



ANNUAL REPORT
2019-20



An ISO 9001, ISO 14001 & BS ISO 45001 Company

CIN: L74899DL1967PLC018031

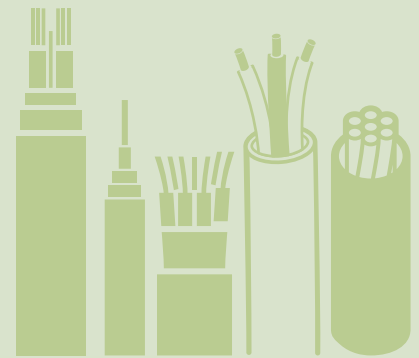
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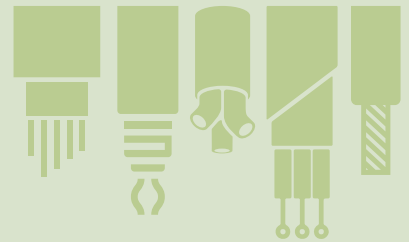
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OUR MISSION & VISION





OUR 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.



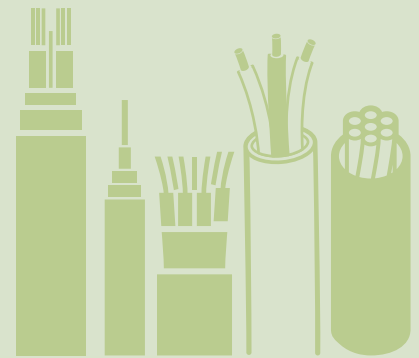
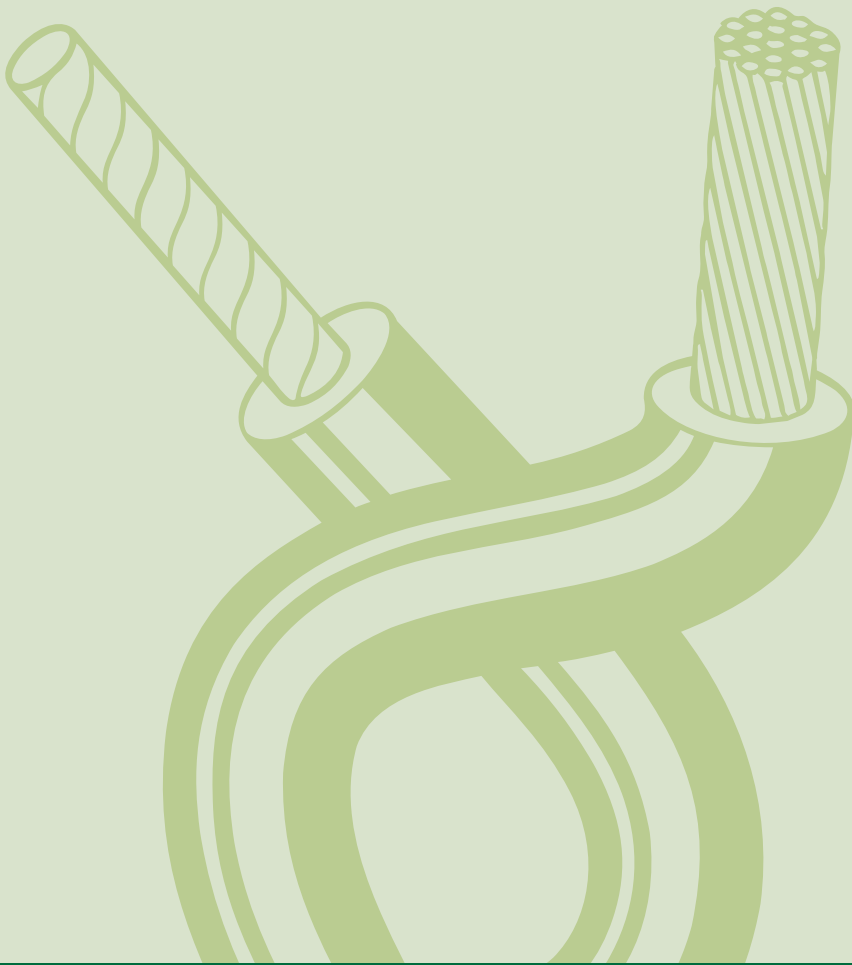
OUR VISION

 Our vision is to become one of the leading cable manufacturer of the world by utilizing state-of-the-art manufacturing facilities and best-in-class resource pool.

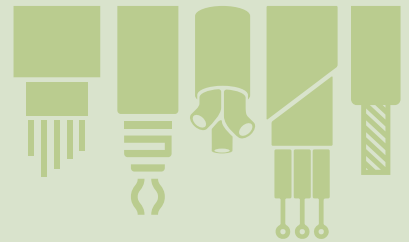
We aim to be the first choice amongst significant players in the specialty cable manufacturing industry by delivering products which exceed customers's expectations.

Our priority is to maximize shareholders value through product development, improved efficiency and open culture within the Company.





OUR VALUES





INTEGRITY

We shall be honest in all our business dealings and always follow ethical business practices



ACCOUNTABILITY

We shall take full responsibility for our decisions which shall always be taken in the best interest of the Company, its employees and stakeholders



CUSTOMER SATISFACTION

We shall strive to give our esteemed customers total satisfaction with products that meet the highest international quality standards



EXCELLENCE

We are committed to excel in reach of our operations through 100% teamwork, commitment and efficiency



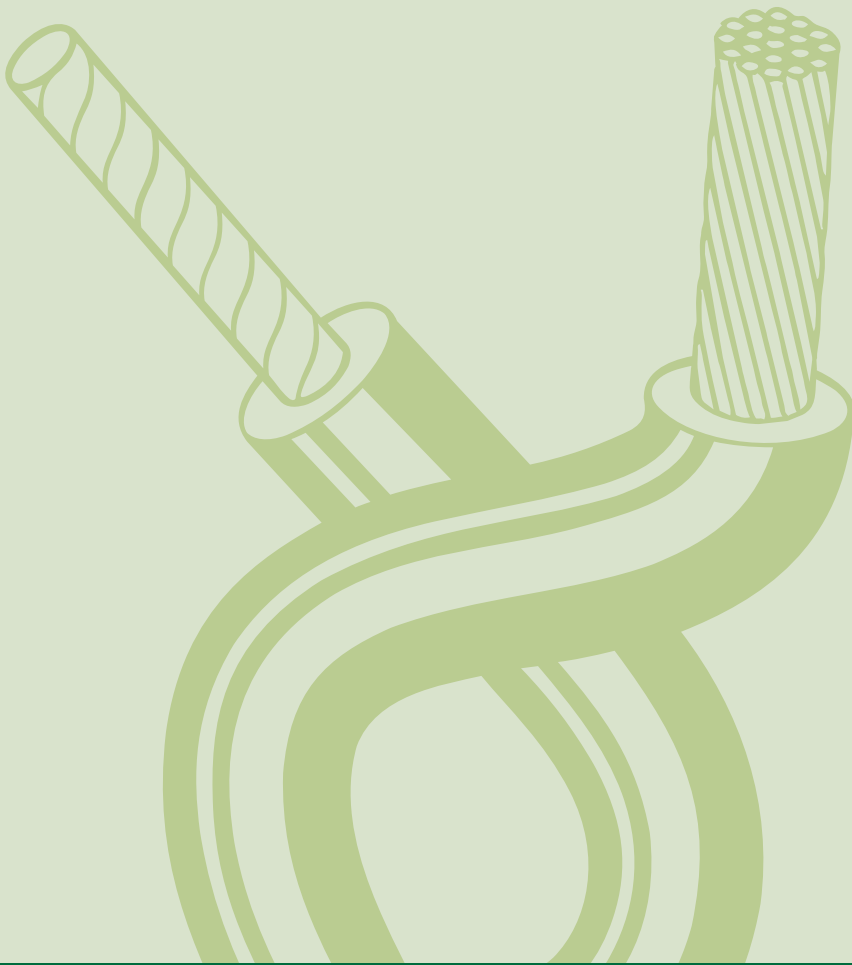
RESPECT

We are committed to treat all our employees, customers and stakeholders with dignity and respect

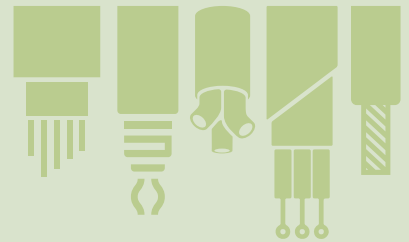


SAFETY

We are dedicated to follow the most stringent safety and security standards by following the laid down safety rules and guidelines both in letter and in spirit



CHAIRMAN'S SPEECH





Company is continuously striving for excellence in a highly volatile market



Amit Jain
Chairman cum Managing Director

Dear fellow Shareholders,

We wish for safety and good health of our Shareholders amidst this Pandemic of COVID-19.

Prior to onset of COVID - 19, the global economy was grappling with a VUCA (Volatile, Uncertain, Complex & Ambiguity) environment. The fiscal 2019-20 posed a challenging operating environment for the Indian economy as well. Factors such as liquidity constraints, muted investments, weak consumption and volatile commodity prices were consistent deterrents on the path of growth. I strongly believe that at this time Government and the Country are fighting challenges in various fronts, battling a global pandemic while simultaneously trying to rebuild and revive economy.

COVID-19 pandemic has now changed the economic foundations/principles of world trade. It has further brought in an environment of unprecedented social, economic, and business response. It has fundamentally changed the way we live, work, and has made 'Work from Home', 'Social distancing', and 'Higher technology adoption' as the 'new normal'.

CMI Limited, have effectively adapted to the 'work from home' culture with little or no impact on its operations.

"Aatmanirbhar Bharat" being the next logical step to "Make in India", we reiterate our commitment to rise to the occasion and contribute to the national cause of self-reliance in key sectors like Defence, Nuclear Power, Space Research, Power and Infrastructure with technology for sustainable growth.

As a responsible corporate entity, CMI undertook a series of measures to ensure safety and well-being of our employees, and to support dealers & distributors. With the announcement of country wide lockdown by Honourable Prime Minister of India, the Company underwent complete lockdown. During this period, we also focussed on

conserving and augmenting our liquidity position through judicious cost management and deferring non-critical spends.

Now, we have resumed operations as per Government Directives and Orders.

We have taken necessary initiatives to support our esteemed Associates and your Company is back on growth track. While the Company management does foresee certain challenges in its supply chain activities due to continued impact of COVID-19 and volatility in commodity prices, this may not have a significant impact on its operations in the coming season.

Amidst all the above, it gives me pleasure to present to you the CMI Limited Annual Report 2019-20 as your Company continued to play on its strengths and posted a stable financial performance.

At present, your Company is continuously striving for excellence in a highly volatile market. The focus is on restructuring in all areas of businesses whether it is sales, R&D, product innovation or investment. Your Company is taking concrete and effective steps to consolidate its position in the Cable industry. The underlying philosophy of your Company is to grow in a manner that is sustainable for its stakeholders, employees and the community at large.

In our last four years of turnaround, after we acquired General Cables Energy India Pvt. Ltd., we have taken decisive actions to refocus our business and customers, making ourselves more relevant and more competitive than ever before.

Performance review

FY 2020, fell short of operational performance by 21.81% to Rs. 498.29 Crores as compared to Rs. 637.29 Crores in FY19. Reasons for a tapered performance may be attributed to COVID-19 crisis, weakening macro-economic environment, sectoral liquidity tightening and slowdown in infrastructure segment impacted the demand for cables.

In spite of all these factors Company was able to announce a dividend of 5% which clearly indicates the Company's positive intention towards its stakeholders.

To overcome all these hurdles soon the Company is in the process of looking out for different funding options. The Company has also deployed several market-conducive strategies to expand its domestic business and foster strong growth in exports. The Company is also in the process of adopting various organic and inorganic growth strategies such as Joint ventures, Partnerships, Mergers and new product launches.

Future growth agenda

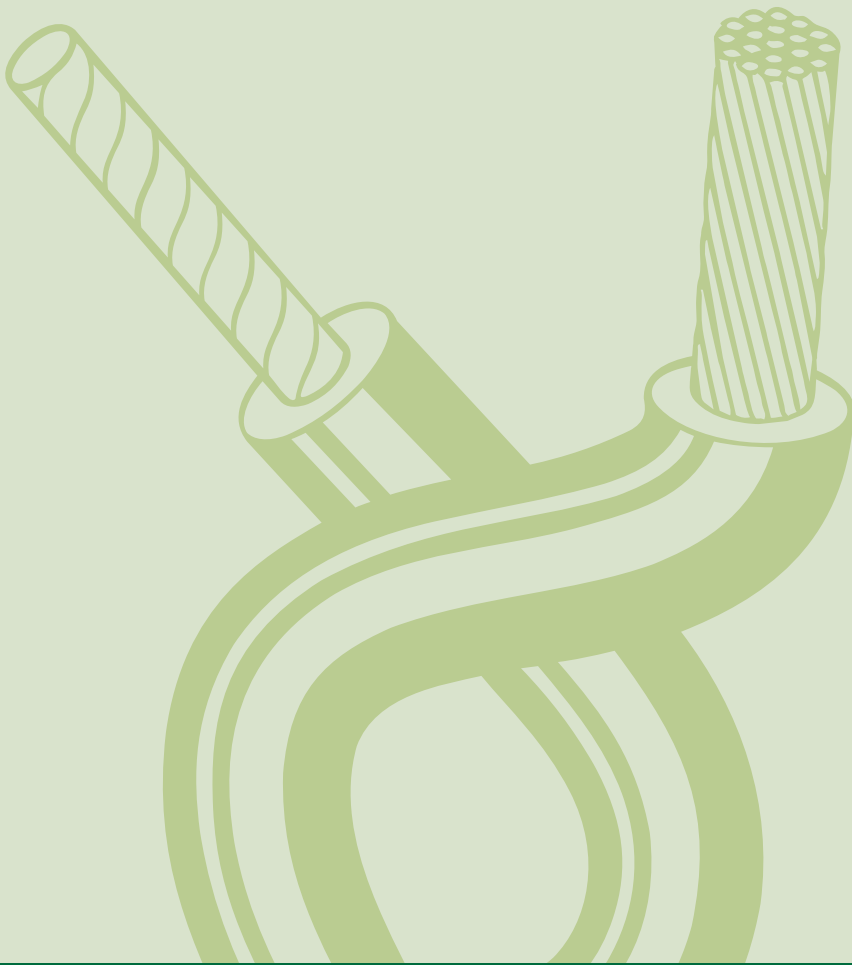
The Indian markets have also seen a decent recovery in the last one month, largely in response to the rebound in the global counterparts and taking note of the measures announced by the government and RBI to fight the COVID-19 pandemic. However, we feel it's a breather after a sharp plunge and expect the volatility to remain high until the pandemic situation stabilizes and lockdown is completely lifted. The Covid-19 pandemic will have an extended impact, this means opportunities as well as challenges. The Company is in the process of recalibrating its growth strategy to address these challenges and to make use of the new opportunities.

On behalf of the Board and the Management, we seek support from each and every stakeholder to bring prosperity to one and all and before I conclude, I wish to thank all my Board Members, regulatory authorities, our management, employees and the stakeholder fraternity for their guidance and continued support. I am confident that your Company will successfully cross every hurdle in the years to come by leveraging its strengths and by tapping-in on new opportunities.

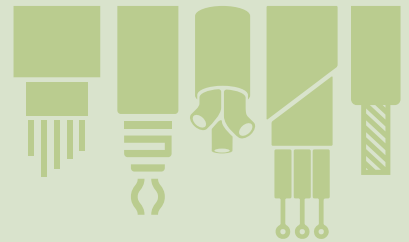
Thank you once again for the trust and confidence reposed on CMI.

With warm regards

Amit Jain



OUR COMPANY



Welcome to CMI

An Astute Entrepreneur and forecasting the business needs it was the leadership of Mr. Amit Jain as Chairman-cum-Managing Director of CMI limited that turned CMI into a Global Brand and a household name in Cables, Wires and Conductors industry.

It was the Due Diligence and Mastery of Perfect timing by the Management at CMI that led to the Acquisition of General Cable Energy India Private Limited (A 100% subsidiary of Erstwhile General Cables, USA (A fortune 500 Company) in the year 2016.

Today, CMI Limited is an ISO 9001:2015, 14001:2015, BS ISO 45001:2018 and CE Certified Company, engaged in designing and manufacturing of electrical Wires, Cables and Conductors.

The Company has two manufacturing facilities one at Faridabad, Haryana and another plant at Baddi,

Himachal Pradesh. The manufacturing facilities are spread over an area of 1,00,000 sq meters.

CMI Limited is spearheading the industry while meeting expectations of clients. The Sectors serviced are Railways and Metros, Oil and Gas, Petrochemical, Space Research, Nuclear Power, Solar Power, Defence, Mobility, Power Generation, Transmission and Distribution, Cement, Mining, Heavy Industries, Infrastructure, EPC Contractor, Telecom, Steel etc.

CMI is present in the entire value chain of the Wire and Cables Industry. Starting from Design, Development, Manufacturing, Testing to Marketing and Distribution.

Manufacturing facilities of CMI Limited are equipped with state-of-art technology. These facilities are manufacturing huge volumes of EHV Cables, MV/HV Cables, LV Power & Control Cables, Aerial Bunched Cables, Control & Instrumentation



Due Diligence and Mastery of Perfect timing by the Management at CMI that led to the Acquisition of General Cable Energy India Private Limited (A 100% subsidiary of Erstwhile General Cables, USA (A fortune 500 Company) in the year 2016.



Cables, Railway Cables such as Railway Signalling & Power Cables, Balise Cables, 0.9 mm & 1.4 mm conductor Axle counter quad cables for Railways, Hard Drawn Copper Contact Wire & Catenary Wire, Thermocouple Cables, Instrumentation / Signal/ Fire Alarm/ Braided Cables, Fire Survival / LSZH Cables, Rubber Cables / Trailing Cables, Composite Cables, Flexible & Building Wires, other Special application and Customized cables etc.

CMI has been offering its Brand of Cable across Asia, Africa, Europe, and Australia through Direct Exports.

The Company has emerged as the preferred vendor for many prestigious clients across industries such as AAI, BHEL, BORL, BPCL, DMRC, DAE, EIL, GAIL, HPCL, ISRO, IOCL, IRS, NBCC, NTPC, NPCIL, ONGC, PGCIL, RDSO, UCIL & a regular supplier Cables to Government Utilities and Electricity Boards apart from Private Sector clients across 29 States and 7 Union Territories.

The Company's robust business model, the capability to adhere to domestic and international specifications and sharp business acumen of the management has led

to the creation of high brand equity over the years.

The Company's continuous focus on delivering a broad range of quality products and in-house R&D capabilities has helped to distinguish itself in the highly commoditized market place. The Company's one of the greatest strengths is the ability to customize products as per client's requirements.

The Company has been on a growth trajectory over the past many years, with its tag line "Cables That Empower".

CMI Limited are equipped with state-of-art technology





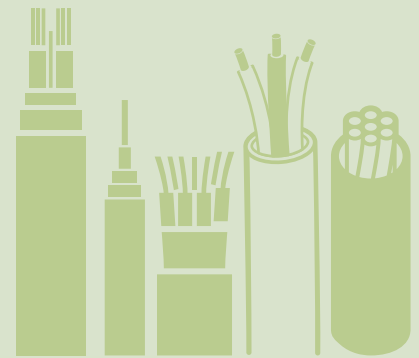
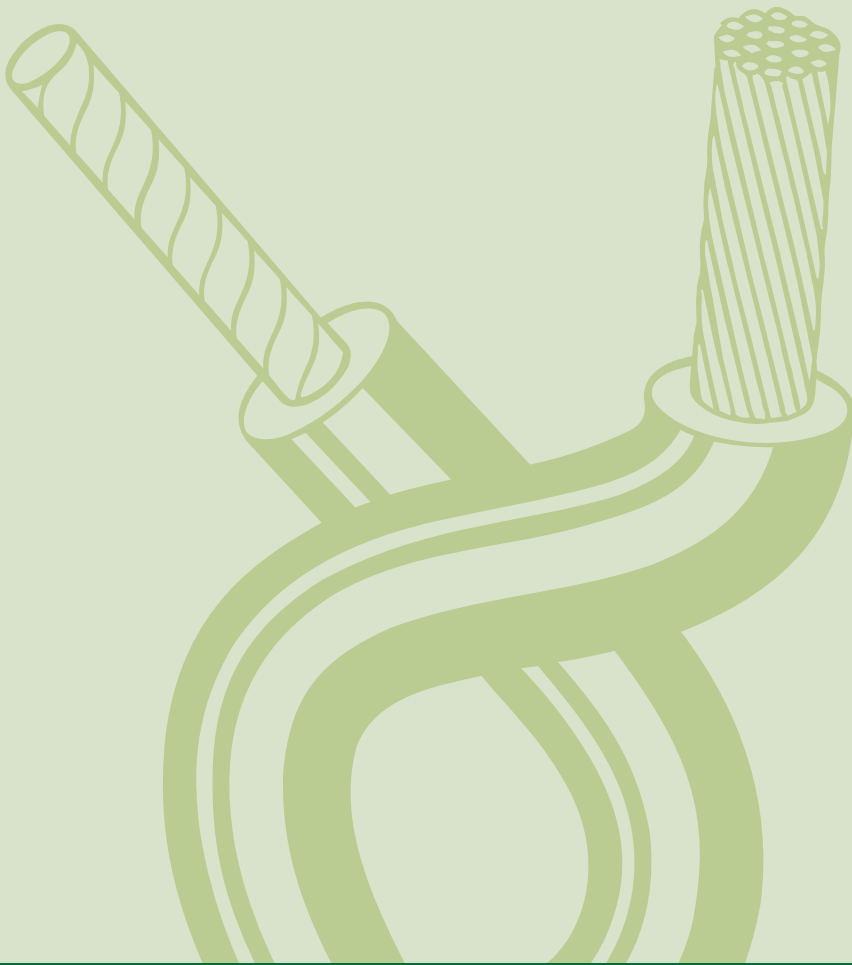
Senior Management Personnel

Name	Designation
Munishvar Gaur	Group President
S. Suresh	General Manager EHV/HV Cables
Pratyaksh Agarwal	General Manager
Rajesh Kumar Singh	General Manager Works
Shyam Kumar Saraswat	General Manager Works
Pawan Kumar Gupta	Sr. DGM Production
Mohit Madan	DGM Marketing & Sales
Rishi Ganeriwala	DGM Technical

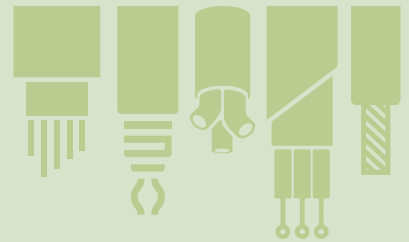


General Corporate Information

Board of Directors	Mr. Amit Jain, Chairman cum Managing Director Mr. Vijay Kumar Gupta, Whole-time Director Mr. Manoj Bishan Mittal, Non-Executive Independent Director Ms. Charu Jain, Non-Executive Independent Director (w.e.f. 28.05.2019) Mr. Kunal Singhal, Non-Executive Non-Independent Director (w.e.f. 31.03.2020) Mr. Servagaya Jain, Non-Executive Independent Director (w.e.f. 26.08.2020) Ms. Archana Bansal, Non-Executive Independent Director (till 28.05.2019) Mr. Pyare Lal Khanna, Non-Executive Independent Director (till 30.09.2019) Mr. Kishor Punamchand Ostwal, Non-Executive Independent Director (till 18.11.2019) Mr. Anil Arora, Non-Executive Independent Director (w.e.f. 30.12.2019 till 26.08.2020)
Chief Financial Officer	Mr. Raj Kumar (w.e.f. 17.07.2020) Mr. Rattan Lal Aggarwal (till 01.04.2020)
Company Secretary and Compliance Officer	Mr. Subodh Kumar Barnwal
Statutory Auditors	M/s Krishna Neeraj & Associates, Chartered Accountants
Internal auditor of the Company	M/s Priyanka Singh & Associates
Cost Auditor	M/s. Ajay Kumar Singh & Co.
Secretarial auditor of the Company	M/s Pooja Anand & Associates, Practicing Company Secretaries
Audit Committee	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain -Member
Nomination and Remuneration Committee	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain -Member
Stakeholder Relationship Committee	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Vijay Kumar Gupta -Member
Investor Grievance Service	Mr. Subodh Kumar Barnwal Company Secretary & Compliance Office 501-503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi-110001 Tel.: 011-49570000 Email: info@cmilimited.in and cmics@cmilimited.in
Registrar & Share transfer Agent	BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062 Tel.: 011-29961281-83 / 26051061 / 26051064 Fax : 011-29961284 Email: beetalrta@gmail.com
Corporate Website	www.cmilimited.in
Address	Registered office: 501-503, 5th Floor, New Delhi House, Barakhamba Road, New Delhi-110001 Faridabad plant: Plot NO.71 and 82, Sector-6, Faridabad-121006 (Haryana) Baddi plant: Village : Bhatauli Khurd, Baddi, Tehsil: Nalagarh, District: Solan, (Himachal Pradesh)-173205



MANAGEMENT
DISCUSSION & ANALYSIS



ECONOMY

INDIAN


Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March to halt the spread of Covid-19. International rating agencies like Moody's Investors Service, Fitch Rating and S&P Global Ratings have all predicted a 4-5 per cent contraction in India's economic growth rate during April 2020 to March 2021 fiscal for the first time in four decades. India's economy grows at 7% between 2022 and 2024, the permanent loss would be 10%. To catch-up Indian economy would require average GDP growth to surge to 11% over the next three fiscals, something that has never happened before.

RBI responded to the economic fallout of the lock down by significantly cutting the repo and the reverse repo to a








greater extent to discourage banks from parking funds with it. On the external front, the rupee weakened against the dollar with sharp foreign portfolio investor (FPI) outflows. Yet, rupee outperformed its emerging market peers displaying a new found resilience in the forex market. Further, rupee depreciation did not inflate crude oil import bill as its price crashed in global markets.

Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of Q3:2019-20. Green shoots had appeared with Index of Industrial Production (IIP), Index of Core Industries (ICI) and merchandize exports rebounding with positive growth in February 2020 along with signs of revival in consumer sentiment.

