



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 47TH ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Tuesday, the 30th September, 2014 at 11:30 am at Lajwaab Banquet Hall, Vikas Marg, Delhi – 110092 to transact the following business.

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

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Vijay Kumar Gupta, (holding DIN 00995523) who retire by rotation and being eligible, offers himself for reappointment.
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 pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under as amended from time to time M/s J. K. Manocha & Associates, Chartered Accountants, (Firm Registration No. 007345N) New Delhi, be and hereby Re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Fifty Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every AGM) of the Company on such remuneration plus out of pocket and travelling expenses etc. as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution:**

Appointment of Mr. Pyare Lal Khanna as an Independent Director.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Pyare Lal Khanna (DIN:02237272), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years upto 29th September, 2019, not liable to retire by rotation.”

5. **To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution :**

Appointment of Mr. Ramesh Chand as an Independent Director

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Ramesh Chand



(DIN:02759859), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years," upto 29th September, 2019, not liable to retire by rotation.

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

Increase in remuneration of Shri. Amit Jain Managing Director.

RESOLVED THAT pursuant to the provisions of Section 196, Section 197 and Section 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the Increase in remuneration of Shri Amit Jain (DIN: 00041300) Managing Director of the Company, upto remaining the tenure of his appointment, on the following terms and conditions as approved by nomination and remuneration committee of the Board :-

Particulars	Amount per Month (in Rs.)
Basic Salary	1,25,000.00
HRA (50% of Basic)	62,500.00
Education Allowance	5,000.00
Fixed Medical Allowance	7,500.00
Total	2,00,000.00

Perquisites :-

Leave travelling allowance/Perquisites as per Income Tax Act, 1961 or any rules thereunder.

with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Shri Amit Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT in the case of losses or inadequacy of profits in any financial year, the above remuneration be paid to the Managing Director as the minimum remuneration.

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



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

Confirmation of Re-Appointment of Shri Vijay Kumar Gupta as Whole Time Director

“RESOLVED THAT pursuant to the provisions of Articles 108 to 111 of Memorandum and Articles of Association of the Company and section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956, when will be applicable or any amendment or modification thereof, and subject to the approval of any other authority, if any, as may be required, the Re-appointment of Shri Vijay Kumar Gupta, as Whole Time Director of the Company for a period of three years w.e.f. 1st April 2014, be and is hereby confirmed, whose period of office shall be liable to determine by retirement by rotation, at the remuneration as recommended by Remuneration Committee, on such terms and conditions as set out hereunder, with power to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by the Resolution to determine, alter or vary the terms and conditions and/ or remuneration, subject to the same not exceeding the limits specified Under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof;

- A. (i) Salary - Not exceeding Rs. 40,000/- per month
(ii) Medical Re-imburement – Not exceeding Rs. 1,500/- per month
(iii) Provision of Chauffeur – Not exceeding Rs. 8,500/- per month
- B. Shri V. K. Gupta not to divulge or disclose or use for his own purpose or any other purpose, information or knowledge or trade secrets of the Company.
- C. Subject to the superintendence, control and directions of the Board, Shri V. K. Gupta shall exercise and perform such powers and duties, as the Board of Directors shall determine from time to time.
- D. The appointment is terminable by either party by giving the other six months notice in writing or remuneration for notice period/remaining notice period.

RESOLVED FURTHER THAT in the case of losses or inadequacy of profits in any financial year, the above remuneration be paid to the Whole Time Director as the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any questions, or doubt that may arise in relation thereto including to decide breakup of the remuneration.”

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

Adoption of New Set of Articles of Association of the Company



“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association which is available for public inspection at the Registered Office of the Company be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**By Order of the Board
CMI LIMITED**

**Place : Delhi
Date : 29th August, 2014**

**Amit Jain
Chairman & Managing Director
(DIN 00041300)**

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NOTES :

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

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

2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members who hold shares in electronic are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.

6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days viz. Monday to Saturday, between 11.00 A.M. and 1.00 P.M. from dispatch of notice till the date of the Meeting or any adjournment(s) thereof.

7. The Company's Register of Members and Transfer Books will remain closed from Monday, September 22, 2014 to Tuesday, September 30, 2014 (both days inclusive) for the purpose of the Meeting and for determining the shareholders entitlement for dividend, if any declared by the Company.

8. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.

9. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

10. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.

Commencement of e-voting: From 9.00 a.m. of September 23, 2014, Tuesday End of e-voting Upto at 6.30 p.m. of September 25, 2014, Thursday



E-voting shall not be allowed beyond 6.30 p.m. of September 25, 2014, Thursday. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date may cast their vote electronically. **The cut off date for the limited purpose of e-voting is August 29, 2014.**

11. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

12. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

13. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed CS Pooja Anand, Company Secretary in practice, as Scrutinizer (as consented by her to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.

14. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.

15. Non-resident Indian Members are requested to inform Company's Share Registrar– Beetal Financial & Computer Services (P) Limited immediately for :

- a. the change in the residential status on return to India for permanent settlement; and
- b. the particulars of the bank account(s) maintained in India with complete name, Branch, account type, account number and address of the bank, if not furnished earlier.

16. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Meeting is annexed hereto.

17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.

18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

19. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.

20. Annual Report of the Company including the notice of ensuing Annual General Meeting, has been uploaded **on website of the Company; www.cmilimited.in under the segment "For Investor"** which can be freely downloadable by any members, forthwith after it is sent to the members. Any shareholder wishing to receive a physical copy of the Annual Report, may write to the Company or Company's Share Registrar by email, the Company will arrange to send the physical copy of the annual report to such member within 7 days of the receipt of the communication.



21. Voting through electronic means:

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below :

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "CMI LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company
Bank Details	records for the said demat account or folio. <ul style="list-style-type: none">● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.



- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <CMI LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



- (xvii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

In case of members receiving the physical copy :

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <September 23, 2014 at 9:00 a.m.> and ends on <September 25, 2014 at 6:30 p.m.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

OTHER INSTRUCTIONS :

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period commences on **Tuesday, September 23rd, 2014 (9.00 a.m.) and ends on Thursday, September 25th, 2014 (6.30 p.m.)**. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of Friday, August 29, 2014**, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of August 29, 2014.
- (e) Ms. Pooja Anand, (Membership No. FCS 7032) Practising Company Secretary, New Delhi, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



- (g) The results of the e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.

22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

GREEN INITIATIVE :

The Ministry of Company Affairs (MCA) has taken the "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April, 2011 and Circular No. 18/2011 dated April 20, 2011) along with paperless compliance by companies through electronic mode.

Keeping in view underlying theme and circular issued by MCA, the Company proposes to send all documents to be sent to shareholders like General Meeting Notice, Annual Report including Audited Financial Statements, Director Report, Auditor Report etc. to our shareholder in electronic form, to the email address provided by them and made available to the Company by the Depositories. Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time, as a member of the Company such a requisition may be sent to the Registered Office of the Company addressed to the Company Secretary.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

A brief resume and other relevant details in respect of the directors being proposed for appointment and/or reappointment, pursuant to the provisions of clause 49 of the listing agreement, are provided in the corporate governance report of the Board.

Item no. 4 – Appointment of Shri Pyare Lal Khanna as an Independent Director

Shri Pyare Lal Khanna, aged 65, is a under graduate. He is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry.

Shri Pyare Lal Khanna was appointed as an additional Director under Section 260 of the Companies Act, 1956 on the Board of the Company on 14th February, 2004, Pursuant to the notice under Section 257 of the Companies Act, 1956 received by the Company he was appointed as Director by the shareholders at 37th Annual General Meeting of the company held on 30th September, 2004, liable to retire by rotation under the provisions of Section 255/256 of the Companies Act, 1956.

He is Chairman of Share Holder's/Investor's Grievance Committee and a member of Audit Committee of the Board. He is not holding any securities of the company.

In the opinion of the Board, Shri Pyare Lal Khanna fulfils the conditions specified in the Companies Act, 2013, rules made there under read with the listing agreements provisions for his continual appointment as an independent director of the company.



Member's attention is also drawn towards the provisions of sub section 13 of Section 149 of the Companies Act, 2013, which provides that the provisions of the sub section 6 and 7 of section 152, in respect of retirement of directors by rotation, shall not be applicable to the appointment of independent directors.

In view of the above, it is proposed to appoint him as an independent director appointing him for a fixed period of 5 consecutive years not liable to retire by rotation within this term. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail his services as independent director.

Accordingly, looking at his expertise and long experience of business and corporate management, the Board of Directors recommends the ordinary resolution set out at Item No.4 of the accompanying Notice for the approval of the Members.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Shri Pyare Lal Khanna for the office of director.

None of the Directors and whole time key managerial personnel of the Company or the relatives thereof, is, in any way, concerned or interested in the said resolution/s, except the director whose appointment is proposed and/or his relatives and also to the extent of the shareholding of a director or his relative, if any. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 5 – Appointment of Shri Ramesh Chand as an Independent Director

Shri Ramesh Chand, aged 64, is a Post Graduate from Delhi University. He had worked as Chief Manager Syndicate Bank. He has vast knowledge in Finance and a wide and varied experience in the management of service industry.

Shri Ramesh Chand was appointed as an additional Director under Section 260 of the Companies Act, 1956 on the Board of the Company on 27th February, 2009, Pursuant to the notice under Section 257 of the Companies Act, 1956 received by the Company he was appointed as Director by the shareholders at 42nd Annual General Meeting of the company held on 30th September, 2009, liable to retire by rotation under the provisions of Section 255/256 of the Companies Act, 1956.

He is Chairman of Audit Committee and a member of Share Holder's/Investor's Grievance Committee of the Board. He is holding 8790(0.249%) Equity Shares of the company.

In the opinion of the Board, Shri Ramesh Chand fulfils the conditions specified in the Companies Act, 2013, rules made there under read with the listing agreements provisions for his continual appointment as an independent director of the company.

