the financial year 2015-2016 has been paid to Bombay Stock Exchange Limited &amp; Delhi Stock Exchange Limited.</p>		
6.	Registrars and Transfer Agent	<p>Beetal Financial &amp; Computer Services (P) Ltd. Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi - 110062. Telephone No. : 29961281 Facsimile No. : 29961284</p>

## MONTHLY HIGH AND LOW OF THE SHARES TRADED ON BSE

The monthly high and low prices of every month during the financial year 2015-16 are given below:

Month	BOMBAY STOCK EXCHANGE LIMITED		
	High (Rs.)	Low (Rs.)	Volume (in Numbers)
April 2015	126.50	97.00	5,06,351
May 2015	116.70	85.00	1,02,754
June 2015	115.00	85.20	8,64,878
July 2015	179.00	113.10	13,46,135
August 2015	203.00	152.60	8,05,504
September 2015	273.40	160.00	8,34,447
October 2015	339.00	245.10	16,93,988
November 2015	353.80	307.00	10,27,324
December 2015	399.00	336.00	9,10,094
January 2016	423.90	303.60	28,33,544
February 2016	409.00	289.10	3,75,172
March 2016	341.90	192.10	5,58,879

Performance of Share Price of the Company in comparison to the BSE Sensex.



**Note: The Chart has CMI share price and BSE Sensex index in 1,000s**

## SHARE TRANSFER SYSTEM

A Committee of Directors has been constituted to approve the transfer, transmission, issue of duplicate share certificates and allied matters. The Company's Share Transfer Agents, Beetal Financials & Computer Services Private Limited, has adequate infrastructure to process the above matters.

A pre-determined process cycle at regular interval ensures transfer of shares (in physical form) within the stipulated time limit. In compliance with the requirement of Listing Agreement, periodic certificates issued by a Practising Company Secretary are filed with the Stock Exchanges.

### Shares in electronic form & physical form as on 31<sup>st</sup> March, 2016:

Sr. No.	Particulars	No. of Shares	% of Total Issued Capital
1	Held in dematerialised form in CDSL	19,98,812	14.20
2	Held in dematerialised form in NSDL	1,16,49,219	82.75
3	Physical	4,29,426*	03.05
	<b>Total No. of shares (1+2+3)</b>	<b>1,40,77,457</b>	<b>100.00</b>

\*Included 7,00,000 equity shares allotted on 19<sup>th</sup> March, 2016, in pursuance of conversion of 7,00,000 warrants to the promoters. The Company has filed an application for listing of these shares on 08<sup>th</sup> June, 2016.

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016:

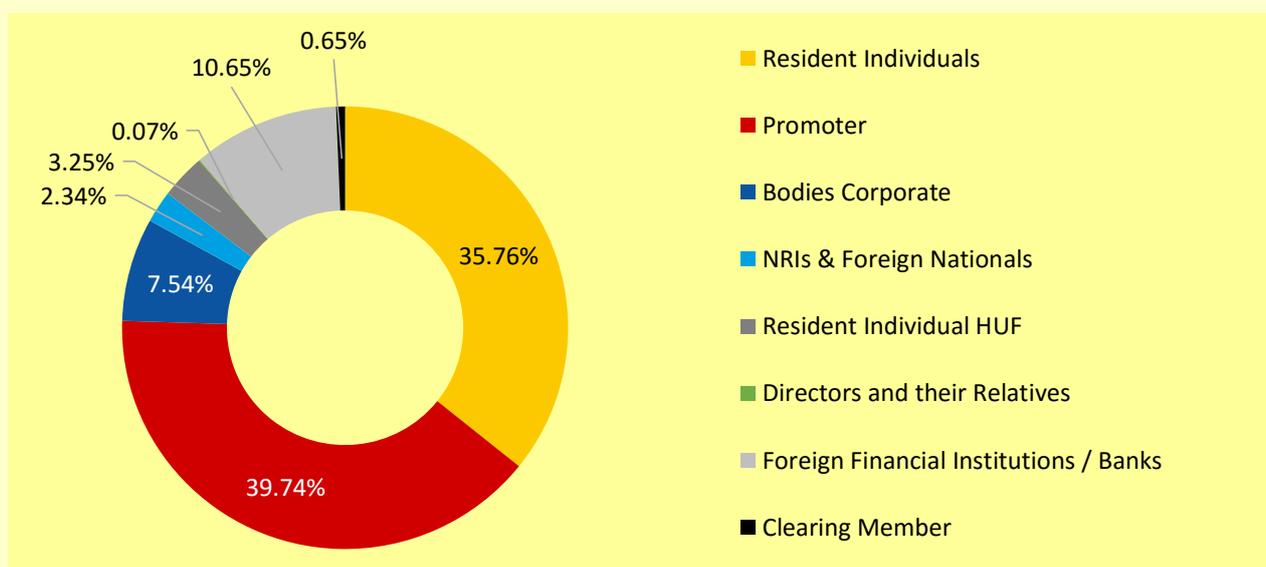
Shareholding of nominal value (In Rs.)	No. of Shareholders		No. of Equity Shares	
	Total	% to Shareholders	Total Share	% to Capital
<b>Upto - 5,000</b>	3,350	94.77	10,58,293	7.52
<b>5,001 - 10,000</b>	86	2.43	6,90,930	4.91
<b>10,001 - 20,000</b>	39	1.10	6,13,782	4.36
<b>20,001 - 30,000</b>	21	0.59	5,18,831	3.69
<b>30,001 - 40,000</b>	05	0.14	1,87,285	1.33
<b>40,001 - 50,000</b>	06	0.17	2,91,137	2.07
<b>50,001 - 1,00,000</b>	14	0.40	11,76,933	8.36
<b>1,00,001 and above</b>	14	0.40	95,40,266	67.76
<b>TOTAL</b>	<b>3,535</b>	<b>100.00</b>	<b>1,33,77,457*</b>	<b>100.00</b>

**\*Does not include** 7,00,000 equity shares allotted on 19<sup>th</sup> March, 2016, in pursuance of conversion of 7,00,000 warrants to the promoters. **The Company has filed an application for listing of these shares on 08<sup>th</sup> June, 2016.**

**CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2016:**

Sr. No.	Category	No. of Shares Held	% to Share Holding
1.	Promoters and Promoter Group	55,93,877*	39.74
2.	Directors and their Relatives	9,770	0.07
3.	Foreign Financial Inst / Bank	15,00,000	10.65
4.	NRIs & Foreign Nationals	3,29,519	2.34
5.	Resident Individuals	50,33,940	35.76
6.	Bodies Corporate	10,60,838	7.54
7.	Clearing Member	91,401	0.65
8.	Resident Individuals HUF	4,58,112	3.25
-----		-----	-----
<b>TOTAL</b>		<b>1,40,77,457*</b>	<b>100.00</b>

\*Included 7,00,000 equity shares allotted on 19<sup>th</sup> March, 2016, in pursuance of conversion of 7,00,000 warrants to the promoters. The Company has filed an application for listing of these shares on 08<sup>th</sup> June, 2016.

**Shareholding Position****DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Shares of the Company are required to be compulsorily traded in dematerialised form and are available for trading under both the Depository Systems in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INE981B01011.

As on 31<sup>st</sup> March, 2016, 96.95% of the total paid up share capital aggregating to 1,36,48,031 Equity Shares is held in De-mat form and 3.05% of the total paid up capital aggregating to 4,29,426 Equity Shares is held in Physical form. All de-mat request received during the year were processed and completed within 15 days from the date of receipt.

**PLANT LOCATIONS**

The Company's plant is located at Plot No. 71 & 82, Sector - 6, Faridabad - 121006, Haryana.

Plant of CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company, is located at Village - Bhatouli Khurd, Tehsil - Nalagarh, Baddi, District - Solan - 173205, Himachal Pradesh.

**ADDRESS FOR CORRESPONDENCE**

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi - 110062

Telephone No: 29961281 - 83

Facsimile No: 29961284

E-mail: beetal@beetalfinancial.com

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

**DEPOSITORY SERVICES**

Shareholders may write to our RTA or to their respective Depositories for guidance on depository services.

**ADDRESS FOR CORRESPONDENCE WITH DEPOSITORY****National Securities Depository Limited**

Trade World, 'A' Wing, 4<sup>th</sup> Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013

Telephone: 022 - 24994200

Facsimile: 022 - 24972993 / 24976351

E-mail: info@nsdl.co.in

Website: www.nsdl.co.in

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai - 400001

Telephone: 022 - 22723333

Facsimile: 022 - 22723199 / 22722072

E-mail: investors@cdslindia.com

Website: www.cdslindia.com

## CODE OF CONDUCT

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Chairman cum Managing Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31<sup>st</sup> March, 2016, that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**AMIT JAIN**

**Chairman cum Managing Director**

**DIN - 00041300**

**Date: 27<sup>th</sup> May, 2016**

**Place: New Delhi**

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

To the Members of CMI Limited

We have examined the compliance of conditions of Corporate Governance by CMI Limited, for the year ended on 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing agreement (Listing Agreement') of the Company with the stock exchanges for the period from 01<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation) for the period from 01<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Himanshu Sharma & Associates**  
**Company Secretaries**

**Himanshu Sharma**  
**CS 27235**  
**C.P. No. 11553**

**Place: New Delhi**

**Date: 29<sup>th</sup> July, 2016**

**COMPLIANCE CERTIFICATE OF THE MANAGEMENT**

To the Members of CMI Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

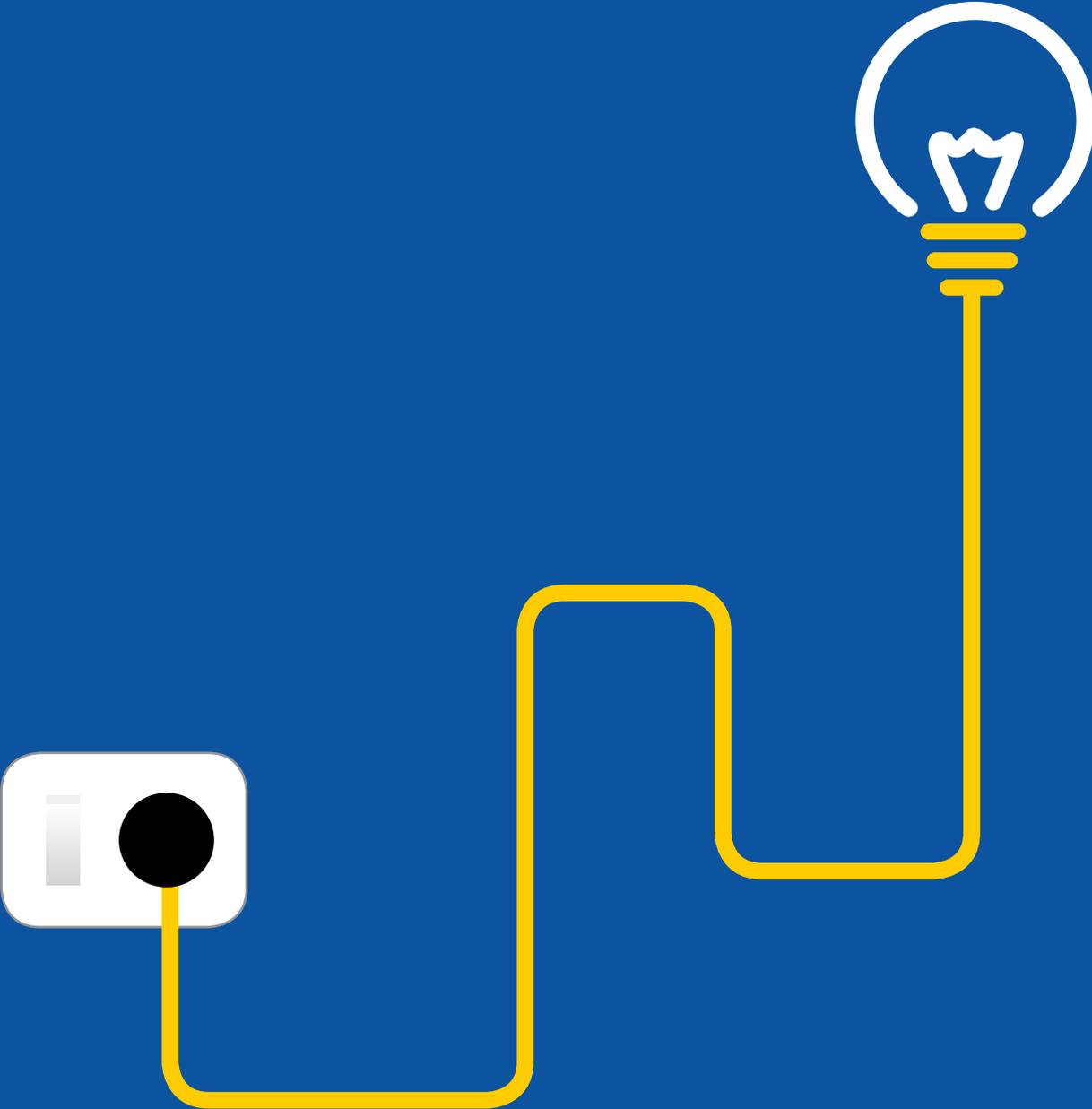
**Amit Jain**  
**(Chairman cum Managing Director)**

**Ghan Shyam Dass**  
**(Chief Financial Officer)**

**Date: 29<sup>th</sup> July, 2016**

**Place: New Delhi**

# STANDALONE FINANCIAL STATEMENTS & NOTES



**J. K. MANOCHA & ASSOCIATES****CHARTERED ACCOUNTANTS**

Office Add: 27/55, Street No. 8, Vishwas Nagar Delhi - 110032, Phone No.: 011 - 22389025

Ref.: \_\_\_\_\_

**Independent Auditors' Report****To the Members of CMI Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **CMI LIMITED** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- b. in case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 (B)(1) to the financial statements;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

## For J. K. MANOCHA & ASSOCIATES

Chartered Accountants

FRN: 007345N

## J. K. MANOCHA

(Partner)

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

### Annexure - A to Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of the inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed on such verification.
- iii. According to the information and explanation given to us and based on the audit procedures conducted by us, the Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
  - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b. In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- 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 Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed thereunder. Therefore the provisions of clause (v) of the order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable except VAT of Rs. 14,14,286/- and CST of Rs. 1,09,59,442/-.
- b. According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, which have not been deposited with the appropriate authorities on account of any dispute except the following:

Financial Year	Law	Amounts
Prior Years	TDS	Rs. 64,469/-

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or banks at the balance sheet date.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) but the Company has raised term loans during the year and these were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For J. K. MANOCHA & ASSOCIATES**

Chartered Accountants

FRN: 007345N

**J. K. MANOCHA****(Partner)**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE CMI 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 CMI LIMITED ("the Company") as at 31<sup>st</sup> March, 2016 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 ('ICAI'). 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not 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 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For J. K. MANOCHA & ASSOCIATES**

Chartered Accountants

FRN: 007345N

#### **J. K. MANOCHA**

**(Partner)**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

## Standalone Balance Sheet

As at 31<sup>st</sup> March, 2016

Description	Note	Amount in Rs.		Amount in Rs.	
		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
a. Share Capital	1	140,807,070		114,550,570	
b. Reserves and Surplus	2	637,198,241		244,404,887	
c. Money Received against Share Warrants		11,200,000	789,205,311	11,200,000	370,155,457
<b>2 Share Application Money Pending Allotment</b>			-		-
<b>3 Non-Current Liabilities</b>					
a. Long-term Borrowings	3	625,772,863		28,396,550	
b. Deferred Tax Liability (Net)		-		-	
c. Other Long-term Liability		-		-	
d. Long-term Provisions		-	625,772,863	-	28,396,550
<b>4 Current Liabilities</b>					
a. Short-term Borrowings	4	472,997,264		301,461,071	
b. Trade Payables	5	349,722,699		166,567,265	
c. Other Current Liabilities	6	71,765,580		47,759,833	
d. Short-term Provisions	7	89,395,967	983,881,510	34,404,683	550,192,852
<b>TOTAL</b>			<b>2,398,859,684</b>		<b>948,744,859</b>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
a. Fixed Assets					
i) Tangible Assets	8	162,594,055		75,654,717	
ii) Intangible Assets	8	5,105,044		6,576,096	
iii) Capital work-in-progress		22,087,396		-	
iv) Intangible Assets under Development		-	189,786,495	-	82,230,813
b. Non-Current Investments	9		4,883,030		4,656
c. Deferred Tax Assets (Net)	10		19,661,000		8,686,300
d. Long-Term Loans and Advances	11		977,110,252		13,956,066
e. Other Non Current Assets			-		-
<b>2 Current Assets</b>					
a. Current Investments			-		-
b. Inventories	12	451,310,312		347,802,606	
c. Trade Receivables	13	642,038,342		365,677,709	
d. Cash and Bank Balances	14	49,826,507		30,528,053	
e. Short-term Loans & Advances	15	61,774,598		98,779,293	
f. Other Current Assets	16	2,469,149	1,207,418,907	1,079,364	843,867,024
<b>TOTAL</b>			<b>2,398,859,684</b>		<b>948,744,859</b>
Significant Accounting Policies and Other Explanatory Information	1 to 25				