STEPS TO BOOST ECONOMY



IMMEDIATE MEASURES

-  Leave more disposable income in the hands of individuals; more investible surplus in the hands of businesses
-  Force banks to transmit repo rate cuts (only 1.1% of the 2.6% cut has been passed on) to consumer and industry.
-  Tinker with GST and other tax rates as far as possible (auto industry asking for 18% GST instead of 28%)
-  New Direct Tax Code and corporate tax at 25% across the board
-  An economic stimulus with a combination of the above
-  An investment allowance (deductible against tax) to encourage fresh investment in plant and machinery
-  Accelerate public investment into infrastructure

GLOBAL

Global macroeconomic and financial landscape is witnessing unrivalled turmoil with Novel Corona virus emerging as the biggest threat to economic growth since the 2008 financial crisis. The COVID-19 induced shock is extremely unconventional in terms of its size and uncertainty, with its impact dependent on hard to predict factors like systemic efficiency and intensity of social distancing measures, fallout of supply chain and financial market disruptions along side societal responsiveness. While human mortality is rising continuously the world over, necessary measures to contain the pandemic are resulting in unparalleled economic costs as well, thereby making policy response to the crisis deeply challenging.

As per IMF's World Economic Outlook (WEO) (April 2020),

the year 2020-21 is projected to experience the worst recession since the Great Depression, far worse than the Global Financial Crisis, with global growth contracting by 3 per cent. Cumulative loss to global GDP over 2020 and 2021 is estimated at around USD 9 trillion - greater than the economies of Japan and Germany,

COVID-19 demand shock has adversely impacted consumption across metals and mining, as reflected in plunging global commodity prices. Energy sector which was already battling a price crisis before the outbreak has witnessed nose-diving of global crude oil prices and erratic natural gas prices over the prospects of large scale drop in demand, especially from 7 emerging economies.

WIRE AND CABLE

INDIAN MARKET

Indian power cable manufacturers have attained maturity in terms of technology for HV cable up to 220 kV and have been found competitive in the global market despite having higher raw material cost other than the metal costs. Many companies are now targeting or have established a world class technology platform for EHV cables up to 400 kV, either through technical collaboration or through joint ventures cables. Its high time for the government and other authorities to look upon the standardization of specifications across this segment, which would lead to improved efficiencies in this segment and will also provide equal opportunity for every player in this field. Many overseas cable companies are looking at India as a potential market for HV & EHV cables, hence overseas cable manufacturing giants have entered into the market through joint ventures with Indian cable manufacturers for manufacturing EHV cables and special types of cables and accessories.

With the advent of One Nation, One Grid, One Frequency, more and more EHV DC cables are expected to be in place across the nation in the years to come.

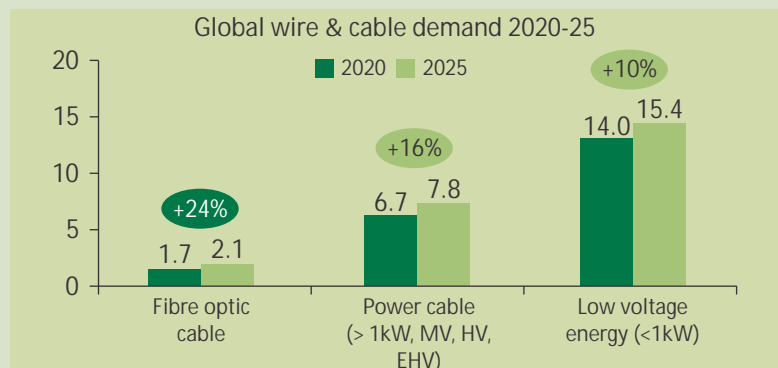
The demand for flexibility and customization of wires and cables is increasing in our country within several industries owing to the growing complexity of product manufacturing. Moreover, rising demand for electricity, particularly in remote areas with growing urbanisation, due to rapid industrialization and the increasing usage of renewable energy for the same are facilitating rise in use of wires and cables in industries.

GLOBAL MARKET

Corona virus will lead to a sharp contraction in global wire and cable demand throughout 2020 as reduced fixed investment, industrial activity and private consumption stifle end market demand. Global wire and cable demand will fall by 3.5pc in 2020, from 34.7mn t in 2019 to 33.4mn t in 2020, a 2pc downward revision is foreseen. As per Media reports (Argus) China, the largest global consumer of wire and cable, will see a sharp drop in its 2020 demand, falling by 7pc on the year. This follows a lacklustre 2019, in which Chinese demand fell 1pc on the back of a downturn in automotive sales and a 36pc cut to grid investment.

Europe's demand is forecast to fall by 4.5pc in 2020, with Germany and Italy registering the largest regional drops at 5.5pc and 7pc owing to weak construction, industrial and automotive activity. But, approved pan-European grid expansion will support power cable demand in 2020 before coronavirus-induced capex cuts are captured from 2021.

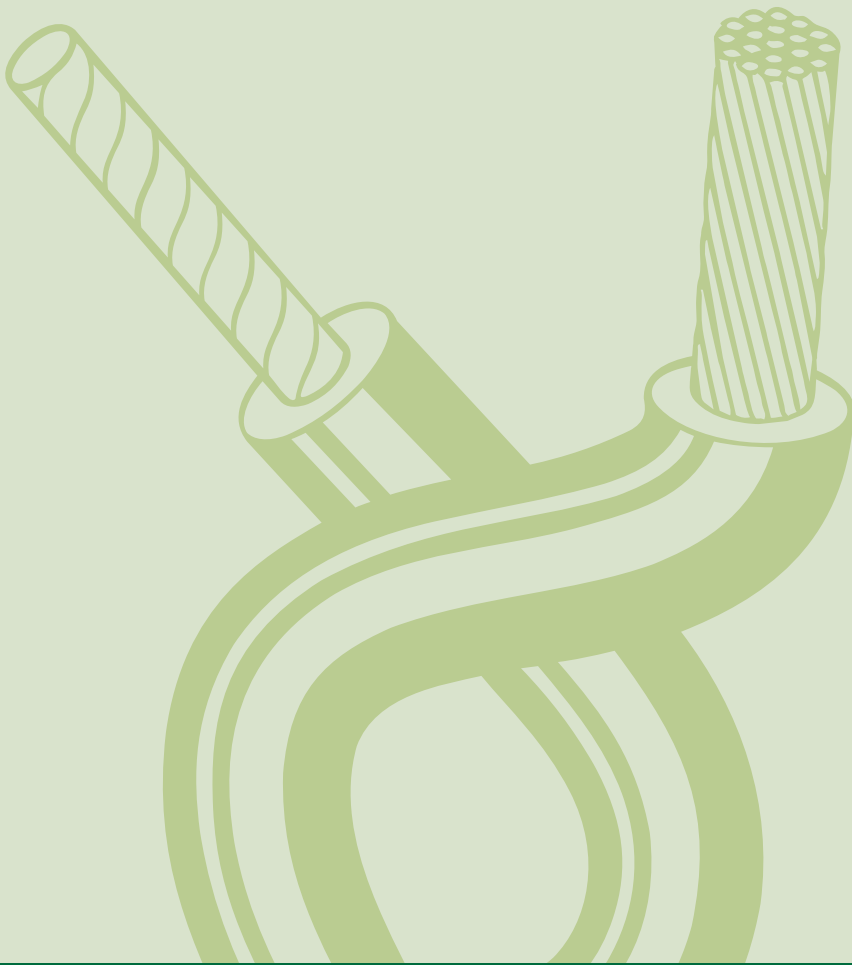
Europe's 5-year CAGR from 2020 to 2025 is expected at 2 pc. The US, China and Europe have all announced delays to 5G rollouts, with optical fibre cabling demand forecast to fall by 2pc in 2020.



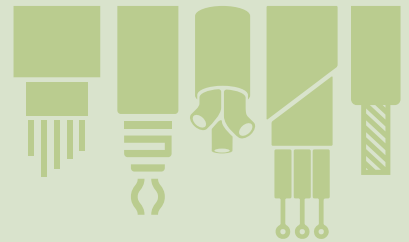
KEY PRODUCT SEGMENTS

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, BS ISO 45001). The broad segmentation of the products manufactured by the Company are as follows:

Types of Cables	Application
Quad Cables	Specialized 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.
Flexible and Building Wires	Building Wire cables-for building wiring on wall surface in conduit.
Industrial wiring cables-for wiring of panel & other electrical equipments including UPS cabling.	Building Wire cables-for building wiring on wall surface in conduit.
Low voltage Cables and Instrumentation and Control cables	Used for power transmission, Single Transmission
Aerial Bunch Cables	Used for power transmission and distribution
High Voltage Cables	Used for power transmission
Extra High Voltage Cables	Used for power transmission
Overhead Conductors	Used for power transmission and distribution



SECTOR THAT WE SERVE
OUR GROWTH PARTNERS



INDIAN RAILWAY

Indian Railways plans to run on 100 per cent electricity by 2024 and become a net-zero emission network by 2030. As of now, electrification is done on over 40,000 RKM, which is 63% of broad gauge routes. During the period 2014-2020, a total of 18,605 km has been electrified. The national transporter has set a target of electrifying 7000 RKM in the year 2020-21. All railway routes on the broad gauge network are planned to be electrified by December 2023. Amid the COVID-19 pandemic, Indian Railways had commissioned 365 RKM for electrification. Full electrification (Including new lines and gauge conversion): by December 2024 will provide an annual fuel savings of Rs. 13,500 crore.

Signalling systems are also being upgraded, with the semaphore signalling system being replaced by a coloured-light signalling system. Colour light signals are more visible to train drivers, improving safety and efficiency. The interlocking system is

being changed to panel or relay interlocking.

As per Union Budget 2020-21, the Ministry of Railways has been allocated Rs. 72,216 crore (US\$ 10.33 billion). FDI Inflow in railway related components stood at US\$ 1.17 billion from April 2000 to March 2020. Purchasing Power Parities projects investment is estimated to be at Rs. 50 lakh crore (US\$ 715 billion) for railways by 2030. In 2019, Delhi-Lucknow Tejas Express became the first train to be operated by private players.

With increasing participation expected from private players, domestic and foreign, due to favourable policy measures, both passenger and freight traffic is expected to grow rapidly over the medium to long term. The Government of India's focus on infrastructure is a major factor which will accelerate growth of railways. Railways infrastructure plans to invest Rs. 50 lakh crore (US\$ 715.41 billion) by 2030.



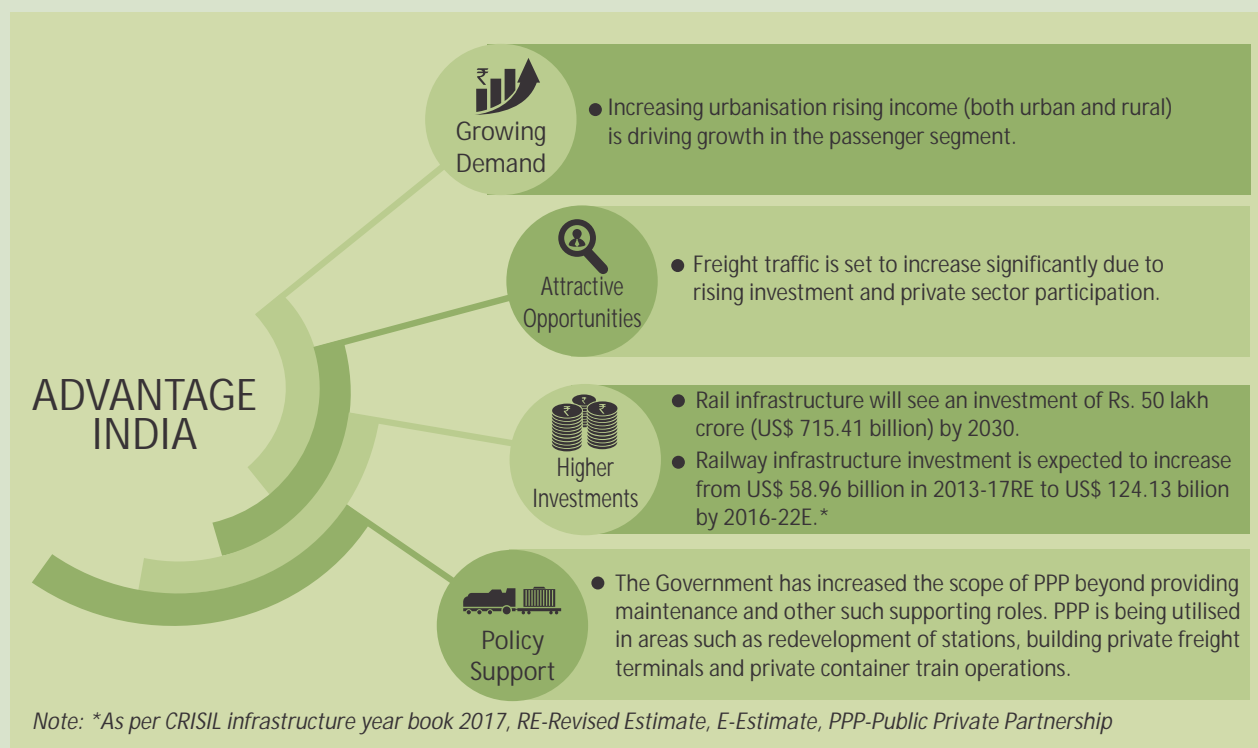
In FY20, 15 critical projects of around 562 kms track length worth Rs. 5,622 crore (US\$ 797.56 million) were completed, out of which, 13 were commissioned by railways. Railways completed electrification on a total of 5,782 route kms during the same year.

In June 2020, Railways created a new world benchmark by commissioning first high rise Over Head Equipment (OHE) with a contact wire height of 7.57 metre and successfully running double stack containers in electrified territory on Western Railway.



Statewise Electrification (Broad gauge only) as of 1st April 2020

State	Total route km	Electrified route km	% Electrification (BG to BG)	State	Total route km	Electrified route km	% Electrification (BG to BG)
Andhra Pradesh	3823	3111	81.38	Meghalaya	9	0	0
Arunachal Pradesh	12	0	0	Mizoram	2	0	0
Assam	2519	0	0	Maharashtra	5678	3357	59.12
Bihar	3454	2688	77.82	Nagaland	11	0	0
Chandigarh	16	16	100	Odisha	2623	2492	95.01
Chhattisgarh	1143	1029	90.03	Punjab	2253	1119	49.67
Delhi	183	183	100	Pondicherry	22	11	50.00
Goa	183	0	0	Rajasthan	5410	2102	38.85
Gujarat	3686	1428	38.74	Sikkim	0	0	0
Haryana	1699	1520	89.46	Telangana	1823	1380	75.70
Himachal Pradesh	67	50	74.63	Tamil Nadu	3783	2397	63.36
Jammu & Kashmir	298	163	54.70	Tripura	226	0	0
Jharkhand	2571	2130	83.85	Uttar Pradesh	8326	5094	73.19
Karnataka	3787	870	22.97	Uttarakhand	341	141	41.35
Kerala	1045	855	81.82	West Bengal	4129	2983	72.25
Madhya Pradesh	4491	3747	83.43	Total (BG)	63631	39866	62.65
Manipur	13	0	0				



METRO

There are currently 13 operational rapid transit (also called 'metro') systems in 21 cities in India. As of August 2019, India has 678.52 kilometres (421.61 miles) of operational metro lines and 540 stations. The government aims to have another 600 km ready in various cities in the next five years.

India needs more metro services considering the fact that half of its population will be living in cities by 2030. Proposals to build 1,000 km are at various stages of consideration. Ten Indian cities have metro systems now, with more than half the length accounted for by Delhi-National Capital Region (NCR). Another 150 km of metro rail will debut in Nagpur, Bhopal, Indore, Ahmedabad and Pune.

Millions of people take the metro rail in cities, using a cheap, safe and convenient mode of transport that makes their bearable in otherwise barely livable urban India. More than Rs. 1 trillion was invested in metro rail projects in 2018-19, and the amount is expected to peak to Rs. 1.8 trillion by 2021, according to a report by India Infrastructure Research.

In Union Budget 2019-20, the Government planned to enhance metro connectivity by encouraging more public-private partnership (PPP) and ensuring completion of sanctioned works, while supporting Transit Oriented Development (TOD) to ensure commercial activity around transit hubs.



POWER TRANSMISSION AND DISTRIBUTION SECTOR

Increasing power demand across the globe owing to rising population and urbanization has witnessed a rise in demand for high voltage cables in recent years. The 100% electrification plans rolled by various countries have acted as a major boost for the growth of the high voltage cable industry.

The global low voltage cable market size is predicted to reach USD 155.52 billion by 2026; owing to the increasing population and their dependency on electricity for various residential, industrial, and commercial purposes. Low voltage cables are utilized in electrical equipment within the voltage rate of 75 and 1500V for direct current and within 50 to 1000V for altering current. As per this report, the market value was USD 93.39 billion in 2018 and will rise at 6.7% CAGR between 2019 and 2026.

Moreover, up gradation of present electric grids and the adoption of renewable energy for electricity production is boosting the market

world over. In the transmission sector, India's regional grids (Northern, Eastern, Western, North-Eastern, and Southern) are currently integrated into one national grid. By the end of the 12th plan period (2012-2017), India had total inter regional transmission capacity to transfer nearly 75,050 MW. However According to an estimate by Confederation of Indian Industry (CII), the lockdown until 3 May 2020 resulted in total demand compression of approximately 33 to 36 billion units of electricity, implying a net revenue loss of Rs 25,000 to Rs. 30,000 crores at the discom level. This has increased the liquidity crunch to approximately Rs 45,000 to 50,000 crores, taking into account expected delays in payments.

There is likely to be a slowdown in electricity demand and investments in the sector in 2020-21 amid the COVID-19-induced disruption but recovery is expected from 2021-22 onwards.



ICRA (the rating agency) expects an investment of Rs 1.8 trillion (Rs 1.8 lakh crore) over the five-year period from FY21 (financial year 2020-21) to FY25 in the power transmission segment at an all-India level, driven by evacuation infrastructure for RE projects.

Table 1: Power Transmission Upgrade: FY20 and FY21

		FY20			FY21
		Target	Actual	%ach	Target
Transmission Lines	ckm	23,621	11,664	49.4	15,791
Substations	V1VA	81,71	68,230	83.5	63,050

Source : T&D India Magazine

Table 2: Break-up of FY21 Transmission Line Target (ckm)

	Central	State	Private	Total	%Share
800kV HVDC	3,531	0	0	3,351	22.4
500kV HVDC	0	0	0	0	0
765kV AC	538	889	1,060	2,487	15.7
400kV AC	1,227	1,696	839	3,762	23.8
220kV AC	593	5,379	39	6,011	38.1
Total	5,889	7,964	1,938	15,791	100.0
%share	37.3	50.4	12.3	100.0	-

Source : T&D India Magazine



RENEWABLE ENERGY SECTOR

COVID-19 has brought the generation of energy from fossil fuels to breaking point. As the lockdown measures were introduced, global energy demand dropped precipitously at levels not seen in 70 years. The IEA has estimated that overall energy demand contracted by 6% and energy-related emissions will decrease by 8% for 2020.

In many countries, renewable receive priority through market regulation. The priority for the first batch of energy to the network is given to the less expensive source, favouring cheaper and cleaner sources. Renewable energy has become the cheapest source of energy. IRENA recently reported that the cost of solar had fallen by 82% over the last 10 years, while BNEF states that renewable energy is now

the cheapest energy source in two-thirds of the world. Renewable energy has become investors' preferred choice for new power plants. For nearly two decades, renewable energy capacity has grown steadily, and now 72% of all new power capacity is a renewable plant. During the COVID-19 pandemic, governments introduced full-lockdown measures that depressed electricity demand at historical levels (15%-30%) in many countries. and generated an oversupply of available power capacity. As the crisis hit, grid operators, sought the cheapest (and cleanest) supply source to balance the lower demand. Therefore, weaker electricity demand increased the share of renewables in the system while sending the more polluting and costly carbon fuels to the back of the queue.



Attractive Opportunities in the Renewable Energy Market

CAGR **22.7%**



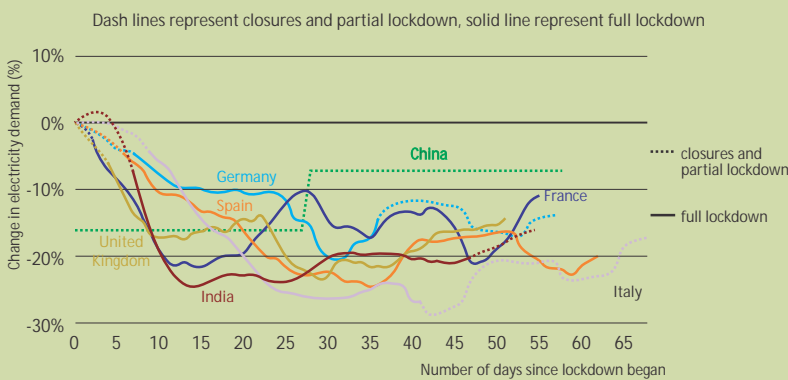
The global renewable energy market is estimated to be valued at USD 184.3 billion in 2020 and is projected to reach USD 226.1 billion by 2020.

Asia Pacific is the target renewable energy market due to countries such as India and China with lower number of COVID-19 cases as compared to North America and Europe.

Declining oil consumption is one of the biggest factors that will support the utilities to transit their power source from renewables.

e-Estimated; p-Projected
Source: Secondary Research, Primary Interviews, Industry Journals, Related Research Publications, Press Releases and Markets and Markets Analysis

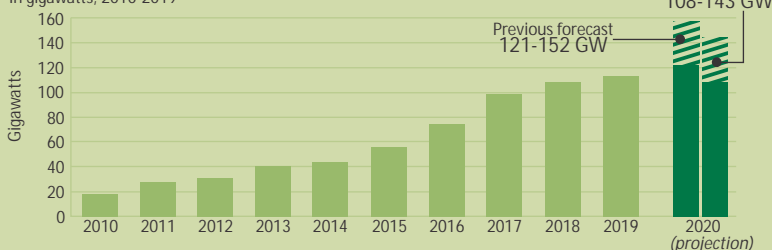
Reductions of electricity demand after implementing lockdown measures in selected countries, weather corrected, 0 to 65 days



Solar Forecast Shows Virus Effects

A revised forecast from BloombergNEF shows less rosy growth prospects for new solar installations, largely due to the economic effects to coronavirus.

Global Solar Additions
In gigawatts, 2010-2019



SOURCE: BloombergNEF

PAUL HORN / Inside Climate News



TELECOMMUNICATION SECTOR

India is on its way to becoming the second-largest smartphone market globally by 2025 with around 1 billion installed devices and is expected to have 920 million unique mobile subscribers by 2025 which will include 88 million 5G connections.

Telecom tower in India is set to boom as its tenancy ration will increase from 1.95 times in 2016 to 2.9 times by 2020 due to the expansion of 3G and 4G and the onset of 5G technologies.

More than 70 companies have received approval from the Department of Telecommunications (DoT) to provide MVNO services. The majority of these companies are focused on Tier 2 and Tier 3 cities

The DoT is targeting a combination of 100% broadband connectivity in the villages, 55% fiberisation of

mobile towers, average broadband speeds of 25 mbps and 30 lakh kms of optic fibre rollouts by December 2022. By December 2024, it is looking at 70% fiberisation of towers, average broadband speeds of 50 Mbps and 50 lakh kms of optic fibre rollouts at a pan-India level.

Telecommunications has been directly contributing around 6% of the GDP and during the lockdown; this has gone up 5-6 times. It is only because of the telecom infrastructure that such large scale of economic activities is still up, despite of a lockdown which allows extremely urgent physical moment Covid-19 proves the importance of telecom in India. 30-35% of the GDP is enabled by telecommunications in the lockdown out of over 54% of the total services sector contribution.



Digital India is expected to create \$ 1.3 tn business opportunity by 2020



Number of internet users in India is expected to reach 829 mn by 2021



~410 mn additional smartphone users are expected in India by 2025



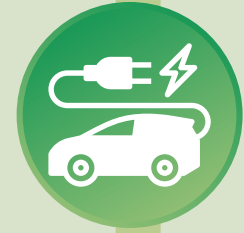
ELECTRIC CARS

Delhi is planning to enter the fast lane towards adoption of electric vehicles (EVs) and CM Arvind Kejriwal on Friday outlined the plans to make such vehicles popular among local residents. With the ambitious aim of making the share of EVs in new car registrations reach 25% by 2024, there are incentives galore on the horizon while the promise of supporting infrastructure attempts to back up the case.

- Incentives of up to Rs. 1.5 lakh for the purchase of electric cars.
- Incentives of up to Rs. 30,000 will also be on offer on e-two-wheelers, autos, e-rickshaws and freight vehicles.
- Low-interest loans will be available on electric commercial vehicles.
- Scrappage incentives to be rolled out.

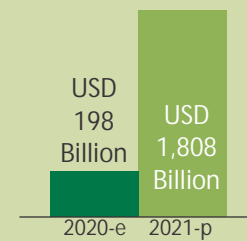
The Delhi government is also confident of providing supporting infrastructure with plans of setting up 200 charging stations across Delhi in one year's time. The Delhi government is planning to set up dedicated 'EV Cell' to implement the policy.

Lockdown showed what clear skies are all about, and now the Government and intellectuals don't want development which contributes to pollution. Very soon all the state Governments are likely to follow the policy. EESL plans to ramp up installation of electric vehicle (EV) charging stations in the country during fiscal 2020-21, plans to set-up around 2,000 EV charging facilities across the country during this fiscal. At present, it has installed over 300 such charging stations in India.



Attractive Opportunities in the EV Charging Cables Market

CAGR **31.8%**



The EV charging cables market is projected to reach USD 1,808 million by 2027, growing at a CAGR of 31.8% from 2019 to 2027.

In 2019, Asia Pacific region is estimated to account for the largest market share of 59.0% in the EV charging cables market, in terms of value. The market size of this region is projected to be USD 1,041 million in 2027.

EV cables manufacturer are developing cables with advance technology to reduce charging time. Moreover, rapid installation of EV charging station is expected to drive the market growth for EV charging cables market.