Member's attention is also drawn towards the provisions of sub section 13 of Section 149 of the Companies Act, 2013, which provides that the provisions of the sub section 6 and 7 of section 152, in respect of retirement of directors by rotation, shall not be applicable to the appointment of independent directors.

In view of the above, it is proposed to appoint him as an independent director appointing him for a fixed period of 5 consecutive years not liable to retire by rotation within this term. The Board considers that his continued association would be of immense benefit



to the company and it is desirable to continue to avail his services as independent director.

Accordingly, looking at his expertise and long experience of business and corporate management, the Board of Directors recommends the ordinary resolution set out at Item No.5 of the accompanying Notice for the approval of the Members.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Shri Ramesh Chand for the office of director.

Shri Ramesh Chand is not a director in any other company.

None of the Directors and whole time key managerial personnel of the Company or the relatives thereof, is, in any way, concerned or interested in the said resolution/s, except the director whose appointment is proposed and/or his relatives and also to the extent of the shareholding of a director or his relative, if any. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

6. Increase in remuneration of Shri Amit Jain Managing Director

Shri Amit Jain is a well qualified person and is a prominent and successful Industrialist with a wide and varied experience in the management of business and cable industry. He was appointed as Managing Director of the Company since 1st October, 2002 for five years. Again he was appointed as Managing Director of the Company since 1st October, 2007 for five years and on 29th September, 2012 for 3 years upto 30th September, 2015. He is a very professional towards works and manage the Company very efficiently. Due to his foresightedness and hard working Company is continuously growing. Your Directors foresee a bright golden future of the Company under his management. The holding of Shri Amit Jain is 1593877 (45.09%) Equity Shares of the company.

Keeping in view the above and Industrial standards, the Board of Directors of the Company unanimously recommend the increase in the remuneration from from Rs 1,50,000/- p.m. to Rs. 2,00,000/- p.m., of Shri Amit Jain, Managing Director of the Company in its meeting held on 29-08-2014 on the following terms and conditions as approved by remuneration committee of the Board

Particulars	Amount per Month (in Rs.)
Basic Salary	1,25,000.00
HRA (50% of Basic)	62,500.00
Education Allowance	5,000.00
Fixed Medical Allowance	7,500.00
Total	2,00,000.00



Perquisites :-

Leave travelling allowance/Perquisites as per Income Tax Act, 1961 or any rules thereunder.

In view of the provision 196, 197 and Section 203 and any other applicable provisions of the Companies Act, 2013, The Board of Directors recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

Except Shri Amit Jain, being appointee, none of the Directors and Key Managerial Personal of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Statement as per schedule V Part II Section II of the Companies Act, 2013

To, The Members
M/s CMI Limited

Your Directors are presenting statement as per Schedule V of the Companies Act, 2013 with respect to the increase in remuneration of Shri Amit Jain Managing Director of the Company.

1. GENERAL INFORMATION

- (1) Nature of Industry : Cable Manufacturing
- (2) Year of Commencement of commercial production: 1974
- (3) Financial Performance

	(Rs. In Lacs)		
Financial Parameters	2011-2012	2012-2013	2013-2014
Total Sales	8034.11	9870.73	11759.75
PAT	237.54	246.88	280.11

- (4) Foreign Investment or collaboration, if any NIL

2. INFORMATION ABOUT THE MANAGING DIRECTOR

Name of the Appointee / Managing Director

Background Details : Shri Amit Jain is a prominent and successful Industrialist with a wide and varied experience in the management of business and cable industry.

Past Remuneration : Rs. 18,00,000/- Per Annum

Job Profile and his suitability : Shri Amit Jain is a well qualified person and is a prominent and successful Industrialist with a wide and varied experience in the management of business and cable industry. He was appointed as Managing Director of the Company since 1st October, 2002 till present.



Remuneration Proposed

<p>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</p>	<p>The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Companies having same Business as CMI at comparable size in the cable Industries and has been considered and recommended by the Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 29.08.2014.</p>
<p>Pecuniary relationship directly/indirectly with the Company or relationship with managerial personnel, if any</p>	<p>Shri Amit Jain has no pecuniary relationship directly/indirectly with the Company except to the extent of his remuneration and Share holding and shareholding of his relatives</p>

3. OTHER INFORMATION

(1) Reasons of loss or inadequate profits : In past few years the Company has made immense progress. The management has put its best efforts to make the Company from a loss making entity to a profit making entity. In the current financial year the Company has made the profit of Rs. 280.11Lacs (before tax). Although, the Company has used its maximum potential but due to market fluctuation and frequent changes in the economy of the Country, the amount of the profit earned is not sufficient to pay whole of the salary of Mr. Amit Jain under the provisions of Companies Act, 2013

(2) Steps taken or proposed to be taken for improvement : Your Management is in continuous process to copup with the market trend, to increase the profits of the Company.

(3) Expected increase in productivity and profits in measurable terms : The Company always believe sin increasing its potential to face future challenges and enhance competitive position in the Business today.