As per our report of even date attached

**J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**For and on behalf of the Board of Directors**

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director

**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director

## Standalone Statement of Profit & Loss Account

For the year ended on 31<sup>st</sup> March, 2016

Description	Note	Amount in Rs.	
		For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>Incomes:</b>			
<b>I Revenue from Operations</b>			
Sale of Products	17	2,699,094,361	1,507,640,299
Less : Excise Duty		296,873,904	150,082,941
		2,402,220,457	1,357,557,358
<b>II Other Incomes</b>	18	14,833,655	15,215,461
<b>III Total Revenue</b>		<b>2,417,054,112</b>	<b>1,372,772,820</b>
<b>IV Expenses:</b>			
a. Cost of Raw Materials Consumed	19	1,964,760,019	1,098,518,495
b. Purchase of Stock-in-Trade		2,424,214	1,973,838
c. Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(54,759,058)	(12,598,277)
d. Employee Benefit Expenses	21	30,712,352	24,142,789
e. Finance Cost	22	84,286,064	59,033,242
f. Depreciation	8	12,790,478	8,777,074
g. Other Expenses	23	132,213,434	101,652,140
<b>Total</b>		<b>2,172,427,502</b>	<b>1,281,499,302</b>
<b>V Profit before exceptional and Extra ordinary items and taxes</b>		<b>244,626,609</b>	<b>91,273,518</b>
VI Exceptional Items	24	558,678	64,048
<b>VII Profit before Extra ordinary items and taxes</b>		<b>245,185,287</b>	<b>91,337,566</b>
VIII Extra ordinary Items		-	-
<b>IX Profit before Tax</b>		<b>245,185,287</b>	<b>91,337,566</b>
<b>X Tax Expenses:</b>			
1 Current Tax		(86,200,000)	(34,700,000)
2 Excess / (short) provision for taxes of earlier years		-	-
3 Deferred Taxes		10,974,700	6,402,400
<b>XI Profit for the year</b>		<b>169,959,987</b>	<b>63,039,966</b>
<b>XII Earning per Share</b>			
1 Basic		13.39	7.29
2 Diluted		13.10	7.27
Significant Accounting Policies and Other Explanatory Information	1 to 25		

As per our report of even date attached

**J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**For and on behalf of the Board of Directors**

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director

**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director

## Standalone Cash Flow Statement

For the year ended on 31<sup>st</sup> March, 2016

	Amount in Rs.	Amount in Rs.
	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Depreciation	169,959,987	63,039,966
<b>Add:</b> Depreciation	12,790,478	8,777,074
Interest & Bank Commission Paid	84,286,064	59,033,242
Miscellaneous Expenditure Written Off	-	-
Previous Year Adjustments	-	9,178,519
<b>Less:</b> Interest Receipt	2,776,664	7,982,959
Profit / (Loss) on Sale of Assets (Net)	558,678	64,048
<b>Operating Profit before Extra ordinary Items and Working Capital Change</b>	<b>263,701,187</b>	<b>131,981,794</b>
<b>Adjustments for</b>		
(Increase) / Decrease in Trade and Other Receivables	(1,214,874,609)	(191,415,465)
(Increase) / Decrease in Inventories	(103,507,706)	(20,199,795)
Increase / (Decrease) in Trade and Other Payables	262,152,465	58,624,120
<b>Cash Generated from Operations</b>	<b>(792,528,663)</b>	<b>(21,009,346)</b>
<b>Add: Extra ordinary items</b>		
Previous Year Adjustments	-	(9,178,519)
<b>Net Cash used in Operating Activities</b>	<b>(792,528,663)</b>	<b>(30,187,865)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	(120,866,407)	(47,229,813)
Sale of Assets	62,956,643	5,222,876
Profit / (Loss) on Sale of Assets (Net)	558,678	64,048
Depreciation Written Back	(62,436,396)	(5,167,324)
Purchase of Investments in Subsidiaries	(4,878,374)	-
Interest Received	2,776,664	7,982,959
	<b>(121,889,192)</b>	<b>(39,127,254)</b>

	Amount in Rs.	Amount in Rs.
	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings / Repayments / FDR	597,376,313	(88,015,649)
Increase / (Decrease) in Share Application Money	-	-
Increase / (Decrease) in Share Capital	26,256,500	79,170,000
Increase / (Decrease) in Share Warrant	-	11,200,000
Increase / (Decrease) in Share Premium	238,934,150	84,518,000
Interim Dividend paid (Including Dividend Distribution Tax)	(16,100,783)	-
Increase / (Decrease) in Short Term Borrowings	171,536,193	52,090,968
Interest & Bank Commission Paid	(84,286,064)	(59,033,242)
<b>Net Cash from Financing Activities</b>	<b>933,716,309</b>	<b>79,930,077</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>19,298,454</b>	<b>10,614,958</b>
( A + B + C)		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	30,528,053	19,913,095
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>49,826,507</b>	<b>30,528,053</b>

**Notes:** (1) Above Cash Flow Statement has been prepared under the indirect method set out in the Accounting Standard-3 (Revised) specified in the Companies "Accounting Standard" Rules, 2006.

(2) Previous year figures have been regrouped wherever necessary.

#### Auditors' Report:

We have examined the Cash Flow Statement of CMI Limited for the period ended 31<sup>st</sup> March, 2016. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit & Loss and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

#### For and on behalf of the Board of Directors

**J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director

**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 1</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
25,000,000 Equity Shares of Rs. 10/- each.	250,000,000	250,000,000
	250,000,000	250,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
14,077,457 (Previous year 11,451,807) Equity Shares of Rs. 10 each, fully paid up.	140,774,570	114,518,070
Add: Forfeited Shares - Amount Originally Paid up	32,500	32,500
	<b>140,807,070</b>	<b>114,550,570</b>

**NOTE 1.1**

The details of Shareholders holding more than 5% shares :

<u>Name of the Shareholder</u>	<u>No. of Shares - % held</u>	<u>No. of Shares - % held</u>
Amit Jain	50,93,877 - 36.18	43,93,877 - 38.37
Shubham Gupta	- -	6,00,000 - 5.24
Shashank Gupta	- -	6,00,000 - 5.24
Kusum Agarwal	- -	6,00,000 - 5.24
Devender Kumar Gupta	- -	6,00,000 - 5.24
GMO Emerging Domestic Opportunities Fund	11,78,365 - 8.37	- -

**NOTE 1.2**

The reconciliation of the number of shares outstanding is set out below:

<u>Particulars</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Equity shares at the beginning of the year	11,451,807	11,451,807
Add: Shares issued on exercise of preferential allotment during the year	2,625,650	-
Less: Shares cancelled on buy back of equity shares	-	-
<b>Equity shares at the end of the year</b>	<b>14,077,457</b>	<b>11,451,807</b>

**NOTE 1.3****Terms & rights attached to Equity shares**

The Company has issued only one class of shares, i.e. equity shares of face value of Rs. 10/- each. All Equity Shareholders are entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

**NOTE 1.4**

- The Company has not issued any bonus shares in the last five years.
- The Company has not bought back any share in the last five years.
- The Company has not issued share other than cash in the last five years.

DESCRIPTION	Amount in Rs.		Amount in Rs.
	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015
<b>NOTE - 2</b>			
<b>Reserves and Surplus</b>			
<b>Capital Redemption Reserve:</b>			
As per last Balance Sheet		8,000,000	8,000,000
<b>Share Premium:</b>			
As per last Balance Sheet		110,370,899	25,852,899
Add: Received on shares issued during the year		238,934,150	349,305,049
<b>Surplus in Statement of Profit and Loss:</b>			
As per last Balance Sheet		126,033,988	72,172,541
Less: Adjustment relating to depreciation pursuant to the enactment of Companies Act 2013		-	(9,178,519)
Add: Transferred from Statement of Profit & Loss		169,959,987	
Less: Interim Dividend Paid		(13,377,457)	
Less: Interim Dividend Distribution Tax		(2,723,326)	63,039,966
		<b>637,198,241</b>	<b>244,404,887</b>
<b>NOTE - 3</b>			
<b>Long Term Borrowings</b>			
<b>a. Secured Loans</b>			
<b>From Banks</b>			
Term Loan from HDFC Bank Ltd. against Hypothecation of two Cars repayable in 60 EMI's of Rs. 1,13,075/- starting from 07 <sup>th</sup> April, 2013 and for 36 months of EMI Rs. 52,900/- starting from 05 <sup>th</sup> December, 2015.		2,142,640	2,306,327
Term Loan from ICICI Bank Ltd. against Hypothecation of six Cars repayable in 36 EMI's of (i) Rs. 45,240/- starting from 01 <sup>st</sup> July, 2015, (ii) Rs. 63,889/- starting from 01 <sup>st</sup> July, 2015, (iii) Rs. 33,530/- starting from 01 <sup>st</sup> February, 2016, (iv) Rs. 28,948/- starting from 01 <sup>st</sup> February, 2016, (v) Rs. 21,558/- starting from 01 <sup>st</sup> February, 2016 and (vi) Rs. 30,336 starting from 01 <sup>st</sup> February, 2016.		5,012,017	-
Term Loans from Syndicate Bank against Hypothecation of three Cars repayable in 60 EMI's for Rs. 25,330/- starting from 30 <sup>th</sup> June, 2013, Rs. 17,656/- from 31 <sup>st</sup> October, 2012 and one loan repayable in 36 EMI's for Rs. 23,037/- starting from 30 <sup>th</sup> November, 2014, repaid during the reporting year before stipulated period.		-	1,051,488
Term Loans from Kotak Mahindra Bank Ltd., one loan against Hypothecation of Commercial Property of the Company repayable in 120 EMI's for Rs. 2,47,132/- starting from 10 <sup>th</sup> November, 2014 and the second loan against hypothecation of industrial property of the Company repayable in 120 months, EMI for Rs. 7,34,443/- starting from 10 <sup>th</sup> October, 2015.		60,577,228	15,987,735
Term Loan from Religare Finvest Ltd. secured by hypothecation of all fixed assets of the subsidiary company and pledge of equity shares of subsidiary company, repayable in 120 months start from 01 <sup>st</sup> May, 2016.		472,725,000	-
		<b>540,456,886</b>	<b>19,345,550</b>
<b>b. Unsecured Loans</b>			
From Banks and Financial Institutions		375,537	-
From Directors		84,940,440	8,551,000
From Intercompany Deposits		-	500,000
From Others		-	-
		<b>85,315,977</b>	<b>9,051,000</b>
		<b>625,772,863</b>	<b>28,396,550</b>

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 4</b>		
<b>Short Term Borrowings</b>		
<b>Loan Repayable on Demand</b>		
<b>Secured:</b>		
From Banks:		
Working Capital Limit from Syndicate Bank - Secured by creating charge on Inventory, Book Debts and Factory Land and Building.	326,220,770	167,194,639
<b>Unsecured:</b>		
From Banks and Financial Institutions	146,776,494	-
From Others - Intercorporate deposits	-	134,266,431
	<b>472,997,264</b>	<b>301,461,071</b>
<b>NOTE - 5</b>		
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises	67,167	108,700
Others	349,655,532	166,458,565
	<b>349,722,699</b>	<b>166,567,265</b>
<b>NOTE - 6</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Debts	32,331,493	2,664,318
Unclaimed Dividend	289,347	-
Advance from Customers	2,005,263	792,972
Statutory Liabilities	6,284,278	28,670,643
Interest Accrued but not due on Borrowings	7,332,615	547,213
Other Payables (specify nature) *	23,522,585	15,084,687
	<b>71,765,580</b>	<b>47,759,833</b>
* Other Payable includes:		
Expenses Payable	16,016,617	11,749,208
Creditors for Capital Goods	4,752,787	1,095,032
Creditors for Job Work	1,275,681	1,594,771
Creditors for Stores	1,133,522	568,920
Creditors for Transportation	343,978	76,756
	<b>23,522,585</b>	<b>15,084,687</b>
<b>NOTE - 7</b>		
<b>Short Term Provisions</b>		
Provision for Income Tax (net)	89,395,967	34,404,683
	<b>89,395,967</b>	<b>34,404,683</b>

GROUP OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	Value at 1.04.2015	Addition During Year	Sold during the year	Value at 31.03.2016	Upto 01.04.2015	For The Year	Written Back during the year	As At 31.03.2016	As At 31.03.2015
Note 8									
<u>Tangible Assets</u>									
Land - Freehold	175,130.00	56,624,800.00	-	56,799,930.00	-	-	-	56,799,930.00	175,130.00
Factory Buildings	7,381,555.77	14,156,200.00	-	21,537,755.77	4,003,934.89	472,994.00	-	17,060,826.88	3,377,620.88
Office Building	25,145,100.00	-	-	25,145,100.00	25,148.00	50,434.00	-	25,069,518.00	25,119,952.00
Plant & Equipment	158,140,392.40	14,489,567.00	62,005,228.90	110,624,730.50	132,160,420.22	4,418,038.00	61,811,884.80	35,858,157.08	25,979,972.18
Furniture & Fixture	3,933,730.11	621,753.00	-	4,555,483.11	2,184,362.80	551,601.00	-	1,819,519.31	1,749,367.31
Office Equipments	11,509,647.20	838,124.00	-	12,347,771.20	5,847,414.00	2,017,911.00	-	4,482,446.20	5,662,233.20
Vehicles	24,001,279.00	11,822,049.00	951,414.00	34,871,914.00	10,410,837.63	3,581,930.00	624,511.00	21,503,657.37	13,590,441.37
<b>Total</b>	<b>230,286,834.48</b>	<b>98,552,493.00</b>	<b>62,956,642.90</b>	<b>265,882,684.58</b>	<b>154,632,117.54</b>	<b>11,092,908.00</b>	<b>62,436,395.80</b>	<b>162,594,054.84</b>	<b>75,654,716.94</b>
Previous Year	194,979,897.48	40,529,813.00	5,222,876.00	230,286,834.48	141,967,752.84	17,831,689.00	5,167,324.30	75,654,716.94	53,012,144.64
<u>Intangible Assets</u>									
GROUP OF ASSETS	GROSS BLOCK			AMORTISATION BLOCK			NET BLOCK		
	Value at 1.04.2015	Addition During Year	Sold during the year	Value at 31.03.2016	Upto 01.04.2015	For The Year	Written Back during the year	As At 31.03.2016	As At 31.03.2015
Computer Software	6,700,000.00	226,518.00	-	6,926,518.00	123,904.00	1,697,570.00	-	5,105,044.00	6,576,096.00
<b>Total</b>	<b>6,700,000.00</b>	<b>226,518.00</b>	<b>-</b>	<b>6,926,518.00</b>	<b>123,904.00</b>	<b>1,697,570.00</b>	<b>-</b>	<b>5,105,044.00</b>	<b>6,576,096.00</b>
Previous Year	-	6,700,000.00	-	6,700,000.00	-	123,904.00	-	6,576,096.00	-
<b>Grand Total</b>	<b>236,986,834.48</b>	<b>98,779,011.00</b>	<b>62,956,642.90</b>	<b>272,809,202.58</b>	<b>154,756,021.54</b>	<b>12,790,478.00</b>	<b>62,436,395.80</b>	<b>167,699,098.84</b>	<b>82,230,812.94</b>
Previous Year	194,979,897.48	47,229,813.00	5,222,876.00	236,986,834.48	141,967,752.84	17,955,593.00	5,167,324.30	82,230,812.94	53,012,144.64