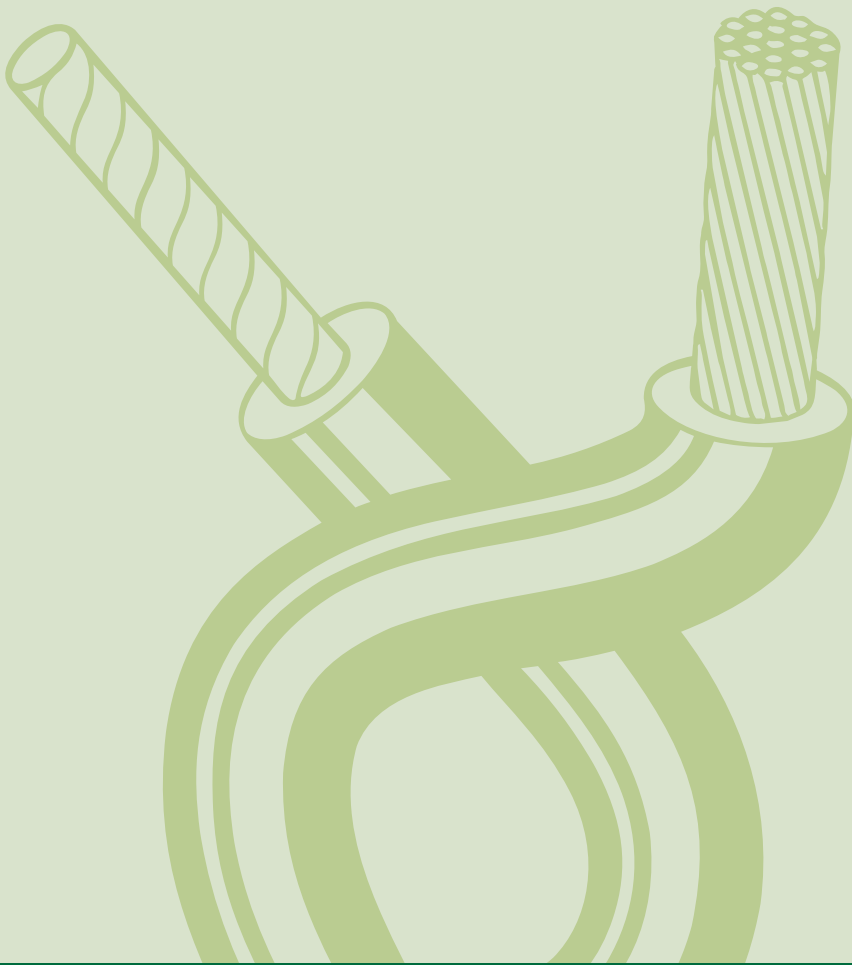
e-Estimated; p-Projected

OUTLOOK

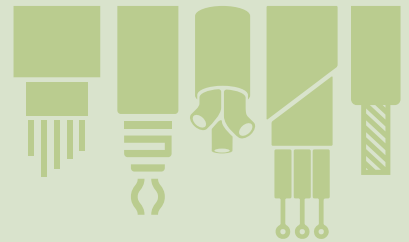
The global economy is facing what is likely to be the worst economic disruption since World War II. As the COVID-19 pandemic rapidly spreads globally, the concurrent economic fallout of this health crisis is expected to be grave.

The corona virus pandemic has significantly weakened India's growth outlook for this year and exposed the challenges associated with a high public-debt burden, economic activity to contract by 5 per cent in the fiscal year ending March 2021 (FY21) from the strict lockdown measures imposed since March 25 before rebounding by 9.5 per cent in FY22.

It remains to be seen whether India can return to sustained growth rates of 6 to 7 per cent as previously estimated, depending on the lasting impact of the pandemic, particularly in the financial sector.



PERFORMANCE
OF THE COMPANY



OPERATIONAL PERFORMANCE

The Company has witnessed moderation in total operating revenue from Rs. 637.30 crores in FY18-19 to Rs. 498.29 crores in FY19-20, i.e. by 21.81% mainly on account of teething issues of the merger with CMI Energy India Private Limited (CMIE: formerly wholly owned subsidiary). All the orders from CMIE were required to be converted in the name of CMI Limited in order to be executed, which took much procedural time due to involvement of government companies/ departments/PSUs, thereby reducing the capacity utilization and turnover from Baddi Plant during first half of the year. Further, the situation was aggravated by worldwide spread of COVID-19 pandemic along with the lockdown in Q4FY20 as most of our clients being Govt./PSU sector places orders with us during last quarter for the completion for their targets/ allocations of budgets. Performance of FY 20 is virtually restricted to 11

months since the operations got affected in the crucial month of March 2020 due to outbreak of COVID. Outbreak of COVID - 19 in India and declaration of lockdown in the country was sudden leaving the entire nation in a shocking state of uncertain conditions. Business operations were shut down abruptly leaving the business community in dilemmatic conditions. Unfortunately the pandemic has affected the last quarter of the financial year which incidentally happens to be the most productive period for the performance of the Company. Assuming this low performance of FY 20 as a temporary phenomenon the Company is looking forward towards a brighter side having added substantial production capacity from Baddi plant after amalgamation of CMI Energy Pvt. Ltd.



PROFITABILITY

Profitability aspect needs to be viewed in the light of the facts that the entire manufacturing facilities, manpower, plant and machinery and all other allied utilities were built up to ensure growth as per projection for the financial year. Increase in Finance Cost, Administrative Cost led to higher recurring expense burden. In addition freight cost for the long distance orders executed in the first half of the year also increased the cost element whereas the top line could not be increased due to delay in conversion of orders from CMIE to CMI Limited and outbreak of COVID - 19 in the crucial fag end period of the financial year.

Company has achieved EBIDTA of Rs. 62.27 Cr, i.e. 12.16% of total revenue

during this period which is by far an adequate margin in the given business environment. The company witnessed slight moderation in EBIDTA margins of 120 bps from 13.36% in FY18-19 to 12.16% in FY19-20 mainly due to increase in employee cost on account of annual increments given to the employees as a part of retention of quality workforce. The Company has, however, maintained its raw material consumption ratio at similar levels of around 78.50%. The dip in EBIDTA margin is not very substantial when compared to the fact that there is a reduction in the overall sales realization owing to the reasons explained above.



LIST OF APPROVALS FY 2019-20

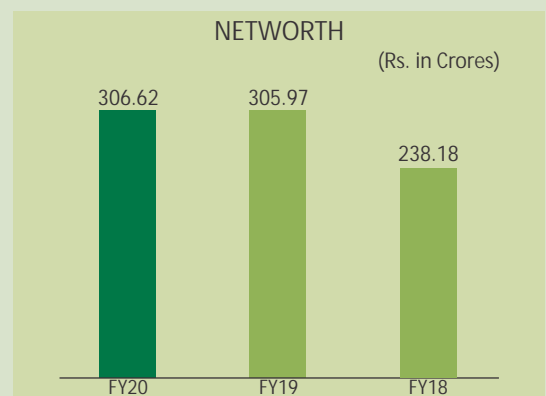
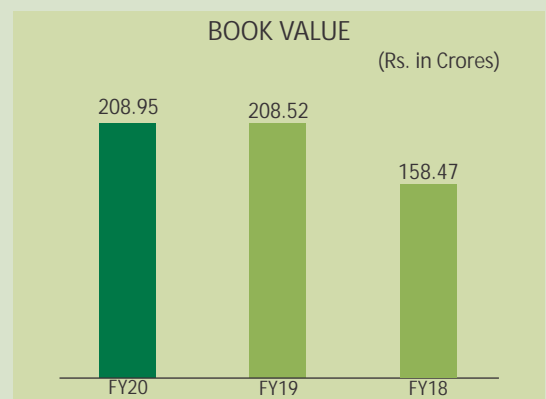
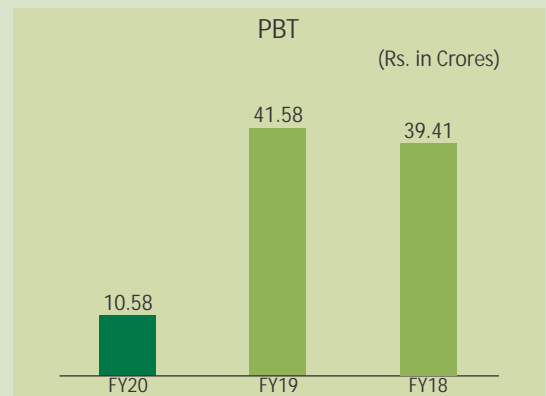
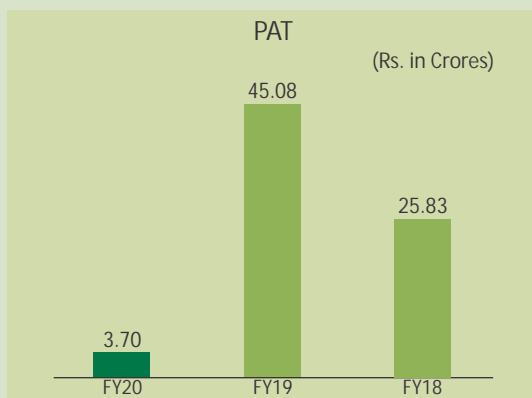
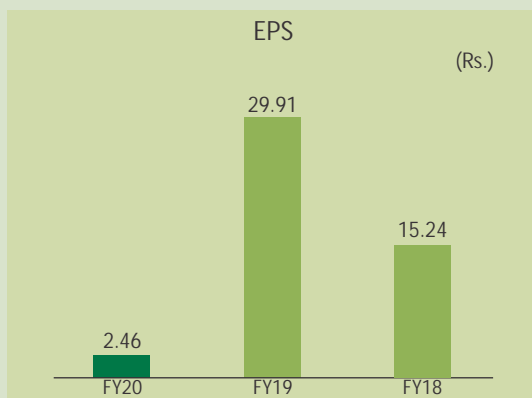
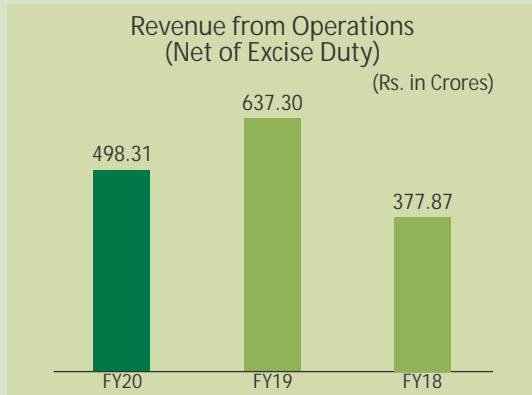
BADDI PLANT		
S.No.	Approving Authority	Product Approved
1	National Thermal Power Corporation (NTPC)	HT Power cables
2	Engineers India limited(EIL)	HT Power cables LT Power PVC/XLPE Cables
3	MECON	HT Power Cables LT Power & Control Cables Aerial Bunched Cables Flexible Wires & Cables
4	PDIL	HT Power cables LT Power & Control Cables
5	MES Western Command	EHV Cables up to 66 KV HT Power cables LT Power Cables LT Control Cables Flexible Cables
6	Telangana State Power Generation Corporation Ltd. (TSGENCO)	HT Power cables LT Power & Control Cables
7	South Bihar Power Distribution Co. Ltd (SBPDCL)	33 KV HT XLPE Power Cable
8	North Bihar Power Distribution corporation Ltd (NBPDCCL)	33 KV HT XLPE Power Cable

BADDI PLANT		
S.No.	Approving Authority	Product Approved
9	Chattisgarh State Power distribution Company Limited (CSPDCL)	LT XLPE Power Cables 11Kv HT Power cables
10	Jharkhand Urja Sanchar Nigam Limited(JUSNL)	LT XLPE Power Cables LT Control Cables
11	Greater Mohali Area Development Authority (GMADA)	HT & LT Cables House wires
12	National Aluminium Company Limited (NALCO)	ACSR Conductors EHV Cables upto 66 KV HT Cables LT Power & Control Cables Instrumentation Cables Flexible Wires
13	India Register of Shipping (IRS)	LT Power Cables LT Control & Instrumentation cables
14	Northern Railway	Trade Group : 4005 & 4020 Cables insulated FIR PVC PILIC & ACSR Conductors
15	Damodar Valley Corporation	LT Power Cables LT Control Cables
16	Punjab Police Housing Corporation Limited (PPHC)	Wires LT Power & Control Cables HT Cables
17	Haryana Housing Board	HT Cables LT Power & Control Cables
18	Punjab Urban Planning & Development Authority (PUDA)	HT Cables LT Cables PVC Wires
19	Dakshin Haryana BijliVitrana Nigam(DHBVN)	LT Power Cables 11 & 33 KV Cables
20	Chamundeshwari Electricity Supply Corporation Limited(CESCOM)	HT Cables LT Power & Control cables
21	IREL India Limited	HT Cables LT Power & Control Cables ACSR Conductor Telephone Cables
22	Bhutan Power Corporation	HT Power cables

FARIDABAD PLANT		
S.No.	Approving Authority	Product Approved
23	Visakhapatnam Steel Plant (VSP)	LT Power (Cu) - PVC Telephone Cables Jelly Filled, PVC & PE Instrumentation & Compensating Cables



FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE

- The Company has closed at total income of Rs.512.12 crores during FY ended March 31, 2020 as compared to Rs.651.49 crores during the previous FY ended March 31, 2019.
- Net profit / (loss) of Rs.3.70 crores is posted for FY ended March 31, 2020 as against net profit / (loss) of Rs.44.94 crores for FY ended March 31, 2019.
- The company witnessed slight moderation in EBIDTA margins of 120 bps from 13.36% in FY18-19 to 12.16% in FY19-20.
- EPS of the company stood at Rs.2.46 as at March 31, 2020 as compared to Rs.29.91 as at March 31, 2019.

KEY VARIATIONS

In accordance with the SEBI (Listing and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant change (changes of 25% or more as compare to immediately preceding financial Year) in key sector specific ratios. The Company has identified following ratios as key financial ratios:

Particulars	31.03.2019	31.03.2020	Change
Operating Profit/Net Sales (%)	6.36	2.07	4.30
Net Profit/Net Sales (%)	6.90	0.72	6.18
Return on Net Worth (%)	14.34	1.18	13.16
Interest Coverage Ratio (Times)	2.54	1.34	1.20
Debt / Equity Ratio	0.17	0.20	(0.02)
Current Ratio	1.48	1.55	(0.06)
Inventory Turnover Ratio (Months)	2.98	4.40	(1.42)
Inventory Turnover Ratio (%)	24.82	36.65	(11.82)
Debtors Turnover Ratio (Months)	4.29	4.67	(0.38)
Debtors Turnover Ratio (%)	35.72	38.92	(3.20)

REASON OF CHANGE

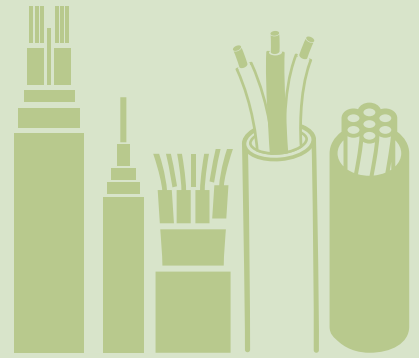
The Company has witnessed moderation in total operating revenue from Rs. 637.30 crore in FY18-19 to Rs. 498.29 crores in FY19-20, i.e. by 21.81% mainly on account of teething issues of the merger with CMI Energy India Private Limited (CMIE: formerly wholly owned subsidiary). All the orders from CMIE were required to be converted in the name of CMI Limited in order to be executed, which took much procedural time due to involvement of government companies/ departments/PSUs, thereby reducing the capacity utilization and turnover from Baddi Plant during first half of the year. Further, the situation was aggravated by world- wide spread of COVID-19 pandemic along with the lockdown in

Q4FY20 as most of our clients being Govt./PSU sector places orders with us during last quarter for the completion for their targets/ allocations of budgets.

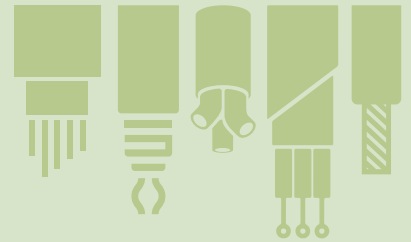
The Company witnessed slight moderation in EBIDTA margins of 120 bps from 13.36% in FY18-19 to 12.16% in FY19-20 mainly due to increase in employee cost on account of annual increments given to the employees as a part of retention of quality workforce. The company has, however, maintained its raw material consumption ratio at similar levels of around 78.50%.

The Company earned a PBT margin of 2.02% in FY19-20 as against 6.36% in

FY18-19. The moderation is mainly on account of increase in finance cost from Rs. 33.74 crores in FY18-19 to Rs. 40.01 crores FY19-20 due to availment of additional business term loan of around Rs. 25 crores in Q1 FY20 in the anticipation of additional sales specifically from Baddi plant. However, same could not materialize due to delay in conversion of order from CMIE to CMI Limited. Further, Company took steps to reduce the fixed cost and semi variable cost, as a result of which other expenses reduced from Rs. 43.28 crores in FY18-19 to Rs. 38.88 crore in FY19-20, however, as a percentage of total income it increased from 6.64% to 7.59% and the same has affected the margins.



DIRECTORS' REPORT



To the Members,

The Board of Directors present the Fifty Third Annual Report of the Company, along with the financial statements for the financial year ended 31 March, 2020.

1. FINANCIAL SUMMARY

The financial summary and performance highlights of the Company, for the year under review are as follows:

(Amount Rs. in Lakh)

Financial Result Particulars	Financial year	
	2019-20	2018-19
Total revenue	51,212.21	65,149.93
Less: Total Expenditure excluding Depreciation	48,986.09	59,821.45
Profit before Depreciation and Tax	2,226.12	5,328.48
Less: Depreciation	1,167.78	1,181.95
Add: Exceptional items	(25.48)	(2.69)
Profit Before Tax	1,032.86	4,143.84
Less: Current Tax	-	(133.27)
Deferred Tax	(662.74)	483.56
Net Profit after Tax	370.12	4,494.13

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

2. FINANCIAL AND OPERATIONAL PERFORMANCE

During the year under review, your Company's revenue from operations was Rs. 51,212.21 Lakhs. Further, in the Financial Year ended 31st March, 2020, the profit before tax (PBT) was Rs. 1,032.86 Lakhs as against Rs. 4,143.84 in the previous year and profit after tax (PAT) was Rs. 370.12 Lakhs against Rs.4,494.13 Lakhs in the previous financial year.

The Company has adopted adequate cost control measures throughout the year, and has been aggressive in its quest for new business. This helped to deliver a decent revenue growth. 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 favorable, driven by Power Sector Reforms, Modernization of Railways, new Metro Railways and other Infrastructures Developmental Projects.

3. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT AND DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING**THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

Board of Directors of the Company are pleased to inform you that the Scheme of Amalgamation between CMI Energy India Private Limited (Transferor Company) and CMI Limited (Transferee Company) has been approved by the Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi vide its order dated 3rd April, 2019 with appointed date 01 st March, 2016, under sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any.

After approval of the above Scheme of Amalgamation, all the property, rights, powers, liabilities and duties of CMI Energy India Private Limited be transferred without further act or deed, to CMI Limited and accordingly the same shall, pursuant to section 232 of the Companies Act, 2013, be transferred to and become the Assets and Liabilities of the CMI Limited.

The Registrar of Companies (ROC) has also approved the amalgamation of CMI Energy India Private Limited into CMI Limited on May 13, 2019.

4. SHARE CAPITAL

Pursuant to the implementation of the Scheme of Amalgamation between CMI Energy India Private

Limited (Transferor Company) and CMI Limited (Transferee Company) as approved by the Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi vide its order dated 3rd April, 2019 effective from 01st March, 2016, the authorised share capital of the Transferor Company has been added to and forms part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company stands increased to the extent of the aggregate authorised share capital of the Transferor Company i.e. Rs. 175,00,00,000 (Rupees One Hundred and Seventy Five Crores) divided into 17,50,00,000 (Seventeen Crore Fifty Lakh) Equity shares of Rs. 10/- (Rupees Ten) each.

Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association of the Transferee Company stands modified to give effect to the aforesaid increase in the authorised capital of the Transferee Company pursuant to the order of Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi.

"The authorised Share Capital of the Company is Rs. 175,00,00,000 (Rupees One Hundred Seventy Five Crore only) divided into 17,50,00,000 (Seventeen Crore Fifty Lakh only) Equity Share of Rs. 10/- (Rupees Ten) each with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special right, privileges or conditions as may determined by or in accordance with the Articles of Association of the Company and vary, modify amalgamate or abrogate any such right, privilege or condition in such manner as may for the time being be provided by the Articles of Association of the Company."

As on 31st March, 2020, Paid up share Capital of the Company is Rs. 15,02,74,570/- (Rupees Fifteen Crores Two lakhs Seventy Four Thousand Five hundred and Seventy Only) divided into 1,50,27,457 (One Crore Fifty Lakh Twenty Seven Thousand Four Hundred Fifty Seven only) equity shares of Rs 10/- (Rupees Ten) each.

5. CREDIT RATING

For the Financial Year 2019-20, the CARE has reaffirmed the rating to BBB+; Stable (Triple B Plus; Outlook Stable) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to Short Term Bank facilities availed by the Company.

However, CARE has revised the rating from BBB+; stable (Triple B Plus, outlook stable) to CARE BBB

stable (Triple B, outlook stable) for the Long Term Bank facilities and CARE A3+ (A Three Plus) to CARE. A3 (A Three) for the stable Term Bank facilities availed by the Company vide their letter dated 30.07.2020.

6. DIVIDEND AND RESERVES

Based on the Company's performance, the Directors are pleased to recommend payment of dividend on equity shares @ Re. 0.5/- per equity share (5%) for the financial year 2019-20 (previous year Rs 1/- per share).

7. PUBLIC DEPOSITS

The Company has not accepted or renewed any fixed deposits during the period under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made thereunder. Therefore, it is not required to furnish information in respect of outstanding deposits under non-banking, non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

8. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31st March, 2019, the Company had a wholly owned subsidiary i.e. CMI Energy India Private Limited. However, pursuant to the order passed by Hon'ble NCLT dated 3rd April, 2019, CMI Energy India Private Limited amalgamated with the Company and ceases to be the Subsidiary of the Company.

As on 31st March, 2020, the Company do not have any Associate or Subsidiary Company. Therefore, disclosure in Form AOC-1 in terms of Section 129(3) of the Act is not required.

9. INTERNAL FINANCIAL CONTROLS

The Board/Management believes that based on the knowledge/information gained by them about affairs of the Company from records, the Company has effective internal financial control systems and policies and such controls are operating effectively. The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously through periodical reviews by management to provide reasonable assurance that all assets are safeguarded; and all transactions entered into by company are authorized, recorded and reported properly. Post-amalgamation, the Board/Management is in the process reviewing the internal controls framework of the Company with an objective to have a robust internal control framework commensurate with the size, scale and nature of business of the Company.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2020, the Company has 6 Directors with an Executive Chairman, which includes 2 Executive Directors, 3 Non-Executive Independent Directors inclusive of 1 Woman Director and 1 Non-Executive Non-Independent Director.

Change in Directorship:

During the year under review, there is change in the composition of Board of Directors of the Company in the FY 2019-20:

S. No.	Name of Director	DIN	Designation	Date of Appointment	Date of Cessation
1	Mr. Amit Jain	00041300	Chairman Cum Managing Director	01-10-2002	-
2	Mr. Pyare Lal Khanna	02237272	Non-Executive Independent Director	30-09-2004	30-09-2019
3	Mr. Vijay Kumar Gupta	00995523	Whole-Time Director	15-01-2009	-
4	Ms. Archana Bansal*	01129623	Non-Executive Independent Director	01-05-2015	28-05-2019
5	Mr. Kishor Punamchand Ostwal*	00460257	Non-Executive Independent Director	29-07-2016	18-11-2019
6	Mr. Manoj Bishan Mittal	00282676	Non-Executive Independent Director	29-07-2016	-
7	Ms. Charu Jain	03457247	Non-Executive Independent Director	28-05-2019	-
8	Mr. Anil Arora*	08653799	Non-Executive Independent Director	30-12-2019	-
9	Mr. Kunal Singhal*	08140142	Non-Executive Non-Independent Director	31-03-2020	-

* Ms. Archana Bansal and Mr. Kishor Punamchand Ostwal, Non-Executive Independent Directors resigned from the directorship of the Company w.e.f. 28th May, 2019 and 18th November, 2019 respectively.

Mr. Pyare Lal Khanna ceased from the directorship of the Company upon completion of his tenure w.e.f. 30th September, 2019.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee and upon approval of Shareholders in 52nd Annual General Meeting appointed Ms. Charu Jain as a director in the category of Non-Executive Independent Director in accordance with Section 149(4) of the Act, with effect from 28th May, 2019 to hold office for a term of 5 (five) consecutive years.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Kunal Singhal as an additional director in the category of Non-Executive Non-Independent Director in accordance with Section 149 of the Act, with effect from 31st March, 2020 to hold office for a term of 5 (five) consecutive years. In terms of Section 161 of the Act, Mr. Kunal Singhal holds office up to the date of ensuing Annual General Meeting. The Nomination & Remuneration Committee of the Board hereby recommends the resolution in relation to appointment of Mr. Kunal Singhal as a Non-Executive Non-Independent Director for the approval by the members of the Company. Brief profile of Mr. Kunal

Singhal has been given in the Notice convening the Annual General Meeting.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Servagaya Jain as an additional director in the category of Non-Executive Independent Director in accordance with Section 149 of the Act, with effect from 26th August, 2020 to hold office for a term of 5 (five) consecutive years. In terms of Section 161 of the Act, Mr. Servagaya Jain holds office up to the date of ensuing Annual General Meeting. The Nomination & Remuneration Committee of the Board hereby recommends the resolution in relation to appointment of Mr. Servagaya Jain as a Non-Executive, Independent Director for the approval by the members of the Company. Brief profile of Mr. Servagaya Jain has been given in the Notice convening the Annual General Meeting.

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Anil Arora as an additional director in the category

of Non-Executive Independent Director in accordance with Section 149(4) of the Act, with effect from 30th December, 2019 upto the ensuing Annual General Meeting. However, Mr. Anil Arora resigned from the directorship of the Company w.e.f. 26th August, 2020.