7. Confirmation of Re-Appointment of Shri Vijay Kumar Gupta as Whole Time Director

Shri Vijay Kumar Gupta is a well experienced in cable industry. He has more than 35 years of rich experience in cable industry and marketing. He has been continuously increasing new customers and new products for the Company and thereby getting and executing various orders to the customers. With his association of more than thirteen years with the Company, the Company's revenue reached to new height.

Keeping in view the above, the Board of Directors of the Company has unanimously re-appointed with the remuneration of Shri Vijay Kumar Gupta, Whole Time Director of the Company in its meeting held on 31st March, 2014 for a period of Three years w.e.f. 1st April, 2014 to 31st March, 2017 at remuneration as approved by the Board of Directors. He is holding 8770 (0.248%) Equity Shares of the company.

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The Board of Directors accordingly recommends the Special resolution set out in Item No. 7 of the accompanying Notice for the confirmation of the Members.

Shri Vijay Kumar Gupta is not a director in any other company.

Except Shri Vijay Kumar Gupta being appointee, none of the Directors and Key Managerial Personal of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Statement as per schedule V Part II Section II of the Companies Act, 2013

To, The Members
M/s CMI Limited

Your Directors are presenting statement as per Schedule V of the Companies Act, 2013 with respect to the re-appointment of Shri Vijay Kumar Gupta as Whole Time Director of the Company.

1. GENERAL INFORMATION

- (1) Nature of Industry : Cable Manufacturing
- (2) Year of Commencement of commercial production: 1974
- (3) Financial Performance

	(Rs. In Lacs)		
Financial Parameters	2011-2012	2012-2013	2013-2014
Total Sales	8034.11	9870.73	11759.75
PAT	237.54	246.88	280.11

- (4) Foreign Investment or collaboration, if any NIL

2. INFORMATION ABOUT THE WHOLE TIME DIRECTOR

Name of the Appointee / Whole Time Director

Background Details : Shri Vijay Kumar Gupta has more than 35 years of rich experience in cable industry & marketing.

Past Remuneration : Rs. 6,00,000/- Per Annum

Job Profile and his suitability : Shri Vijay Kumar Gupta is a well experienced in cable industry. He has more than 35 years of rich experience in cable industry and marketing. He has been continuously increasing new customers and new products for the Company and thereby getting and executing various orders to the customers.



Remuneration Proposed

<p>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</p>	<p>The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Companies having same Business as CMI at comparable size in the cable Industries and has been considered and recommended by the Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 29.03.2014.</p>
<p>Pecuniary relationship directly/indirectly with the Company or relationship with managerial personnel, if any</p>	<p>Shri Vijay Kumar Gupta has no pecuniary relationship directly with the Company except to the extent of his remuneration and Share holding</p>

8. Adoption of New Set of Articles of Association of the Company

The Articles of Association (“AoA”) of the Company as presently in force were replaced in 1993 before the IPO of the Company. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are non-longer in conformity with the Companies Act, 2013 (“the Act”).

The Act is now largely in force with Rules thereon. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal (“Tribunal”). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming’ into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles.

Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares. The Members attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of chief executive officer and chief Financial officer, in addition to manager and company secretary;
- (c) new provisions relating to appointment of a person as Chairperson and Managing Director or Chief Executive Officer;

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- (d) existing articles have been streamlined and aligned with
- (e) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.

The proposed new draft AoA is also available for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special, Resolution.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 8 of the in accompanying Notice for approval of the members.

**By Order of the Board
CMI LIMITED**

**Place : Delhi
Date : 29th August, 2014**

**Amit Jain
Chairman & Managing Director
(DIN 00041300)**

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DIRECTORS' REPORT

To,
The Members,
CMI Limited

The Board of Directors present the Forty Seventh (47th) Annual Report on the business and operations of the Company, together with the Audited Financial Statement FY 2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

FINANCIAL PERFORMANCE SUMMARY

	(Rs. in lacs)	
	2013-14	2012-13
Financial Results		
Net revenue (excluding excise duty)	10640.99	8921.46
Less : Total Expenditure excluding Depreciation	10278.67	8569.92
Profit before Depreciation and Tax	362.32	351.54
Less : Depreciation	82.21	104.66
Profit Before Tax	280.11	246.88
Less : Provision for Tax	105.00	100.00
Add : Previous Year Adjustments	1.72	19.52
Net Profit for the Year carried to the Balance Sheet	176.83	166.00

OVERALL REVIEW

Overall, 2013-14 has been a satisfying year; there is an increase of 19.27% in the turnover of the Company. The Profit before depreciation and tax has increased by 3.06% while the Net Profit has increased by 6.52%. The Indian cables market is highly competitive and fragmented with a large number of cable manufacturers in both organized and unorganized sectors. Moreover, with major capacity additions by larger players, and sluggish demand for cables due to economic downturn, the revenues and margins of all the players have been adversely impacted. Although, the Company has adopted adequate cost control measures throughout the year, but due to increase in competition, net Profit did not increase as compared to increase in turnover. The Company was aggressive in its quest for new contracts, executed on its full services strategy and maintained pricing disciplines. This helped to deliver a decent revenue growth along the year with improvement in margins. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market. With the expectation of the stable new government in place at centre, the long term outlook of cable industry is expected favorable, driven by Power Sector Reform,

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Modernization of Railway and other Infrastructures Development. Taking clue from such positive development, turnaround scenario is envisaged during the latter part of the financial year 2014-15. With growth in power sector, Railway and other infrastructure development cable industry is set to grow as well.