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 9</b>		
<b><u>Non Current Investments</u></b>		
<b>Non-Trade Investments "Valued at Cost"</b>		
In Quoted and Fully paid up Equity Shares of Dena Bank 300 (Previous year 300) Equity Shares of Rs. 10 each fully paid up (Market Value as on 31 <sup>st</sup> March, 2016 Rs. 28.35 each, Total Value Rs. 8,505/-) (Market Value as on 31 <sup>st</sup> March, 2015 Rs. 50.60 each, Total Value Rs. 15,180/-)	4,656	4,656
In Unquoted and Fully paid up Equity Shares of subsidiary company 'CMI Energy India Pvt. Ltd.' 12,531,617 (Previous year Nil) Equity Shares of Rs. 100 each fully paid up All the shares are pledged with Religare Finvest Ltd. for term loan.	4,878,374	-
	<b>4,883,030</b>	<b>4,656</b>
<b>NOTE - 10</b>		
<b><u>Deferred Tax Assets (Net)</u></b>		
Refer to Note 24(b)(13)		
Opening Balance	8,686,300	2,283,900
Add / (Less): Debited / (Reversed) during the year	10,974,700	6,402,400
	<b>19,661,000</b>	<b>8,686,300</b>
<b>NOTE - 11</b>		
<b><u>Long Term Loans and Advances</u></b>		
(Unsecured, Considered Good)		
Advances to Related Parties (Subsidiary)	967,355,257	-
Loans and Advances to Staff	470,083	370,083
Security Deposits	1,756,050	753,983
Capital Advances	7,528,862	12,832,000
	<b>977,110,252</b>	<b>13,956,066</b>
<b>NOTE - 12</b>		
<b><u>Inventories</u></b>		
(As per inventories taken, valued and certified by the Management)		
i) Raw Materials	112,934,525	66,195,114
ii) Work-in-Progress	309,753,770	242,205,655
iii) Finished Goods	22,528,398	34,266,641
iv) Stock in Trade	-	1,050,814
v) Stores and Spares	6,093,619	4,084,382
	<b>451,310,312</b>	<b>347,802,606</b>
<b>NOTE - 13</b>		
<b><u>Trade Receivables</u></b>		
(Unsecured Considered Good)		
(a) Debt outstanding for a period exceeding six months	54,470,636	46,182,941
(b) Others Debts	587,567,706	319,494,768
	<b>642,038,342</b>	<b>365,677,709</b>

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 14</b>		
<b><u>Cash and Bank Balances</u></b>		
Cash in Hand	889,790	4,688,437
Balances with Banks:		
In Current Accounts (Includes towards unclaimed dividend of Rs. 2.89 Lakhs (Previous year Rs. Nil))	513,197	69,610
In Term Deposits (Pledged with banks as margin money including deposits maturing after 12 months)	48,423,520	25,770,005
	<b>49,826,507</b>	<b>30,528,053</b>
<b>NOTE - 15</b>		
<b><u>Short Term Loans and Advances</u></b>		
(Unsecured, Considered Good)		
Advances to Suppliers	-	-
Prepaid Expenses	1,298,310	608,833
Balance with Central Excise Authorities	6,169,888	7,282,695
Loans and Advances to Others*	54,306,400	90,887,765
	<b>61,774,598</b>	<b>98,779,293</b>
* Loans and Advances to Others Includes:		
Advance for Raw Material	46,262,011	78,009,784
Advance for Expenses	7,834,103	12,380,873
Margin Money	210,286	497,108
	<b>54,306,400</b>	<b>90,887,765</b>
<b>NOTE - 16</b>		
<b><u>Other Current Assets</u></b>		
Interest Accrued	2,469,149	1,079,364
	<b>2,469,149</b>	<b>1,079,364</b>

PARTICULARS	Amount in Rs.		Amount in Rs.	
	For the year ended on 31 <sup>st</sup> March, 2016		For the year ended on 31 <sup>st</sup> March, 2015	
<b>NOTE - 17</b>				
<b><u>Sales of Products</u></b>				
Sales of Products	2,699,094,361	<b>2,699,094,361</b>	1,507,640,299	<b>1,507,640,299</b>
<b>NOTE - 18</b>				
<b><u>Other Income</u></b>				
Dividend Income	-		330	
Duty Drawback	524,675		49,573	
Import Licence Income	-		654,263	
Job Work Income	20,050		142,828	
Interest Received	2,776,664		7,982,959	
Freight & Cartage Outward (Net)	5,234,086		-	
Rent Received	580,000		406,000	
Lease Rent Received	217,000		217,000	
Amounts Written Back	5,215,980		5,762,508	
Miscellaneous Receipts	265,199	<b>14,833,655</b>	-	<b>15,215,461</b>

PARTICULARS	Amount in Rs.		Amount in Rs.	
	For the year ended on 31 <sup>st</sup> March, 2016		For the year ended on 31 <sup>st</sup> March, 2015	
<b>NOTE - 19</b>				
<b><u>Cost of Raw Materials Consumed</u></b>				
Opening Stock of Raw Material	66,195,114		59,933,601	
Add: Purchases	1,983,491,826		1,081,486,283	
Less: Closing Stock of Raw Material	(112,934,525)	1,936,752,415	(66,195,114)	1,075,224,770
Opening Stock of Stores and Spares	4,084,382		2,744,377	
Add: Purchases of Stores, Spares and Packing Materials	30,016,841		24,633,730	
Less: Closing Stock of Stores and Spares	(6,093,619)	28,007,604	(4,084,382)	23,293,725
		<b>1,964,760,019</b>		<b>1,098,518,495</b>
<b>NOTE - 20</b>				
<b><u>Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</u></b>				
Opening Stock of Finished Goods	34,266,641		36,907,832	
Less: Closing Stock of Finished Goods	(22,528,398)	11,738,243	(34,266,641)	2,641,191
Opening Stock of Work-in-Progress	242,205,655		228,017,001	
Less: Closing Stock of Work-in-Progress	(309,753,770)	(67,548,115)	(242,205,655)	(14,188,654)
Opening Stock of Stock in Trade	1,050,814		-	
Less: Closing Stock of Stock in Trade	-	1,050,814	(1,050,814)	(1,050,814)
		<b>(54,759,058)</b>		<b>(12,598,277)</b>
<b>NOTE - 21</b>				
<b><u>Employee Benefit Expenses</u></b>				
Director's Remuneration	3,420,000		2,700,000	
Salaries, Wages, Bonus and Other Benefits	25,059,416		18,503,109	
Contribution to Provident and Other Funds	1,525,267		1,719,034	
Workmen and Staff Welfare Expenses	707,669	<b>30,712,352</b>	1,220,646	<b>24,142,789</b>
<b>NOTE - 22</b>				
<b><u>Finance Cost</u></b>				
Interest on Direct Tax	4,296,964		-	
Interest Expenses	56,611,551		47,319,406	
Other Financial Charges	23,377,548	<b>84,286,064</b>	11,713,836	<b>59,033,242</b>

PARTICULARS	Amount in Rs.		Amount in Rs.	
	For the year ended on 31 <sup>st</sup> March, 2016		For the year ended on 31 <sup>st</sup> March, 2015	
<b>NOTE - 23</b>				
<b>Other Expenses</b>				
<b>Manufacturing Expenses</b>				
Power & Fuel Charges	21,434,038		17,191,998	
Job Work Charges	32,664,521		15,801,989	
Other Manufacturing Expenses	12,233,134		7,165,389	
Repairs to Building	4,521,715		2,814,345	
Repair and Maintenance Other Assets	523,912		208,640	
Repairs to Plant and Machinery	9,255,105	80,632,425	5,661,485	48,843,846
<b>Administrative and Selling Expenses</b>				
Advertisement and Publicity	197,782		6,575	
Auditors' Remuneration & Refreshment	100,000		80,000	
Computer Expenses	276,877		154,641	
Conveyance Expenses	2,089,977		1,619,395	
Donation	246,000		56,000	
Fees, Rates and Taxes	469,240		1,230,094	
Festival Expenses	98,303		121,203	
Freight & Cartage Outward (Net)	-		2,061,829	
Insurance Charges	741,086		652,999	
Legal & Professional Fees	7,385,606		4,508,402	
Listing Compliance & Fees	599,264		750,671	
Meeting Expenses	591,072		187,093	
Misc. Expenses	553,086		296,084	
Postage & Courier Charges	240,001		90,077	
Printing & Stationery	580,123		504,780	
Penalty and Fines	-		367,100	
Rent	7,207,750		4,440,000	
Rent of Office Equipments	141,100		42,000	
Lease Rent Car	300,000		75,000	
Security Service Charges	974,129		268,987	
Service Tax on Freight	2,729,754		1,891,614	
Telephone and Telecommunication Charges	514,167		391,887	
Tour and Travelling Expenses	3,768,420		2,179,989	
Amounts written off	1,462,793		1,633,182	
Prior Period Expenses	334,509		-	
Selling Expenses	19,979,971	51,581,009	29,198,692	52,808,294
		<b>132,213,434</b>		<b>101,652,140</b>
<b>NOTE - 24</b>				
<b>Exceptional Items</b>				
Profit on Sale of Fixed Assets	735,581		64,048	
Less: Loss on Sale of Fixed Assets	176,903	558,678	-	64,048

**NOTE - 25:****A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

The Financial Statements are prepared under the historical cost convention, on going concern concept and in compliance with the relevant accounting principles, accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. The significant accounting policies adopted by the Company are detailed below:

**1. Fixed Assets, Intangible Assets and Capital Work-in-Progress**

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalised until fixed assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

**2. Investments**

Long term investments are valued at their acquisition cost. Any decline in the value of the investment, other than a temporary decline, is recognised and provided for in the statement of profit and loss. Short-term investments are carried at cost or their market values whichever is lower.

**3. Revenue Recognition**

Revenue from the sale of goods is accounted for on the basis of actual dispatches of goods. Sales are inclusive of excise duty but net of sales tax and VAT. Materials returned / rejected are accounted for in the year of return / rejection.

**4. Foreign Currency Transaction**

The transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary liability / assets on account of foreign currency are converted at the exchange rates prevailing as at the end of the year. Exchange differences are appropriately dealt within the statement of profit and loss.

**5. Depreciation / Amortisation**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method except for fixed assets of PVC Cable division where depreciation is provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The intangible assets of the Company are amortised over lease period or economic useful life whichever is shorter. That software has been amortised over four years.

**6. Valuation of Inventories**

- a. Raw Materials, Stores and Spares and Packing Material are valued at lower of cost, based on FIFO basis (Net of CENVAT Credit) or net realisable value.
- b. Work in Progress is valued at their estimated absorption cost (Net of CENVAT). Cost of Work in Process includes cost of raw materials and estimated overheads upto the stage of completion.

- c. Finished Goods are valued at lower of cost of production or net realisable value. Cost of finished goods includes cost of raw material, cost of manufacturing, cost of conversion and other cost incurred in finishing the goods.
- d. Scrap is valued at estimated net realisable value.
- e. Trading Goods are valued at lower of cost or net realisable value.

#### **7. Retirement Benefits**

Liability in respect of retirement benefit is provided for and / or funded and charged to statement of profit and loss as follows:-

**Provident Fund:** Retirement Benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

**Gratuity:** Liability in respect of Gratuity is provided in the books of account, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

**Leave Encashment:** The liability in respect of Leave Encashment is recognised in the same manner as gratuity.

#### **8. Taxes on Income**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit asset is recognised in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under Income Tax, 1961.

#### **9. Use of Estimates**

The financial statements have been prepared in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting years. Although these estimates are based upon the best knowledge of the Management of current events and actions, actual results could differ from these estimates.

#### **10. Impairment of Assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. No provision for impairment of assets is required since the Management is of the opinion that the recoverable amount of fixed assets is equal to the amount at which they are stated in the balance sheet.

## 11. Borrowing Cost

Borrowing Costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 12. Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

## 13. Provisions, Contingent Liabilities and Contingent Assets

The Company creates provisions only when there is a present obligation as a result of past events and when reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) recent obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligations cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

## 14. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## B. OTHER EXPLANATORY INFORMATION TO ACCOUNTS

### 1. Contingent Liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below:

(Rs. in Lakhs)			
Sr. No.	Nature of Liability	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(a)	Counter Guarantee given to the Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	1,372.04	970.39
(b)	Pending suit in court filed by parties for alleged demand for recovery	64.36	64.36

- The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31<sup>st</sup> March, 2016. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### Gratuity:

As per actuarial valuation, the Present Value of Obligation is Rs. 92.05 Lakhs and the Fair Value of Plan Assets is of Rs. 17.52 Lakhs and the Net Gratuity Liability is Rs. 74.53 Lakhs as on 31<sup>st</sup> March, 2016.

**Leave Encashment:**

As per actuarial valuation, the Present Value of Obligation is Rs. 9.94 Lakhs and the Fair Value of Plan Assets is of Rs. Nil and the Net Leave Encashment Liability is Rs. 9.94 Lakhs as on 31<sup>st</sup> March, 2016 and is provided in the books of account.

3. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.

4. Auditors' remuneration (inclusive service tax) includes the following:

(Rs. in Lakhs)

	FY2015-16	FY2014-15
<b>Payment to Auditor</b>		
a) Audit Fees	1.00	0.80
b) Other Services (fees for preparation, filing and representations in IT Scrutiny and Appeal Cases)	1.33	1.40
c) Certification Charges and Others	1.62	0.49
<b>Total</b>	<b>3.95</b>	<b>2.69</b>

5. Foreign Currency Receipts & Expenditure:

(Rs. in Lakhs)

	FY2015-16	FY2014-15
CIF Value of Imports	3,619.54 (USD 53.76)	2,039.81 (USD 10.01)
	17.23 (EURO 0.25)	0.64 (EURO 0.01)
Expenditure in Foreign Currency	1.81 (USD 0.03)	1.90 (USD 0.03)
Earning in Foreign Currency	277.72 (USD 1.31)	8.34 (USD 0.14)

6. The Company has manufactured various types of Cables during the year under review; therefore there are no separate reportable segments as per Accounting Standard 17.

7. Leases:

- i. The disclosure under Accounting Standard - 26 (Intangible Assets):-

The Company has no Intangible Asset on lease as on 31<sup>st</sup> March, 2016.

- ii. The disclosure under Accounting Standard - 19 (Leases):-

All operating leases entered into by the Company are cancellable on giving notice of one to three months. As per AS-19 (Leases), the disclosure requirements for operating leases of the Company are as follows:

- a. the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
- not later than one year;
  - later than one year and not later than five years;
  - later than five years;

The details are tabulated herein below:

(Amount in Rs.)

Sr. No.	Particulars	Up to 1 Year	>1,=5 Years	>5 Years
1	Plot No. 82, Sector - 6, Faridabad, Haryana	32,40,000	1,62,00,000	Nil
2	501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001.	47,19,000	19,66,250	Nil
3	Flat No. L - 1602, Laburnum Tower, Designarch Gardenia E Homes, Sector - 5, Vaishali, Ghaziabad, U.P.	5,00,000	Nil	Nil
4	Photocopy Machine	42,000	Nil	Nil
5	Toyota Innova Car	3,00,000	2,25,000	Nil

- b. The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;
- Not Applicable
- c. Lease payments recognised in the Statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rents;
- Details of lease payments recognised in the Statement of Profit and Loss for the period are as per Clause 1(a) here in above and there are no contingent rents.
- d. Sub-lease payments received for (or receivable) recognised in the statement of profit and loss for the period;
- Not Applicable
- e. A general description of the lessee's significant leasing arrangements including, but not limited to, the following:
- i. the basis on which contingent rent payments are determined;
  - ii. the existence and terms of renewal or purchase options and escalation clauses; and
  - iii. restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.
- Not Applicable
8. Trade Payables include an amount of Rs. 0.67 Lakhs (Previous year Rs. 1.09 Lakhs) being amount payable to Micro, Small & Medium Enterprises (MSME) as defined in Micro, Small & Medium Enterprises Development Act, 2006. The outstanding exceeding Rs. 1.00 Lakh for a period in excess of 45 days at balance sheet date is nil.
- The details of MSME dues have been furnished to the extent such parties have been identified by the Company based on information made available by them.
9. There are following TDS demands outstanding as on 31<sup>st</sup> March, 2016.

F.Y.	Law	Amounts
Prior Years	TDS	Rs. 64,469/-

10. That the Company has test marketed the Robotech items and sale of such items for Rs. 27.95 Lakhs ( Previous Year Rs 0.67 Lakhs) is included in Sale of Products.

11. Related Party Transactions as per Accounting Standard 18:

**I. Key Managerial Personnel**

Mr. Amit Jain	Managing Director
Mr. V. K. Gupta	Whole-time Director
Mr. Pyare Lal Khanna	Director
Mr. Ramesh Chand	Director
Mr. Subodh Kumar Barnwal	Secretary
Mr. Raj Kumar (Upto 29 <sup>th</sup> February, 2016)	C.F.O.
Mr. Ghan Shyam Dass (From 01 <sup>st</sup> March, 2016)	C.F.O.