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the condition for appointment/re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iia) of the Companies (Accounts) Rules, 2014.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Vijay Kumar Gupta, Whole Time Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board and Nomination & Remuneration Committee recommend his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Mr. Vijay Kumar Gupta, whole time director of the Company has attained the age of 70 (Seventy) years on 15th December, 2019. Pursuant to Section 196 read with relevant rules of Companies Act, 2013, no Company shall continue the employment of any person as whole-time director if he/she has attained the age of seventy years. However, the appointment of Mr. Vijay Kumar Gupta was approved by the shareholders upon attaining the age of 70 (Seventy) years on 15th December, 2019 in the 52nd Annual general Meeting of the Company held on 30th September 2019.

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 reappointment.

None of the Directors are disqualified under the provisions of the Companies Act, 2013.

Key Managerial Personnel

During the year under review, in terms of the provisions of Section 2(51) and 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company were as under:-

1. **Mr. Amit Jain** - Chairman cum Managing Director

2. **Mr. Vijay Kumar Gupta**- Whole Time Director
3. **Mr. Rattan Lal Aggarwal**- Chief Financial Officer (till 01.04.2020)
4. **Mr. Subodh Kumar Barnwal** - Company Secretary
5. **Mr. Raj Kumar** - Chief Financial Officer (w.e.f. 17.07.2020)

Changes in Key Managerial Personnel

During the year under review, there is no change in the Key Managerial Personnel (KMP) of the Company in terms of the provisions of Section 2(51) and 203 of the Companies Act, 2013.

However, Mr. Rattan Lal Aggarwal resigned from the designation of Chief Financial Officer w.e.f. 1st April, 2020 and Mr. Raj Kumar was appointed as Chief Financial Officer of the Company w.e.f. 17th July, 2020.

11. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2020 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 31st March, 2020 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 internal financial controls to be followed by the Company had been laid down and that such internal financial controls are adequate and were operating effectively;

- vi. The proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. BOARD PERFORMANCE EVALUATION

The 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 compliances with all policies of the Company.

13. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 8 (Eight) Board Meetings were duly convened and held. The details of the number of meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

14. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report. Further, during the year under review, the board has accepted all the recommendations of the respective Committees.

15. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received the necessary declaration

from each Independent Director that he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made thereunder and Regulation 25 of SEBI Listing Regulations, 2015.

16. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel /Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <https://cmilimited.in/img/pdf/Nomination%20and%20Remuneration%20Policy-new.pdf>

17. VIGIL MECHANISM Cum WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism Cum Whistle BLOWER Policy, framed by Board of the Company, to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.

The same has also been displayed on the website of the Company viz: -

<https://cmilimited.in/img/pdf/covid%20manufacturing%20licence-2020%20MD9-new.pdf>

18. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company. All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the

purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified and details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link https://cmilimited.in/img/pdf/Policy_on_Related_Party_Transactions-new.pdf. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except transactions approved by Audit Committee and Board.

19. CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of the Company has formed Corporate Social Responsibility (“CSR”) Committee. Details of CSR Committee along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report. The policy on CSR as approved by the erstwhile Board of Directors is also uploaded on the website of the Company i.e. <https://cmilimited.in/img/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity is specified in Note No 39 of financial Statement.

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, have been annexed as **Annexure-1** and forms integral part of this Report.

20. AUDITORS

a) Statutory Auditor

M/s Krishna Neeraj & Associates, Chartered Accountants, (Firm Registration No.023233N)

were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on 28th September, 2016 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on 28th September, 2016.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence, the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

There is no audit qualification, reservation or adverse remark for the year under review except a disclosure with respect to the matter is included in the Auditor’s Report under section 197(16):

Disclosure:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is within eleven per cent of the net profits computed in the manner laid down in section 198 of the Act. However, the amount paid to its Chairman Cum Managing Director is in excess of Rs. 57,17,313 (Rupees Fifty Seven Lakh Seventeen Thousand Three Hundred Thirteen only) over and above of permissible limit as specified under section 197 read with schedule V of the Act.

Board’s Comment:

In this regard, the Company wishes to inform you that pursuant to Section 197(10) read with Schedule V of the Companies Act, 2013, the remuneration paid / payable to Mr. Amit Jain was well within the limits prescribed under the Companies Act, 2013. However, during the financial year 2019-20, the Company has earned inadequate profit and remuneration paid to him amounting to Rs. 57.17 Lakhs was in excess of the limits laid down under the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) the Company will seek to obtain the approval for the said amount by way of a Special Resolution by the Members for remuneration paid under Section 197(10) of the Companies Act, 2013.

b) Secretarial Auditor

Pursuant to provision of Section 204 of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s Pooja Anand & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for FY 2019-20 as submitted by Secretarial Auditor in Form MR-3 is annexed as **Annexure-2**.

There is no secretarial audit qualification for the year under review except:

1. During the year under review, Mr. Pyare Lal Khanna ceased to be the Independent Director of the Company w.e.f. September 30, 2019 and the intimation for the same was given to stock exchange on October 15, 2019 which is to be given within twenty four hours from the occurrence of event as specified in the Regulation 30 read with Part A of Schedule III of SEBI (LODR) Regulations, 2015;

Board's Comment:

In this regard, the Company wish to inform you that the tenure of Mr. Pyare Lal Khanna expired on 30th September, 2019. Cessation is due to completion of tenure.

2. During the year under review, the remuneration paid to Mr. Amit Jain (Chairman cum Managing Director) is in excess of Rs. 57,17,313 (Rupees Fifty Seven Lakh Seventeen Thousand Three Hundred and Thirteen only) over and above of permissible limit as specified under section 197 read with Schedule V of the Companies Act, 2013;

Board's Comment:

In this regard, the Company wishes to inform you that pursuant to Section 197(10) read with Schedule V of the Companies Act, 2013, the remuneration paid / payable to Mr. Amit Jain was well within the limits prescribed under the Companies Act, 2013. However, during the financial year 2019-20, the Company has earned inadequate profit and remuneration paid to him amounting to Rs. 57.17 Lakhs was in excess of the limits laid down under the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) Company obtain seeks to approval of the said amount by way of a Special Resolution by the Members for remuneration paid under Section 197(10) of the Companies Act, 2013.

3. During the year under review, the Company has declared dividend in the AGM held on September 30, 2019 and transferred the amount of the dividend in the bank account in November, 2019.

Board's Comment:

In this regard, the Company wishes to inform you that the delay was due to unavoidable reason.

c) Cost Auditor

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a cost accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors at its meeting held on 28th May, 2019 appointed M/s Ajay Kumar Singh & Co (Firm Registration Number 000386), Cost Auditors to conduct the Cost Audit for the Financial Year 2019-2020.

For the financial year ending 31st March, 2021, the Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Ajay Kumar Singh & Co as the cost auditors of the Company.

M/s Ajay Kumar Singh & Co, Cost Accountants have vast experience in the field of cost audit.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, an appropriate resolution for the proposed remuneration of Rs. 55,000 per annum plus applicable taxes and out-of-pocket expenses payable to the cost auditors for the Financial Year ending 31st March, 2021, forms part of the notice of ensuing Annual General Meeting for ratification.

21. OTHER INFORMATION

a) Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Secretarial Auditors, Cost Auditors or Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

b) Stock Options Scheme

The Company does not have any Scheme of Stock Option for its employees, Directors etc.

c) Disclosure under Section 43(a)(iii) and Section 54(1)(d) of the Companies Act, 2013

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(iii) & Section 54(1)(d) of the Companies Act, 2013 read with applicable rules is required to be disclosed.

d) Risk Management

The Board/ management is reviewing the Risk management framework of the Company. The Company would put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognises that these risks need to be managed and mitigated to protect the shareholders and other stakeholders interest.

e) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

In accordance with Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure-3** hereto and forms an integral part of this Report.

f) Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details of the employees as required under Section 197(12) of the Companies Act 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure-4**.

g) Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, which forms an integral part of this Report and is available on the Company's website viz. <https://cmilimited.in/img/pdf/extract-of-annual-report-2019-20.pdf> and annexed to this report as **Annexure 5**.

h) Management Discussion & Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

i) Particulars of Loans, Guarantees or Investments under Section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 9 & 10 to the Financial Statements.

j) Corporate Governance Report

The Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together

with a certificate from the Practicing Company Secretary regarding compliance are given as an **Annexure 6** to this report.

k) Cost Records

As per the requirement of Central Government and pursuant to provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, audit of cost records of the Company is being carried out. The Board of Directors, on recommendation of Audit Committee, has appointed M/s Ajay Kumar Singh & Co., Cost Accountants, as Cost Auditor to audit the cost records and accounts relating to cable manufacturing for the financial year ending 31st March, 2021. As per the requirement of the aforesaid section, a resolution ratifying remuneration payable to Cost Auditors forms part of the Notice convening the 53rd Annual General Meeting.

Your Company has maintained cost records and accounts as per Section 148 (1) of the Companies Act, 2013. Further, the Cost Audit Report along with annexure for FY 2019-20 was approved by board of Directors on 13th August, 2019.

l) Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary,

Apprenticeship) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year under review-

- No. of complaints received: Nil
- No. of complaints disposed of: NA

m) Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

22. CAUTIONARY NOTE

Certain Statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking Statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's financial statements and notes on accounts.

23. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the Authorities, Banks, Business Associates and Shareholders for their unstinted support, assistance and co-operation. The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

**By order of the board
For CMI Limited**

**Amit Jain
Chairman cum Managing Director
DIN: 00041300**

**Place: New Delhi
Date: 26th August, 2020**

Annexure-1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. 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-

In pursuance of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the Company framed CSR policy as a part of good Corporate philanthropy, which extends demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

The Company diligently volunteers and undertakes the objective as per the policy with the view of providing support to the marginalized cross section of the society through facilitation of opportunities carving the path for improved quality of life.

The detailed CSR Policy is available on the website of the Company i.e at <https://cmilimited.in/img/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

2. The Composition of the CSR Committee

The CSR committee is formed in accordance with the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly its constitution comprises of following eminent and professional members who conceptualizes, structures, directs the implementation of CSR activities.

As on 31st March, 2020, Composition of CSR committee includes as under:

Name of Members	Category	Chairman/Member
Mr. Manoj Bishan Mittal	Non- Executive Independent Director	Chairman
Mr. Vijay Kumar Gupta	Whole Time Director	Member
Ms. Charu Jain	Non- Executive Independent Director	Member

3. Average net profit of the Company for the last three financial years-

(Rs. In Lakhs)

	F. Y. 2016-17	F. Y. 2017-18	2018-19
Net Profit as per section 198 of the Companies Act, 2013	3,087.72	3,942.49	4,146.52
Average Net Profit	3725.58		

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs. 74.51 Lakhs

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year - Rs. 74.51 Lakhs
- b. Amount unspent, if any: - NIL

c. Manner in which the amount spent during the financial year is detailed below. –

Sl. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the State and district where projects or program was undertaken	Sector in which the project is covered	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.					Amount was spent directly by the Company through agencies like Shirdi Sai Baba, Adarsh Shiksha Sansthan, Rotary Faridabad East Charitable Foundation, Singer India Ltd, Bahna, Rakesh Chara Store
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Delhi and other parts of country	CI(i), CI(ii), CI(iii), CI(iv) and CI(xii)	75.75 Lakh	75.75	
3	Disaster management, including relief, rehabilitation and reconstruction activities					

*Amount spent during the Financial Year 2019-20.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report: N.A.

7. The responsibility statement of the CSR Committee of the Board:

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

By order of the board
For CMI Limited

Place: New Delhi
Date: 26th August, 2020

Amit Jain
Chairman cum Managing Director
DIN: 00041300

Manoj Bishan Mittal
Chairman of CSR Committee
DIN: 00282676

Annexure-2**Form No. MR-3****SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[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

Flat No. 501- 503, 5th Floor,
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/ CMI) CIN L74899DL1967PLC018031 and having registered office at Flat No. 501- 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi-110001. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the CMI's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Minute books, forms and returns filed, registers and other records maintained by CMI Limited ("the Company") for the financial year ended on 31st March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder including amendments thereof;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the

rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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, 2018 (Not applicable to the Company during the Audit Period);
- i) The Securities And Exchange Board of India

(Listing Obligations And Disclosure Requirements) Regulations, 2015

- j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable to the Company during the Audit Period);
- (vi) Applicable provisions of The Factories Act, 1948
- (vii) Air (Prevention & Control of pollution) Act, 1981, Water (Prevention & Control of pollution) Act, 1974, Environment (Protection) Act, 1986, The Noise Pollution (regulation and control) Rules, 2000
- (viii) Provision of EDLI Scheme 1976 of the Employees Provident Fund and Miscellaneous Provisions Act 1952 and The Employees State Insurance Act, 1948
- (ix) Payment of Gratuity Act, 1972

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. During the year under review, Mr. Pyarelal Khanna ceased to be the Independent Director of the Company w.e.f. September 30, 2019 and the intimation for the same was given to stock exchange on October 15, 2019 which is to be given within twenty four hours from the occurrence of event as specified in the Regulation 30 read with Part A of Schedule III of SEBI (LODR) Regulations, 2015;
2. During the year under review, the remuneration paid to Mr. Amit Jain (Chairman cum Managing Director) is in excess of Rs. 57,17,313 (Rupees Fifty

Seven Lakh Seventeen Thousand Three Hundred and Thirteen only) over and above of permissible limit as specified under section 197 read with Schedule V of the Companies Act, 2013;

3. During the year under review, the Company has declared dividend in the AGM held on September 30, 2019 and transferred the amount of the dividend in the bank account in November, 2019

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 along with the appointment of woman director during the financial year ended 31.03.2020. 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 the 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 the Board and Committee Meetings are carried out unanimously as recorded in the minutes of respective meeting.

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, Mr. Amit Jain, promoter of the Company acquired 39,118 equity shares having market value of Rs. 10,02,781.15 of the Company during the period from 18.02.2020 to 25.03.2020 disclosure of which is to be given within 2 trading days as per Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015. However, the disclosure was submitted to the Company on 24th April, 2020 and the Company simultaneously submitted the same to stock exchanges on 24th April, 2020.

**By Pooja Anand & Associates
Company Secretaries**

**Mukul Tyagi
Company Secretary**

**M.No. 33949 CP No. 16631
UDIN: F009973B000590872**

**Place: New Delhi
Date: 26th August, 2020**

Annexure- 3

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 is given below and forms part of the Directors' Report.

pollution control, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

A. Conservation of Energy:

a) Energy conservation measures taken:-

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

Some of the key initiatives were as follows:-

In the existing manufacturing units the 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 and 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 saving and thereby lowered the cost of production by equivalent amount. These measures have also led to better

B. Technology Absorption, Adaptation & Innovation

1. 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.

2. Benefits derived as a result of the above efforts

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

C. Research and Development

Specific areas in which R&D carried out by the Company	Product Development and process improvement
Benefits derived as a result of the above R&D	The company can manufacture all types of cables in the area in which it operates.
Future plan of action	Technology Upgradation
Expenditure on R&D	Capital Expenditure: NIL Recurring Expenditure: Rs 9.89 Lakhs

D. Foreign Exchange Earnings and Outgo:**1. Activities relating to export, initiative to increase exports, Development of New export markets for Products and Services and Export Plan.**

The Company has continued to maintain its focus and availed export opportunities based on economic considerations. The Company is continuously exploring new international markets and has exported sample orders. During the year the Company has exports worth Rs.818.36 Lakhs from export of Cables in FY 2019-20. However, in the previous year exports were of Rs.906.29 Lakhs.

2. Total Foreign Exchange Expenditure:

a.	CIF value of imports	Rs. 388.39 Lacs
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ENVIRONMENTAL REVIEW

The Company has a defined environmental policy which is being followed rigorously by one and all across the organization. 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

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

**By order of the board
For CMI Limited**

**Amit Jain
Chairman cum Managing Director
DIN: 00041300**

**Place: New Delhi
Date: 26th August, 2020**

Annexure-4

I. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED

Required Disclosures are as under:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2019-20 and percentage increase in the median remuneration of employees in the financial year 2019-20:

Sr. No.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2019-20 (Amount in Lakhs)	Ratio of remuneration of each Director/ KMP to median remuneration of employees	% increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company secretary	% increase in the median remuneration of employees in the financial year 2019-20:
1	Mr. Amit Jain Chairman cum Managing Director	117.96	35.53	37.29	13.31
2	Mr. V. K. Gupta, Whole Time director	14.40	4.34	—	
3	Mr. Subodh Kumar Barnwal Company Secretary	9.66	2.91	12.46	
4	Mr. Rattan Lal Aggarwal CFO	53.62	16.15	5.93	

- The median remuneration of employees of the Company was Rs. 3.08 lakhs p.a.

- For this purpose, Sitting Fees if any paid to the Directors have not been considered as remuneration.
- Figures have been rounded off wherever necessary.

The number of permanent employees on rolls of the Company	167
Average Increase/ (decrease) in the salaries of employees other than the managerial personnel in FY2019-20.	7.88 %
Comparison with the percentile increase in the managerial remuneration and justification thereof.	22.64 %
The key parameters for any variable component of remuneration availed by the directors.	Nil
Affirmation that Remuneration paid by the Company is as per the Remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note:

- No employee of the Company was in receipt of remuneration in excess of Rs. 1.02 crores per annum and there was no employee who were employed part of the year and in receipt of more than Rs. 8.50 lac per month during the financial year 2019-20 except as referred below:

S. No	Name and Designation	Total Remuneration	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
1.	Amit Jain Chairman & Managing Director	117.96	Permanent	Graduate	27 years	01/10/2002	47 years	NA

- Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and other allowances, reimbursements & perquisites given to employees.
- The appointment of the above employees is non-contractual and are governed by the Company policy and rules.
- Employee does not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.

By order of the Board
For CMI Limited

Amit Jain
Chairman CUM Managing Director
DIN: 00041300

Place: New Delhi
Date: 26th August, 2020

Annexure-5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L74899DL1967PLC018031
2	Registration Date	22.06.1967
3	Name of the Company	CMI Limited
4	Category/Sub-Category of the Company	Company Limited by Shares
5	Address of the Registered office of the Company	501-503, 5th Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001
6	Whether listed Company	Yes
7	Name, Address and Contact details of RTA, If any	Beetal Financial & Computer Services Private Limited Add: Beetal House, 3rd Floor, 99, Madangir, B/4, Local Shopping Centre, New Delhi-110062 Tel: 011-29961281, 29961283 Fax: 011-29961284

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	27,320	97.30 %

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
NA	NA	NA	NA	NA	NA

PARTICULARS OF STEP DOWN SUBSIDIARY

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
NA	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

	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	
A. Promoters							
(1) Indian							
a) Individual/HUF	-	65,43,877	43.55	-	66,02,495	43.94	0.39
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	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	65,43,877	43.55	-	66,02,495	43.94	0.39
(2) Foreign							
a) NRIs -Individuals	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	65,43,877	43.55	-	66,02,495	43.94	0.39
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	-	5,47,873	3.65	5,09,007	3.39	(0.26)	
b) Banks / FI	-	37,189	0.25	138	0.00	(0.25)	
c) Central Govt	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	
e) Venture Capital funds	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	
g) FIs	-	17,80,126	11.85	12,09,449	8.05	(3.8)	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	
Sub-total (B)(1):-	-	23,65,188	15.74	-	17,18,594	11.44	(4.30)
2. Non-Institutions							
a) Bodies Corp.	10,600	10,76,667	7.24	10,600	8,39,175	5.65	(1.59)
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,89,246	25,92,870	19.18	2,54,646	29,28,000	21.18	2.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,000	1,038,730	6.93	20,200	1,508,000	10.17	3.24
c) Others							
- Directors	8,770	85,075	0.62	8,770	96,605	0.70	0.08
- ESOP/ESOS/ESPS	-	-	2.43	-	-	-	-
- HUF	-	365,090	4.08	-	381,797	2.54	0.11
- NRI	23,500	589,099	0.24	23,500	5,97,808	4.13	0.06
- Clearing Members	-	35,466	-	-	37,267	0.25	0.01
- Trust	-	350	-	-	-	-	-
Sub-total (B)(2):-	3,35,116	57,83,276	40.71	3,17,716	6,388,652	44.63	3.91
Total Public Shareholding (B)=(B)(1)+(B)(2)	3,35,116	81,48,464	56.45	3,17,716	8,107,246	56.06	(0.39)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,35,116	1,46,92,341	100	3,17,716	1,47,09,741	100.00	0.00

(ii) Shareholding of Promoters

S.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*	50,93,877	33.90	20.13	51,44,495	34.23	-	0.33
2	Dhruv Jain	5,00,000	3.33	-	5,08,000	3.39	-	0.06
3	VishwaPrabha Jain	700,000	4.66	-	7,00,000	4.66	-	0.00
4	Himani Jain	2,50,000	1.66	-	2,50,000	1.66	-	0.00
	Total	65,43,877	43.55	20.13	66,02,495	43.94	-	0.39

*Out of 50,93,877 equity shares, 30,25,000 equity shares were under pledge till 22.11.2019

(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	6,543,877	43.55	6,543,877	43.55
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease*				
At the end of the year	6,543,877	43.55	6,543,877	43.55

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

Name	Shareholding at the beginning of year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
Amit Jain	50,93,877	33.90	28-Feb-20	8081	Purchase	51,01,958	33.95
			06-Mar-20	8000	Purchase	51,09,958	34.00
			13-Mar-20	2037	Purchase	51,11,995	34.02
			20-Mar-20	1000	Purchase	51,12,995	34.02
			27-Mar-20	20000	Purchase	51,32,995	34.16
			31-Mar-20	11500	Purchase	51,44,495	34.23
Dhruv Jain	5,00,000	3.33	30-Aug-19	8000	Purchase	5,08,000	3.38
Vishwa Prabha Jain	7,00,000	4.66				7,00,000	4.66
Himani Jain	2,50,000	1.66	-	-	-	2,50,000	1.66

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

Name	Shareholding at the beginning of year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
GMO Emerging Domestic Opportunities Fund	11,71,823	7.8	12/04/2019 19/04/2019 26/04/2019 24/05/2019 31/05/2019 07/06/2019 28/06/2019 05/07/2019 19/07/2019 26/07/2019 13/12/2019 20/12/2019 03/01/2020 10/01/2020 17/01/2020 24/01/2020 31/01/2020 21/02/2020 06/03/2020 27/03/2020	-7,504 decrease -73,882 decrease -1,205 decrease -6,106 decrease -63,584 decrease -2,684 decrease -5,378 decrease -2,636 decrease -74,000 decrease -64,036 decrease -6,910 decrease -5,586 decrease -12,238 decrease -2,049 decrease -26,763 decrease -4,391 decrease -454 decrease -16,498 decrease -2,612 decrease -1,437 decrease	Transfer	7,91,870	5.27
HSBC Infrastructure Equity Fund	5,47,873	3.65	07/06/2019 09/08/2019 27/09/2019 04/10/2019 31/01/2020	-10,000 decrease -3,086 decrease -9,746 decrease -14,796 decrease -1,238 decrease	Transfer	5,09,007	3.39
CNI Research Limited	3,00,000	1.99	18/10/2019 25/10/2019	-451 decrease 451 increase	Transfer	3,00,000	1.9
Prashant Omprakash Kothari	2,12,500	1.41	22/11/2019 21/02/2020 06/03/2020	-13,962 decrease 11,000 increase -14,000 decrease	Transfer	1,95,538	1.30
India Opportunities Growth Fund Ltd - Pinewood Strategy	1,88,191	1.25	12/04/2019 26/07/2019	1,449 increase -1,449 decrease	Transfer	1,88,191	1.25
Premier Investment Fund Limited	1,57,771	1.05	05/04/2019 31/05/2019 20/03/2020 27/03/2020	20,000 increase 10,451 increase -5,193 decrease -26,076 decrease	Transfer	1,56,953	1.04
Rajesh Harichandra Budhrani	1,51,465	1.01	26/07/2019	5,000 increase	Transfer	1,56,465	1.04
Pulkit. N. Sekhsaria	1,55,000	1.03	-	No Change in the shareholding pattern	Transfer	1,55,000	1.03
Zambezi Builders Private Limited	60,000	0.40	20/03/2020	76,649 increase	Transfer	1,36,649	0.91
Siddharth Jain	28,213	0.19	19/07/2019 26/07/2019 02/08/2019 09/08/2019 29/11/2019 06/12/2019 27/03/2020	12,759 increase 62,642 increase 5,000 increase 7,332 increase 25,000 increase -20,116 decrease 4,000 increase	Transfer	1,24,830	0.83
Mittal Capital Finvest Private Limited	1,02,450	0.68	-	No Change in the shareholding pattern	-	1,02,450	0.68
B N Mittal	1,00,000	0.66	-	No Change in the shareholding pattern	-	1,00,000	0.66

Name	Shareholding at the beginning of year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
Savita Agarwal	1,00,000	0.66	-	No Change in the shareholding pattern	-	1,00,000	0.66
Ramesh Singhal	97,075	0.65	26/07/2019 02/08/2019 06/09/2019	-79,151 decrease 593 increase 78,558 increase	Transfer	97,075	0.64
Manoj Mittal	85,075	0.57	-	No Change in the shareholding pattern	-	85,075	0.57
Rakesh Arora	85,000	0.56	-	No Change in the shareholding pattern	-	85,000	0.56
GMO Emerging Markets Fund	2,44,841	1.63	05/04/2019 12/04/2019 19/04/2019 26/07/2019 13/20/2019 20/12/2019 10/01/2020 24/01/2020 14/02/2020 21/02/2020 28/02/2020 27/03/2020	-11,000 decrease -48,700 decrease -7,083 decrease -17,507 decrease -961 decrease -33,847 decrease -1,154 decrease -1,010 decrease -13,324 decrease -4,416 decrease -32,066 decrease -1,338 decrease	Transfer	72,435	0.48
Anand Omprakash Agrawal	-	-	20/12/2019 31/01/2020 28/02/2020 06/03/2020 20/03/2020	15,000 increase 10,000 increase 500 increase 2,000 increase 36,392 increase	Transfer	63,892	0.42
Nikunj Champak Lal Doshi	40,000	0.27	05/07/2019	15,000 increase	Transfer	55,000	0.37
Padam Agarwal	50,000	0.33	-	No Change in the shareholding pattern	-	50,000	0.33
Eelweiss Custodial Services Ltd.	1,30,162	0.87	05/04/2019 12/04/2019 19/04/2019 26/04/2019 03/05/2019 10/05/2019 17/05/2019 24/05/2019 31/05/2019 07/06/2019 14/06/2019 21/06/2019 28/06/2019 05/07/2019 12/07/2019 19/07/2019 26/07/2019 02/08/2019 09/08/2019 16/08/2019 23/08/2019 30/08/2019	-8,791 decrease -2,215 decrease -3,954 decrease -8,500 decrease -2,109 decrease -5,214 decrease -2,312 decrease 836 increase 4,589 increase -299 decrease -2,097 decrease -2,205 decrease -388 decrease -8,975 decrease 1,881 increase -1,665 decrease 8,978 increase -4,982 decrease -781 decrease -629 decrease -1,479 decrease 771 increase	Transfer	21,845	0.14