DIVIDEND

The Company needs further funds to enhance its business operations, to up grade the efficiency of its plant and to meet out the deficiencies in working capital. Therefore, the management is of the view that the profits earned during the year must be retained and redeployed for the operations of the Company.

Therefore, the Directors do not recommend any dividend on Equity Shares for the financial year 2013-14.

AUDITORS AND THEIR REPORT

M/s J. K. Manocha & Associates, Chartered Accountants, Delhi, (Firm Registration No. FRN: 007345N) Statutory Auditors of the Company, who retires at the conclusion of this Annual General Meeting, and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Fifty Annual General Meeting to be held in the year 2017 of the Company. The Company has received a confirmation from them about their eligibility for appointment as Statutory Auditors, as required under section 141 of the Companies Act, 2013.

The observations made in the Auditors' Report on the audited accounts of the company for the year ended 31st March, 2014, are self explanatory and therefore, do not require further explanation. Your Directors recommend members' approval for the appointment of statutory auditors as proposed in the said notice.

INTERNAL CONTROL SYSTEM

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

CREDIT RATING

During the year under review the Company has sustained its long term credit rating of BB. The BB awarded by Brickwork Ratings reflects moderate risk regarding timely servicing of financial obligation. The Company's short term credit rates as A4+ by Brickwork Ratings, reflects minimal degree of safety regarding timely payment of financial obligations.

DIRECTORS

Shri Vijay Kumar Gupta, retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.



Members' attention is invited to the provisions of sub-section 13 of Section 149 of the Companies Act, 2013, effective from 1st April, 2014. As per the said provisions, the independent directors are not required to retire by rotation i.e. they are now becoming non rotational director. In view of the above, it is proposed to appoint the independent directors for a fixed period of 5 consecutive years not liable to retire by rotation within this term. Accordingly, Shri Pyare Lal Khanna and Shri Ramesh Chand non-executive independent directors, are proposed to be appointed for a fixed term of five years not liable to retire by rotation within the said term.

The Board of Directors of the Company has, at their meeting held on 29th August, 2014, subject to approval of the shareholders of the Company, propose to increase the remuneration of Shri Amit Jain Managing Director upto the remaining tenure of his appointment. The requisite resolution along with the explanatory statement is provided in the notice convening the ensuing annual general meeting.

The Board of Directors of the Company has, at their meeting held on 31st March, 2014, subject to the approval of the shareholders of the Company, Re-appointed Shri Vijay Kumar Gupta as Whole Director of the Company for the period of three years with effect from 1st April, 2014 with remuneration. The requisite resolution along with the explanatory statement is provided in the notice convening the ensuing annual general meeting.

Mr. Nishant Jain has been appointed as an Additional Director as on 1st March, 2014 and he has resigned as on 14th May 2014.

Mr Satish Kumar Chopra was appointed as an Additional Director on 22.08.2014 to hold office till 47st AGM i.e. 30.09.2014. The Board did not recommend his regularization as Ordinary Director in the ensuing Annual general Meeting.

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

None of the Directors of the Company is disqualified under the provision of Section 274(1) (g) of the Companies Act, 1956.

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

SI. No.	Name of Director	DIN	Designation	Date of Appointment
1	Mr. Amit Jain	00041300	Managing Director	01.10.2002
2	Mr. Pyare Lal Khanna	02237272	Director	30.09.2004
3	Mr. Vijay Kumar Gupta	00995523	Whole-Time Director	15.01.2009
4	Mr. Ramesh Chand	02759859	Director	27.02.2009
5	Mr Satish Kumar Chopra	06954012	Additional Director	22.08.2014

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors confirm that :-

- (i) In the preparation of the Annual Accounts for the year ended 31st March, 2014 the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 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 at the end of the financial year and of the profit of the Company for that period except to the extent mentioned in notes to accounts;
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Financial statements have been prepared on a going concern basis.

COMMITTEES

The Board of Directors has constituted three Committees of the Board – the Audit Committee, the Stakeholders Relationship Committee' & Nomination and Remuneration Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Signed minutes of the Board Committee meetings are placed for information of the board. The role and composition of these Committees, including the number of meetings held during the financial year have been provided in this report.

EXTRAORDINARY GENERAL MEETING

No Extra Ordinary General Meeting was held during the year 2013-2014.

SHARE CAPITAL

The Company's shares are listed on the Bombay Stock Exchange (BSE), Delhi Stock Exchange (DSE) and Ahmadabad Stock Exchange (ASE) and are traded on Bombay Stock Exchange actively.