**II. Parties in which the Key Managerial Personnel / Directors of the Company are interested:**

- a. M/s Wireco (India) - A proprietorship concern of Mr. Pyare Lal Khanna, Director of the Company.
- b. Vardhman Cables India Pvt. Ltd. - Relative of Director is Director of the Company.
- c. RKJ Alloys & Conductors Pvt. Ltd. - Relative of Director is Director of the Company.
- d. Lancer Telecom (India) Pvt. Ltd. - Relative of Director is Director of the Company.
- e. CMI Energy India Pvt. Ltd. - 100% Subsidiary Company w. e. f. 29/02/2016.

**III. Relatives of Key Managerial Personnel / Directors of the Company:**

Mrs. Himani Jain

Details of transactions under the ordinary course of business between Company and the related parties during the year and the status of outstanding balances as on 31<sup>st</sup> March, 2016 is as follows:

(Rs. In Lakhs)

Nature of Transaction	Key Managerial Personnel, Other Directors and their Relatives		Companies or Firms in which Key Managerial Personnel / Directors are Interested	
	2016	2015	2016	2015
Directors' Remuneration (Note "a")	34.20	27.00	-	-
Secretary's Remuneration (Note "b")	6.22	5.59	-	-
CFO Remuneration (Note "c")	6.09	1.80	-	-
Interest Paid / Payable (Note "d")	32.93	12.30	-	-
Lease Rent Paid / Payable (Note "e")	3.00	0.75	-	-
Interest Received / Receivable (Note "f")	-	-	78.64	-
Reimbursement of Expenses (Note "g")	-	-	22.03	-
<b>FINANCE</b>				
Unsecured Loans Received (Note "h")	4,720.00	2,208.92	-	-
Unsecured Loans Received Paid Back (Note "i")	3,956.11	2,575.29	-	-
Unsecured Loans Paid (Note "j")	-	-	10,154.37	-
Unsecured Loans Paid Received Back (Note "k")	-	-	551.60	-

## Notes:

**a. Remuneration paid to:**

Mr. Amit Jain - Rs. 27.00 Lakhs (Previous Year Rs. 21.00 Lakhs)

Mr. V. K. Gupta - Rs. 7.20 Lakhs (Previous Year Rs. 6.00 Lakhs)

**b. Mr. Subodh Kumar Barnwal - Rs. 6.22 Lakhs (Previous Year Rs. 5.59 Lakhs)****c. Mr. Raj Kumar - Rs. 1.65 Lakhs (Previous Year Rs. 1.80 Lakhs)**

Mr. Ghan Shyam Dass - Rs. 4.44 Lakhs (Previous Year Nil)

**d. Interest paid / payable to:**

Mr. Amit Jain - Rs. 32.93 Lakhs (Previous Year Rs. 12.30 Lakhs)

**e. Lease rent (vehicle) paid / payable to:**

Mr. Amit Jain - Rs. 3.00 Lakhs (Previous Year Rs. 0.75 Lakhs)

**f. Interest received / receivable from:**

CMI Energy India Pvt. Ltd. - Rs. 78.64 Lakhs (Previous Year Rs. Nil)

**g. Reimbursement of expenses from:**

CMI Energy India Pvt. Ltd. - Rs. 22.03 Lakhs (Previous Year Rs. Nil)

**h. Transactions in unsecured loans received during the year with;**

Mr. Amit Jain - Rs. 2,391.50 Lakhs (Previous Year Rs. 235.25 Lakhs)

Lancer Telecom (India) Pvt. Ltd. - Rs. 85.00 Lakhs (Previous Year 6.00 Lakhs)

RKJ Alloys & Conductors Pvt. Ltd. - Rs. 2,216.50 Lakhs (Previous Year 1,962.67 Lakhs)

Vardhman Cables India Pvt. Ltd. - Rs. 25.00 Lakhs (Previous year Nil)

Himani Jain - Rs. 2.00 Lakhs (Previous year 5.00 Lakhs )

**i. Transactions in unsecured loans received paid back during the year with;**

Mr. Amit Jain - Rs. 1,627.61 Lakhs (Previous Year Rs. 253.37 Lakhs)

Lancer Telecom (India) Pvt. Ltd. - Rs. 85.00 Lakhs (Previous Year 6.00 Lakhs)

RKJ Alloys & Conductors Pvt. Ltd. - Rs. 2,216.50 Lakhs (Previous Year 2,307.67 Lakhs)

Vardhman Cables India Pvt. Ltd. - Rs. 25.00 Lakhs (Previous Year 3.25 Lakhs)

Himani Jain - Rs. 2.00 Lakhs (Previous year Rs. 5.00 Lakhs )

**j. Transactions in unsecured loans paid during the year to;**

CMI Energy India Pvt. Ltd. - Rs. 10,132.34 Lakhs (Previous Year Rs. Nil)

**k. Transactions in unsecured loans paid received back during the year from;**

CMI Energy India Pvt. Ltd. - Rs. 551.60 Lakhs (Previous Year Rs. Nil)

## 12. Breakup of consumption of Raw Material and Stores and Spares into Imported and Indigenous

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year Amount	Percentage	Previous Year Amount	Percentage
<b>Raw Material</b>					
(a)	Imported	3,590.03	18.08%	2,040.45	18.83%
(b)	Indigenous	16,269.13	81.92%	8,794.15	81.17%
	<b>Total</b>	<b>19,859.16</b>	<b>100.00%</b>	<b>10,834.60</b>	<b>100.00%</b>
<b>Stores and Spares</b>					
(a)	Imported	Nil	0.00%	Nil	0.00%
(b)	Indigenous	300.17	100.00%	246.34	100.00%
	<b>Total</b>	<b>300.17</b>	<b>100.00%</b>	<b>246.34</b>	<b>100.00%</b>

## 13. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

Sr. No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(a)	Net Profit / (Loss) as per Profit & Loss Account (Rs.)	16,99,59,987	6,30,39,966
(b)	Weighted Average No. of Ordinary Shares Outstanding (Basic EPS)	1,26,90,127	86,51,075
(c)	EPS (Basic) (Rs.) [(a) / (b)]	13.39	7.29
(d)	Weighted Average No. of Ordinary Shares on the Assumption of Full Conversion of Warrants into Shares	1,29,69,840	86,70,733
(e)	EPS (Diluted) (Rs.) [(a) / (d)]	13.10	7.27
(f)	<b>Face Value of Each Equity Share (Rs.)</b>	<b>10.00</b>	<b>10.00</b>

## 14. Deferred Tax Liability / Asset for the year under review:

The computation of deferred tax liability / assets provided in the books of accounts is as follows:

Particulars	Amount (Rs.) 31 <sup>st</sup> March, 2016	Amount (Rs.) 31 <sup>st</sup> March, 2015
WDV of Fixed Assets as per Companies Act, 2013	167,699,099	82,230,813
WDV of Fixed Assets as per Income Tax, 1961	202,936,734	71,554,159
Taxable / (Deductible) Temporary Difference on Account of Depreciation	35,237,635	10,676,654
Deferred Tax Liability / (Asset) @ 30.90%	(10,888,400)	3,299,100
Expenses Allowed on the Basis of Payment as per Income Tax Act, 1961	28,390,436	38,787,601
Deferred Tax Liability / (Asset) @ 30.90%	(8,772,600)	(11,985,400)
Deferred Tax Liability / (Asset) @ 30.90%	(19,661,000)	(8,686,300)

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

## 15. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.

16. Certain debit and credit balances of the parties are subject to confirmations.
17. Previous year figures have been regrouped / rearranged wherever considered necessary.
18. Information required in terms of the Schedule III to the Companies Act, 2013 as complied by the Company is attached.

For and on behalf of the Board of Directors  
CMI Limited

**J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director  
DIN - 00041300

**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director  
DIN - 02759859



**J. K. MANOCHA & ASSOCIATES****CHARTERED ACCOUNTANTS**

Office Add: 27/55, Street No. 8, Shahadara, Delhi - 110032, Phone No.: 011 - 22389025

Ref.: \_\_\_\_\_

**Independent Auditors' Report****To the Members of CMI Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **CMI LIMITED** ('the Holding Company') and its subsidiaries (collectively referred to as 'the Company' or 'the group'), which comprise the consolidated balance sheet as at 31<sup>st</sup> March, 2016, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- b. in case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

### **Other Matters:**

We did not audit the financial statements / financial information of CMI Energy India Pvt. Ltd. (Subsidiary Company), whose financial statements / financial information reflect total assets of Rs. 1,94,15,85,662/-, as at 31<sup>st</sup> March, 2016, total revenues of Rs. 90,25,83,954/- and net cash flows amounting to Rs. (37,53,006/-) for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far it relates to the aforesaid subsidiary is based solely on the report of other auditor.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit of the aforesaid consolidated financial statements;

- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c. the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the Directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of Holding Company and report of other statutory auditor of its subsidiaries incorporated in India, none of the Directors of the group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - A"; and
- g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statement disclosed the impact of pending litigations on the consolidated financial position of the group, - Refer Note 25(B)(1) to the consolidated financial statements;
  - ii. provision has been made in the consolidated financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Subsidiary companies incorporated in India.

**For J. K. MANOCHA & ASSOCIATES**

Chartered Accountants

FRN: 007345N

**J. K. MANOCHA**

**(Partner)**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CMI 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 CMI LIMITED ("the Company") as at 31<sup>st</sup> March, 2016 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The 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 ('ICAI'). 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Groups 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

The Group'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. The Group'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 group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of the Management and Directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group'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 Group 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 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Group 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 J. K. MANOCHA & ASSOCIATES**

Chartered Accountants

FRN: 007345N

**J. K. MANOCHA****(Partner)**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

## Consolidated Balance Sheet

As at 31<sup>st</sup> March, 2016

DESCRIPTION	Note	Amount in Rs.		Amount in Rs.	
		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
a. Share Capital	1	140,807,070		114,550,570	
b. Reserves and Surplus	2	1,601,472,958		244,404,887	
c. Money Received against Share Warrants		11,200,000	1,753,480,028	11,200,000	370,155,457
<b>2 Share Application Money Pending Allotment</b>					
<b>3 Non-Current Liabilities</b>					
a. Long-term Borrowings	3	625,772,863		28,396,550	
b. Deferred Tax Liability (Net)					
c. Other Long-term Liability					
d. Long-term Provisions			625,772,863	-	28,396,550
<b>4 Current Liabilities</b>					
a. Short-term Borrowings	4	472,997,264		301,461,071	
b. Trade Payables	5	350,464,380		166,567,265	
c. Other Current Liabilities	6	76,101,212		47,759,833	
d. Short-term Provisions	7	89,395,967	988,958,823	34,404,683	550,192,852
<b>TOTAL</b>			<b>3,368,211,714</b>		<b>948,744,859</b>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
a. Fixed Assets					
i. Tangible Assets	8	1,633,426,565		75,654,717	
ii. Intangible Assets	8	28,884,779		6,576,096	
iii. Capital work-in-progress		72,643,049		-	
iv. Intangible Assets under Development		-	1,734,954,393	-	82,230,813
b. Non-Current Investments	9		4,656		4,656
c. Deferred Tax Assets (Net)	10		19,661,000		8,686,300
d. Long-Term Loans and Advances	11		24,509,271		13,305,066
e. Other Non Current Assets			39,113		-
<b>2 Current Assets</b>					
a. Current Investments			-		-
b. Inventories	12	451,310,312		347,802,606	
c. Trade Receivables	13	652,913,365		365,677,709	
d. Cash and Bank Balances	14	71,880,781		30,528,053	
e. Short-term Loans & Advances	15	392,609,152		99,430,293	
f. Other Current Assets	16	20,329,672	1,589,043,281	1,079,364	844,518,024
<b>TOTAL</b>			<b>3,368,211,714</b>		<b>948,744,859</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 25				

As per our report of even date attached

**J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**For and on behalf of the Board of Directors**

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director

**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director

## Consolidated Statement of Profit & Loss Account

For the year ended 31<sup>st</sup> March, 2016

DESCRIPTION	Note	Amount in Rs.		Amount in Rs.	
		For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>Incomes:</b>					
I. <b>Revenue from Operations</b>					
Sale of Products	17	2,699,094,361		1,507,640,299	
Less : Excise Duty		296,873,904	2,402,220,457	150,082,941	1,357,557,358
II. <b>Other Incomes</b>	18		127,417,608		15,215,461
III. <b>Total Revenue</b>			<b>2,529,638,065</b>		<b>1,372,772,820</b>
<b>IV. Expenses:</b>					
a. Cost of Raw Materials Consumed	19		1,968,257,239		1,098,518,495
b. Purchase of Stock-in-Trade			2,424,214		1,973,838
c. Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20		(54,759,058)		(12,598,277)
d. Employee Benefit Expenses	21		33,353,213		24,142,789
e. Finance Cost	22		92,186,918		59,033,242
f. Depreciation	8		12,790,478		8,777,074
g. Other Expenses	23		130,911,984		101,652,140
<b>Total</b>			<b>2,185,164,987</b>		<b>1,281,499,302</b>
V. <b>Profit Before Exceptional and Extra ordinary Items and Taxes</b>			<b>344,473,078</b>		<b>91,273,518</b>
VI. Exceptional Items	24		558,678		64,048
VII. <b>Profit Before Extra ordinary Items and Taxes</b>			<b>345,031,756</b>		<b>91,337,566</b>
VIII. Extra ordinary Items			790,000,000		-
IX. <b>Profit Before Tax</b>			<b>1,135,031,756</b>		<b>91,337,566</b>
X. Tax Expenses:					
1 Current Tax			(86,200,000)		(34,700,000)
2 Excess / (Short) Provision for Taxes of Earlier Years			-		-
3 Deferred Taxes			10,974,700		6,402,400
XI. <b>Profit for the Year</b>			<b>1,059,806,456</b>		<b>63,039,966</b>
XII. <b>Earnings per Share</b>					
1 Basic			83.51		7.29
2 Diluted			81.71		7.27
Significant Accounting Policies and Notes on Financial Statements	1 to 25				

As per our report of even date attached

**J. K. Manocha & Associates**

Chartered Accountants

FRN: 007345N

**J. K. Manocha**  
Partner

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

**Subodh Kumar Barnwal**  
Company Secretary

**Amit Jain**  
Managing Director

**Ghan Shyam Dass**  
C.F.O.

**Ramesh Chand**  
Director

## Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March, 2016

DESCRIPTION	Amount in Rs.	Amount in Rs.
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Depreciation	1,059,806,456	63,039,966
<b>Add:</b> Depreciation	12,790,478	8,777,074
Interest & Bank Commission Paid	92,186,918	59,033,242
Miscellaneous Expenditure Written Off	-	-
Previous Year Adjustments	-	9,178,519
<b>Less:</b> Interest Receipt	2,905,308	7,982,959
Profit / (Loss) on Sale of Assets (Net)	558,678	64,048
Reversal of Impairment of Fixed Assets	790,000,000	
<b>Operating Profit before Extraordinary Items and Working Capital Change</b>	<b>371,319,867</b>	<b>131,981,794</b>
<b>Adjustments for</b>		
(Increase) / Decrease in Trade and Other Receivables	(568,210,620)	(191,415,465)
(Increase) / Decrease in Inventories	(103,507,706)	(20,199,795)
Increase / (Decrease) in Trade and Other Payables	260,266,844	58,624,120
<b>Cash Generated from Operations</b>	<b>(40,131,615)</b>	<b>(21,009,346)</b>
<b>Add: Extra ordinary Items</b>		
Previous Year Adjustments	-	(9,178,519)
<b>Net Cash used in Operating Activities</b>	<b>(40,131,615)</b>	<b>(30,187,865)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets / Capital Expenditure	(121,615,607)	(47,229,813)
Sale of Assets	62,956,643	5,222,876
Profit / (Loss) on Sale of Assets (Net)	558,678	64,048
Depreciation Written Back	(62,436,396)	(5,167,324)
Purchase of Investments in Subsidiaries	(4,878,374)	-
Interest Received	2,776,665	7,982,959
	<b>(122,638,391)</b>	<b>(39,127,254)</b>

DESCRIPTION	Amount in Rs.	Amount in Rs.
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings / Repayments / FDR	597,376,313	(88,015,649)
Increase / (Decrease) in Share Application Money	-	-
Increase / (Decrease) in Share Capital	26,256,500	79,170,000
Increase / (Decrease) in Share Warrant	-	11,200,000
Increase / (Decrease) in Share Premium	238,934,150	84,518,000
Interim Dividend paid (Including Dividend Distribution Tax)	(16,100,783)	-
Increase / (Decrease) in Short Term Borrowings	(575,963,807)	52,090,968
Interest & Bank Commission Paid	(92,186,918)	(59,033,242)
<b>Net Cash from Financing Activities</b>	<b>178,315,454</b>	<b>79,930,077</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS ( A + B + C)</b>	<b>15,545,448</b>	<b>10,614,958</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	56,335,333	19,913,095
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>71,880,781</b>	<b>30,528,053</b>

**Notes:**

- Above Cash Flow Statement has been prepared under the indirect method set out in the Accounting Standard - 3 (Revised) specified in the Companies "Accounting Standard" Rules, 2006.
- Previous year figures have been regrouped wherever necessary.