Name	Shareholding at the beginning of year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
Eelweiss Custodial Services Ltd.	1,30,162	0.87	04/10/2019	2,346 increase	Transfer	21,845	0.14
			11/10/2019	1,735 increase			
			18/10/2019	1,987 increase			
			25/10/2019	-825 decrease			
			01/11/2019	-198 decrease			
			08/11/2019	-3,269 decrease			
			15/11/2019	-29,256 decrease			
			22/11/2019	-2,539 decrease			
			06/12/2019	-1,505 decrease			
			13/12/2019	-425 decrease			
			20/12/2019	-211 decrease			
			03/01/2020	-2,300 decrease			
			10/01/2020	-112 decrease			
			17/01/2020	-2,409 decrease			
			24/01/2020	-420 decrease			
			31/01/2020	-50 decrease			
			07/02/2020	-36 decrease			
			14/02/2020	-6,485 decrease			
			21/02/2020	-5,010 decrease			
			28/02/2020	-60 decrease			
			13/03/2020	-63 decrease			
20/03/2020	-654 decrease						
27/03/2020	-275 decrease						
31/03/2020	-3,000 decrease						
				-75 decrease			
				-839 decrease			
				-6,800 decrease			
				-20,100 decrease			

(v) Shareholding of others 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	Vijay Kumar Gupta		8,770	0.06	8,770	0.06
	Manoj Bishan Mittal		85,075	0.57	85,075	0.57
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease						
At the end of the year	Vijay Kumar Gupta		8,770	0.06	8,770	0.06
	Manoj Bishan Mittal		85,075	0.57	85,075	0.57
	Charu Jain*		11,530	0.08	11,530	0.08

*Ms. Charu Jain was appointed as Additional Director of the Company w.e.f. 28.05.2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
i) Principal Amount	26,234.94	2,000.75	28,235.69
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	6.52	-	6.52
Total (i+ii+iii)	26,241.46	2,000.75	28,242.21
Change in Indebtedness during the financial year			
· Addition	-	18.85	
· Reduction	259.54	-	240.69
Net Change	259.54	18.85	240.69
Indebtedness at the end of the financial year			
i) Principal Amount	25,938.58	2,019.60	27,958.18
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	43.34	-	43.34
Total (i+ii+iii)	25,981.92	2,019.60	28,001.52

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

(Amount in Lakhs)

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Amit Jain MD	Vijay Kumar Gupta WTD	Manager	
Gross salary				
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	117.96	14.40	-	132.36
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				
- others	-	-	-	-
Total	117.96	14.40	-	132.36
Ceiling as per the Act (in compliance with the provision of Schedule XIII Part II Section II(A))	<p>The remuneration paid by the Company to its directors during the Financial year 2019-20 is within eleven per cent of the net profits computed in the manner laid down in section 198 of the Act. However, the amount paid to its Chairman cum Managing Director is in excess of Rs. 57,17,313 (Rupees Fifty Seven Lakh Seventeen Thousand Three Hundred Thirteen only) over and above of permissible limit as specified under section 197 read with schedule V of the Act arose due to inadequate profit in the Company for the FY 2019-20.</p> <p>Pursuant to Section 197(10) of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, the Company Members will seek approval for remuneration paid to Mr. Amit Jain, Managing Director of the Company for the FY2019-20.</p>			

B. Remuneration to other directors: Not paid any Remuneration

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

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

(Amount in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	CS	CFO	Manager	
			Subodh Kumar Barnwal	Rattan Lal Aggarwal		
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	9.66	53.62	-	63.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit					
	- others, specify...	-	-	-	-	-
5	Others, please Specify	-	-	-	-	-
	Total	-	9.66	53.62	-	63.28

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

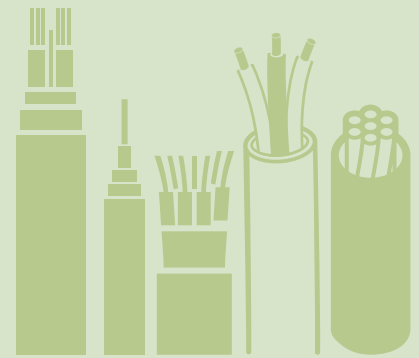
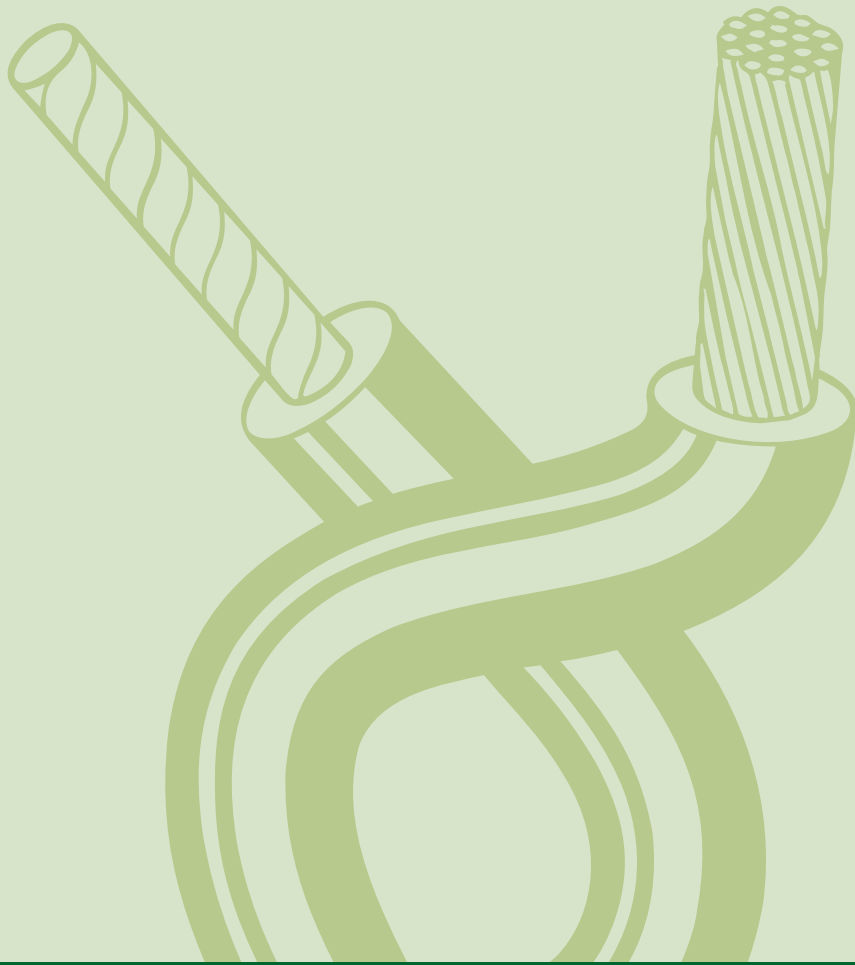
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ Court)	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-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

By order of the Board
For CMI Limited

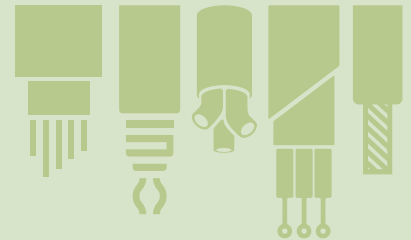
Amit Jain
Chairman cum Managing Director
DIN: 00041300

Place: New Delhi
Date: 26th August, 2020

Registered Office:
501-503, 5th Floor, New Delhi House
27, Barakhamba Road, New Delhi-110001
Email Id: info@cmilimited.in



CORPORATE GOVERNANCE REPORT



ANNEXURE-6 CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized 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 highest standards of professionalism, honesty, integrity and ethical behavior. 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.

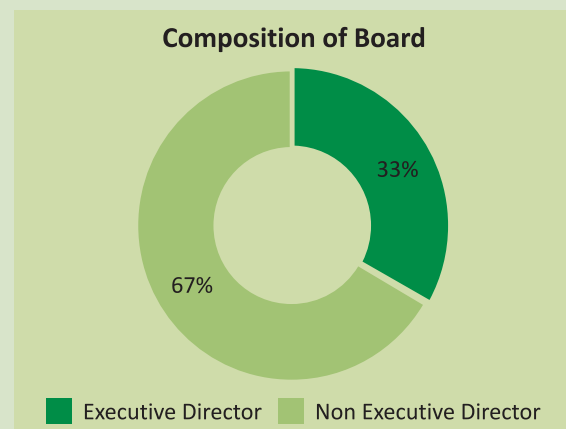
2. BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of

the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

A. Composition

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non- Executive Directors and the latter including independent, professionals and a woman Director. The Chairperson of the Board is an Executive Director pursuant to which half of Board constitutes of Independent Directors. The Company also complies with the provision of Section 149 read with Rule 3 of the Companies(Appointment and Qualification of Directors) along with the provisions of Regulation 17 of SEBI (LODR), 2015 and accordingly, its Board members comprises one Women Director.



The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31st March, 2020 are as follows:

Name of directors	Category	Designation	No. of Directorships in other Indian Public Limited Companies	No. of Committee Memberships and Chairmanship in other Companies		List of Directorship held in Other Listed Companies and Category of Directorship	Number of shares and convertible instruments held by directors
				Chairman	Member		
Mr. Amit Jain DIN 00041300	Promoter Executive	Chairman cum Managing Director	NIL	NIL	NIL	NIL	5144495
Mr. Vijay Kumar Gupta DIN 00995523	Executive	Whole Time Director	NIL	NIL	NIL	NIL	8770
Mr. Manoj Bishan Mittal DIN 00282676	Non-Executive Independent	Director	1	NIL	NIL	NIL	85075
Ms. Charu Jain DIN 03457247	Non-Executive Independent	Director	NIL	NIL	NIL	NIL	11530
Mr. Kunal Singhal DIN 08140142	Non-Executive Non-Independent	Additional Director	1	NIL	NIL	NIL	NIL
Mr. Anil Arora DIN 08653799	Non-Executive Independent	Additional Director	NIL	NIL	NIL	NIL	NIL

Notes:

- *The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI LODR Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding CMI Limited).*
- *Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.*
- *Ms. Archana Bansal and Mr. Kishor Punamchand Ostwal Non-Executive Independent Directors resigned for the directorship of the Company w.e.f. 28th May, 2019 and 18th November, 2019 respectively. Further, Mr. Pyare Lal Khanna ceased to be the Independent Director of the Company upon completion of his tenure w.e.f. 30th September, 2019*
- *Mr. Anil Arora was appointed as Additional Director in the category of Non-Executive Independent Director w.e.f. 30th December, 2019 and thereafter resigned from the directorship of the Company w.e.f. 26th August, 2020*
- *Mr. Kunal Singhal was appointed as Additional Director in the category of Non-Executive Non-Independent Director w.e.f. 31st March, 2020 and Mr. Servagaya Jain was appointed as Additional Director in the category of Non-Executive Independent Director w.e.f. 26th August, 2020*

As on the date of report, the Board of Directors consists of the following Directors:

1. Mr. Amit Jain
2. Ms. Charu Jain
3. Mr. Kunal Singhal
4. Mr. Manoj Bishan Mittal
5. Mr. Servagaya Jain
6. Mr. Vijay Kumar Gupta

B. Attendance of Directors

The details of attendance of Directors at the Board Meetings and Annual General Meeting held during the year ended 31st March, 2020 are given below :—

Name	Number of Meetings during the year 2019-20		Whether attended AGM held on 30th September, 2019
	Held	Attended	
Mr. Amit Jain	8	8	YES
Mr. Vijay Kumar Gupta	8	8	YES
Mr. Manoj Bishan Mittal	8	4	YES
Ms. Charu Jain	7	7	NO
Mr. Kishor Punamchand Ostwal	6	1	NO
Mr. Anil Arora	1	0	NA
Mr. Kunal Singhal	0	0	NA
Ms. Archana Bansal	1	1	NA

C. During the year, 8 (Eight) meeting of Board of Directors were held on 28.05.2019, 13.08.2019, 26.08.2019, 09.09.2019, 30.09.2019, 13.11.2019, 30.12.2019 and 13.02.2020.

D. There is no relationship between directors inter-se.

E. All Independent Directors are familiarized with their roles, rights and responsibilities towards the Company and with the industry norms enabling them to understand the Business model as per the varied competitive environment in which the Company operates. Further, to enhance the growth, the consistent efforts are made by the Company to acquaint them with the overall performance of the Company by making provision for co-ordination in each and every segment and department of the Company. The details of the familiarization programme of the Independent Directors are available on the website of the Company <https://cmilimited.in/img/pdf/POLICY%20ON%20FAMILIARIZATION%20PROGRAMS%20FOR%20INDEPENDENT%20DIRECTORS.PDF>

F. Core Skills/Expertise/Competencies of Board of Directors:

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as

required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Below are the key skills/expertise/competence identified by the Board of Directors

- (i) Strategic vision
- (ii) Leadership
- (iii) Industry knowledge
- (iv) Corporate governance
- (v) Research and innovation
- (vi) Financial analysis and reporting
- (vii) Global landscape
- (viii) Risk management
- (ix) Social and regulatory framework
- (x) Human capital and integrity
- (xi) Science and technology

Expertise/ Skill of Directors :

Name of Director	Designation /Category	Strategy & Planning	Administration & Management	Governance	Sales & Marketing	Finance & Law	Operations
Mr. Amit Jain	Chairman cum Managing Director	√		√	√	√	√
Mr. Vijay Kumar Gupta	Whole Time Director	√			√		√
Mr. Manoj Bishan Mittal	Non- Executive Independent Director	√				√	
Ms. Charu Jain	Non- Executive Independent Director	√	√	√		√	
Mr. Anil Arora	Non- Executive Independent Director		√			√	√
Mr. Kunal Singhal	Non- Executive Non-Independent Director	√	√	√			√

- G. All the Independent Directors fulfills the criteria of being independent as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with Section 149(6) of the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013. The Independent Directors have also confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015.
- H. **During the year under review, there are following changes in the directorship of the Company:**
- Ms. Archana Bansal, Independent Director of the Company has resigned from the directorship due to personal commitments & preoccupation w.e.f. 28th May, 2020. She further confirmed vide resignation letter dated 28th May, 2019 that there is no other material reasons other than specified above.
- On 30th September, 2019, Mr. Pyare Lal Khanna, Independent Director of the Company ceased from the directorship of the Company due to Completion of his tenure.
- Mr. Kishore Punamchand Ostwal, Independent Director of the Company has resigned from the directorship due to personal commitments & preoccupation. He further confirmed vide resignation letter dated 18th November, 2019 that there is no other material reasons other than specified above.
- Mr. Anil Arora, Independent Director of the Company has resigned from the directorship due to personal commitments & preoccupation. He further confirmed vide resignation letter dated 26th August, 2020 that there is no other material reason other than specified above.
- I. The necessary quorum was present for all the meetings.
- J. None of the Non- Executive directors have any material pecuniary relationship or transactions with the Company.
- K. 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 31st March, 2020 have been made by the Directors. None of the Directors are related to each other.
- L. During the financial year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

(i) MEETINGS OF INDEPENDENT DIRECTORS

In terms of Schedule IV of the Companies Act, 2013 and as per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 the Independent Directors have to meet at least once in a year, without the presence of Executive Directors or Management representatives.

However, MCA has issued a circular dated 24th March, 2020, wherein several important relief measures, have been taken to address the threat imposed by COVID-19 and to reduce the compliance burden including if in case the independent directors of a company fail to hold at least one meeting without the attendance of non-independent directors and members of management in the year 2019-20, as required under Schedule IV to the Act, the same shall not be viewed as a violation under the Act.

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

Brief resume of Directors being reappointed, 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:

Mr. Vijay Kumar Gupta, retires by rotation at the 53rd Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Mr. Vijay Kumar Gupta, Whole-time Director, a Mechanical Engineer (B.E.) from Delhi College of Engineering Delhi having more than 40 years experience in the field of Cable is a just a One Stop Solution Man for Cable. He has attained this Stature by virtue of knowledge in the area of Design / Production / Marketing of Cables covering the vast range of Power / Control / Instrumentation / communication /PIJF Telecom Cable.

Mr. Kunal Singhal was appointed as Additional Director in the category of Non-Executive Non-Independent Director w.e.f. 31st March, 2020 upto the ensuing general meeting. Regularization of Mr. Kunal Singhal is proposed in the notice of 53rd AGM of the Company.

Mr. Kunal Singhal has done Bachelor of Business Administration from Reputed University of U.P. He has an excellent academic and professional record. He is a Business Executive having experience of more than 5 years in the field of strategic planning, marketing and restructuring of business operations. His modern and dynamic approach towards business will help in achieving focused goals.

Mr. Servagaya Jain was appointed as additional Director in the category of Non-Executive Independent Director w.e.f. 26th August, 2020 upto the ensuing general meeting. Regularization of Mr. Servagaya Jain is proposed in the notice of 53rd AGM of the Company.

Mr. Servagaya Jain age 48 years is a Commerce Graduate from Delhi University in the year 1993. He has over 25 years of rich experience in the core Metal industry. His area of expertise includes cost management and commercial functions – especially the financial and commercial aspects. His constructive directions will help to provide valuable inputs to the Board for taking various strategic decisions to enable the company to achieve its Vision.

Mr. Manoj Bishan Mittal was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the Calendar year 2017 to hold office for a period of 5 (Five) years with effect from 29th July, 2016. In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution.

Mr. Manoj Bishan Mittal being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years from the date of end of his tenure of the First Term i.e. 28th July, 2021.

Mr. Manoj Bishan Mittal 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.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at a regular interval and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are also placed before the Board in the next board meeting for noting.

The Board has constituted Four Committees of the Board – 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:

A. AUDIT COMMITTEE

i. The brief Description of Charter/terms of reference of Audit Committee is broadly as under:

The Audit Committee of the Board, interalia, 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 utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency monitoring the utilization 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 Board from time to time.

ii. Composition and Attendance of Audit Committee

The Audit Committee comprises all Non- Executive Independent Directors. Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation.

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

The Representative of Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 30th September, 2019 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 year 2019-20	
		Held during tenure of Member/Chairman	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent director	3	2
Ms. Charu Jain *	Non- Executive Independent director	4	4
Mr. Anil Arora	Non- Executive Independent director	2	1
Mr. Kishor Punamchand Ostwal (Chairman)*	Non- Executive Independent director	3	1
Mr. Pyare Lal Khanna *	Non- Executive Independent director	2	2
Mr. Vijay Kumar Gupta *	Executive director	1	1

**The Board of Directors reconstituted the audit committee vide circular resolution passed on 12th August, 2019 and appointed Ms. Charu Jain as member in place of Mr. Vijay Kumar Gupta.*

Mr. Pyare Lal Khanna Non-Executive Independent Directors ceased from directorship of the Company upon completion of tenure w.e.f. 30th September, 2019 and Mr. Manoj Bishan Mittal was appointed as member of Audit Committee w.e.f. 30th September, 2019.

As on 01 April, 2019, Chairman of Audit Committee was Mr. Kishor Punamchand Ostwal. However, upon resignation of Mr. Kishor Punamchand Ostwal w.e.f. 18th November, 2019, the Board of Directors, in their meeting held on 30th December, 2019 has reconstituted the Audit Committee and appointed Mr. Manoj Bishan Mittal as Chairman and Mr. Anil Arora was appointed as member of Audit Committee.

Five Audit Committee Meetings were held during the year 2019-20. The dates on which the said meetings were held are as follows:

28th May, 2019, 13th August 2019, 13th November, 2019, 30th December, 2019 and 13th February, 2020.

As on 31 March, 2020, the Composition of Audit Committee comprises of the following members:

Name	Category
Mr. Manoj Bishan Mittal, Non-Executive Independent Director	Chairman
Mr. Anil Arora, Non-Executive Independent Director	Member
Ms. Charu Jain, Non-Executive Independent Director	Member

As on the date of Report, the Board of Directors reconstituted the audit committee upon resignation of Mr. Anil Arora w.e.f 26th August, 2020 and appointed Mr. Servagaya Jain as Member.

Internal Controls and Governance Processes

The reconstituted Board / Management believe that the Company has effective internal control systems and policies. Post the acquisition, the reconstituted Board/Management is in the process reviewing the internal controls framework with an objective to have a best in class internal control and of putting/ revamping a framework for internal controls commensurate with the size, scale and nature of business.

iii. RISK MANAGEMENT

The Board/ management are reviewing the Risk management framework of the Company. The Company would put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognizes that these risks need to be managed and mitigated to protect the shareholders and other stakeholder interest.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee, in line with the requirements of the Companies Act, 2013 and as per Regulation 19 of SEBI LODR, 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.

i. Functions

(i) The broad terms of reference of the 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;

ii. Composition

As on 31st March, 2020, the Nomination and Remuneration committee comprises of 3 Non-Executive Independent Directors. The composition of the Nomination and Remuneration Committee and the details of meeting attended by its members are given below:

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	4	2
Ms. Charu Jain (Member)*	Non- Executive Independent Director	3	3
Mr. Anil Arora (Member)*	Non- Executive Independent Director	1	1
Ms. Archana Bansal*	Non- Executive Independent Director	1	1
Mr. Pyare Lal Khanna*	Non- Executive Independent Director	2	2
Mr. Kishore Punamchand Ostwal	Non- Executive Independent Director	1	0

**Ms. Archana Bansal resigned from the directorship of the Company w.e.f. 28th May, 2019 and Ms. Charu Jain was appointed as Non-Executive Independent Director and member of Nomination & Remuneration Committee of the Company w.e.f. 28th May, 2019*

**As on 01st April, 2019, Chairman of Nomination & Remuneration Committee was Mr. Pyare Lal Khanna. However, upon completion of tenure of Mr. Pyare Lal Khanna w.e.f. 30th September, 2019, the Board of Directors, in their meeting held on 30th September, 2019 has reconstituted the Nomination & Remuneration Committee and changed designation of Mr. Manoj Bishan Mittal from member to Chairman.*

*Mr. Kishore Punamchand Ostwal was appointed member of Nomination & remuneration Committee in the meeting held on 30th September, 2019 and however resigned from the directorship of the Company w.e.f. 18th November, 2019.

*Mr. Anil Arora was appointed as member of Nomination & Remuneration Committee on 30th December, 2019.

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

28th May, 2019, 13th August, 2019, 13th November, 2019 and 30th December, 2019

As on 31st March, 2020, the Composition of Nomination & Remuneration Committee comprises of the following members:

Name	Category
Mr. Manoj Bishan Mittal, Non-Executive Independent Director	Chairman
Mr. Anil Arora, Non-Executive Independent Director	Member
Ms. Charu Jain, Non-Executive Independent Director	Member

As on the date of Report, the Board of Directors reconstituted the Nomination & Remuneration Committee upon resignation of Mr. Anil Arora w.e.f 26th August, 2020 and appointed Mr. Servagaya Jain as Member.

The Necessary Quorum was present at the meetings.

iii. Remuneration Policy

The Company's Nomination and 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 performances of the individuals are measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to the Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, 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 ending 31st March, 2020:

Elements of Remuneration during the F.Y. 2019-20	Basic Salary	HRA	Children Education Allowance	Conveyance Allowance	Medical Allowance	Totat
Mr. Amit Jain (Chairman & Managing Director)	6,456,000.00	3,228,000.00	216,000.00	984,000.00	912,000.00	11,796,000.00
Mr. Vijay Kumar Gupta (Whole-time Director)	900,000.00	360,000.00	-	-	180,000.00	1,440,000.00
Mr. Subodh Kumar Barnwal (Company Secretary)	508,788.00	254,400.00	-	127,200.00	76,320.00	966,708.00
Mr. Rattan Lal Aggarwal * (Chief Financial Officer)	2,821,896.00	1,410,948.00	-	705,480.00	423,288.00	5,361,612.00

*Mr. Rattan Lal Aggarwal resigned from the position of the Chief Financial Officer of the Company w.e.f. 01st April, 2020

- iv. The Company does not have any Stock Option Scheme for its employees and Directors.
- v. Non-Executive Directors have not been paid any remuneration. Further, there has been no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company during the financial year 2019-20.

vi. Stock Option Scheme:

The Company does not have any Stock Option Scheme for its employees and Directors.

vii. 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.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI LODR Regulations, 2015 read with section 178 of the Act.

i. Composition

As on 31st March, 2020, the Committee comprises of three Directors. Mr. Manoj Bishan Mittal, 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 for the year 2019-20 are as follows:

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	2	2
Ms. Archana Bansal (Member)*	Non- Executive Independent Director	1	1
Ms. Charu Jain	Non- Executive Independent Director	3	3
Mr. Pyare Lal Khanna (Chairman)*	Non- Executive Independent Director	2	2
Mr. Vijay Kumar Gupta (Member)	Whole-time Director	4	4

*Ms. Archana Bansal resigned from the directorship

of the Company w.e.f. 28th May, 2019 and Ms. Charu Jain was appointed as Non- Executive Independent Director and member of Stakeholder Relationship Committee of the Company w.e.f. 28th May, 2019

*As on 01st April, 2019, Chairman of Stakeholders Relationship Committee was Mr. Pyare Lal Khanna. However, upon completion of tenure of Mr. Pyare Lal Khanna w.e.f. 30th September, 2019, the Board of Directors, in their meeting held on 30th September, 2019 has reconstituted the Stakeholders Relationship Committee and appointed Mr. Manoj Bishan Mittal as Chairman.

Four Stakeholders Relationship Committee Meetings were held during the year 2019-20. The dates on which the said meetings were held were as follows:

06th May, 2019, 13th August, 2019, 13th November, 2019 and 13th February, 2020.

