

CMI LIMITED

Registered Office: C- 483, Yojna Vihar, Delhi- 110092

Tel No.: 011-49570000-11

NOTICE IS HEREBY GIVEN THAT THE 46TH ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Friday, the 27th September, 2013 at 11:30 am at Lajwaab Banquet Hall, Vikas Marg, Delhi – 110092 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Pyare Lal Khanna, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s J.K. Manocha & Associates, Chartered Accountants, New Delhi, be and hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

4. **SPECIAL BUSINESS:**

To consider and, if thought fit, to pass the following Resolution with or without modification(s), if any, as Special Resolution:

“RESOLVED THAT in terms Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any Statutory modification(s) or re-enactment

there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges where the Company's shares are listed, and in accordance with the Chapter VII of the Securities Exchange Board of India(Issue of Capital & Disclosure Requirements) Regulations, 2009 relating to Preferential Issue, as amended upto date and Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover Regulations, 2011 (hereafter referred to as "the SEBI Regulations) and subject to such consents, approvals, permissions and sanctions of SEBI, Stock Exchange and other appropriate Authorities if any as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed by such conditions and modifications as may be prescribed or imposed by such authorities while according such approvals, consents, permissions and sanctions, if any, agreed to by the Board of Directors of the Company(Hereafter referred as "Board" which term shall be deemed to include any committee thereof) consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot by way of Preferential Allotment as:-

- a. Up to 1,76,740 (One Lakh Seventy Six Thousand Seven Hundred and Forty only) Equity Shares of Face value of Rs. 10/- each, and
- b. Up to 1,85,577 (One Lakh Eighty Five Thousand Five Hundred Seventy Seven only) Warrants with a right exercisable by the warrant holder to subscribe for One Equity Share of Rs. 10/- each per warrant which option shall be exercisable after December 1, 2013, but not later than 18 months from the date of issue of warrants;

(All of which are hereafter collectively referred to as 'Securities) to Main Promoter of the Company i.e. Mr. Amit Jain for cash on a preferential allotment basis, on such other terms and conditions as the Board may in its absolute discretion decide at the time of issue of Securities, and at such prices, for the equity shares to be allotted (including those arising out of exercise of option attached to the warrants) including premium if any, as may be determined and approved by the Board in accordance with the conditions specified in the SEBI ICDR Regulations; allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon exercise of option by Warrant Holder or as may be necessary in accordance with the terms of the offer, all such shares ranking pari-passu with the then existing Ordinary Shares of the company in all respects;

RESOLVED FURTHER THAT the Board /any committee thereof, be and is hereby authorized to determine, vary, modify or alter any of the terms and conditions of the

issue and allotment of the Equity Shares and warrants including reduction of the size of the issue, as it may deem expedient;

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to determination of price for the Equity Shares to be issued and allotted upon exercise of right attached to the Warrants referred to above shall be 28th August, 2013 i.e. 30 Days prior to the date of Annual General Meeting;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to this resolution.”

By Order of the Board

Place: Delhi
Date: 29th August, 2013

Amit Jain
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, THE INSTRUMENT MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF 4 TO 5 OF THE NOTICE SET OUT ABOVE IS ANNEXED HEREWITH.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of all the Directors, nature of their expertise in specific functional area, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, Shareholding and relationships between Directors inter-se stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
4. Members are requested to bring their ID cards and attendance slip along with their copy of Annual Report of the Meeting.
5. Relevant documents referred in the accompanying notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 A.M to 1.00 P.M up to the date of the Meeting.
6. Pursuant to Section 154 of the Companies Act, 1956 the Company has already notified closure of Register of Members and Share Transfer Books from September 21st, 2013 to September 27th, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if the dividend is declared at the Meeting.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
8. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrar and Transfer Agents, M/s Beetal Financial & Computer Services Private Limited, Beetle House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062.
9. The Members are requested to provide information with respect to particulars such as occupation, Fathers' name etc and such other information, that is not available with the Company so as to update Members' Register.
10. Members holding shares in electronic form are requested to quote Ledger Folio Numbers/ DP ID- Client ID in all their correspondence.
11. The Members are requested to note that no gift or gift coupons will be distributed at the meeting.