**Auditors' Report:**

We have examined the Cash Flow Statement of CMI Limited for the period ended 31<sup>st</sup> March, 2016. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit & Loss and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

For J. K. Manocha &amp; Associates

Chartered Accountants

FRN: 007345N

J. K. Manocha

Partner

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

Subodh Kumar Barnwal

Company Secretary

Amit Jain

Managing Director

Ghan Shyam Dass

C.F.O.

Ramesh Chand

Director

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 1</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
25,000,000 Equity Shares of Rs. 10/- each.	250,000,000	250,000,000
	250,000,000	250,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
14,077,457 (Previous year 11,451,807) Equity Shares of Rs. 10 each, Fully Paid Up.	140,774,570	114,518,070
Add: Forfeited Shares - Amount Originally Paid Up	32,500	32,500
	<b>140,807,070</b>	<b>114,550,570</b>

**NOTE 1.1**

The details of Shareholders holding more than 5% shares :

<u>Name of the Shareholder</u>	<u>No. of Shares - % held</u>	<u>No. of Shares - % held</u>
Amit Jain	50,93,877 - 36.18	43,93,877 - 38.37
Shubham Gupta	- -	6,00,000 - 5.24
Shashank Gupta	- -	6,00,000 - 5.24
Kusum Agarwal	- -	6,00,000 - 5.24
Devender Kumar Gupta	- -	6,00,000 - 5.24
GMO Emerging Domestic Opportunities Fund	11,78,365 - 8.37	- -

**NOTE 1.2**

The reconciliation of the number of shares outstanding is set out below:

<u>Particulars</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Equity Shares at the beginning of the year	11,451,807	11,451,807
Add: Shares issued on exercise of preferential allotment during the year	2,625,650	-
Less: Shares cancelled on buy back of equity shares	-	-
<b>Equity Shares at the end of the year</b>	<b>14,077,457</b>	<b>11,451,807</b>

**NOTE 1.3****Terms & rights attached to Equity shares**

The Company has issued only one class of shares, i.e. equity shares of face value of Rs 10/- each. All Equity Shareholders are entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

**NOTE 1.4**

- The Company has not issued any bonus shares in the last five years.
- The Company has not bought back any share in the last five years.
- The Company has not issued share other than cash in the last five years.

DESCRIPTION	Amount in Rs.		Amount in Rs.
	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015
<b>NOTE - 2</b>			
<b><u>Reserves and Surplus</u></b>			
<b>Capital Redemption Reserve:</b>			
As per last Balance Sheet		8,000,000	8,000,000
<b>Share Premium:</b>			
As per last Balance Sheet	110,370,899		25,852,899
Add: Received on shares issued during the year	238,934,150	349,305,049	84,518,000
<b>Surplus in Statement of Profit and Loss:</b>			
As per last Balance Sheet	126,033,988		72,172,541
Less: Adjustment relating to depreciation pursuant to the enactment of Companies Act 2013	-		(9,178,519)
Add: Transferred from Statement of Profit & Loss	1,059,806,456		-
Less: Interim Dividend Paid	(13,377,457)		-
Less: Interim Dividend Distribution Tax	(2,723,326)	1,169,739,661	63,039,966
Capital Reserve on Consolidation		74,428,248	-
		<b>1,601,472,958</b>	<b>244,404,887</b>
<b>NOTE - 3</b>			
<b><u>Long Term Borrowings</u></b>			
<b>a. Secured Loans</b>			
<b>From Banks</b>			
Term Loan from HDFC Bank Ltd. against Hypothecation of two Cars repayable in 60 EMI's of Rs. 1,13,075/- starting from 07 <sup>th</sup> April, 2013 and for 36 months of EMI Rs. 52,900/- starting from 05 <sup>th</sup> December, 2015.		2,142,640	2,306,327
Term Loan from ICICI Bank Ltd. against Hypothecation of six Cars repayable in 36 EMI's of (i) Rs. 45,240/- starting from 01 <sup>st</sup> July, 2015, (ii) Rs. 63,889/- starting from 01 <sup>st</sup> July, 2015, (iii) Rs. 33,530/- starting from 01 <sup>st</sup> February, 2016, (iv) Rs. 28,948/- starting from 01 <sup>st</sup> February, 2016, (v) Rs. 21,558/- starting from 01 <sup>st</sup> February, 2016 and (vi) Rs. 30,336 starting from 01 <sup>st</sup> February, 2016.		5,012,017	-
Term Loans from Syndicate Bank against Hypothecation of three Cars repayable in 60 EMI's for Rs. 25,330/- starting from 30 <sup>th</sup> June, 2013, Rs. 17,656/- from 31 <sup>st</sup> October, 2012 and one loan repayable in 36 EMI for Rs. 23,037/- starting from 30 <sup>th</sup> November, 2014, repaid during the reporting year before stipulated period.		-	1,051,488
Term Loans from Kotak Mahindra Bank Ltd., one loan against Hypothecation of Commercial Property of the Company repayable in 120 EMI's for Rs. 2,47,132/- starting from 10 <sup>th</sup> November, 2014 and the second loan against hypothecation of industrial property of the Company repayable in 120 months, EMI for Rs. 7,34,443/- starting from 10 <sup>th</sup> October, 2015.		60,577,228	15,987,735
Term Loan from Religare Finvest Ltd. secured by hypothecation of all fixed assets of the subsidiary Company and pledge of equity shares of subsidiary Company, repayable in 120 months start from 01 <sup>st</sup> May, 2016.		472,725,000	-
		<b>540,456,886</b>	<b>19,345,550</b>
<b>b. Unsecured Loans</b>			
From Banks and Financial Institutions		375,537	-
From Directors		84,940,440	8,551,000
From Intercompany Deposits		-	500,000
From Others		-	-
		<b>85,315,977</b>	<b>9,051,000</b>
		<b>625,772,863</b>	<b>28,396,550</b>

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 4</b>		
<b><u>Short Term Borrowings</u></b>		
<b>Loan Repayable on Demand</b>		
<b>Secured:</b>		
From Banks:		
Working Capital Limit from Syndicate Bank - Secured by creating charge on Inventory, Book Debts and Factory Land and Building.	326,220,770	167,194,639
<b>Unsecured:</b>		
From Banks and Financial Institutions	146,776,494	-
From Others - Intercompany Deposits	-	134,266,431
	<b>472,997,264</b>	<b>301,461,071</b>
<b>NOTE - 5</b>		
<b><u>Trade Payables</u></b>		
Micro, Small and Medium Enterprises	67,167	108,700
Others	350,397,213	166,458,565
	<b>350,464,380</b>	<b>166,567,265</b>
<b>NOTE - 6</b>		
<b><u>Other Current Liabilities</u></b>		
Current Maturities of Long Term Debts	32,331,493	2,664,318
Unclaimed Dividend	289,347	-
Advance from Customers	3,265,008	792,972
Statutory Liabilities	7,178,452	28,670,643
Interest Accrued but not Due on Borrowings	7,332,615	547,213
Other Payables	25,704,298	15,084,687
	<b>76,101,212</b>	<b>47,759,833</b>
<b>NOTE - 7</b>		
<b><u>Short Term Provisions</u></b>		
Provision for Income Tax (net)	89,395,967	34,404,683
	<b>89,395,967</b>	<b>34,404,683</b>

GROUP OF ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK			
	Value at 1.04.2015	Addition During Year	Transferred to/from assets held for sale	Sold during the year	Value at 31.03.2016	Upto 01.04.2015	For The Year	Written Back during the year	Impairment losses recognised/ derecognised in Statement of Profit and Loss and transferred to/from	Transferred to/from assets held for sale	As At 31.03.2016	As At 31.03.2015
<b>Note 8</b>												
<b>Tangible Assets</b>												
Land - Freehold	175,130	56,624,800	225,172,671	-	281,972,601	-	-	-	14,677,360	14,677,360	281,972,601	175,130
Factory Buildings	7,381,556	14,156,200	590,643,096	-	612,180,852	4,003,935	472,994	-	237,556,071	288,949,821	55,870,679	3,377,621
Office Building	25,145,100	-	-	-	25,145,100	25,148	50,434	-	-	-	75,582	25,119,952
Leasehold Improvement	-	-	348,174	-	348,174	-	-	-	-	348,174	-	-
Plant & Equipment	158,140,392	14,489,567	828,796,251	62,005,229	939,420,981	132,160,420	4,418,038	61,811,885	493,597,214	643,559,718	714,691,904	25,979,972
Furniture & Fixture	3,933,730	621,753	8,203,523	-	12,759,006	2,184,363	551,601	-	4,287,382	6,948,202	7,362,222	1,749,367
Office Equipments	11,509,647	1,013,124	41,906,940	-	54,429,711	5,847,414	2,017,911	-	16,102,238	36,150,134	27,913,221	5,662,233
Vehicles	24,001,279	11,822,049	-	95,141,414	34,871,914	10,410,838	3,581,930	624,511	-	-	13,368,257	13,590,441
<b>Total</b>	<b>230,286,834</b>	<b>98,727,493</b>	<b>1,695,070,654</b>	<b>62,956,643</b>	<b>1,961,128,339</b>	<b>154,632,118</b>	<b>11,092,908</b>	<b>62,436,396</b>	<b>766,220,265</b>	<b>990,633,409</b>	<b>327,701,774</b>	<b>75,654,717</b>
Previous Year	194,979,897	40,529,813	1,695,070,652	5,222,876	230,286,834	141,967,753	17,831,689	5,167,324	-	-	154,632,118	53,012,145
<b>Intangible Assets</b>												
<b>GROUP OF ASSETS</b>												
Computer Software	53,260,966	226,518	-	-	53,487,484	123,904	1,697,570	-	23,779,735	22,781,231	24,602,705	53,137,062
<b>Total</b>	<b>53,260,966</b>	<b>226,518</b>	<b>-</b>	<b>-</b>	<b>53,487,484</b>	<b>123,904</b>	<b>1,697,570</b>	<b>-</b>	<b>23,779,735</b>	<b>22,781,231</b>	<b>24,602,705</b>	<b>53,137,062</b>
Previous Year	-	6,700,000	-	-	6,700,000	-	123,904	-	-	-	123,904	6,576,096
<b>Grand Total</b>	<b>283,547,800</b>	<b>98,954,011</b>	<b>1,695,070,654</b>	<b>62,956,643</b>	<b>2,014,615,823</b>	<b>154,756,022</b>	<b>12,790,478</b>	<b>62,436,396</b>	<b>790,000,000</b>	<b>1,013,414,640</b>	<b>352,304,479</b>	<b>128,791,779</b>
Previous Year	194,979,897	47,229,813	1,695,070,652	5,222,876	236,986,834	141,967,753	17,955,593	5,167,324	-	-	154,756,022	82,230,813

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE 9</b>		
<b><u>Non Current Investments</u></b>		
<b>Non - Trade Investments "Valued at cost"</b>		
In Quoted and Fully paid up Equity Shares of Dena Bank		
300 (Previous year 300) Equity Shares of Rs. 10 each fully paid up	4,656	4,656
(Market Value as on 31 <sup>st</sup> March, 2016 Rs. 28.35 each, Total Value Rs. 8,505/-)		
(Market Value as on 31 <sup>st</sup> March, 2015 Rs. 50.60 each, Total Value Rs. 15,180/-)		
	<b>4,656</b>	<b>4,656</b>
<b>NOTE - 10</b>		
<b><u>Deferred Tax Assets (Net)</u></b>		
Refer to Note 24(b)(13)		
Opening Balance	8,686,300	2,283,900
Add / (Less): Debited / (Reversed) during the year	10,974,700	6,402,400
	<b>19,661,000</b>	<b>8,686,300</b>
<b>NOTE - 11</b>		
<b><u>Long Term Loans and Advances</u></b>		
(Unsecured, Considered Good)		
Advances to Related Parties	-	-
Loans and Advances to Staff	470,083	370,083
Security Deposits	2,883,550	753,983
Capital Advances	21,155,638	12,181,000
	<b>24,509,271</b>	<b>13,305,066</b>
<b>NOTE - 12</b>		
<b><u>Inventories</u></b>		
(As per inventories taken, valued and certified by the Management)		
i) Raw Materials	112,934,525	66,195,114
ii) Work-in-Progress	309,753,770	242,205,655
iii) Finished Goods	22,528,398	34,266,641
iv) Stock-in-Trade	-	1,050,814
v) Stores and Spares	6,093,619	4,084,382
	<b>451,310,312</b>	<b>347,802,606</b>
<b>NOTE - 13</b>		
<b><u>Trade Receivables</u></b>		
(Unsecured, Considered Good)		
(a) Debt Outstanding for a Period Exceeding Six Months	65,345,659	46,182,941
(b) Others Debts	587,567,706	319,494,768
	<b>652,913,365</b>	<b>365,677,709</b>

DESCRIPTION	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>NOTE - 14</b>		
<b><u>Cash and Bank Balances</u></b>		
Cash in Hand	889,790	4,688,437
Balances with Banks:		
In Current Accounts (Includes towards unclaimed dividend of Rs. 2.89 Lakhs (Previous year Rs. Nil))	5,019,910	69,610
In Term Deposits (Pledged with banks as margin money including deposits maturing after 12 months)	65,971,081	25,770,005
	<b>71,880,781</b>	<b>30,528,053</b>
<b>NOTE - 15</b>		
<b><u>Short Term Loans and Advances</u></b>		
(Unsecured, Considered Good)		
Advances to Suppliers	214,433,223	-
Prepaid Expenses	2,055,691	608,833
Balance with Central Excise Authorities	115,106,243	7,282,695
Loans and Advances to Others	59,557,127	91,538,765
VAT Credit Recoverable	91,154	-
Advance Income Tax	1,365,714	-
	<b>392,609,152</b>	<b>99,430,293</b>
<b>NOTE - 16</b>		
<b><u>Other Current Assets</u></b>		
Interest Accrued	2,659,140	1,079,364
Sales Tax Recoverable	500,000	-
Assets Held on Sales	17,170,532	-
	<b>20,329,672</b>	<b>1,079,364</b>

PARTICULARS	Amount in Rs.		Amount in Rs.	
	For the year ended on 31 <sup>st</sup> March, 2016		For the year ended on 31 <sup>st</sup> March, 2015	
<b>NOTE - 17</b>				
<b>Sales of Products</b>				
Sales of Products	2,699,094,361	<b>2,699,094,361</b>	1,507,640,299	<b>1,507,640,299</b>
<b>NOTE - 18</b>				
<b>Other Income</b>				
Dividend Income	-		330	
Duty Drawback	524,675		49,573	
Import Licence Income	-		654,263	
Job Work Income	20,050		142,828	
Interest Received	2,905,308		7,982,959	
Freight & Cartage Outward (Net)	5,234,086		-	
Rent received	580,000		406,000	
Lease Rent received	217,000		217,000	
Amounts Written Back	110,997,691		5,762,508	
Miscellaneous Receipts	6,938,799	<b>127,417,608</b>	-	<b>15,215,461</b>
<b>NOTE - 19</b>				
<b>Cost of Raw Materials Consumed</b>				
Opening Stock of Raw Material	66,195,114		59,933,601	
Add: Purchases	1,986,989,046		1,081,486,283	
Less: Closing Stock of Raw Material	(112,934,525)	1,940,249,635	(66,195,114)	1,075,224,770
Opening Stock of Stores and Spares	4,084,382		2,744,377	
Add: Purchases of Stores, Spares and Packing Materials	30,016,841		24,633,730	
Less: Closing Stock of Stores and Spares	(6,093,619)	28,007,604	(4,084,382)	23,293,725
		<b>1,968,257,239</b>		<b>1,098,518,495</b>
<b>NOTE - 20</b>				
<b>Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>				
Opening Stock of Finished Goods	34,266,641		36,907,832	
Less: Closing Stock of Finished Goods	(22,528,398)	11,738,243	(34,266,641)	2,641,191
Opening Stock of Work-in-Progress	242,205,655		228,017,001	
Less: Closing Stock of Work-in-Progress	(309,753,770)	(67,548,115)	(242,205,655)	(14,188,654)
Opening Stock of Stock in Trade	1,050,814		-	
Less: Closing Stock of Stock in Trade	-	1,050,814	(1,050,814)	(1,050,814)
		<b>(54,759,058)</b>		<b>(12,598,277)</b>
<b>NOTE - 21</b>				
<b>Employee Benefit Expenses</b>				
Director's Remuneration	3,420,000		2,700,000	
Salaries, Wages, Bonus and Other Benefits	27,700,277		18,503,109	
Contribution to Provident and Other Funds	1,525,267		1,719,034	
Workmen and Staff Welfare Expenses	707,669	<b>33,353,213</b>	1,220,646	<b>24,142,789</b>