The necessary quorum was present at the meetings.

ii. Terms of Reference

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2013. The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of

shares / debentures / other securities and all matters incidental or related thereto;

- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture etc.

iii. Name and Designation of Compliance officer:

Name : Mr. Subodh Kumar Barnwal
 Designation : Company Secretary & Compliance Officer
 Address : 501-503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi
 Phone : 011-49570000
 Fax : 011-23739902
 E-mail : info@cmilimited.in
 cmics@cmilimited.in

The details of total number of complaints received; resolved/pending during the financial year 2019-20 is as follow: -

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01st April, 2019) comprising of Non-receipt of Dividend Warrants where reconciliation is completed after end of the quarter, securities sent for transfer and transmission, annual report & complaints received from Regulatory/ Statutory Bodies	2
Number of complaints resolved	2
Complaints Pending as at 31st March, 2020	0

The above table includes Complaints received from SEBI SCORES by the Company.

The Complaints are handled by Company's Registrars and Share Transfer Agents, BEETAL Financial & Computer Services Pvt Ltd, New Delhi. The Stakeholder Relationship Committee monitors the complaints and other activities and also helps in resolving grievances wherever needed.

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:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;
- To monitor the corporate social responsibility policy of the company from time to time.

i. Composition

As on 31st March, 2020, the Committee comprises of 3 Directors. Details of the members of the Committee and the meetings duly attended by them during the financial year 2019-20 are as follows:

Name	Category	Number of Meetings during the financial year 2019-20	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	1	1
Ms. Charu Jain (Member)	Non- Executive Independent Director	1	1
Mr. Vijay Kumar Gupta (Member)	Whole Time Director	1	1
Mr. Pyare Lal Khanna (Chairman)*	Non- Executive Independent Director	0	0
Ms. Archana Bansal (Member)*	Non- Executive Independent Director	0	0

*Ms. Archana Bansal resigned from the directorship of the Company w.e.f. 28th May, 2019 and Ms. Charu Jain was appointed as Non- Executive Independent Director and member of Corporate Social Responsibility Committee of the Company w.e.f. 28th May, 2019

*As on 01st April, 2019, Chairman of CSR Committee was Mr. Pyare Lal Khanna. However, upon completion of tenure of Mr. Pyare Lal Khanna w.e.f. 30th September, 2019, the Board of Directors, in their meeting held on 30th September, 2019 has reconstituted the CSR Committee and appointed Mr. Manoj Bishan Mittal as Chairman of CSR Committee.

One Corporate Social Responsibility Committee Meetings were held during the year 2019-20. The date on which the said meetings were held was as follows:

13th November, 2019.

4. GENERAL MEETING

- (a) Location and time where the last three Annual General Meetings were held and Special Resolution passed thereat :

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
52nd	30th September, 2019 at 11:30 a.m.	Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88	<ul style="list-style-type: none"> * Continuation of Mr. Vijay Kumar Gupta (DIN:00995523) as Whole Time Director upon attaining age of Seventy years * Increase in remuneration to Mr. Amit Jain, Chairman and Managing Director for the period from October 01, 2019 to September 30, 2020 * Creation of the security for the loan/ credit facility by mortgage/ creation of charge under section 180(1)(a) of Companies Act, 2013 * Increase in the borrowing powers of the company under section 180(1)(c) of Companies Act, 2013
51st	29th November, 2018 at 11:30 a.m.	Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88	NIL
50th	29th December, 2017 at 11:30 a.m.	29 Lajwaab Banquet Hall, VikasMarg, Delhi-110092	<ul style="list-style-type: none"> * Increase in remuneration of Mr. Amit Jain, Chairman cum Managing Director of the Company. * Re-appointment of Mr. Vijay Kumar Gupta as Whole-time Director of the Company.

Extra Ordinary General Meeting:

No Extra Ordinary General Meeting was held during the year 2019-20.

Postal Ballot:

No Postal Ballot was conducted during the year 2019-20. Further, no special resolution is proposed to be conducted through postal ballot.

5. MEANS OF COMMUNICATION

- A. The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation, as amended from time to time.
- B. The Company normally publishes quarterly results/ half yearly in leading Business Newspapers National daily of the country like Financial Express (English Language) and "Jansatta" (Vernacular Language) in accordance with the SEBI Listing Regulations and circulates the same to stock exchanges & the shareholders.;
- C. The official news releases, including the quarterly, half yearly and annual results and presentations made to institutional investors/analysts, if any, are also posted on the Company's website www.cmilimited.in
- D. The Company also ensures that the details of its business, financial information, shareholding

pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website www.cmilimited.in.

6. GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting

Day and Date	: Tuesday, 29th September, 2020
Time	: 01:00 p.m.
Venue	: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
Financial Year	: 2019-20
Book Closure / Record Date	: Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (Both days inclusive)

B. Financial Year Calendar (Tentative):

The Company follows the period of 1st April to 31st March, as the Financial Year. The tentative dates for Board Meetings for consideration of quarterly financial results are as below:

First Quarter Results	: on or before August 13, 2020
Second Quarter & Half Yearly Results	: on or before November 14, 2020
Third Quarter Results	: on or before February 14, 2021
Fourth & Audited Annual Results	: on or before May 30, 2021

C. Dividend Payment:

The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 22nd September, 2020 and to all members in respect of shares

F. Market Price Data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2019-20 on NSE and BSE:

Month	BSE			NSE		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Apr-19	149.55	122.8	45,395	150	122	628,852
May-19	144	116.5	107,858	143.25	116	765,710
Jun-19	135.5	102	42,765	135.5	110.05	397,432
Jul-19	115.45	56	174,607	115.8	55.55	1,239,552
Aug-19	73.95	50.55	110,769	71.5	50.8	370,421
Sep-19	78.75	54	79,121	74.95	55	303,486
Oct-19	65.45	50.65	27,887	62.05	51.75	181,752
Nov-19	76.5	54.6	97,929	76.55	53.85	669,925
Dec-19	55.85	43.4	26,838	56	43	328,669
Jan-20	51.95	45.05	56,852	52.4	45.1	353,878
Feb-20	46	29	36,387	46.5	29.4	536,133
Mar-20	30.35	19.5	74,045	30.55	19.05	517,419

held in physical form after giving effects to valid transfers in respect of transfer requests lodged with the Company on or before the close of the business hours on 22nd September, 2020.

D. Listing on Stock Exchanges:

The equity shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd.(the stock exchanges).

National Stock Exchange of India Ltd. 'Exchange Plaza', BandraKurla Complex,Bandra (E), Mumbai- 400051 website : www. bseindia.com	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 website : www. nseindia.com
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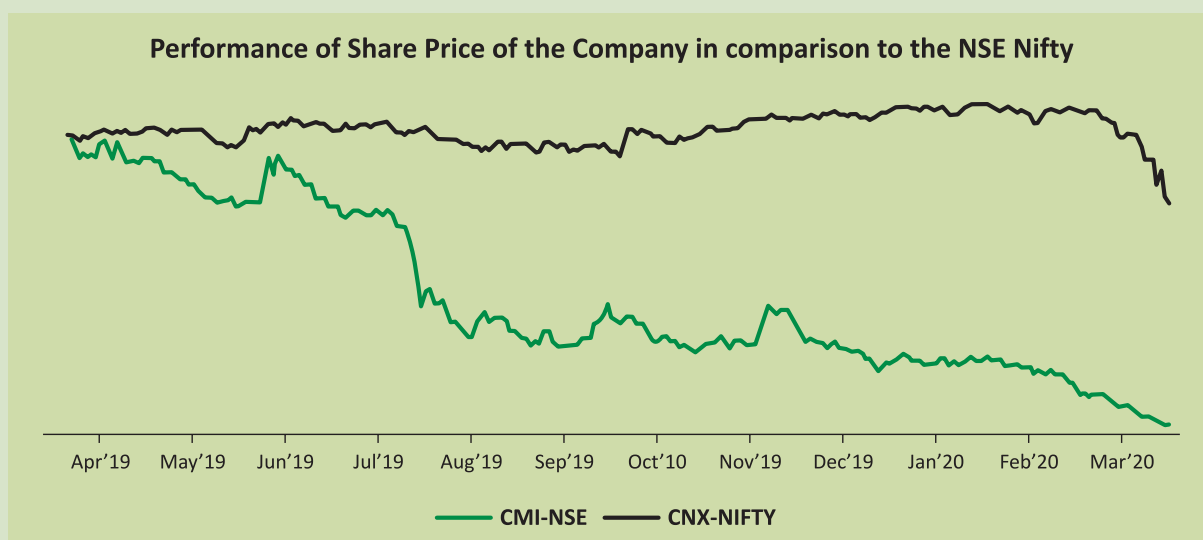
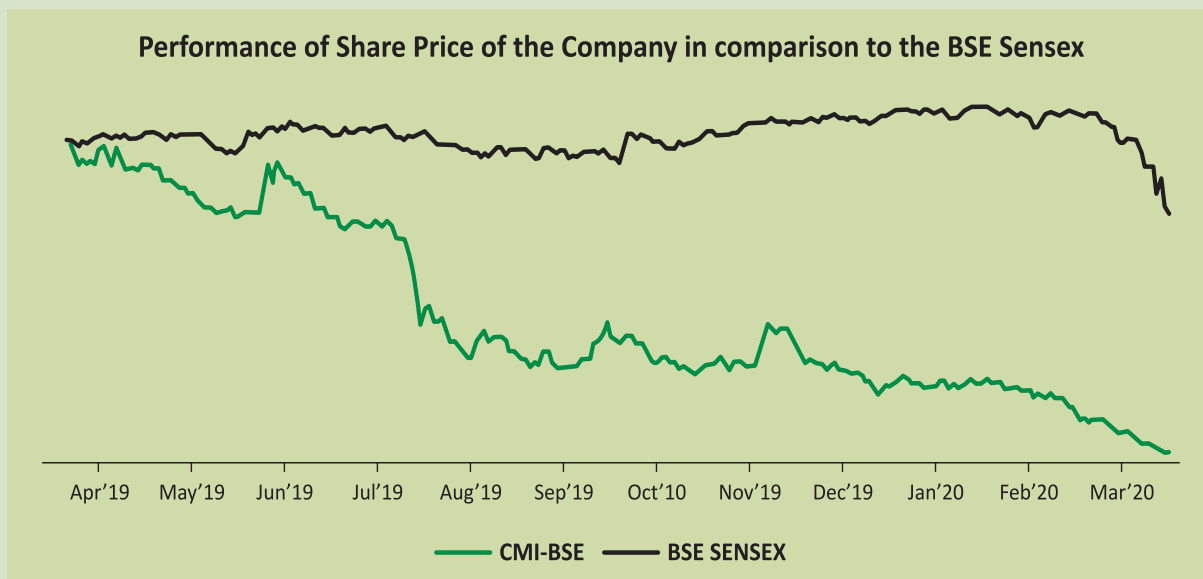
The Annual listing fee for the listed equity Shares for the year 2020-21 has been paid to BSE Ltd and National Stock Exchange Limited.

E. Stock Codes/Symbol:

National Stock Exchange of India Ltd	: CMICABLES
BSE Ltd.	: 517330

G. Stock Performance

The performance of the Company's share relative to the BSE Sensitive Index and S&P CNX Nifty (on closing rates at the end of each month in respective stock exchange) considering 100 as the base is given in the Chart below:



H. Registrar & Transfer Agent

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents. Details of Registrar and Transfer Agents are as under-

Registrar and Transfer Agents : **BEETAL Financial & Computer Services Pvt Ltd.**

Address : BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062

Contact Details : 011-29961281-283/26051061/26051064

Fax : 011-29961284

Email Address : beetalrta@gmail.com

Share transfers system

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

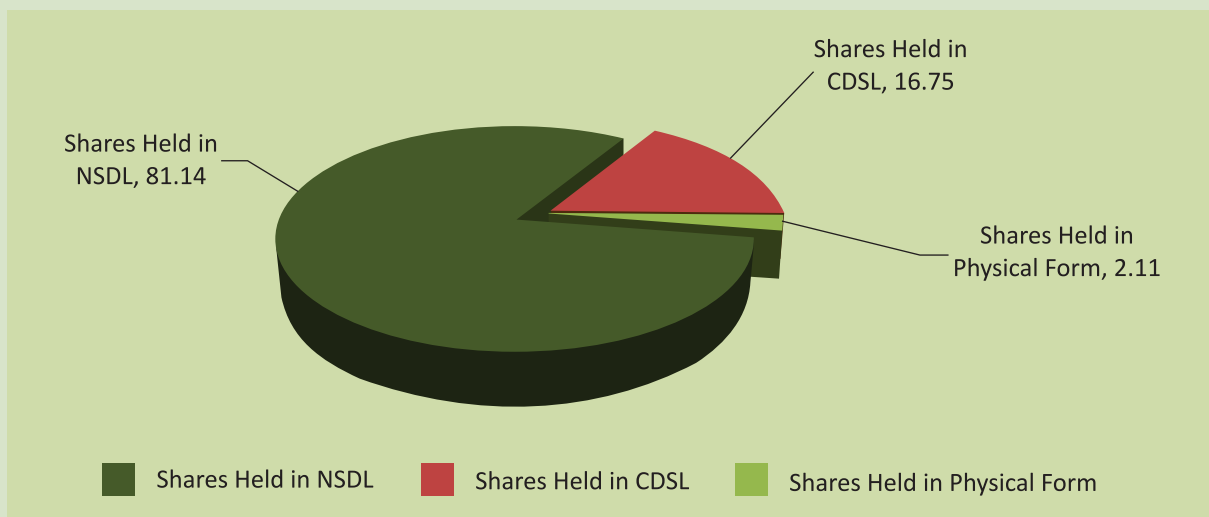
In terms of the amendment carried out during last Financial Year in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transfer of securities were to be carried out in dematerialized form only with effect from 1st April, 2019.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by them and simultaneously submitted to Stock Exchanges.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously

I. Dematerializations of Shares and liquidity

The shares of the Company are permitted for trading in dematerialized form only. As at March 31, 2020, 97.89% of Equity capital was held in Electronic form with NSDL and CDSL. Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL.



- **Shares held in Electronic Form**

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the DP.

- **Shares held in Physical Form**

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. BEETAL Financial & Computer Services Pvt Ltd., Delhi.

J. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on 31st March, 2020, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

K. Shareholding as on 31st March, 2020
i. Distribution of Shareholding as at 31st March, 2020

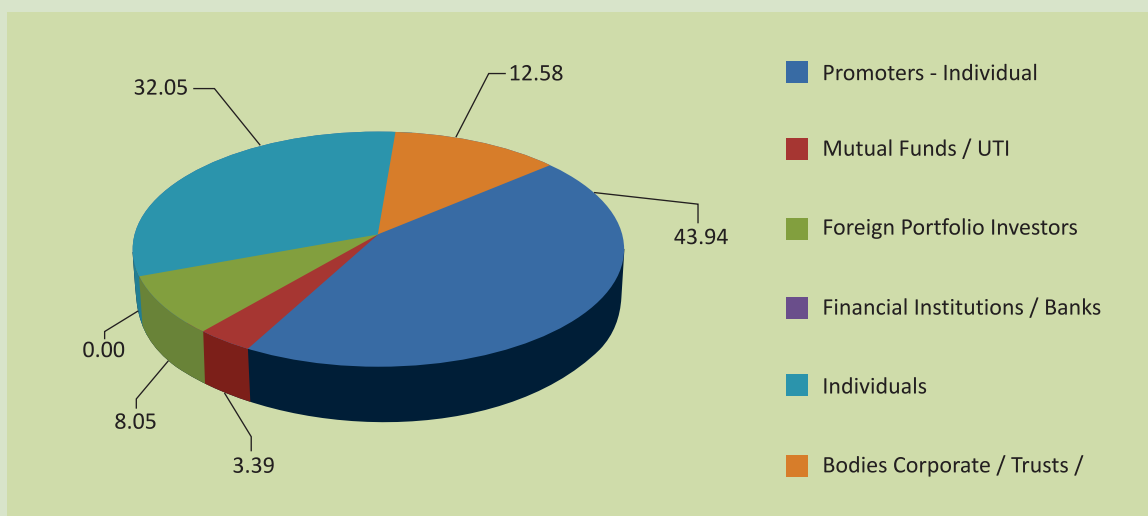
Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 5000	9954	87.29	1214140	8.08
5001 - 10000	701	6.15	560041	3.73
10001 - 20000	325	2.85	498776	3.32
20001 - 30000	139	1.21	356778	2.37
30001 - 40000	68	0.60	239526	1.60
40001 - 50000	51	0.45	240605	1.60
50001 - 100000	85	0.75	637317	4.24
10001 and above	80	0.70	11280274	75.06
TOTAL	11403	99.99	15027457	100.00

ii. Categories of equity shareholders as on 31st March, 2020:

Shareholding pattern as on 31st March, 2020 for the purpose of reporting in the Annual Report of the Company for the year 2019-20 is given as under:

Category

Category	As on 31st March, 2020	
	No. of Equity Shares	Percentage (%)
Promoters – Individual	6602495	43.94
Mutual Funds / UTI	509007	3.39
Foreign Portfolio Investors	1209449	8.05
Financial Institutions/ Banks	138	0.00
Individuals	4816221	32.05
Bodies Corporate/Trust/ Clearing /NRI's / OCBs / Foreign Nationals	1890147	12.58



Top Ten Shareholders as on 31st March, 2020:

S. No.	List of Top Ten Shareholders As On 31st March, 2020	Shares	% Age of Paid-Up Capital
1	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES OF GMO TR	791,870	5.27
2	HSBC INFRASTRUCTURE EQUITY FUND	509,007	3.39
3	CNI RESEARCH LIMITED	300,000	2.00
4	PRASHANT KOTHARI	195,538	1.30
5	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STRATEGY	188,191	1.25
6	PREMIER INVESTMENT FUND LIMITED	156,953	1.04
7	RAJESH HARICHANDRA BUDHRANI	156,465	1.04
8	PULKIT.N.SEKHSARIA	155,000	1.03
9	ZAMBEZI BUILDERS PRIVATE LIMITED	136,649	0.91
10	SIDDHARTH JAIN	124,830	0.83

L. Commodity price risk or foreign exchange risk and hedging activities

The Company has not carried out any hedging activities related to the Commodity price risk or foreign exchange risk.

M. Plant Location

Faridabad : Plot No. 71 & 82, Sector- 06,
Faridabad, Haryana-121006.

Baddi : Plant Village Bhatauli Khurd, Baddi,
Solan-173205, Himachal Pradesh.

N. Address for Correspondence

Corporate Office : CMI Limited
501-503, New Delhi house, 27
Barakhamba Road,
New Delhi-110001
E-mail : info@cmilimited.in

O. CREDIT RATING

During the year under review, the CARE has reaffirmed the rating CARE BBB+ (Triple B Plus)/stable to the Long term bank facilities and CARE A3+(A Three Plus) to the short term bank facilities.

However, CARE has revised the rating from BBB+; Stable (Triple B Plus; Outlook Stable) to CARE BBB; Stable (Triple B; Outlook Stable) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to CARE A3 (A Three) for the Short Term Bank facilities availed by the Company vide their letter dated 30th July, 2020

DISCLOSURES:**A. Related party transactions**

Related Parties and transactions with them as required under Indian Accounting Standard 24 (IND AS-24) are furnished under Note No. 39

of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2020. There were no material related party transactions between the Company and related parties during the year under review and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required to be attached and hence do not forms part of this report.

The secretarial auditor has not made any observations relating to Related Party Transactions in their Secretarial Audit report. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same can be accessed at https://cmilimited.in/img/pdf/Policy_on_Related_Party_Transactions-new.pdf

B. Matters related to capital market

There were no penalties or strictures been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during this Financial year 2019-20. However, a fine of Rs. 1000/- was imposed for delay in submission of Corporate Governance Report to National Stock Exchange due to technical error with the portal while uploading the same in the Financial Year 2018-19.

C. Details of Vigil mechanism, Whistle blower Policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down. The Company affirms that no personnel have been denied access to Audit Committee on any issue.

D. Compliance with mandatory requirements and adoption of Non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

E. Subsidiary Companies

As on 31st March, 2020, the Company does not have any Subsidiary or Associate Company.

CMI Energy India Pvt Limited, wholly owned subsidiary of the Company amalgamated with CMI Limited pursuant to scheme of amalgamation approved by Hon'ble NCLT vide order dated 3rd April, 2019.

The Policy for material subsidiary can be accessed at <https://cmilimited.in/img/pdf/Policy%20on%20Materilty%20of%20subsidiaries.pdf>

F. Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

M/s. Krishna Neeraj & Associates., Chartered Accountants (Firm Registration No.: 023233N) has been appointed as the Statutory Auditors of the Company. The particulars of total fees paid by the Company on consolidate basis, to the said Statutory Auditor is given below:

(Amount in Lakhs)

Particulars	Amount
Services as statutory auditors (including Limited Review Fee)	5.00
Other Services	1.82

G. Code of Conduct

The Company has adopted "Code of Conduct for Directors and Senior Management Personnel" ('Code') pursuant to the provisions of regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015., which is available on the website of the Company [https://cmilimited.in/img/pdf/Code%20of%20Conduct_Director%20&%20Senior%20Management%20\(1\).pdf](https://cmilimited.in/img/pdf/Code%20of%20Conduct_Director%20&%20Senior%20Management%20(1).pdf)

The Company has received declarations under Regulation 26(3) of the Listing Regulations from other Directors and members of the Senior Management of the Company to whom the Code of Conduct is applicable.

H. Code of Conduct for Prevention of Insider Trading

The Company has adopted a "Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives" pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, with a view to regulate, monitor and report trading in securities of the Company by its Directors and Designated persons.

I. Certificate from a Company Secretary

Pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being the appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

J. Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the SEBI listing regulations, the certificate from Practicing Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this report.

K. CEO/CFO Certification

The Board has received a compliance certificate from, the Managing Director of the Company and pursuant to Regulation 17 (8) read with Schedule II Part B of SEBI Listing Regulations.

L. Disclosure of Accounting Treatment

The Financial statement of the Company is prepared as per the prescribed Indian Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

M. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report.

N. Disclosures with respect to Demat suspense account/unclaimed suspense account

As per Regulation 34(3) read with Schedule V of SEBI Listing Regulation, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	Number of Shareholders to whom shares were transferred from suspense account during the year	Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
NA	NA	NA	NA	NA

O. Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, Apprenticeship) are covered under this policy. Details of the complaints filed, disposed or pending as on the end of the financial year are;

- I. Number of complaints filed during the financial year - NIL
- II. Number of complaints disposed of during the financial year - NIL
- III. Number of complaints pending as on the end of the financial year - NIL

Disclaimer:

The information furnished above is certified by CMI Limited to be true, fair and accurate (except in respect of errors in or omissions from documents filed electronically that result solely from electronic transmission errors beyond our control and in respect of which we take corrective action as soon as it is reasonably practicable after becoming aware of the error or the omission). SEBI, the Stock Exchanges or the NIC do not take any responsibility for the accuracy, validity, consistency and integrity of the data entered and updated by it.

**By order of the Board
For CMI Limited**

**Amit Jain
Chairman cum Managing Director
DIN: 00041300**

**Place: New Delhi
Date: 26th August, 2020**

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 31st March, 2020, 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 March 31, 2020, 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.

**By order of the Board
For CMI Limited**

**Amit Jain
Chairman cum Managing Director
DIN: 00041300**

**Place: New Delhi
Date: 26th August, 2020**

COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE

To

The Members of CMI Limited

We have examined the compliance of conditions of Corporate Governance by CMI Limited (hereinafter called the Company/ CMI) CIN L74899DL1967PLC018031 and having registered office at Flat No. 501- 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi-110001, for the year ended on 31st March 2020 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 on financial statements of the Company.

In our opinion and to the best of our information and according to our examination of relevant records and 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 SEBI (LODR) Regulations, 2015

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 Pooja Anand & Associates
Company Secretaries**

**Cs Mukul Tyagi
Partner**

**M. No. F9973 CP No.: 16631
UDIN: F0099738000590905**

**Place: New Delhi
Date: 18th August, 2020**

COMPLIANCE CERTIFICATE

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 our 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.

Place: New Delhi
Date: 26th August, 2020

Amit Jain
Chairman cum Managing Director

Raj Kumar
CFO

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
CMI Limited
Flat No. 501- 503, 5th Floor,
New Delhi House,
27 Barakhamba Road,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from CMI Limited having CIN L74899DL1967PLC018031 and having registered office at Flat No. 501- 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mr. Amit Jain	00041300	01/10/2002
2.	Mr. Manoj Bishan Mittal	00282676	29/07/2016
3.	Mr. Anil Arora	08653799	30/12/2019
4.	Mr. Vijay Kumar Gupta	00995523	15/01/2009
5.	Mr. KunalSinghal	08140142	31/03/2020
6.	Ms. Charu Jain	03457247	28/05/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pooja Anand & Associates
Company Secretaries

Cs Mukul Tyagi
Partner

M. No. F9973 CP No.: 16631
UDIN: F009973B000590850

Place: New Delhi
Date: 18th August, 2020

Independent Auditor's Report

To the Members of CMI LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of CMI LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit/loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Adoption of Ind AS 116, Leases As described in Note to the standalone financial statements, during the current year the Company has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting. The application and transition to this accounting standard is complex and is an area of focus in our audit. Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured	Our audit procedures on adoption of Ind AS 116 include the following: <ul style="list-style-type: none"> Evaluated the design and implementation of the processes and internal controls relating to implementation of the new lease standard. Based on our evaluation of the contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the Company.

by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.

The Company adopted the modified retrospective approach method to transition to Ind AS 116, consequently comparative financial information was not restated.

Additionally, the standard mandates detailed disclosures with respect of transition.

- Involved our internal valuation specialists to evaluate the reasonableness of the discount rates used in computing the lease liabilities.
- On transition to Ind AS 116 with effect from 1 April 2019:
 - o Evaluated the method of transition and related adjustments.
 - o Tested completeness of the lease data by reconciling the Company's operating lease commitments as at 31 March 2019 to data used in computing the ROU asset and related lease liabilities.
 - o Selected samples using the statistical sampling approach.
- For such samples selected, we assessed the key terms and conditions of each lease with the underlying lease contracts, evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term.
- For new / modified leases, tested the lease accounting and estimates/ judgments used by the Company.
- Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and mathematical accuracy of the relevant disclosures, including those related to transition.