(a) EQUITY SHARES

Company has allotted 70,00,000 Equity shares of having face value Rs. 10/- each at a premium of Rs 5/- Per Equity Share to promoters and non promoters on 15th July, 2014, in pursuance of resolution for preferential issue passed by the members through postal ballot on June 27, 2014 and receipt of in principle approval from the Bombay Stock Exchange Limited vide its letter no DCS/PREF/NJ/PRE/233/2014-15 dated 9th July, 2014. Company has applied to Bombay Stock Exchange for listing for above equity shares allotted to promoters and non promoters.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules.



HUMAN RESOURCES

Your Company has put in place effective human resource acquisition and maintenance function, which is benchmarked along with best corporate practices designed to meet the organizational needs and it takes pride in its highly motivated manpower that contributed its best to the Company. The Employee's relations within the organization have been very cordial and harmonious during the year and Human Relation Policies were reviewed and upgraded in line with the Company's future objectives.

CORPORATE GOVERNANCE

It has always been the Company's Endeavour to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The Practicing Company Secretaries Certificate on the Compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement forms part of this report.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measure and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchange, is attached and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

HEALTH, SAFETY AND ENVIRONMENTAL REVIEW HSE

CMI Limited is committed to keep the good HSE performance delivered in earlier years. It has made huge progress in the area of process safety with no fatal accident reported during the Period.

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

PARTICULARS OF EMPLOYEES

During the year under review none of the employees was in receipt of remuneration more than Rs. 60, 00,000/- per annum, if employed for the whole year or Rs. 5,00,000/- per month, if employed for part of the year. Therefore, the Company is not required to give information pursuant to Section 217(2A) of the Companies Act, 1956.

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The disclosure of particulars with respect to conservation of energy, technology absorption, Research and technology and foreign exchange earnings and outgo pursuant



to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure Of Particulars on The Report of Board Of Directors) Rules, 1988 forming part of the Directors' Report and is as under :

A. Conservation of Energy :

a) Energy conservation measures taken :—

A number of energy conservation techniques were initiated at large scale and successfully implemented. Energy was used more efficiently.

Some of the key initiatives were as follows:-

In the existing manufacturing units various initiatives were undertaken 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.
- ✎ Replaced old boiler with new to conserve on usage of HSD.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :—

There was no any investment has made for reduction of consumption of energy during the Financial Year.

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 taken during the year have resulted into yearly saving of good amount and thereby lowered the cost of production by equivalent amount. These measures have also lead to better pollution control, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

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 & 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

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 has started manufacturing High Temperature Rubber cables
Future plan of action	Technology Up gradation
Expenditure on R&D	Capital Expenditure: 5.81 Lacs Recurring Expenditure: 4.95 Lacs

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 to focus and avail of export opportunities based on economic considerations. During the year Company has exports worth Rs. 3,80,54,782/- from export of Sales of Cables.

2. Total Foreign Exchange earned and used :

Amount in Rs.

a.	Total Foreign Currency Earned	3,80,54,782/-
b.	Total Foreign Currency Used	8,13,74,443/-

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 and effluent discharge level was 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.

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude to the Central Government, State Government and Company's Bankers for the assistance, co-operation and encouragement

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

**By Order of the Board
CMI Limited**

Date: **29th August, 2014**

**Amit Jain
Chairman Cum Managing Director
DIN 00041300**

Registered Office :
C-483, Yojna Vihar,
Delhi - 110092
Email Id : info@cmilimited.in

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CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, by adopting 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 articulates the values, ethics, and business principles and serves 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 is also in place. The Company is in full compliance with the requirements of Corporate Governance under clause 49 of the Listing Agreement with the Indian Stock Exchange ("the Listing Agreement") Risk Management and internal control functions have been geared up to meet the progressive governance standards.

BOARD OF DIRECTORS

(i) Composition

The composition of board of directors of the company is balanced one, comprising Executive and Non- Executive Directors, the latter including independent professionals. The present strength of the Board of the Directors is four, of which two are executive directors.

Category	No. of Directors	Percentage %
Executive Directors	2	50
Non- Executive Independent Directors	2	50
Total	4	100



Name of the Director	Category	No. of Board Meetings during the year 2013-14		Whether attended last AGM held on September 29, 2013	No. of other Directorships held in Indian public companies	No. of other Committee positions as Members and as Chairperson
		Held	Attended			
Mr. Amit Jain DIN 00041300	Chairman cum Managing Director & CEO	11	11	Yes	None	1
Mr. Vijay Kumar Gupta DIN 00995523	Executive Director	11	10	Yes	None	1
Mr. Pyare Lal Khanna* DIN 02237272	Non-Executive Independent Director	11	09	Yes	None	2
Mr. Ramesh Chand DIN 02759859	Non-Executive Independent Director	11	09	Yes	None	2
Mr. Nishant Jain* DIN 01795684	Non-Executive Independent Director	11	01	No	None	None
Mr. Satish Chopra** DIN 06954012	Non-Executive Independent Director	11	00	No	None	None

* resigned on 14.05.2014

** was appointed as an Additional Director on 22.08.2014 to hold office till 47st AGM i.e. 30.09.2014. The Board did not recommend his regularization as Ordinary Director in the ensuing Annual general Meeting.