12. No amount of money is due & pending which is required to be transferred to unpaid or unclaimed dividend account or to Investor Education and Protection Fund.
13. The Register of Director's shareholding will be available for inspection at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

AGENDA ITEM NO. 4

A. Disclosures/ Information as required under Regulation 73 of the SEBI ICDR Regulations for Preferential Allotment is given below:

(i) OBJECTS OF THE ISSUE

At present, the plant of the Company is operating at 35% to 40% of its installed capacity. For optimum utilization of the capacity and to increase the profitability of the Company, there is need to increase the production levels and as the Company has made a good reputation in the Cables business, it is looking to expand its horizon in the shape of HT Power Cables, Catenary/Contact Wires, Irradiated Cables and Aerial Bunched Cables and Rubber Cables. The Company is participating in the tenders of various companies/government organizations/ PSUs and is having plenty of orders in hand. The Company is betting big on the infrastructure growth in India and expecting huge potential in its products namely Power Cables, HT Cables, HT Power Cables, Axle Counter Cables and Rubbers Cables..

Accordingly, the Company is in the need of funds for machinery installation & up gradation, for meeting the cost of repair & maintenance, for raising production levels and also to have strong working capital base. To meet the permanent nature of such requirement of funds for the expansion of its business activities and also augment the long term resources for the ongoing and future projects of the Company including long term working capital, the Company intends to mobilize funds through issue of equity shares by way of preferential allotment. This will also strengthen the financial base and net worth of the Company and maximize overall value for all shareholders.

(ii) Source of funds

Mr. Amit Jain, the existing promoter and Managing Director had infused Rs. 25.00 Lacs by way of Share Application Money in the Company. The amount so paid as share application money shall be utilized against allotment of the said securities and the balance amount payable, if any, on the securities on the re-computation of price as per the pricing criteria under SEBI ICDR Regulations shall be paid by Mr. Amit Jain within the prescribed time.

The proceeds of the proposed preferential allotment of shares, Warrants will strengthen the long term financial position of the Company and the Board considers that the issue of

shares & warrants would be of immense benefit to the Company and hence recommend the resolution for approval.

(iii) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER

The main Promoter of the Company i.e. Mr. Amit Jain conveyed his intention to subscribe to the offer. No shares are being offered to other Directors or Key Managerial Personnel.

(iv) CHANGE IN CONTROL

There will be no change in the management and control of the Company pursuant to the proposed preferential allotment.

(v) SHAREHOLDING PATTERN BEFORE AND AFTER THE PREFERENTIAL ISSUE

Sr. No.	Category	Before the issue of 1,76,740 Equity Shares & 1,85,577 Warrants		Post Issue - Shareholding after allotment of 1,76,740 Equity Shares		Post Issue - Shareholding after conversion of 1,85,577 warrants	
		No. of Shares held	% of Share holding	No. of shares held	% of share holding	No. of shares held	% of Share holding
A	Promoter' Holdings :						
1	Indian : Individual All are Indian Promoters	1593877	45.09	1770617	47.71	1956194	50.20
	Bodies Corporate	-	-	-	-	-	-
	Sub Total(A)	1593877	45.09	1770617	47.71	1956194	50.20
B	Non-Promoters' holding :						
1	Resident Indians	1542593	43.64	1542593	41.56	1542593	39.58
2	Bodies Corporate	256377	7.25	256377	6.91	256377	6.58
3	NRIs & Foreign Nationals	138560	3.92	138560	3.73	138560	3.56
4	ESOP/ESOS/	3400	0.10	3400	0.09	3400	0.09

	ESPS						
	Sub Total(B)	1940930	54.91	1940930	52.29	1940930	49.80
	GRANDTOTAL	3534807	100.00	3711547	100.00	3897124	100.00

(vi) PRICING AND AUDITOR'S CERTIFICATE

The pricing of Equity Shares to be allotted on preferential basis to Mr. Amit Jain in promoter capacity shall not be lower than the price determined in accordance with the Regulation 76(2) of SEBI ICDR Regulations, as the shares of the Company have been listed on the recognised stock exchange for a period of less than six months as on the relevant date. The price shall be determined on the basis of quotes available on the website of Bombay Stock Exchange Limited, being the Stock Exchange having highest trading volume. The relevant date is 28th August, 2013 for the price calculation of equity shares.

According to Regulation 76(2) of SEBI ICDR Regulations, the price of Equity Share for the preferential issue is Rs. 7.17/-, which is less than Face value Equity Share Rs. 10/- Each, so the issue of equity shares on preferential basis will be at a price of Rs. 10/- per share.

The Company shall re-compute the price i.e. on the completion of six months from the date of listing and if such re-computed price is higher than the price calculated as above, the difference shall be paid by Mr. Amit Jain to the Company.

The Certificate from M/s. J. K. Manocha & Associates, Statutory Auditors of the Company, certifying that the issue of the Equity Shares on the above terms is in accordance with the said SEBI Regulations as in force on the date of this notice is kept open for inspection at the Registered Office of the Company on all working days during office hours and will also be available for inspection at the meeting.