Taxation related matters Determination of tax provisions and assessment of contingent liabilities involves judgment with respect to various tax positions on deductibility of transactions, tax incentives/ exemptions, interpretation of laws and regulations etc. Judgement is also required in assessing the range of possible outcomes for some of these matters.

Management makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards.

Accordingly, taxation and contingent liability related matters are areas of focus in the audit.

See notes 3(I) and 12 to the financial statements.

In view of the significance of the matter, we applied the following key audit procedures:

- Testing the design and operating effectiveness of controls relating to taxation and contingencies.
- We evaluated management's judgements in respect of estimates of provisions, exposures and contingencies.
- In understanding and evaluating management's judgements, we even considered third party advice received by the Company, wherever applicable, the status of recent and current tax assessments and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and developments in the tax environment.
- Additionally, we also evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Those Charged with Governance 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not

a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A) 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 financial statements comply with the Accounting Standards specified under Section 133 of

the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- B) 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 - refer note 45 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is within eleven percent of the net profits computed in the manner laid down in section 198 of the Act. **However, the amount paid to its chairman cum managing director is in excess of Rs. 57,17,313 (Rupees Fifty Seven Lakh Seventeen Thousand Three Hundred Thirteen only) over and above of permissible limit as specified under section 197 read with schedule V of the Act.**

For Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N

UDIN:20506669AAAADT6710
Place:New Delhi
Date: 17/07/2020

CA. Krusshna Neeraj
Partner
Membership No. 506669

Annexure 'A'
The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- i. a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- a. The 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 included in fixed assets are held in the name of the Company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. The discrepancies noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2020 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable **except as shown in below table** in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes:

Particulars	Financial Year	Amount(Rs.)
Income Tax Related to Assessment Year 2012-2013. Appeal pending before CIT(Appeals)	2011-2012	7,96,97,314

- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi. According to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is within eleven percent of the net profits computed in the manner laid down in section 198 of the Act. However, the amount paid to its chairman cum managing director is in excess of Rs. 57,17,313 (Rupees Fifty Seven Lakh Seventeen Thousand Three Hundred Thirteen only) over and above of permissible limit as specified under section 197 read with schedule V of the Act.
- xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. Provisions of section 192 of Companies Act, 2013 have been complied with in case of non-cash transactions entered by the company with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date: 17/07/2020

For Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N

CA. Krusshna Neeraj
Partner
Membership No. 506669

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 M/s CMI LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N**

**CA. Krusshna Neeraj
Partner
Membership No. 506669**

**Place: New Delhi
Date: 17/07/2020**

Balance Sheet as at 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	6	16,096.01	15,497.77
(b) Capital work in progress		630.96	410.47
(c) Investment Property	7	944.70	942.51
(d) Other Intangible assets	8	24.04	24.91
(e) Financial assets			
(i) Investments	9	0.02	0.04
(ii) Loans	10	117.95	116.23
(iii) Other financial assets	11	253.98	147.74
(f) Deferred tax assets (net)	12	1,304.23	2,078.18
(g) Other non-current assets	13	912.89	912.39
		20,284.78	20,130.24
II Current assets			
(a) Inventories	14	18,767.75	16,172.99
(b) Financial assets			
(i) Trade receivables	15	23,134.44	27,372.12
(ii) Cash and cash equivalents	16	157.73	1,515.95
(iii) Other bank balances	17	1,261.53	801.84
(iv) Loans	10	316.17	296.25
(v) Others financial assets	18	347.17	633.85
(c) Current tax assets (net)	12	133.24	78.34
(d) Other current assets	19	5,527.37	4,650.50
		49,645.40	51,521.84
TOTAL ASSETS		69,930.18	71,652.08
EQUITY AND LIABILITIES			
III EQUITY			
(a) Equity Share Capital	20	1,503.07	1,503.07
(b) Other Equity	21	29,903.64	29,838.46
Total equity		31,406.71	31,341.53
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	5,921.59	5,383.31
(ii) Other financial liabilities	26	215.36	-
(b) Provisions	23	92.26	82.97
		6,229.21	5,466.28
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	20,661.50	22,170.11
(ii) Trade payables:-	25		
- total outstanding dues to micro enterprises & small enterprises		1,033.17	152.71
- total outstanding dues of creditors other than above		7,297.67	10,177.72
(iii) Other financial liabilities	26	2,781.65	1,862.14
(b) Other current liabilities	27	343.05	314.36
(c) Provisions	23	23.18	26.09
(d) Current tax liabilities (net)	12	154.04	141.14
		32,294.26	34,844.27
TOTAL LIABILITIES		38,523.47	40,310.55
TOTAL EQUITY AND LIABILITIES		69,930.18	71,652.08

Summary of significant accounting policies

3

The accompanying notes (1-52) are an integral part of the financial statements

As per our report of even date attached
For Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

Krushna Neeraj
Partner
Membership No.:506669

Amit Jain
Chairman cum Managing Director
DIN: 00041300

Vijay Kumar Gupta
Whole Time Director
DIN: 00995523

Place : New Delhi
Date : July 17, 2020

Subodh Kumar Barnwal
Company Secretary
M. No.-21928

Raj Kumar
C.F.O.

Statement of Profit & Loss for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
I Revenue from operations	28	49,829.48	63,729.85
II Other income	29	1,382.73	1,420.08
III Total income (I+II)		51,212.21	65,149.93
IV Expenses			
(a) Cost of raw material consumed	30	39,454.75	46,895.81
(b) Purchase of stock in trade		2,167.86	6,000.41
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(2,703.99)	(2,817.98)
(d) Employee benefits expense	32	2,178.18	2,040.66
(e) Finance costs	33	4,000.86	3,374.36
(f) Depreciation and amortization expense	34	1,167.78	1,181.95
(g) Other expenses	35	3,888.43	4,328.19
Total expenses		50,153.87	61,003.40
V Profit before exceptional items and tax (III-IV)		1,058.34	4,146.53
VI Exceptional items	36	(25.48)	(2.69)
VII Profit before tax (V+VI)		1,032.86	4,143.84
VIII Income tax expense			
(a) Current tax		—	(133.27)
(b) Deferred tax		(662.74)	483.56
Total tax expense		(662.74)	350.29
IX Profit for the year (VII+VIII)		370.12	4,494.13
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations		(12.55)	20.85
(ii) Change in fair value of FVOCI equity instruments		(0.02)	(0.02)
(iii) Income tax effect		3.20	(6.50)
Other comprehensive income for the year, net of tax		(9.37)	14.33
XI Total comprehensive income for the year (IX+X)		360.76	4,508.46
XII Earnings per share in Rs.	40		
Basic (Face Vaue of Rs. 10/- each)		2.46	29.91
Diluted (Face Vaue of Rs. 10/- each)		2.46	29.91

Summary of significant accounting policies

3

The accompanying notes (1-52) are an integral part of the financial statements

As per our report of even date attached
For Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

Krusshna Neeraj
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Whole Time Director
DIN: 00995523

Place : New Delhi
Date : July 17, 2020

Subodh Kumar Barnwal
Company Secretary
M. No.-21928

Raj Kumar
C.F.O.

Statement of Cash Flow for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Cash flow from operating activities		
Profit before tax	1,032.86	4,143.84
Adjusted for:		
Depreciation and amortization expense	1,167.78	1,181.95
(Profit)/Loss on sale of property, plant and equipment	25.48	2.69
Other comprehensive income	(12.57)	20.83
Rental Income	(61.14)	(57.80)
Interest expense	4,000.86	3,374.36
Interest income	(225.20)	(194.32)
Operating profit before working capital changes	50,153.87	61,003.40
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	(953.41)	1,311.44
Decrease/(increase) in trade receivables	4,237.68	(4,699.51)
Decrease/(increase) in inventories	(2,594.75)	(3,416.51)
Decrease/(increase) in other current assets	(610.12)	(1,902.15)
(Decrease)/increase in tax and other provisions	19.28	43.89
Cash generated from operations	6,026.75	(191.29)
Taxes Paid (Net)	(54.90)	(55.51)
Net cash flow from/(used in) operating activities (A)	5,971.85	(246.80)
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(2,060.84)	(1,626.44)
Proceeds from sale of property, plant and equipment	47.54	23.95
Decrease/(increase) in non-current investments	0.02	25.02
Decrease/(increase) in other non-current assets	(0.50)	(125.43)
Decrease/(increase) in other bank balances	(459.69)	275.81
Decrease/(increase) in long term loans	(107.96)	(166.93)
Rental Income	61.14	57.80
Interest received	225.20	194.32
Net cash flow from/ (used in) investing activities (B)	(2,295.09)	(1,341.90)
Cash flow from financing activities		
Proceeds/(Repayment) of long-term borrowings (Net)	753.64	914.12
Proceeds/(Repayment) of short-term borrowings (Net)	(1,508.61)	5,603.45
Payment of Lease Liabilities	(97.99)	-
Equity Dividend including taxes thereon	(181.16)	(181.16)
Interest paid	(4,000.86)	(3,374.36)
Net cash flow from / (used in) financing activities (C)	(5,034.98)	2,962.05
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,358.22)	1,373.35
Cash and cash equivalents at the beginning of the year	1,515.95	142.60
Cash and cash equivalents at the end of the year	157.73	1,515.95
Components of cash and cash equivalents		
Balances with banks:		
- In current accounts	14.51	1,214.92
- In unpaid dividend accounts	13.61	9.92
- Deposits with original maturity of 3 months or less	100.38	256.88
Cash in hand	29.23	34.23
Total cash and cash equivalents [Refer Note No. 16]	157.73	1,515.95

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows'.

Summary of significant accounting policies

3

**As per our report of even date attached
For Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

Krusshna Neeraj
Partner
Membership No.:506669

Amit Jain
Chairman cum Managing Director
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Vijay Kumar Gupta
Whole Time Director
DIN: 00995523

Subodh Kumar Barnwal
Company Secretary
M. No.-21928

Raj Kumar
C.F.O.

Place : New Delhi
Date : July 17, 2020

Statement of Changes in Equity for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

(A) Equity share capital	Note	Nos.	Rs. in Lakhs
As at 1st April 2018		1,50,27,457.00	1,502.75
Changes in equity share capital	20	–	–
As at 31st March 2019		1,50,27,457.00	1,502.75
Changes in equity share capital	20	–	–
As at 31st March 2020		1,50,27,457.00	1,502.75

(B) Other Equity						
Particulars	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained Earnings	FVOCI-Equity Instruments	Total other equity
Balance as at 1st April 2018	80.00	744.28	4,596.05	16,894.80	0.02	22,315.15
Profit for the year	–	–	–	4,494.13	–	4,494.13
Other comprehensive income	–	–	–	14.34	(0.01)	14.33
Total comprehensive income for the year	–	–	–	4,508.47	(0.01)	4,508.46
Equity dividend including taxes thereon	–	–	–	(181.16)	–	(181.16)
Reversal of income tax liabilities upon merger with CMI Energy India Private Limited	–	–	–	3,196.02	–	3,196.02
Balance as at 31st March 2019	80.00	744.28	4,596.05	24,418.12	0.01	29,838.46
Profit for the year	–	–	–	370.12	–	370.12
Other comprehensive income	–	–	–	(9.35)	(0.01)	(9.37)
Total comprehensive income for the year	–	–	–	360.77	(0.01)	360.75
Equity dividend including taxes thereon	–	–	–	(181.16)	–	(181.16)
Unutilized MAT Credits Written Off	–	–	–	(114.41)	–	(114.41)
Balance as at 31st March 2020	80.00	744.28	4,596.05	24,483.31	(0.01)	29,903.64

The accompanying notes (1-52) are an integral part of the financial statements

As per our report of even date
For Krishna Neeraj & Associates
 Chartered Accountants
 FRN: 023233N

Krusshna Neeraj
 Partner
 Membership No.:506669

Place : New Delhi
 Date : July 17, 2020

For and on behalf of the Board of Directors

Amit Jain
 Chairman cum Managing Director
 DIN: 00041300

Subodh Kumar Barnwal
 Company Secretary
 M. No.-21928

Vijay Kumar Gupta
 Whole Time Director
 DIN: 00995523

Raj Kumar
 C.F.O.

Notes to the Financial Statements for the year ended 31 March, 2020

1. CORPORATE INFORMATION

CMI Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two stock exchanges in India: the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is located at Flat No.501-503, 5th Floor, New Delhi House, 27, Barakhamba Road, New Delhi-110001.

The Company is primarily engaged in the business of manufacture of wires and cables such as Railway Signaling Cables, Control & Instrumentation Cables, Jelly Filled Telephone Cables, Power Cables and many other specialty cables.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

The financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the financial statements.

a) Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;

- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) Revenue recognition

Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes any taxes or duties collected from customers on behalf of the government such as goods and services tax, etc. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income recognition for services takes place as and when the services are performed in accordance with Ind AS 115.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) Expenditure

Expenses are accounted on accrual basis.

f) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable

Notes to the financial statements for the year ended 31st March 2020

purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of property, plant and equipment relating to PVC Cable Division, where depreciation is provided using the written down value method (WDV).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may

be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Softwares are amortized on a straight line basis over a period of 4-5 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

h) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets recognised in the statement of profit and loss in the period of de-recognition.

i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.

Notes to the financial statements for the year ended 31st March 2020

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.

Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest rate method.

l) Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The adoption of Ind AS 116 did not have any material impact on the Company's statement of profit and loss and earnings per share.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Land, Buildings, Plant & Machinery including vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

m) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Notes to the financial statements for the year ended 31st March 2020

- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

n) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefits obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present

value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the nature of gratuity, and
- Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

o) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher

Notes to the financial statements for the year ended 31st March 2020

of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

p) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement; such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of

Notes to the financial statements for the year ended 31st March 2020

investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

s) Accounting for foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

t) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise

Notes to the financial statements for the year ended 31st March 2020

cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for

which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realize the benefits of those deductible differences in future.

Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

Employee benefit obligations

The costs of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 39.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	As at 31st March 2020	As at 31st March 2019
Owned Assets	15,768.50	15,497.77
Leased Assets	327.51	–
Total	16,096.01	15,497.77

A Owned Assets

Particulars	Freehold Land	Factory Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Gross Block								
Balance as at 1st April 2018	2,253.48	5,994.08	3.48	10,601.37	136.58	606.80	518.55	20,114.35
Additions	–	–	–	1,573.33	3.29	6.52	52.34	1,635.48
Disposals / adjustments	–	–	–	(30.61)	–	–	–	(30.61)
Balance as at 31st March 2019	2,253.48	5,994.08	3.48	12,144.10	139.87	613.31	570.89	21,719.22
Additions	–	–	–	1,397.33	–	2.51	33.81	1,433.66
Disposals / adjustments	–	–	–	(70.22)	–	–	(172.45)	(242.67)
Balance as at 31st March 2020	2,253.48	5,994.08	3.48	13,471.21	139.87	615.83	432.26	22,910.21
Accumulated Depreciation								
Balance as at 1st April 2018	–	937.23	3.48	3,429.93	76.47	452.28	219.13	5,118.52
Charge for the year	–	204.47	–	737.10	14.37	88.41	65.23	1,109.58
Disposals / adjustments	–	–	–	(6.65)	–	–	–	(6.65)
Balance as at 31st March 2019	–	1,141.70	3.48	4,160.37	90.84	540.69	284.36	6,221.45
Charge for the year	–	192.47	–	759.23	11.49	22.64	51.76	1,037.58
Disposals / adjustments	–	–	–	(22.67)	–	–	(94.64)	(117.31)
Balance as at 31st March 2020	–	1,334.16	3.48	4,896.93	102.33	563.33	241.48	7,141.71
Net Block								
As at 31st March 2019	2,253.48	4,852.38	–	7,983.72	49.03	72.63	286.53	15,497.77
As at 31st March 2020	2,253.48	4,659.92	–	8,574.28	37.54	52.50	190.78	15,768.50

Note: Property, plant and equipment have been mortgaged as security with banks against credit facilities of the Company.

B Leased Assets

Movements during the year:

Particulars	Right-of-Use Assets		Total
	Factory Buildings	Vehicles	
Balance as at 1st April 2019	–	–	–
Reclassified on account of adoption of Ind AS 116 - April 1, 2019	420.85	29.25	450.10
Additions	–	–	–
Disposals / adjustments	–	–	–
Balance as at 31st March 2020	420.85	29.25	450.10
Accumulated Depreciation			
Balance as at 1st April 2019	–	–	–
Additions	114.47	8.12	122.59
Disposals / adjustments	–	–	–
Balance as at 31st March 2020	114.47	8.12	122.59
Net Block As at 31st March 2020	306.38	21.13	327.51

- (i) Effective April 1, 2019, the Company has adopted Ind AS 116, Leases, under the modified retrospective approach without adjustment of comparatives. The Standard is applied to all contracts that remain in force as at April 1, 2019. The adoption of Ind AS 116 did not have any material impact on the Company's statement of profit and loss and earnings per share.
- In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 12% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.
- The Company's leases mainly comprise of land and buildings, equipments and vehicles. The Company leases land and buildings for manufacturing and warehouse facilities.
- (ii) The Company incurred Rs. 42.03 Lakhs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

7. INVESTMENT PROPERTY

Particulars	Rs. in lakhs
Gross Block	
Balance as at 1st April 2018	959.26
Additions	–
Disposals / adjustments	–
Balance as at 31st March 2019	959.26
Additions	8.93
Disposals / adjustments	–
Balance as at 31st March 2020	968.19
Accumulated Depreciation	
Balance as at 1st April 2018	13.51
Charge for the year	3.24
Disposals / adjustments	–
Balance as at 31st March 2019	16.75
Charge for the year	6.74
Disposals / adjustments	0.00
Balance as at 31st March 2020	23.49
Net Block	
As at 31st March 2019	942.51
As at 31st March 2020	944.70

(i) Disclosures relating to fair valuation of Investment Property

Fair Value of Investment Property

Particulars	Rs. in lakhs
As at 31st March 2019	1,100.32
As at 31st March 2020	1,100.32

As at 31 March 2020, the Fair Value of Investment Property is Rs. 1,100.32 Lakhs (P.Y. Rs. 1,100.32 Lakhs), which is based on valuation performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

Resulting fair value estimates for Investment Properties are included in Level 3. (Refer Note No. 48)

(ii) Amount recognised in Statement of Profit & Loss for investment property.

Particulars	31st March 2020	31st March 2019
Rental Income derived from Investment Property	14.40	24.10
Direct operating expense (including repairs & maintenance) for property that generate rental income	–	(6.27)
Direct operating expenses (including repairs and maintenance) for property that did not generate rental income	–	–
Profit arising from investment properties before depreciation	14.40	17.83
Less: Depreciation	(6.74)	(3.24)
Profit arising from investment properties	7.66	14.59

(iii) Investment Property have been mortgaged as security with banks against specific term loans of the Company.

(iv) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

8. INTANGIBLE ASSETS

Particulars	Computer Software
Gross Block	
Balance as at 1st April 2018	535.42
Additions	–
Disposals / adjustments	–
Balance as at 31st March 2019	535.42
Additions	–
Disposals / adjustments	–
Balance as at 31st March 2020	535.42
Accumulated Amortisation	
Balance as at 1st April 2018	441.37
Charge for the year	69.14
Disposals / adjustments	–
Balance as at 31st March 2019	510.51
Charge for the year	0.87
Disposals / adjustments	–
Balance as at 31st March 2020	511.38
Net Block	
As at 31st March 2019	24.91
As at 31st March 2020	24.04

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

9. FINANCIAL ASSETS - INVESTMENTS

	As at 31st March 2020	As at 31st March 2019
(A) Equity instruments (quoted)		
(At fair value through OCI)		
Equity Shares of Bank of Baroda	0.02	0.04
Total	0.02	0.04
Aggregate amount of quoted investments	0.05	0.05
Aggregate market value of quoted investments	0.02	0.04
Aggregate amount of impairment in value of investments	—	—

10. FINANCIAL ASSETS - LOANS

	As at 31st March 2020	As at 31st March 2019
(a) Non current loans		
Security deposits	112.55	100.39
Loans and advances to employees	5.40	15.84
Total Non-current loans	117.95	116.23
(b) Current loans		
Advances recoverable	241.42	251.09
Security deposits	74.75	45.16
Total current loans	316.17	296.25
Break-up:		
Considered good - Secured	—	—
Considered good - Unsecured	434.12	412.48
Unsecured, which have significant increase in credit risk	—	—
Unsecured, credit impaired	—	—
Total	434.12	412.48

11. FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity for more than 12 months (including interest accrued thereon)*	253.98	147.74
Total	253.98	147.74

* Deposits are under bank lien for margin against non fund based working capital credit facilities.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

12. DEFERRED TAX ASSETS / (LIABILITIES)

	As at 31st March 2020	As at 31st March 2019
A Components of Deferred Tax Assets/ (Liabilities)		
<i>Deferred Tax Assets</i>		
Carried forward losses and unabsorbed depreciation	2,672.43	3,638.93
Expenses allowable for tax purposes on payment basis	41.64	46.04
Unutilized MAT Credits	–	114.41
Others	–*	19.76
Total	2,714.07	3,819.14
<i>Deferred Tax Liabilities</i>		
Property, plant & equipment: impact of difference between tax depreciation and depreciation for financial reporting	1,397.12	1,704.26
Others	12.72	36.70
Total	1,409.84	1,740.96
Deferred Tax Assets (Net)	1,304.23	2,078.18
B Reconciliation of movement in Deferred Tax Assets (Net)		
Opening deferred tax assets/(liabilities)	2,078.18	1,601.12
Deferred tax credit/ (charge) recorded in statement of profit & loss	(662.74)	483.56
Deferred tax credit/ (charge) recorded in OCI	3.20	(6.50)
Unutilized MAT Credits Written Off	(114.41)	–
Closing deferred tax assets/(liabilities)	1,304.23	2,078.18
C The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Accounting profit before income tax	1,032.86	4,143.84
Applicable Tax Rate	25.163%	34.944%
Computed Tax Expense	259.95	1,448.02
TAX EFFECT OF:		
Expenses Disallowed under Income Tax Act	33.55	34.20
Tax Allowances	(293.50)	(1,491.91)
Revaluation of Deferred Tax due to change in income tax rate	318.68	–
Others	344.05	(340.61)
Income Tax Expense	662.74	(350.29)
Income Tax Expense reported in the Statement of Profit & Loss	662.74	(350.29)

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit & Loss for the year.

	As at 31st March 2020	As at 31st March 2019
D Current Tax Assets & Liabilities		
Current Tax Assets (Net)	133.24	78.34
Current Tax Liabilities (Net)	154.04	141.14

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

13. OTHER NON-CURRENT ASSETS

	As at 31st March 2020	As at 31st March 2019
Capital advances (unsecured, considered good)	897.70	908.72
Others	15.19	3.67
Total	912.89	912.39

14. INVENTORIES

	As at 31st March 2020	As at 31st March 2019
(valued at lower of cost and net realizable value)		
Raw materials*	5,274.85	5,335.09
Work-in-progress	10,417.65	7,903.34
Finished goods	3,013.51	2,823.83
Stores and spares	61.74	110.74
Total	18,767.75	16,172.99

*Raw materials includes goods-in-transit Rs. Nil (31st March 2019: Rs. Nil)

Note: Inventories have been hypothecated as security with banks against working capital credit facilities of the Company.

15. FINANCIAL ASSETS - TRADE RECEIVABLES

	As at 31st March 2020	As at 31st March 2019
Trade Receivables		
- Secured, considered good	–	445.18
- Unsecured, considered good	23,134.44	26,926.93
- Unsecured, which have significant increase in credit risk	–	–
- Unsecured, credit impaired	1,525.32	1,525.32
	24,659.76	28,897.43
Less: Allowance for credit impairment	(1,525.32)	(1,525.32)
Total	23,134.44	27,372.12

Note: Trade receivables have been hypothecated with banks against working capital credit facilities of the Company.

16. FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	As at 31st March 2020	As at 31st March 2019
Balances with banks:		
- In current accounts	14.51	1,214.92
- In unpaid dividend accounts	13.61	9.92
- Deposits with original maturity of 3 months or less (including interest accrued thereon)#	100.38	256.88
Cash in hand	29.23	34.23
Total	157.73	1,515.95

Deposits are under bank lien for margin against non fund based working capital credit facilities.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

17. FINANCIAL ASSETS - OTHER BANK BALANCES

	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon)#	1,261.53	801.84
Total	1,261.53	801.84

Deposits are under bank lien for margin against non fund based working capital credit facilities.