(ii) **Eleven** Board Meetings were held during the year 2013-2014 and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows :

15th May, 2013; 18th May, 2013; 31st May, 2013; 5th August, 2013; 14th August, 2013; 29th August, 2013; 13th November, 2013; 10th January, 2014; 14th February, 2014; 1st March-2014; 31st March, 2014.

The necessary quorum was present for all the meetings.

(iii) None of the Non- Executive directors have any material pecuniary relationship or transactions with the Company.

(iv) None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49), across all the companies in which he is a Director. The Company has defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner.



ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS AS ON 31ST March, 2014

Name of the Director	Mr. Amit Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Ramesh Chand	Mr. Nishant Jain
Designation	Chairman cum Managing Director & CEO	Non-Executive Independent Director	Executive Director	Non-Executive Independent Director	Executive Independent Director
Date of Birth	15 th Oct., 1973	13 th Aug., 1948	15 th Dec., 1949	15 th May, 1949	15 th Dec, 1978
Nationality	Indian	Indian	Indian	Indian	
Date of Appointment	1 st October, 2002	30 th September 2004	15 th January 2009	27 th February 2009	1 st March 2014
Qualification & Experience	Having rich experience in cable manufacturing Industry	Having more than 40 years of Grassroot level experience in Metals Industry	Having more than 35 years experience in Technical and Marketing	Having more than 35 years experience in Finance Sector.	Having rich experience in Cable Manufacturing Industry
Shareholding in CMI Limited as on 31-03-2014	1593877 (45.09%)	Nil	8770 (0.248%)	8790 (0.249%)	Nil
Directorship in other Companies and Memberships of Committees*	Nil	Nil	Nil	Nil	Nil
DIN	00041300	02237272	00995523	02759859	01795684

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

COMMITTEES OF THE BOARD

The Board has constituted three Committees of the Board – the Audit Committee, the Remuneration Committee and Shareholders' / Investor's Grievance Committee. The role and composition of these Committees, including the number of the meetings held are as follows:

A. AUDIT COMMITTEE

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 regulation;

The Audit Committee is empowered to, 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 process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process 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 sub section (2AA) of Section 217 of the Companies Act, 1956.
 - Qualification in the draft audit report
 - Significant adjustments arising out of audit
 - Compliance with legal requirements concerning financial statements
 - Related party transaction;
- 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, 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 purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 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.

Composition

The Audit Committee comprises three Non-executive independent directors. The Managing Director, the head of internal audit and the representatives of statutory auditors are Invitees to the Audit committee and the company secretary is the secretary to the committee.

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

The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 27th September, 2013 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 2013-14	
		Held	Attended
Mr. Ramesh Chand	Independent, Non Executive	4	4
Mr. Pyare Lal Khanna	Independent, Non Executive	4	4
Mr.Vijay Kumar Gupta	Executive Director	4	4

Four Audit Committee Meetings were held during the year 2013-2014. The dates on which the said meetings were held are as follows:

31st May, 2013; 14th August, 2013; 30th November, 2013; 14th February, 2014

The Necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has already constituted Remuneration Committee. In line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement,, as amended from time to time, the Board of the Company on 22nd August, 2014 has renamed the existing remuneration committee as Nomination and Remuneration Committee

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 viz. the membership of the Board and the senior management.

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 Director 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;

Composition

The Remuneration committee comprises all Non-Executive Independent Directors upto 15-02-2013. The composition of the Remuneration Committee and the details of meetings attended by its members are given below :

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Nishant Jain*	Non- Executive Independent Director	1	1
Mr. Pyare Lal Khanna	Non-Executive Independent Director	1	1
Mr. Ramesh Chand	Non-Executive Independent Director	1	1
Mr. Satish Kr. Chopra	Non-Executive Independent Director	-	-

*ceased to be director on 14.05.2014

One Remuneration Committee Meetings were held during the year 2013-2014. The dates on which the said meetings were held are as follows :

29th March, 2014.

The Necessary Quorum was present at the meetings.

Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the



Company endeavour's to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its the Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective April 1, each year. The Remuneration Committee decides on the commission payable to the the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, 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 for the financial year ending March 31, 2014:

(Rs. In lakhs)

Director	Salary and Allowance	Perquisites	Contribution to PF, Superannuation and other Fund	Total	Sitting Fees
Mr. Amit Jain (CEO & Managing Director)	18.00	-	0.093	18.093	-
Mr. Vijay Kumar Gupta (Executive Director)	4.80	1.20	-	6.00	-

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

Non-Executive Directors have not been paid any remuneration.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company is conscious towards having cordial relations with all the stakeholders of the company. The Company was already having 'Share Holder/Investor Grievance Committee' comprising of Mr. Ramesh Chand, Mr Pyare Lal Khanna and Mr. V K Gupta, Directors, as its members. However, to rationalize with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the committee was renamed as 'Stakeholders Relationship Committee' (SR Committee) by the Board on August 22, 2014 consequently, Shareholder/Investor Grievance Committee is now Stakeholders Relationship Committee.