(vii) LOCK IN PERIOD

The entire pre-preferential holding of Mr. Amit Jain, the proposed allottee, shall be locked-in from the relevant date up to a period of six months from the date of preferential allotment.

The Equity Shares (including those arising out of exercise of right attached to the Warrants) to be allotted to Mr. Amit Jain pursuant to this special resolution shall be subject to lock-in for a period of 3 years from the date of allotment, consistent with SEBI ICDR Regulations.

The Company will make application to the stock Exchange at which the existing shares are listed, for the listing of the above equity shares also.

(viii) IDENTITY OF PROPOSED ALLOTTEE OF THE ISSUE AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MY BE HELD BY THEM

Name of the Proposed Allottee	Category	No. of Equity Shares proposed to be allotted	% of Post Issue Equity Capital	No. of Warrants proposed to be allotted in two financial years	% of Post Issue Equity Capital*
Mr. Amit Jain, r/o C-483, Yojna Vihar, Delhi-110092	Promoter	1,76,740	47.71	1,85,577	50.20

*Assuming full subscription of equity shares/ warrants proposed to be allotted herein.

(B) OTHER MATERIAL FACTS RELATING TO THE PREFERENTIAL ALLOTMENT

- a. The proposed preferential allotment of Securities to Mr. Amit Jain would be strictly in accordance with Chapter VII of the SEBI ICDR Regulations and the above mentioned parameters would be subject to such changes as may be required to conform to the SEBI ICDR Regulations. Such proposed preferential issue would comprise of up to 1,76,740 Equity Shares of Rs. 10/- each and 1,85,577 warrants with a right exercisable by the warrant holder to subscribe for one Equity Share per warrant. The holder of Warrants shall have the option to exercise the Warrants to subscribe to Equity Shares within eighteen months of its allotment. Further the conversion of warrants into equity shares shall be subject to the provisions of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.
- b. An amount equivalent to at least 25% of the consideration payable on the Warrants shall be paid/adjusted at the time of allotment of the Warrants and the remainder shall be paid/adjusted upon allotment of Equity Shares upon exercise of the option on warrants.

- c. If the entitlement against the warrants to apply for the Equity Shares is not exercised within 18 months from the date of allotment, then such warrants along with rights attached thereto shall expire and any amount paid on such warrants shall be forfeited.

Your Directors recommend the above Special Resolution for your approval.

Mr. Amit Jain, Managing Director of the Company is deemed to be interested in this resolution.

None of the other directors are in any way concerned or interested in this resolution.

By order of the Board

Place: Delhi
Date: 29th August, 2013

Amit Jain
Chairman & Managing Director

CMI LIMITED

Regd. Office : C-483, Yojna Vihar, Delhi-110092

ATTENDANCE SLIP

Annual General Meeting

DP Id*

Regd. Folio No.

Client Id*

Name and Address of the Shareholder :

No. of Share(s) held:

I certify that I am a member/proxy for a member of the Company and I hereby record my presence at the Annual General Meeting of the Company, at Lajwaab Banquet Hall, Vikas Marg, Delhi-110092 at 11:30 a.m. on Friday, 27th September, 2013.

** Member's / Proxy's name in Block Letters

** Member's/ Proxy's Signature

Note:

1. Member/ Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
2. No Gifts will be given.

* Applicable for Investors holding shares in electronic form.

** Strike out whichever is not applicable.

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CMI LIMITED

Regd. Office : C-483, Yojna Vihar, Delhi-110092

PROXY FORM

DP Id*

Regd. Folio No.

Client Id*

I/ We _____ of
_____ being
member/members of CMI Limited, hereby appoint _____ of
_____ or failing him _____ of
_____ as my/our proxy to vote for me/us on my/our behalf at the Extraordinary
General Meeting of the Company to be held at Lajwaab Banquet Hall, Vikas Marg, Delhi-110092 at 11:30 a.m. on
Friday, 27th September, 2013 and at every adjournment thereof.

Signed thisday of 2013.

Note:

1. Proxy need not be a member.
2. Proxy Form, complete in all respects, should reach the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

Please affix

Revenue
Stamp

Signature

- Applicable for Investors holding shares in electronic form.

Book Post

Printed Matter

If undelivered please return to:

CMI LIMITED

Regd. Office : C-483, Yojna Vihar, Delhi-110092

Ph : 011-22151130, 22151388

: 011-42408712, 42408716

Fax : 91-11-22160411

E-mail : info@cmitelecom.in