PARTICULARS	Amount in Rs.		Amount in Rs.	
	For the year ended on 31 <sup>st</sup> March, 2016		For the year ended on 31 <sup>st</sup> March, 2015	
<b>NOTE - 22</b>				
<b>Finance Cost</b>				
Interest Expenses	64,475,661		47,319,406	
Interest on Direct Tax	4,296,964		-	
Other Financial Charges	23,414,293	<b>92,186,918</b>	11,713,836	<b>59,033,242</b>
<b>NOTE - 23</b>				
<b>Other Expenses</b>				
<b>Manufacturing Expenses</b>				
Power & Fuel Charges	22,069,856		17,191,998	
Job Work Charges	33,110,759		15,801,989	
Other Manufacturing Expenses	12,296,013		7,165,389	
Repairs to Building	4,521,715		2,814,345	
Repair and Maintenance Other Assets	523,912		208,640	
Repairs to Plant and Machinery	9,255,105	<b>81,777,360</b>	5,661,485	<b>48,843,846</b>
<b>Administrative and Selling Expenses</b>				
Advertisement and Publicity	197,782		6,575	
Auditors' Remuneration & Refreshment	100,000		80,000	
Computer Expenses	276,877		154,641	
Conveyance Expenses	2,100,445		1,619,395	
Donation	246,000		56,000	
Fees, Rates and Taxes	469,240		1,230,094	
Festival Expenses	98,303		121,203	
Freight & Cartage Outward (Net)	-		2,061,829	
Insurance Charges	1,250,927		652,999	
Increase / Decrease in Excise Duty on Finished Goods	(3,485,520)			
Legal & Professional Fees	7,673,546		4,508,402	
Listing Compliance & Fees	599,264		750,671	
Meeting Expenses	591,072		187,093	
Misc. Expenses	554,998		296,084	
Postage & Courier Charges	240,419		90,077	
Printing & Stationery	580,123		504,780	
Penalty and Fines	-		367,100	
Rent	7,207,750		4,440,000	
Rent of Office Equipments	141,100		42,000	
Lease Rent Car	300,000		75,000	
Security Service Charges	1,308,652		268,987	
Service Tax on Freight	2,729,754		1,891,614	
Exchange Rate Fluctuation	(154,847)		-	
Telephone and Telecommunication Charges	514,617		391,887	
Tour and Travelling Expenses	3,816,848		2,179,989	
Amounts Written Off	1,462,793		1,633,182	
Prior Period Expenses	334,509		-	
Selling Expenses	19,979,971	<b>49,134,623</b>	29,198,692	<b>52,808,294</b>
		<b>130,911,984</b>		<b>101,652,140</b>
<b>NOTE - 24</b>				
<b>Exceptional Items</b>				
Profit on Sale of Fixed Assets	735,581		64,048	
Less: Loss on Sale of Fixed Assets	176,903	<b>558,678</b>	-	<b>64,048</b>

**NOTE - 25:****A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements are prepared under the historical cost convention, on going concern concept and in compliance with the relevant accounting principles, accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. The significant accounting policies adopted by the Company are detailed below:

**1. Fixed Assets, Intangible Assets and Capital Work-in-Progress**

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalised until fixed assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

**2. Investments**

Long term investments are valued at their acquisition cost. Any decline in the value of the investment, other than a temporary decline, is recognised and provided for in the statement of profit and loss. Short-term investments are carried at cost or their market values whichever is lower.

**3. Revenue Recognition**

Revenue from the sale of goods is accounted for on the basis of actual dispatches of goods. Sales are inclusive of excise duty but net of sales tax and VAT. Materials returned / rejected are accounted for in the year of return / rejection.

**4. Foreign Currency Transaction**

The transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary liability / assets on account of foreign currency are converted at the exchange rates prevailing as at the end of the year. Exchange differences are appropriately dealt within the statement of profit and loss.

**5. Depreciation / Amortisation**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method except for fixed assets of PVC Cable division where depreciation is provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The Intangible assets of the Company are amortised over lease period or economic useful life whichever is shorter. That software has been amortised over four years or five years.

**6. Valuation of Inventories**

- a. Raw Materials, Stores and Spares and Packing Material are valued at lower of cost, based on FIFO basis (Net of CENVAT Credit) or net realisable value.
- b. Work in Progress is valued at their estimated absorption cost (Net of CENVAT). Cost of Work in Process includes cost of raw materials and estimated overheads up to the stage of completion.

- c. Finished Goods are valued at lower of cost of production or net realisable value. Cost of finished goods includes cost of raw material, cost of manufacturing, cost of conversion and other cost incurred in finishing the goods.
- d. Scrap is valued at estimated net realisable value.
- e. Trading Goods are valued at lower of cost or net realisable value

## 7. Retirement Benefits

Liability in respect of retirement benefit is provided for and / or funded and charged to statement of profit and loss as follows:-

**Provident Fund:** Retirement Benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

**Gratuity:** Liability in respect of Gratuity is provided in the books of account. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

**Leave Encashment:** The liability in respect of Leave Encashment is recognised in the same manner as gratuity.

## 8. Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence, deferred tax assets are recognised and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit asset is recognised in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under Income Tax, 1961.

## 9. Use of Estimates

The financial statements have been prepared in conformity with generally accepted accounting principles, which requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting years. Although these estimates are based upon the best knowledge of the Management of current events and actions, actual results could differ from these estimates.

## 10. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. No provision for impairment of assets is required since the Management is of the opinion that the recoverable amount of fixed assets is equal to the amount at which they are stated in the balance sheet.

**11. Borrowing Cost**

Borrowing Costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**12. Leases**

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

**13. Provisions, Contingent Liabilities and Contingent Assets**

The Company creates provisions only when there is a present obligation as a result of past events and when reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) recent obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligations cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

**14. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**B. OTHER EXPLANATORY INFORMATION TO ACCOUNTS****1. Contingent Liabilities**

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below:

(Rs. In Lakhs)			
Sr. No.	Nature of Liability	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(a)	Counter Guarantee given to the Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	1,372.04	970.39
(b)	Pending suit in court filed by parties for alleged demand for recovery	64.36	64.36

- The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31<sup>st</sup> March, 2016. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**Gratuity:**

As per actuarial valuation, the Present Value of Obligation is Rs. 92.05 Lakhs and the Fair Value of Plan Assets is of Rs. 17.52 Lakhs and the Net Gratuity Liability is Rs. 74.53 Lakhs as on 31<sup>st</sup> March, 2016.

**Leave Encashment:**

As per actuarial valuation, the Present Value of Obligation is Rs. 9.94 Lakhs and the Fair Value of Plan Assets is of Rs. Nil and the Net Leave Encashment Liability is Rs. 9.94 Lakhs as on 31<sup>st</sup> March, 2016 and is provided in the books of account.

3. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
4. Auditors' remuneration (inclusive service tax) includes the following:

(Rs. in Lakhs)

	FY2015-16	FY2014-15
<b>Payment to Auditor</b>		
a) Audit Fees	1.50	0.80
b) Other Services (fees for preparation, filing and representations in IT Scrutiny and Appeal Cases)	1.33	1.40
c) Certification Charges and Others	1.62	0.49
<b>Total</b>	<b>4.45</b>	<b>2.69</b>

5. Foreign Currency Receipts & Expenditure:

(Rs. in Lakhs)

	FY2015-16	FY2014-15
CIF Value of Imports	3,619.54 (USD 53.76)	2,039.81 (USD 10.01)
	17.23 (EURO 0.25)	0.64 (EURO 0.01)
Expenditure in Foreign Currency	1.81 (USD 0.03)	1.90 (USD 0.03)
Earnings in Foreign Currency	277.72 (USD 1.31)	8.34 (USD 0.14)

6. The Company has manufactured various types of Cables during the year under review; therefore there are no separate reportable segments as per Accounting Standard 17.

7. Leases:

- i. The disclosure under Accounting Standard - 26 (Intangible Assets):

The Company has no intangible asset on lease as on 31<sup>st</sup> March, 2016.

- ii. The disclosure under Accounting Standard - 19 (Leases):

All operating leases entered into by the Company are cancellable on giving notice of one to three months. As per AS-19 (Leases), the disclosure requirements for operating leases of the Company are as follows:

- a. the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
  - i. not later than one year;
  - ii. later than one year and not later than five years;
  - iii. later than five years;

The details are tabulated herein below: (Amount in Rs.)

Sr. No.	Particulars	Up to 1 Year	>1,=5 Years	>5 Years
1	Plot No. 82, Sector - 6, Faridabad, Haryana	32,40,000	1,62,00,000	Nil
2	501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001.	47,19,000	19,66,250	Nil
3	Flat No. L - 1602, Laburnum Tower, Designarch Gardenia E Homes, Sector - 5, Vaishali, Ghaziabad, U.P.	5,00,000	Nil	Nil
4	Photocopy Machine	42,000	Nil	Nil
5	Toyota Innova Car	3,00,000	2,25,000	Nil

- b. The total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;
    - Not Applicable
  - c. Lease payments recognised in the Statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rents;
    - Details of lease payments recognised in the Statement of Profit and Loss for the period are as per Clause 1(a) here in above and there are no contingent rents.
  - d. Sub-lease payments received for (or receivable) recognised in the Statement of Profit and Loss for the period;
    - Not Applicable
  - e. A general description of the lessee's significant leasing arrangements including, but not limited to, the following:
    - i. the basis on which contingent rent payments are determined;
    - ii. the existence and terms of renewal or purchase options and escalation clauses;
    - iii. restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.
      - Not Applicable
8. Trade Payables include an amount of Rs. 0.67 Lakhs (Previous year Rs. 1.09 Lakhs) being amount payable to Micro, Small & Medium Enterprises (MSME) as defined in Micro, Small & Medium Enterprises Development Act, 2006. The outstanding exceeding Rs. 1.00 Lakh for a period in excess of 45 days at balance sheet date is nil.

The details of MSME dues have been furnished to the extent such parties have been identified by the Company based on information made available by them.

9. There are following TDS demands outstanding as on 31<sup>st</sup> March, 2016.

F.Y.	Law	Amounts
Prior Years	TDS	Rs. 64,469/-

10. That the Company has test marketed the Robotech items and sale of such items for Rs. 27.95 Lakhs ( Previous Year Rs 0.67 Lakhs) is included in Sale of products.

11. Related Party Transactions as per Accounting Standard 18:

**I. Key Managerial Personnel**

Mr. Amit Jain	Managing Director
Mr. V. K. Gupta	Whole-time Director
Mr. Pyare Lal Khanna	Director
Mr. Ramesh Chand	Director
Mr. Subodh Kumar Barnwal	Secretary
Mr. Raj Kumar (Upto 29 <sup>th</sup> February, 2016)	C.F.O.
Mr. Ghan Shyam Dass (From 01 <sup>st</sup> March, 2016)	C.F.O.

**II. Parties in which the Key Managerial Personnel / Directors of the Company are interested:**

- a. M/s Wireco (India) - A proprietorship concern of Mr. Pyare Lal Khanna, Director of the Company.
- b. Vardhman Cables India Pvt. Ltd. - Relative of Director is Director of the Company.
- c. RKJ Alloys & Conductors Pvt. Ltd. - Relative of Director is Director of the Company.
- d. Lancer Telecom (India) Pvt. Ltd. - Relative of Director is Director of the Company.
- e. CMI Energy India Pvt. Ltd. - 100% Subsidiary Company w. e. f. 29<sup>th</sup> February, 2016.

**III. Relatives of Key Managerial Personnel / Directors of the Company:**

Mrs. Himani Jain

Details of transactions under the ordinary course of business between Company and the related parties during the year and the status of outstanding balances as on 31<sup>st</sup> March, 2016 is as follows:

(Rs. In Lakhs)

Nature of Transaction	Key Managerial Personnel, Other Directors and their Relatives		Companies or firms in which Key Managerial Personnel / Directors are Interested	
	2016	2015	2016	2015
Directors' Remuneration (Note "a")	34.20	27.00	-	-
Secretary's Remuneration (Note "b")	6.22	5.59	-	-
CFO Remuneration (Note "c")	6.09	1.80	-	-
Interest Paid / Payable (Note "d")	32.93	12.30	-	-
Lease Rent Paid / Payable (Note "e")	3.00	0.75	-	-
Interest Received / Receivable (Note "f")	-	-	78.64	-
Reimbursement of Expenses (Note "g")	-	-	22.03	-
<b>FINANCE</b>				
Unsecured Loans Received (Note "h")	4,720.00	2,208.92	-	-
Unsecured Loans Received Paid back (Note "i")	3,956.11	2,575.29	-	-
Unsecured Loans Paid (Note "j")	-	-	10,154.37	-
Unsecured Loans Paid Received Back (Note "k")	-	-	551.60	-

## Notes:

**a. Remuneration paid to:**

Mr. Amit Jain - Rs. 27.00 Lakhs (Previous Year Rs. 21.00 Lakhs)

Mr. V. K. Gupta - Rs. 7.20 Lakhs (Previous Year Rs. 6.00 Lakhs)

**b. Mr. Subodh Kumar Barnwal - Rs. 6.22 Lakhs (Previous Year Rs. 5.59 Lakhs)****c. Mr. Raj Kumar - Rs. 1.65 Lakhs (Previous Year Rs. 1.80 Lakhs)**

Mr. Ghan Shyam Dass - Rs. 4.44 Lakhs (Previous Year Nil)

**d. Interest paid / payable to:**

Mr. Amit Jain - Rs. 32.93 Lakhs (Previous Year Rs. 12.30 Lakhs)

**e. Lease rent (vehicle) paid / payable to:**

Mr. Amit Jain - Rs. 3.00 Lakhs (Previous Year Rs. 0.75 Lakhs)

**f. Interest received / receivable from:**

CMI Energy India Pvt. Ltd. - Rs. 78.64 Lakhs (Previous Year Rs. Nil)

**g. Reimbursement of expenses from:**

CMI Energy India Pvt. Ltd. - Rs. 22.03 Lakhs (Previous Year Rs. Nil)

**h. Transactions in unsecured loans received during the year with;**

Mr. Amit Jain - Rs. 2,391.50 Lakhs (Previous Year Rs. 235.25 Lakhs)

Lancer Telecom (India) Pvt. Ltd. - Rs. 85.00 Lakhs (Previous Year 6.00 Lakhs)

RKJ Alloys & Conductors Pvt. Ltd. - Rs. 2,216.50 Lakhs (Previous Year 1,962.67 Lakhs)

Vardhman Cables India Pvt. Ltd. - Rs. 25.00 Lakhs (Previous year Nil)

Himani Jain - Rs. 2.00 Lakhs (Previous year 5.00 Lakhs )

**i. Transactions in unsecured loans received paid back during the year with;**

Mr. Amit Jain - Rs. 1,627.61 Lakhs (Previous Year Rs. 253.37 Lakhs)

Lancer Telecom (India) Pvt. Ltd. - Rs. 85.00 Lakhs (Previous Year 6.00 Lakhs)

RKJ Alloys & Conductors Pvt. Ltd. - Rs. 2,216.50 Lakhs (Previous Year 2,307.67 Lakhs)

Vardhman Cables India Pvt. Ltd. - Rs. 25.00 Lakhs (Previous Year 3.25 Lakhs)

Himani Jain - Rs. 2.00 Lakhs (Previous year Rs. 5.00 Lakhs )

**j. Transactions in unsecured loans paid during the year to;**

CMI Energy India Pvt. Ltd. - Rs. 10,132.34 Lakhs (Previous Year Rs. Nil)

**k. Transactions in unsecured loans paid received back during the year from;**

CMI Energy India Pvt. Ltd. - Rs. 551.60 Lakhs (Previous Year Rs. Nil)

## 12. Breakup of consumption of Raw Material and Stores and Spares into Imported and Indigenous

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year Amount	Percentage	Previous Year Amount	Percentage
<b>Raw Material</b>					
(a)	Imported	3,608.43	17.98%	2,040.45	18.83%
(b)	Indigenous	16,459.06	82.02%	8,794.15	81.17%
	<b>Total</b>	<b>20,067.49</b>	<b>100.00%</b>	<b>10,834.60</b>	<b>100.00%</b>
<b>Stores and Spares</b>					
(a)	Imported	Nil	0.00%	Nil	0.00%
(b)	Indigenous	300.17	100.00%	246.34	100.00%
	<b>Total</b>	<b>300.17</b>	<b>100.00%</b>	<b>246.34</b>	<b>100.00%</b>

13. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

Sr. No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(a)	Net Profit / (loss) as per Profit & Loss Account (Rs.)	1,05,98,06,456	6,30,39,966
(b)	Weighted Average No. of Ordinary Shares Outstanding (Basic EPS)	1,26,90,127	86,51,075
(c)	EPS (Basic) (Rs.) [(a) / (b)]	83.51	7.29
(d)	Weighted Average No. of Ordinary Shares on the Assumption of Full Conversion of Warrants into Shares	1,29,69,840	86,70,733
(e)	EPS (Diluted) (Rs.) [(a) / (d)]	81.71	7.27
(f)	<b>Face Value of Each Equity Share (Rs.)</b>	<b>10.00</b>	<b>10.00</b>

## 14. Deferred Tax Liability / Asset for the year under review:

The computation of deferred tax liability / assets provided in the books of accounts is as follows:

Particulars	Amount (Rs.) 31 <sup>st</sup> March, 2016	Amount (Rs.) 31 <sup>st</sup> March, 2015
WDV of Fixed Assets as per Companies Act, 2013	167,699,099	82,230,813
WDV of Fixed Assets as per Income Tax, 1961	202,936,734	71,554,159
Taxable / (Deductible) Temporary Difference on Account of Depreciation	35,237,635	10,676,654
Deferred Tax Liability / (Asset) @ 30.90%	(10,888,400)	3,299,100
Expenses Allowed on the Basis of Payment as per Income Tax Act, 1961	28,390,436	38,787,601
Deferred Tax Liability / (Asset) @ 30.90%	(8,772,600)	(11,985,400)
Deferred Tax Liability / (Asset) @ 30.90%	(19,661,000)	(8,686,300)

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. Having regard to the significant accumulated losses, the subsidiary Company has not recognised net deferred tax assets in the absence of virtual certainty at this stage that there will be sufficient future taxable income available to realise such assets.