18. FINANCIAL ASSETS - OTHERS

	As at 31st March 2020	As at 31st March 2019
Other assets (other receivables)	347.17	633.85
Total	347.17	633.85

19. OTHER CURRENT ASSETS

	As at 31st March 2020	As at 31st March 2019
Balances with government authorities	739.19	421.37
Prepaid expenses	155.87	122.80
Advances to supplier and vendors		
- Unsecured considered good	4,632.31	4,106.33
- Unsecured considered Doubtful	10.24	10.24
Less : Allowance for credit impairment	(10.24)	(10.24)
Total	5,527.37	4,650.50

20. SHARE CAPITAL

	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
17,50,00,000 (31 March 2019: 25,000,000) Equity shares of Rs. 10/- each	17,500.00	250.00
Total	17,500.00	250.00
Issued, subscribed and fully paid up shares		
15,027,457 (31 March 2019: 15,027,457) Equity shares of Rs. 10 each, fully paid up	1,502.75	1,502.75
Add: Forfeited shares - amount originally paid up	0.33	0.33
Total	1,503.07	1,503.07

(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2020		As at 31st March 2019	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity shares at the beginning of the year	1,50,27,457.00	1,502.75	1,50,27,457.00	1,502.75
Add : Shares issued the year	-	-	-	-
Equity shares at the end of the year	1,50,27,457.00	1,502.75	1,50,27,457.00	1,502.75

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2020		As at 31st March 2019	
	No.	% Holding	No.	% Holding
Amit Jain	51,44,495.00	0.34	50,93,877.00	0.34
GMO Emerging Domestic Opportunities Fund	7,91,870.00	0.05	11,71,823.00	0.08
Total	59,36,365.00	0.40	62,65,700.00	0.42

21. OTHER EQUITY

	As at 31st March 2020	As at 31st March 2019
(i) Retained Earnings#		
Balance as at the beginning of the year	24,418.12	16,894.80
Profit for the year	370.12	4,494.13
Remeasurement of post employment benefit obligation, net of tax	(9.35)	14.34
Reversal of income tax liabilities upon merger with CMI Energy India Private Limited	–	3,196.02
Equity dividend including taxes thereon	(181.16)	(181.16)
Unutilized MAT Credits Written Off	(114.41)	–
Balance as at the end of the year	24,483.31	24,418.12
(ii) Securities Premium		
Balance as at the beginning of the year	4,596.05	4,596.05
Balance as at the end of the year	4,596.05	4,596.05
(iii) Capital Redemption Reserve		
Balance as at the beginning of the year	80.00	80.00
Balance as at the end of the year	80.00	80.00
(iv) Capital Reserve		
Balance as at the beginning of the year	744.28	744.28
Balance as at the end of the year	744.28	744.28
(v) Other Reserves		
Balance as at the beginning of the year	0.01	0.02
Addition/(reduction) during the year	(0.01)	(0.01)
Balance as at the end of the year	(0.01)	0.01
Total Other Equity	29,903.64	29,838.46

Nature & Purpose of Other Equity

- (i) Retained Earnings: Retained Earnings represents profits generated and retained by the company post distribution of dividends to the equity shareholders in the respective years. Retained earnings can be utilized for distribution of dividends by the Company considering the requirements of the Companies Act, 2013.
- (ii) Securities Premium: Securities premium is used to record the premium on issue of shares.
- (iii) Capital Redemption Reserve: Capital Redemption Reserve was created for redemption of capital.
- (iv) Capital Reserve: Capital Reserve has been created on account of amalgamation.
- (v) Other Reserves: The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.

The figures for the corresponding previous year opening balance or retained earnings and capital reserve have been regrouped wherever necessary.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

22. FINANCIAL LIABILITIES - NON-CURRENT BORROWINGS

	As at 31st March 2020	As at 31st March 2019
Secured		
Term loan from banks	6,930.26	5,671.62
Term loan from others	366.42	393.97
Total (A)	7,296.68	6,065.59
Total borrowings	7,296.68	6,065.59
Current maturities (included in Note No. 27)	1,375.09	682.28
Non-current	5,921.59	5,383.31

Notes:

- (i) The Company has not defaulted in the repayment of borrowings and interest as at balance sheet date.
- (ii) Term loans from banks and others are repayable in monthly/quarterly installments. These term loans are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of industrial property of the Company located at Baddi, Himachal Pradesh and second pari passu charge entire current assets of the Company, both present and future. These loans are further secured by personal guarantees of Directors/ Relatives.

23. PROVISIONS

	As at 31st March 2020	As at 31st March 2019
Provision for gratuity	79.93	81.70
Provision for leave encashment	35.51	27.36
Total	115.44	109.06
Current	23.18	26.09
Non-current	92.26	82.97

24. FINANCIAL LIABILITIES - CURRENT BORROWINGS

	As at 31st March 2020	As at 31st March 2019
Secured		
Working capital facilities from Banks	17,062.31	16,769.36
Working capital facilities from Others	700.00	1,400.00
Unsecured		
Bills discounted from banks	2,879.39	4,000.00
Loan from directors	19.80	0.75
Total	20,661.50	22,170.11

Note:

- (i) Working capital facilities from banks and others are secured by way of first pari-passu charge on current assets of the company, both present and future, first pari-passu charge on land & building and movable fixed assets of the company located at Faridabad (Haryana), second pari passu charge on land & building and movable fixed assets of the Company located at Baddi (Himachal Pradesh) and these facilities are further secured by collaterals given by directors and their friends and relatives with their personal guarantees.
- (ii) The Company has not defaulted in the repayment of borrowings and interest as at balance sheet date.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

25. FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31st March 2020	As at 31st March 2019
Current		
Total outstanding dues of micro enterprises & small enterprises*	1,033.17	152.71
Total outstanding dues of creditors other than micro & small enterprises	7,297.67	10,177.72
Total	8,330.84	10,330.43
Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:		
Particulars	As at 31st March 2020	As at 31st March 2019
(a) Principal amount remaining unpaid to any supplier at the end of the accounting year	1,033.17	152.71
(b) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	19.19	5.93
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	–	–
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	19.19	5.93
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	19.19	5.93

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the “suppliers”/ informations available with the company regarding their status under the Micro, Small and Medium Enterprises Development Act 2006.

26. OTHER FINANCIAL LIABILITIES

	As at 31st March 2020	As at 31st March 2019
Non-Current		
Lease Liabilities*	215.36	–
Current		
Current maturities of non- current borrowings (refer to Note No.: 23)	1,375.09	682.28
Interest accrued but not due on borrowings	43.34	6.52
Dividend payable	13.61	9.92
Lease Liabilities*	136.74	–
Other payables	1,212.87	1,163.43
Total	2,997.01	1,862.14

* Disclosures as required by Ind AS 116, Leases, are stated below:

i Movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance as at 1st April 2019	–
Additions	450.10
Finance cost accrued during the period	49.29
Disposals / adjustments	–
Payment of lease rentals	(147.28)
Balance as at 31st March 2020	352.11

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

ii The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	Year ended March 31, 2020
Less than 1 Years	119.11
1 to 5 Years	117.27
More than 5 Years	190.13
Balance as at 31st March 2020	426.51

27. OTHER CURRENT LIABILITIES

	As at 31st March 2020	As at 31st March 2019
Statutory dues payable	38.71	143.59
Advances from customers	304.34	170.77
Total	343.05	314.36

28. REVENUE FROM OPERATIONS

	31st March 2020	31st March 2019
Sales of products	49,829.48	63,729.85
Total	49,829.48	63,729.85

Note:

- (i) Revenue from contract with customers differ from the revenue as per contracted price due to factors such as taxes recovered, volume rebate, discounts, etc.

29. OTHER INCOME

	31st March 2020	31st March 2019
Freight & cartage outward recovered	1,007.88	984.50
Interest received	222.15	191.80
Interest income from financial assets at amortized cost	3.05	2.52
Rent received	61.14	57.80
Miscellaneous receipts	88.51	183.46
Total	1,382.73	1,420.08

30. COST OF RAW MATERIAL CONSUMED

	31st March 2020	31st March 2019
Raw material		
Opening stock	5,335.09	4,778.49
Add: Purchases	38,325.47	46,349.27
Less: Closing stock	(5,274.85)	(5,335.09)
Total (A)	38,385.71	45,792.67
Stores, spares and packing materials		
Opening stock	110.74	68.81
Add: Purchases	1,020.04	1,145.07
Less: Closing stock	(61.74)	(110.74)
Total (B)	1,069.04	1,103.14
Total Cost of raw material consumed [A+B]	39,454.75	46,895.81

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	31st March 2020	31st March 2019
Opening stock of finished goods	2,823.83	1,598.13
Less: Closing stock of finished goods	(3,013.51)	(2,823.83)
Total (A)	(189.68)	(1,225.70)
Opening stock of work-in-progress	7,903.34	6,311.06
Less: Closing stock of work-in-progress	(10,417.65)	(7,903.34)
Total (B)	(2,514.31)	(1,592.28)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade [C=A+B]	(2,703.99)	(2,817.98)

32. EMPLOYEE BENEFITS EXPENSE

	31st March 2020	31st March 2019
Director's remuneration*	132.36	100.32
Salaries, wages, bonus and other benefits	1,954.24	1,870.22
Contribution to provident and other funds	33.00	14.82
Workmen and staff welfare expenses	58.58	55.30
Total	2,178.18	2,040.66

* Managerial Remuneration paid to Chairman cum Managing Directors for the current year ended March 31, 2020 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by Rs.57.17 lacs. The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.

33. FINANCE COSTS

	31st March 2020	31st March 2019
Interest expenses	3,722.68	2,958.37
Interest on lease liabilities	49.29	–
Other financial charges	228.89	415.99
Total	4,000.86	3,374.36

34. DEPRECIATION AND AMORTIZATION EXPENSE

	31st March 2020	31st March 2019
Depreciation on property plant & equipment (owned assets)	1,037.58	1,109.58
Depreciation on property plant & equipment (leased assets)	122.59	–
Depreciation on investment property	6.74	3.24
Amortisation of intangible assets	0.87	69.14
Total	1,167.78	1,181.95

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

35. OTHER EXPENSES

	31st March 2020	31st March 2019
Manufacturing expenses:		
Power & fuel charges	708.88	786.60
Job work charges	48.18	18.89
Other manufacturing expenses	229.10	475.83
Repairs to building	21.91	50.87
Repairs to plant and machinery	175.96	142.74
Repair and maintenance other assets	40.19	66.60
Total (A)	1,224.22	1,541.53
Administrative and selling expenses:		
Auditors' remuneration & refreshments*	6.17	5.23
Advertisement and publicity	1.72	2.09
Computer expenses	3.82	2.29
Conveyance expenses	56.47	51.86
Donation	2.62	3.74
Fees, rates and taxes	61.50	15.19
Festival expenses	3.93	8.00
Freight & cartage outward	1,056.17	1,256.71
Insurance charges	25.40	27.59
Legal & professional fees	232.47	257.94
Listing compliance & fees	9.40	8.94
Meeting expenses	2.42	9.47
Miscellaneous expenses	24.70	22.27
Postage & courier charges	4.47	3.36
Printing & stationery	14.26	18.39
Penalty and fines	–	4.00
Cenvat & service tax credit cess / set off charges	–	27.74
Rent	42.03	121.07
Security service charges	52.76	43.13
Telephone and telecommunication charges	14.39	16.68
Tour and travelling expenses	76.49	137.57
Amounts written off	3.55	32.11
Corporate social responsibility expenses#	75.75	78.20
Selling expenses	893.73	633.08
Total (B)	2,664.21	2,786.66
Total other expenses [C=A+B]	3,888.43	4,328.19
* Payment to Auditors	31st March 2020	31st March 2019
As auditor:		
i) Audit fees	5.00	5.00
ii) Fees for income tax matters	0.59	–
iii) Certification charges & others	1.23	2.05
Total	6.82	7.05

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

# Corporate social responsibility expenses	31st March 2020	31st March 2019
Gross amount required to be spent by the Company (as per Section 135 of Companies Act, 2013) during the year	74.51	63.21
Amount spent during the year		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	75.75	78.20

36. EXCEPTIONAL ITEMS (NET)

	31st March 2020	31st March 2019
Loss on sale of property, plant and equipment	25.48	2.69
Total	25.48	2.69

37. EMPLOYEE BENEFIT OBLIGATIONS

(A) Defined benefit plans

Provision for gratuity is determined based on actuarial valuation using projected unit credit method.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

Leave encashment:

The company provides for leave encashment subject to certain rules. The employees are entitled to accumulate leaves subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leaves at each balance sheet date on the basis of an independent actuarial valuation.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation as at 1st April 2018	106.70	22.37
Interest expense	8.27	1.73
Current service cost	14.17	8.54
Benefits paid	(13.82)	(10.42)
Actuarial (gain)/ loss	(20.72)	5.13
Defined benefit obligation as at 31 March 2019	94.60	27.36
Interest expense	6.62	1.91
Current service cost	16.17	10.21
Benefits paid	(36.97)	(9.15)
Actuarial (gain)/ loss	12.35	5.18
Defined benefit obligation as at 31 March 2020	92.78	35.51

(ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	94.60	27.36
Fair value of plan assets	12.90	–
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2019	81.70	27.36
Present value of obligation	92.78	35.51
Fair value of plan assets	12.85	–
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2020	79.93	35.51

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

(iii) Amount recognised in Statement of Profit and Loss:

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	8.27	1.73
Current service cost	14.17	8.54
Actuarial (gain)/loss - obligation	–	5.13
Expected return on plan asset	(1.62)	0.00
Amount recognised in Statement of Profit and Loss for year ended 31 March 2019	20.82	15.40
Interest Cost	6.62	1.91
Current service cost	16.17	10.21
Actuarial (gain)/loss - obligation	–	5.18
Expected return on plan asset	(0.90)	–
Amount recognised in Statement of Profit and Loss for year ended 31 March 2020	21.89	17.31

(iv) Amount recognised in Other Comprehensive Income:

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	(20.72)	–
Actuarial (gain)/ loss on plan assets	0.86	–
Amount recognised in Other comprehensive income for year ended 31 March 2019	(19.86)	–
Actuarial (gain)/ loss on obligations	12.35	–
Actuarial (gain)/ loss on plan assets	0.20	–
Amount recognised in Other comprehensive income for year ended 31 March 2020	12.55	–

(v) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity Funded	Leave Encashment
Fair value of plan assets as at 1st April 2018	20.96	NIL
Expected return on plan assets	1.62	NIL
Contributions	5.00	NIL
Benefits Paid	(13.82)	NIL
Actuarial gain/(loss)	(0.86)	NIL
Fair value of plan assets as at 31 March 2019	12.90	NIL
Expected return on plan assets	0.90	NIL
Contributions	5.00	NIL
Benefits Paid	(5.76)	NIL
Actuarial gain/(loss)	(0.20)	NIL
Fair value of plan assets as at 31 March 2020	12.85	NIL

(vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31st March 2020	31st March 2019
Investment details	Gratuity	Gratuity
Investment with Insurer	100%	100%

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

(vii) The principal assumptions used in determining gratuity & leave encashment obligations for the company's plans are shown below:

Gratuity & leave encashment

Particulars	31st March 2020	31st March 2019
Discount rate	7.00% p.a.	7.75% p.a.
Employee turnover rate	5.00% p.a.	5.00% p.a.
Salary growth rate	5.00% p.a.	5.00% p.a.

(viii) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible.

Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in discount rate	87.56	32.98	90.15	25.65
Liability with 1% decrease in discount rate	98.74	38.41	99.60	29.73
Liability with 1% increase in salary growth rate	98.80	38.44	99.69	29.77
Liability with 1% decrease in salary growth rate	87.42	32.92	90.00	25.59

(ix) Risk exposure:

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

Investment risk :

If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher than expected.

Changes in bond yields :

A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Longevity risk :

If improvements in life expectancy are greater than assumed, the cost of benefits will increase. This will mean the funding level will be higher than expected.

Inflation risk :

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

(x) Maturity Analysis of defined benefit obligation

Particulars	31st March 2020	31st March 2019
0-1 Year	19.67	23.06
1-2 Year	4.14	17.63
2-3 Year	17.12	5.17
3-4 Year	4.72	19.84
4-5 Year	1.87	7.09
5 Year Onwards	45.26	41.61

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

(B) Defined contribution plans

The Company has certain defined contribution plans for the benefit of the employees.

The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the year towards defined contribution plans is:

Particulars	31st March 2020	31st March 2019
Employer's contribution to provident fund	8.17	3.29
Employer's contribution to ESI	3.41	3.06
Employer's contribution to NPS	18.56	7.40
Total	30.14	13.75

38. SEGMENT INFORMATION

The Company's operations predominately relate to cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

Geographical information

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
(i) Revenue from external customers		
- Within India	49,011.12	62,823.16
- Outside India	818.36	906.69
Total revenue per statement of profit and loss	49,829.48	63,729.85
The revenue information above is based on the locations of the customers.		
(ii) Non-current operating assets		
- Within India	17,695.70	16,875.66
- Outside India	—	—
Total	17,695.70	16,875.66

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment properties, and intangible assets.

39. A. RELATED PARTY DISCLOSURES

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balance with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Company:

CMI Agro Limited (Till 30th March, 2019)

(b) Key Management Personnel (KMP):

Mr. Amit Jain	Chairman cum Managing Director
Mr. V. K. Gupta	Whole Time Director
Mr. Pyare Lal Khanna	Non-Executive Independent Director (resigned w.e.f 30th September, 2019)
Mr. Manoj Bishan Mittal	Non-Executive Independent Director
Mr. Kishor Punamchand Ostwal	Non-Executive Independent Director (resigned w.e.f 18th November, 2019)

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Mrs. Archana Bansal	Non-Executive Independent Director (resigned w.e.f 28th May, 2019)
Ms. Charu Jain	Non-Executive Independent Director (joined w.e.f 28th May, 2019)
Mr. Anil Arora	Non-Executive Independent Director (joined w.e.f 30th December, 2019)
Mr. Kunal Singhal	Non-Executive Director (joined w.e.f 31st March, 2020)
Mr. Rattan Lal Aggarwal	Chief Financial Officer (resigned w.e.f 1st April, 2020)
Mr. Subodh Kumar Barnwal	Company Secretary
Ms. Tanya Kukreja	Company Secretary (till 13th May, 2019)

(c) **Enterprises over which KMP/ relatives of KMP have significant influence :-**

Wire House	Proprietorship concern of relative of director
Parshwanath Cables Pvt. Ltd.	Company in which a relative of a director is director
Robotech Pvt. Ltd.	Company in which a director of the company is a director
Himani Metals LLP	LLP in which a director of the company is a partner
Orkus Pvt. Ltd.	Company in which a director of the company is a director

B. The transactions with related parties during the year and their outstanding balances are as follows:

Particulars	Subsidiary		Key Management Personnel (KMP)		Other Related Parties		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Short-term employee benefits	–	–	195.64	165.72	–	–	195.64	165.72
Interest paid/payable	–	–	–	–	–	–	–	–
Lease rent paid/payable	–	–	9.75	3.00	–	–	9.75	3.00
Rent received/receivable	–	–	–	–	–	12.39	–	12.39
JobWork charges paid/payable	–	–	–	–	–	–	–	–
Purchases	–	–	–	–	286.63	423.57	286.63	423.57
Sales	–	–	–	–	320.76	1,582.60	320.76	1,582.60
Finance								
Unsecured loans received	–	1.00	213.00	118.50	–	–	213.00	118.50
Unsecured loans paid back	–	0.01	193.95	162.00	–	–	193.95	162.00
Advances paid	–	–	–	–	35.40	23.00	35.40	23.00
Advances received back	–	–	–	–	75.40	23.00	75.40	23.00
Year End Balances								
Closing debit balances	–	–	4.18	–	464.81	854.64	468.99	854.64
Closing credit balances	–	20.99	24.70	6.42	53.10	13.12	77.80	19.54

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Nil)

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

40. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31st March 2020	31st March 2019
Profit/(loss) for the year	370.12	4,494.13
Nominal value of equity share (INR)	10.00	10.00
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	1,50,27,457.00	1,50,27,457.00
Basic EPS (Rs.)	2.46	29.91
Nominal value of equity share (INR)	10.00	10.00
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	1,50,27,457.00	1,50,27,457.00
Diluted EPS (Rs.)	2.46	29.91

41. CAPITAL COMMITMENTS

Particulars	31st March 2020	31st March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	701.51

42. CONTINGENT LIABILITIES

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

Nature of liability	31st March 2020	31st March 2019
i) Counter guarantee given to Company's bankers for the guarantee given by them on behalf of the Company (net of advances)	5,357.59	5,052.19
ii) Pending suit in court filed by parties for alleged demand for recovery.	1,738.77	925.53

43. RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has incurred the following expenses on research and development activity:

Particulars	31st March 2020	31st March 2019
Capital expenditure		
- Plants and machinery - capitalized during the year	-	31.51
Revenue expenditure	9.89	4.58
Total	9.89	36.09

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

44 DIVIDEND

	31st March 2020	31st March 2019
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2019: Rs. 1.00 per share (31 March 2018: Rs. 1 per share)	150.27	150.27
Dividend Distribution Tax on final dividend	30.89	30.89
	181.16	181.16
Proposed dividends on equity shares:		
Final dividend for the year ended on 31 March 2020: Rs. 0.50 per share (31 March 2019: Rs. 1.00 per share)	75.14	150.27
Dividend distribution tax on proposed dividend	–	30.89
	75.14	181.16

Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability as at year end.

45 DERIVATIVES INSTRUMENTS

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(a) Foreign currency receivables as at the reporting date:

Particulars	Currency	31st March 2020	31st March 2019
Export of goods	USD	1.96	6.36
	Rs.	147.89	445.18
Capital advances	USD	–	0.69
	Rs.	–	48.54

(b) Foreign currency payables as at the reporting date:

Particulars	Currency	31st March 2020	31st March 2019
Import of goods	USD	0.20	3.96
	Rs.	14.84	279.54
Advances from customers	AUD	–	0.08
	Rs.	–	3.71

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

46. FAIR VALUES

(a) **Financial instruments by category :**

The carrying amounts and fair values of financial instruments are as follows:

Particulars	Carrying Value/ Fair Value					
	31st March 2020			31st March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Non-current assets						
Investments	–	0.02	–	–	0.04	–
Loans	–	–	117.95	–	–	116.23
Other Financial Assets	–	–	253.98	–	–	147.74
Current assets						
Trade receivables	–	–	23,134.44	–	–	27,372.12
Cash and cash equivalents	–	–	157.73	–	–	1,515.95
Other bank balances	–	–	1,261.53	–	–	801.84
Loans	–	–	316.17	–	–	296.25
Others financial assets	–	–	347.17	–	–	633.85
Total	–	0.02	25,588.98	–	0.04	30,883.99
Financial liabilities						
Non-current						
Borrowings	–	–	5,921.59	–	–	5,383.31
Other financial liabilities	215.36	–	–	–	–	–
Current						
Borrowings	–	–	20,661.50	–	–	22,170.11
Trade payables	–	–	8,330.84	–	–	10,330.43
Other financial liabilities	136.74	–	2,644.90	–	–	1,862.14
Total	352.11	–	37,558.83	–	–	39,745.98

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

(b) **Fair value hierarchy :**

The fair value of financial instruments as referred to in note (a) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
- Investment properties*	–	–	1,100.32	–	–	1,100.32
Financial assets measured at fair value						
- Investments in Quoted Equity Instruments	0.02	–	–	0.04	–	–
Financial liabilities measured at fair value						
- Lease Liabilities	–	352.11	–	–	–	–

* There have been no transfers among Level 1, Level 2 and Level 3 during the financial year.

(c) Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2019.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investment in quoted investment in equity shares is based on quoted price of respective investment as at the Balance Sheet date.

Other financial assets and liabilities-

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

47. FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to market risk, credit risk and liquidity risk. The Company's senior management looks after the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans & borrowings, deposits & Investments.

(i) Interest Rate Risk

Interest Rate Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of balanced portfolio of fixed and variable/ floating rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity	Increase/ Decrease in Basis points	Effect on profit before tax
31st March, 2020		
MCLR	+50	(90.41)
MCLR	-50	90.41
31st March, 2019		
MCLR	+50	(92.59)
MCLR	-50	92.59

Sensitivity is calculated based on the assumption that amount outstanding as at reporting date were utilised for the whole financial year.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

(ii) Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has sales and purchases from outside India. The Company has transactional currency exposures arising from sales and purchases by an operating unit in currencies other than the unit's functional currency.

Exposures in foreign currency are managed through a natural hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures.

The following table demonstrates the sensitivity to a reasonably possible change in USD and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variables held constant, the Company's profit before tax is affected through the impact of change of foreign currency rate as follows-

Unhedged foreign currency sensitivity	Changes in USD	Effect on profit before tax	Changes in AUD	Effect on profit before tax
31st March, 2020	+5%	6.65	+5%	-
	-5%	(6.65)	-5%	-
31st March, 2019	+5%	10.71	+5%	(3.71)
	-5%	(10.71)	-5%	3.71

(iii) Price Risk

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of copper, aluminium, PVC/PE, etc. These inputs are procured based on monthly average prices and the same are further protected with price escalation clause for cables being supplied to various customers.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities at fair value was Rs. Nil.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The Company's customer profile includes public sector enterprises, state owned companies and private corporates. Accordingly, the Company's customer credit risk is low.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

(c) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants.

The tables below provide details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

As at 31-March-2020

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	27,958.18	17,782.11	4,254.48	5,794.10	127.49
Trade payables	8,330.84	–	8,330.84	–	–
Other Financial liabilities	1,621.92	–	1,443.19	178.74	–
Total	37,910.94	17,782.11	14,028.50	5,972.84	127.49

As at 31-March-2019

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	28,235.69	18,170.11	4,682.28	5,220.38	162.92
Trade payables	10,330.43	–	10,330.43	–	–
Other Financial liabilities	1,179.86	–	1,179.86	–	–
Total	39,745.98	18,170.11	16,192.57	5,220.38	162.92

48. MATERIAL IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated impact of impact of this pandemic on its business operations. Based on its review and current Indicators of economic conditions, there is no significant impact on the financial statements for this year. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

49. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and Current and Non- Current borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

The following table summarizes the capital of the Company:

Particulars	31st March 2020	31st March 2019
Cash and cash equivalents	157.73	1,515.95
Other bank balances	1,261.53	801.84
Total (a)	1,419.27	2,317.79
Non-current borrowings	5,921.59	5,383.31
Current borrowings	22,036.59	22,852.38
Interest accrued but not due on borrowings	43.34	6.52
Lease Liabilities	352.11	–
Total (b)	28,353.63	28,242.21
Net debt [c=b-a]	26,934.36	25,924.42
Total Capital (d)	31,406.71	31,341.53
Capital and net debt [e=c+d]	58,341.07	57,265.95
Gearing ratio [c/e]	46.17%	45.27%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately recall loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

50. Figures are rounded off to nearest rupees in Lakhs.
51. The financial statements were approved for issue by the Board of Directors on July 17, 2020.
52. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date attached
For Krishna Neeraj & Associates
 Chartered Accountants
 FRN: 023233N

Krusshna Neeraj
 Partner
 Membership No.:506669

Place : New Delhi
 Date : July 17, 2020

For and on behalf of the Board of Directors

Amit Jain
 Chairman cum Managing Director
 DIN: 00041300

Subodh Kumar Barnwal
 Company Secretary
 M. No.-21928

Vijay Kumar Gupta
 Whole Time Director
 DIN: 00995523

Raj Kumar
 C.F.O.

RAILWAY CABLES



THERMOCOUPLE
CABLES



FIRE SURVIVAL
CABLES



LV POWER &
CONTROL CABLES



EHV CABLES



MV/HV CABLES



AERIAL BUNCHED
CABLES



INSTRUMENTATION
CABLES



 **CMI Limited**
CABLES THAT EMPOWER

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