15. The Company has appointed an independent consultant in subsidiary company for conducting a transfer pricing study to determine whether the international transactions with associate enterprises were undertaken at arms length prices. For the financial year ended 31<sup>st</sup> March, 2016, the transfer pricing study is in process and the Company does not anticipate any adjustment therefrom. The Management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and adjustments, if any, shall be accounted for as and when the study is completed.
16. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.
17. Certain debit and credit balances of the parties are subject to confirmations.
18. Previous year figures have been regrouped / rearranged wherever considered necessary.
19. Information required in terms of the Schedule III to the Companies Act, 2013 as complied by the Company is attached.

**For and on behalf of the Board of Directors  
CMI Limited**

**For J. K. Manocha & Associates**

**Chartered Accountants**

FRN: 007345N

**J. K. Manocha**

**Partner**

Membership No.: 082442

Place: New Delhi

Date: 27<sup>th</sup> May, 2016

**Subodh Kumar Barnwal**

Company Secretary

**Amit Jain**

Managing Director  
DIN - 00041300

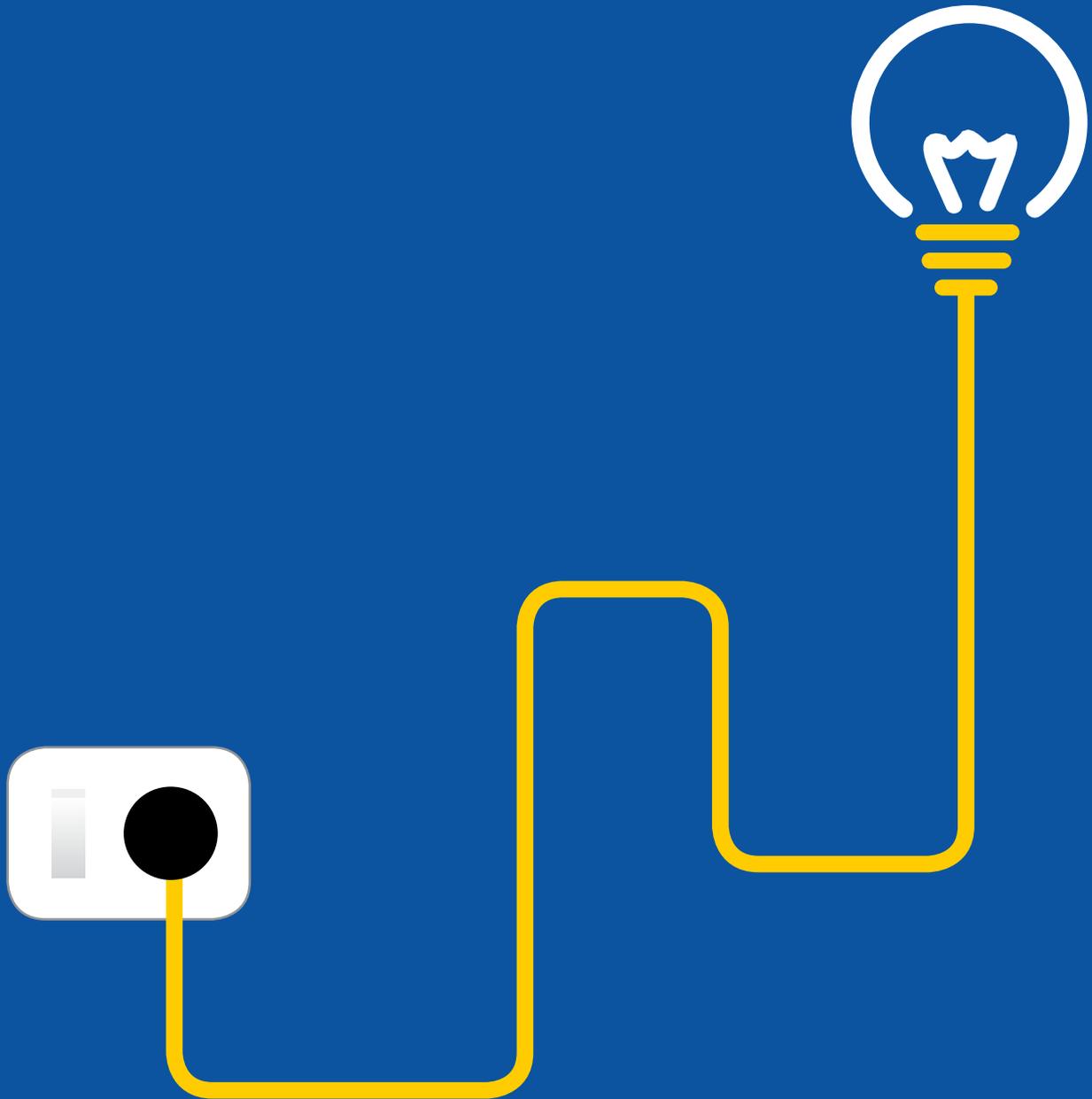
**Ghan Shyam Dass**

C.F.O.

**Ramesh Chand**

Director  
DIN - 02759859

# NOTICE OF AGM



**CMI LIMITED**

CIN L74899DL1985PLC018031

Regd. Office: 501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001

Tel No.: 011 - 49570000 - 12 Fax No.: 011 - 23739902

Email Id: info@cmilimited.in, Website: www.cmilimited.in

NOTICE IS HEREBY GIVEN THAT THE 49<sup>TH</sup> ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Wednesday, 28<sup>th</sup> September, 2016 at 11:30 am at Lajwaab Banquet Hall, Vikas Marg, Delhi - 110092 to transact the following business.

Further take notice that as per the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, all the following business may also be transacted by e-voting as per the process and conditions mentioned in this notice:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a. The Audited Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2016 together with the Report of the Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016 together with the Report of Auditors thereon.
2. To confirm the interim dividend of Re. 1/- per Equity Share, (@10%) already paid during the financial year, for the year ended 31<sup>st</sup> March, 2016.
3. To appoint a Director in the place of Mr. Vijay Kumar Gupta (holding DIN 00995523) who retire by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under as amended from time to time, M/s J. K. Manocha & Associates, Chartered Accountants, (Firm Registration No. 007345N) New Delhi, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of 49<sup>th</sup> Annual General Meeting until the conclusion of the 50<sup>th</sup> Annual General Meeting of the Company on such remuneration plus out of pocket and travelling expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

5. To appoint M/s. Krishna Neeraj & Associates, Chartered Accountants as auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s. Krishna Neeraj & Associates, Chartered Accountants, (Firm Registration No.023233N) be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 49<sup>th</sup> Annual General Meeting until the conclusion of the 54<sup>th</sup> Annual General Meeting of the Company, subject to ratification at every Annual General Meeting, on such remuneration as may be agreed upon between the Board of Directors or any Committee thereof and the Statutory Auditors, in addition

to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

**RESOLVED FURTHER THAT** M/s. Krishna Neeraj & Associates, Chartered Accountants shall act as Joint Statutory Auditors of the Company for the financial year 2016-17.”

## SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, following resolution as Special resolution:

Re-appointment of Mr. Amit Jain as Chairman cum Managing Director and approval for increase in remuneration.

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and pursuant to the provisions of Section 196, Section 197 and Section 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the re-appointment of Mr. Amit Jain (DIN - 00041300) as Chairman cum Managing Director of the Company for the period of five years from 01<sup>st</sup> October, 2015 to 30<sup>th</sup> September, 2020 be and is hereby confirmed.

**RESOLVED FURTHER THAT** the remuneration of Mr. Amit Jain, Chairman cum Managing Director, as given hereunder, be and is hereby approved:

For the Period 01<sup>st</sup> October, 2015 to 30<sup>th</sup> September, 2016

Particulars	Amount Per Month (in Rs.)
Basic Salary	1,55,000
HRA (50% of Basic)	77,500
Education Allowance	7,500
Fixed Medical Allowance	10,000
<b>Total</b>	<b>2,50,000</b>

For the Period 01<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2020

Particulars	Amount per Month (in Rs.)
Basic Salary	2,34,500
HRA (50% of Basic)	1,17,250
Education Allowance	20,500
Fixed Medical Allowance	30,000
<b>Total</b>	<b>4,02,250</b>

### Perquisites:-

Leave Travelling Allowance / Perquisites as per Income Tax Act, 1961 or any rules there under.

**NOTES:-**

- a. Net profit for this purpose shall be as per computation of net profit as per Section 198 of the Companies Act, 2013.
- b. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the Company to pay overall managerial remuneration upto 10% of net profit to Managing Director / Whole Time Director / Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Amit Jain, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deed and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification, following resolution as Special resolution:

Increase in remuneration of Mr. Vijay Kumar Gupta, Whole-time Director.

“**RESOLVED THAT** pursuant to the provisions of Section 196, Section 197 and Section 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to increase in remuneration of Mr. Vijay Kumar Gupta (DIN: 00995523) Whole-time Director of the Company, w.e.f. 01<sup>st</sup> October, 2016, upto the remaining tenure of his appointment on the following terms and conditions as approved by Nomination and Remuneration Committee of the Board:-

Particulars	Amount per Month (in Rs.)
Basic Salary	75,000
HRA (40% of Basic)	30,000
Fixed Medical Allowance	15,000
<b>Total</b>	<b>1,20,000</b>

**Perquisites:-**

Leave Travelling Allowance / Perquisites as per Income Tax Act, 1961 or any rules there under.

**NOTES:-**

- a. Net profit for this purpose shall be as per computation of net profit as per Section 198 of the Companies Act, 2013.
- b. The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the Company to pay overall managerial remuneration upto 10% of net profit to Managing Director / Whole-time Director / Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as “the Board” which term

shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Vijay Kumar Gupta, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deed and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special resolution:

Inter-corporate Loan, investment, guarantee and security by the Company

“**RESOLVED THAT** pursuant to the provisions of section 186 and any other applicable provision, if any, of the Companies Act, 2013, (“the Act”) including any statutory modification or re-enactment for the time being in force read with rules Companies (Meetings Of Board and its Power) Rules, 2014 thereof, the consent of the Company be and is hereby accorded to the Board of Directors, subject to such other approvals, consent, sanctions as may be necessary including from banks and financial institutions, if any, and all such other statutory approvals, if any, for:

- i. giving any loan to any person or other body corporate;
- ii. giving any guarantee and / or providing any security (including by way of pledge of shares or other securities held by the Company in any other body corporate) in connection with a loan made by any other person to the Company or to any other person by any body corporate, from time to time in connection with a loan made by any other body corporate or person and / or;
- iii. acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate;

upto an amount, the aggregate outstanding of which should not exceed at any given time Rs. 500 Crores (Rupees Five Hundred Crores only).

**RESOLVED FURTHER THAT** the aforesaid loans / guarantees / securities etc. be made / given by the Company out of the share capital, internal accruals, loans raised or debentures issued and / or to be raised / issued by the Company and such other means.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to negotiate and decide, settle any question, difficulty or doubt arising out of and incidental thereto, from time to time and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the Company and give such directions as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein, to any Committee of Directors or to any Director(s) or any officer(s) of the Company.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Appointment of Mr. Kishor Punamchand Ostwal as Director (Non-Executive Independent Director) of the Company.

**“RESOLVED THAT** Mr. Kishor Punamchand Ostwal (DIN: 00460257) who was appointed as an Additional Director of the Company on 29<sup>th</sup> July, 2016, and who holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the shareholders be and is hereby accorded for the appointment of Mr. Kishor Punamchand Ostwal (DIN: 00460257), who meets the criteria of independence as provided under Section 149(6) of the Act, as Independent Director for a term upto five (5) consecutive years commencing from 29<sup>th</sup> July, 2016.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Appointment of Mr. Manoj Bishan Mittal as Director (Non-Executive Independent Director) of the Company.

**“RESOLVED THAT** Mr. Manoj Bishan Mittal (DIN: 00282676) who was appointed as an Additional Director of the Company on 29<sup>th</sup> July, 2016, and who holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the shareholders be and is hereby accorded for appointment of Mr. Manoj Bishan Mittal (DIN: 00282676), who meets the criteria of independence as provided under Section 149(6) of the Act, as Independent Director for a term upto five (5) consecutive years commencing from 29<sup>th</sup> July, 2016.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

**By Order of the Board**

**CMI LIMITED**

**Place: New Delhi**

**Date: 29<sup>th</sup> July, 2016**

**Amit Jain**

**Chairman & Managing Director**

**(DIN - 00041300)**

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of her / him and the proxy need not be a member of the Company. The form instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Corporate Members / Societies etc. are requested to send a duly certified copy of the Board Resolution / Authority, authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Members / Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. The Company's Register of Members and Transfer Books will remain closed from Thursday, 22<sup>nd</sup> September, 2016 to Wednesday, 28<sup>th</sup> September, 2016 (both days inclusive) for the purpose of the Meeting.
7. Members wishing to claim dividends, which remain unclaimed, except those members whose Equity Shares are held in abeyance, are requested to correspond with the Company Secretary / RTA. Members are requested to note that dividend which is unpaid or unclaimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per Sections 205A and 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013).
8. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system provided by CDSL and the Company is providing facility for voting by electronic means ("e-voting") to its members. Resolution(s) passed by members through e-voting is / are deemed to have been passed as if they have been passed at the AGM.
9. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
10. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.

**Commencement of e-voting: From 9.00 a.m. of Sunday, 25<sup>th</sup> September, 2016**

**End of e-voting Upto at 5.00 p.m. of Tuesday, 27<sup>th</sup> September, 2016**

**E-voting shall not be allowed beyond 5.00 p.m. of Tuesday, 27<sup>th</sup> September, 2016.** During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote electronically. The cut off date for the limited purpose of e-voting is Wednesday, 21<sup>st</sup> September, 2016.

11. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
12. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
13. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed CS Pooja Anand/ CS Mukul Tyagi of Pooja Anand & Associates, Practicing Company Secretaries, as Scrutiniser (as consented to be appointed as scrutiniser) for conducting the electronic process in a fair and transparent manner.
14. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
15. Non-resident Indian Members are requested to inform the Company's Share Registrar - Beetal Financial & Computer Services (P) Limited immediately for:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
16. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Meeting is annexed hereto.
17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
19. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the Management to keep the required information available at the meeting.
20. Annual Report of the Company including the notice of ensuing Annual General Meeting, has been uploaded **on website of the Company; [www.cmilimited.in](http://www.cmilimited.in) under the segment "For Investor"** which can be freely downloadable by any members, forthwith after it is sent to the members. Any shareholder wishing to receive a physical copy of the Annual Report, may write to the Company or Company's Share Registrar by email. The Company will arrange to send the physical copy of the Annual Report to such member within 7 days of the receipt of the communication.

## 21. Voting through electronic means:

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote electronically through the electronic voting service facility arranged by the Central Depository Services (India) Limited. The facility for voting through Ballot Paper, will also be available at the Annual General Meeting (AGM) and the Members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for E-voting are prescribed below:

- i. The voting period begins on **<From 9.00 a.m. of Sunday, 25<sup>th</sup> September, 2016>** and ends on **<5.00 p.m. of Tuesday, 27<sup>th</sup> September, 2016>**. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **<21<sup>st</sup> September, 2016>**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members Holding Shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login.
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or the Company, please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolution(s) contained in this Notice.
- xi. Click on the EVSN for the relevant <CMI LIMITED> on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively, on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. Note for Non-Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

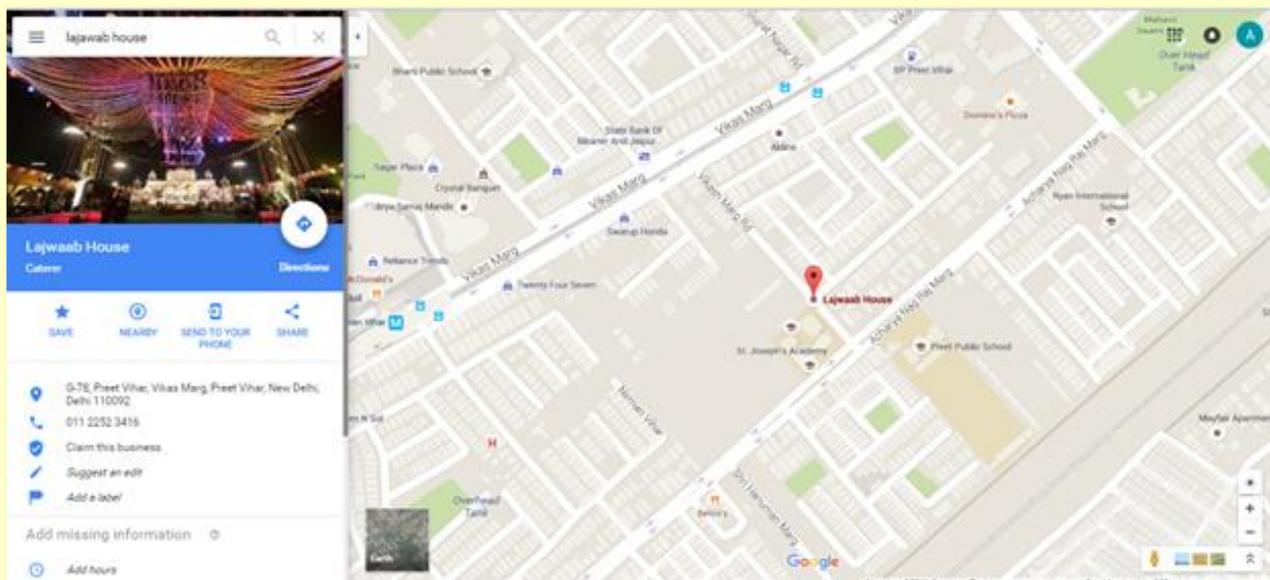
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**OTHER INSTRUCTIONS:**

- I. a) In case of any queries regarding remote e-voting you may refer to the ‘user manual for shareholders to cast their votes’ available at [www.evotingindia.com](http://www.evotingindia.com) under ‘HELP’.
  - b) If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
  - II. The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he / she will not be eligible to vote physically in AGM.
  - III. The scrutiniser shall within a period of not exceeding three days from the conclusion of the AGM unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutiniser’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - IV. The results of the remote e-voting along with the scrutiniser’s report shall be communicated to the stock exchanges where the shares of the Company are listed.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 a.m. to 5 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
23. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 5, 6 and 7 of the Notice, is annexed hereto.
24. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment, as Director / Managing Director under Item No. 3, 6, 9 and 10 of the Notice are:

Particulars	Mr. Amit Jain	Mr. Vijay Kumar Gupta	Mr. Kishor Punamchand Ostwal	Mr. Manoj Bishan Mittal
<b>(a) a brief resume of the Director;</b>	Mr. Amit Jain is a prominent and successful industrialist with wide and varied experience in the management of cable business.	Mr. Vijay Kumar Gupta is a veteran in the cable industry. He has more than 35 years of rich experience in the cable industry and marketing activities.	Mr. Kishor Punamchand Ostwal is a qualified Chartered Accountant having vast experience in business, economy and financial matters.	Mr. Manoj Bishan Mittal is a qualified Chartered Accountant having vast experience in business, economy and financial matters.
<b>(b) nature of his expertise in specific functional areas;</b>	Mr. Amit Jain is a well qualified person and a prominent and successful industrialist with a wide and varied experience in the management of cable business. His foresightedness and hard-work has lead to the progress and growth of the Company.	Mr. Vijay Kumar Gupta with his rich experience has contributed in increasing new customers and new products for the Company. With his association, the Company has reached new heights of success.	Mr. Kishor Punamchand Ostwal is a qualified Chartered Accountant having vast experience in business, economy and financial matters.	Mr. Mittal with his expertise will contribute to the growth and development of the Company.
<b>(c) disclosure of relationships between Directors inter-se;</b>	Nil	Nil	Nil	Nil
<b>(d) names of listed entities in which the person also holds the Directorship and the membership of Committees of the Board; and</b>	Nil	Nil	CNI Research Limited	Nil
<b>(e) shareholding of Non-Executive Directors</b>	Not applicable	Not applicable	Nil	80,000 equity shares.

## 25. Route Map for Venue of Annual General Meeting.

**GREEN INITIATIVE:**

The Ministry of Company Affairs (MCA) has taken the “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated April 2011 and Circular No. 18/2011 dated 20<sup>th</sup> April, 2011) along with paperless compliance by companies through electronic mode.

Keeping in view underlying theme and circular issued by MCA, the Company proposes to send all documents to be sent to shareholders like General Meeting Notice, Annual Report including Audited Financial Statements, Director Report, Auditor Report etc. to our shareholders in electronic form, to the email address provided by them and made available to the Company by the Depositories. Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time. As a member of the Company, such a requisition may be sent to the Registered Office of the Company addressed to the Company Secretary.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4 & 5:**

Provisions of Section 139 of the Companies Act, 2013 regarding rotation of Statutory Auditors are applicable to your Company and it is required to comply with these provisions latest by the next financial year.

As per policy, your Company believes to comply with the applicable provisions without waiting for last time available for such compliance. Accordingly it is proposed to appoint M/s Krishna Neeraj & Associates, Chartered Accountants, as Statutory Auditors of the Company for a period of five years from the conclusion of 49<sup>th</sup> Annual General Meeting till the conclusion of 54<sup>th</sup> Annual General Meeting of the Company.

However, with a view to gain the benefit of expertise and long association with M/s J. K. Manocha & Associates., it is proposed to appoint Joint Statutory Auditors for the financial year 2016-17 as it will also ensure smooth transition. Accordingly, it is proposed to appoint M/s J. K. Manocha & Associates and Krishna Neeraj & Associates, Chartered Accountants, as Joint Statutory Auditors for the financial year 2016-17.

A special notice has been received under section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s Krishna Neeraj & Associates, Chartered Accountants, as the Statutory Auditors. The Audit Committee has considered the qualification and experience of the proposed Statutory Auditors and has recommended their appointment as above.

Documents related to appointment of M/s J. K. Manocha & Associates and Krishna Neeraj & Associates as Statutory Auditors shall remain open for inspection by the members at the registered office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 6:****Confirmation of the re-appointment and approval for increase in remuneration of Mr. Amit Jain as Chairman cum Managing Director**

Mr. Amit Jain is a well qualified person and a prominent and successful Industrialist with a wide and varied experience in the management of cable business. He was re-appointed as Managing Director of the Company at 45<sup>th</sup> AGM held on 29<sup>th</sup> September, 2012 for a period of three years w.e.f. 01<sup>st</sup> October, 2012. Mr. Jain is very professional towards administration and management of the Company. Due to his foresightedness and hard-work, the Company is growing continuously. Your Directors foresee a bright future of the Company under his management. Considering his valuable efforts, the Board of Directors at their meeting held on 29<sup>th</sup> September, 2015, on recommendation of the Nomination and Remuneration Committee, re-appointed him as the Chairman cum Managing Director of the Company w.e.f. 01<sup>st</sup> October, 2015 till 30<sup>th</sup> September, 2020, for five years subject to approval of shareholders at this AGM.

Keeping in view the above and industry standards and with a recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company again unanimously recommend the increase in the remuneration from Rs 2,50,000/- p.m. to Rs. 4,02,250/- p.m., w.e.f. 01<sup>st</sup> October, 2016,

of Mr. Amit Jain, Chairman cum Managing Director of the Company in its meeting held on 29<sup>th</sup> July, 2016. Mr. Amit Jain is also a Director in CMI Energy India Private Limited, the wholly owned subsidiary of CMI Limited.

The holding of Mr. Amit Jain is 50,93,877 (36.18%) Equity Shares of the Company.

In view of the provision 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the confirmation and approval of the Members.

Except Mr. Amit Jain, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**Item No. 7:****Increase in remuneration of Mr. Vijay Kumar Gupta - Whole-time Director**

Mr. Vijay Kumar Gupta, has more than 36 years of rich experience in the cable industry and marketing activities. His continuous efforts have helped in increasing new customers and new products for the Company. With his association of more than fourteen years with the Company, the Company's revenue reached to a new height.

Keeping in view the above and with a recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has in its meeting held on 29<sup>th</sup> July, 2016, unanimously recommended an increase in the remuneration of Mr. Vijay Kumar Gupta, Whole-time Director of the Company, from Rs. 70,000/- p.m. to Rs. 1,20,000/- p.m. w.e.f. 01<sup>st</sup> October, 2016 for his remaining tenure till 31<sup>st</sup> March, 2017. He is holding 8,770 (0.0656%) Equity Shares in the Company.

The Board of Directors accordingly recommends the resolution set out in Item No. 7 of the accompanying Notice for the confirmation of the Members.

Mr. Vijay Kumar Gupta is also Director in CMI Energy India Private Limited, the wholly owned subsidiary of CMI Limited.

Except Mr. Vijay Kumar Gupta being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

**Item No. 8:****Inter-corporate loan, investment, guarantee and security by the Company**

According to Section 186 of the Companies Act, 2013, the Company cannot give any loan, give any guarantee or provide any security in connection with a loan to any other body corporate or person and / or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more unless approved by shareholders in their meeting by Special Resolution.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, the permission of members is sought under Section 186 of the Companies Act, 2013 to enhance the powers to the Board of Directors upto Rs. 500 Crores (Rupees Five Hundred Crores only) for giving any loan or guarantee or providing security in connection with a loan, to any person or other body corporate or to make investment in securities of any other body corporate.

The loan(s), guarantee(s), securities and investment(s) as the case may be, will be made / given in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder.

The aforesaid loans / guarantees / security(ies) etc. may be made / given by the Company out of the share capital, internal accruals, or borrowings or in such other manner and in such proportion as the Board thinks appropriate, in one or more tranches, provided that in case of loans or inter corporate deposits, the interest rate shall not be lower than the prevailing bank rate or such other rate as may be prescribed by relevant authorities from time to time.

The Board of Directors proposed to recommend the Special Resolution as set out in Item no. 8 of the notice for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

#### **Item No: 9 & 10**

#### **Appointment of Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal as Directors of the Company**

The Board of Directors at their meeting held on 29<sup>th</sup> July, 2016, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal as Additional Directors pursuant to Section 161 of the Companies Act, 2013 and as Independent Non-Executive Directors of the Company for five consecutive years pursuant to Section 149 of the Companies Act, 2013 with effect from 29<sup>th</sup> July, 2016, subject to approval of the shareholders.

In accordance with the requirements of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from members of the Company along with prescribed deposit proposing their candidature of Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal as Directors.

Your Company has received the consent from Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal for their appointment as Independent Directors of the Company.

Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal are Chartered Accountants and are having a vast experience in handling business operations.

The Board of Directors considers that their association would be of immense benefit to the Company and is beneficial to avail services as Independent Directors. Accordingly, the Board recommends the resolution in relation to their appointment as Independent Directors for a tenure of five years for your approval by way of Ordinary Resolutions as for item no. 9 & 10 of the notice.

None of the Directors / Key Managerial Personnel and their relatives in any way concerned or interested in the said resolution except Mr. Kishor Punamchand Ostwal and Mr. Manoj Bishan Mittal being interested to the extent of their appointment.

**By order of the Board**

**CMI LIMITED**

**Place: New Delhi**

**Date: 29<sup>th</sup> July, 2016**

**Amit Jain**

**Chairman & Managing Director**

**(DIN - 00041300)**

**FORM NO. 11**

**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CMI LIMITED**

**CIN L74899DL1985PLC018031**

**Regd. Office : 501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001**

**Tel.: 011 - 49570000, Fax: 011 - 23739902**

**Email Id: info@cmilimited.in Website: www.cmilimited.in**

**Name of the Member (s) :**

**Registered Address :**

**Email ID :**

**Folio No. / Client ID.:**

**DP ID :**

I / We, being the member(s) of ..... of the above named Company hereby appoint

1. Name: ..... Email Id: .....

Address : .....

Signature : .....

2. Name: ..... Email Id: .....

Address : .....

Signature : .....

3. Name: ..... Email Id: .....

Address : .....

Signature : .....

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 49<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 28<sup>th</sup> day of September, 2016 at 11.30 a.m. at Lajwaab Banquet Hall, Vikas Marg, Delhi - 110092 and any adjournment thereof in respect of such resolutions as are indicated below:-

**Resolution No.:**

**Ordinary Business:**

1. To receive, consider and adopt
  - a. The Audited Standalone Financial Statement for the year ended 31<sup>st</sup> March, 2016 together with the Report of the Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2016 together with the Report of Auditors thereon
2. To confirm the interim dividend of Re. 1/- per Equity Share, (@10%) already paid during the year, for the year ended 31<sup>st</sup> March, 2016.
3. Appointment of Director in place of Mr. Vijay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.

4. Re-appointment of M/s J. K. Manocha & Associates, as Statutory Auditors of the Company for a term of one year and fixing their remuneration.
5. Appointment of M/s Krishna Neeraj & Associates, Chartered Accountant, as Statutory Auditors of the Company for a term of five years and fixing their remuneration. M/s Krishna Neeraj & Associates shall act as Joint Statutory Auditor for FY2016-17.

**Special Business:**

6. Re-appointment of Mr. Amit Jain as Chairman cum Managing Director and approval for increase in his remuneration.
7. Increase in remuneration of Mr. Vijay Kumar Gupta - Whole-time Director of the Company.
8. Inter-corporate loan, investment, guarantee and security by the Company.
9. Appointment of Mr. Kishor Punamchand Ostwal as Director (Non-Executive Independent Director) of the Company.
10. Appointment of Mr. Manoj Bishan Mittal as Director (Non-Executive Independent Director) of the Company.

Signed this .....day of ..... 2016.

Affix Rs. 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**CMI LIMITED**

**CIN L74899DL1985PLC018031**

**Regd. Office : 501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001**

**Tel.: 011 - 49570000 - 12, Fax: 011 – 23739902**

**Email Id: info@cmilimited.in Website: www.cmilimited.in**

**ATTENDANCE SLIP**

**49<sup>th</sup> ANNUAL GENERAL MEETING**

**Date: 28<sup>th</sup> September, 2016 Time: 11:30 a.m.**

**Place: Lajawab Banquet Hall, Vikas Marg, Delhi - 110092**

---

---

Member's Folio /  
DP ID - Client ID No.

---

Member's / Proxy's  
Name in Block Letters

---

Member's / Proxy's Signature

**Note:**

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of the meeting hall.
2. Bodies Corporate, whether a company or not, who are member, may attend through their authorised representatives appointed under section 113 of the Companies Act, 2013. A copy of the authorisation should be deposited with the Company.
3. In case of shares held in demat / electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the Company by NSDL / CDSL.

Electronic copy of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of the Attendance Slip.

Physical copy of the Annual Report for 2015-16 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered for a hard copy.

NOTES

NOTES

**Registered Post**

**Printed Matter**

If undelivered please return to:

**CMI LIMITED**

Regd. Office: 501 - 503, New Delhi House, 27, Barakhamba Road, New Delhi - 110001

Phone No.: 011 - 49570000

Fax: 011 - 23739902

E-mail: [info@cmilimited.in](mailto:info@cmilimited.in)