Composition

Presently the Committee comprises of three Directors. Mr. Ramesh Chand the Chairman of the Committee is a Non-Executive Independent Director. The names of the members of the Stakeholders Relationship Committee, including its Chairman and the Attendance of the Committee members at the meetings as on 31st March 2014 are as follows :

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Mr. Ramesh Chand	Non-Executive Independent Director	02	02
Mr. Pyare Lal Khanna	Non-Executive Independent Director	02	02
Mr. V. K. Gupta	Whole Time Director	02	02

Two Shareholders/Investors Grievances Committee Meetings were held during the year 2013-2014. The dates on which the said meetings were held were as follows :

21st May 13, 14th August 13,

The necessary quorum was present at the meetings.

Terms of Reference

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

There were no pending share transfers or any complaints as on 31st March 2014. For any complaints or query may be made on info@cmilimited.in.

GENERAL MEETING

(a) Annual General Meeting :

Details	Date	Time	Venue	Details of Special Resolution Passed at AGM
44th AGM for the Financial Year 2010-11	28 th September, 2011	11.30 A.M.	Lajwaab Banquet Hall, Vikas Marg, Delhi-110092	Nil
45thAGM for the Financial Year 2011-12	29 th September, 2012			*Re-appointment and increase in remuneration of Managing Director *Delisting of Shares
46th AGM for the Financial Year 2012-13	27 th September, 2013			Nil



(b) Extra Ordinary General Meeting :

No Extra Ordinary General Meeting of the Members was held during the year 2013-14.

(c) Postal Ballot :

No Postal Ballot was conducted during the year 2013-14.

DISCLOSURES

- a. None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in Point No. 9 of Notes to Accounts under Note No. 25 to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and intended to broaden the interest of the Company.
- b. In the preparation of the Financial Statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- c. Management Discussion and Analysis Report is set out in a separate section included in this Annual Report which forms part of this Report.
- d. In terms of Clause 49(V) of the Listing Agreement, the Whole Time Director and the Chief Financial Officer/ finance head made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- e. Though the Company does not have a Whistle Blower Policy. However, it is ensured that every personnel can approach to the Audit Committee as and when he so desire.
- f. All the mandatory requirements have been complied with. The Company always endeavors to comply with non-mandatory requirements as far as possible.

MEANS OF COMMUNICATION

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

Quarterly results for the quarters ending on 30th June 2013, 30th September 2013, 31st December 2013 and audited results for the quarter and year ended on 31st March 2014 were published in "Pioneer English" and "Pioneer Hindi". The results are promptly furnished to the Stock Exchange for display on their respective websites.

Quarters	Date of Board Meeting	Date of Press Release
April-June 2013	29th Aug., 2013	31st Aug. 2013
July-September 2013	13th Nov. 2013	15th Nov. 2013
October-December 2013	14th Feb. 2014	15th Feb. 2014
January-March 2014	30th May, 2014	1st June, 2014

(Audited)

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



CMI CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

COMPLIANCE OFFICER

Mr. Subodh Kumar Barnwal, Company Secretary and Finance Controller of the Company is the Compliance Officer of the Company as required under the Listing Agreement with the Stock Exchanges. Contact details 0129-4262703 & e-mail ID csubodh.kumar@gmail.com.

GENERAL SHAREHOLDER INFORMATION

<p>1. Annual General Meeting :</p> <ul style="list-style-type: none"> ☞ Day and Date ☞ Time ☞ Venue 	<ul style="list-style-type: none"> ☞ Tuesday, 30th September, 2014 ☞ 11.30 A.M. ☞ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.
<p>2. Financial Calendar for 2013-14 :</p> <ul style="list-style-type: none"> ☞ Accounting Period ☞ Un-audited financial results for the first three quarters ☞ Fourth quarter Results ☞ Annual General Meeting (Next Year) 	<ul style="list-style-type: none"> ☞ April 1, 2013 to March 31, 2014 ☞ Announcement within 45 days from the end of each quarter ☞ Announcement of Audited Accounts on or before May 31, 2014. ☞ September, 2014 (Tentative)
<p>3. Date of Book Closure</p>	<p>22nd September, 2014 to 30th September, 2014 (both days inclusive)</p>
<p>4. Dividend payment date</p>	<p>No Dividend recommended by the Board of Directors of the Company.</p>
<p>5. Listing on Stock Exchanges :</p> <ul style="list-style-type: none"> ☞ Delhi Stock Exchange Limited ☞ Bombay Stock Exchange Limited ☞ BSE Stock Code ☞ Ahmedabad Stock Exchange Limited 	<p>Address</p> <ul style="list-style-type: none"> ☞ DSE House, 3/1 Asaf Ali Road, New Delhi 110002. ☞ 25th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 ☞ 517330 ☞ 1st Floor, Kamdhenu Complex, Opp. Sahajanand College, NR Panjarapole Ambawadi, Ahmedabad- 380015
<p><i>Note : During the year, the listing fees for the year 2013-2014 has been paid to Bombay Stock Exchange Limited & Delhi Stock Exchange Limited the same is still pending for Ahmedabad Stock Exchange.</i></p>	



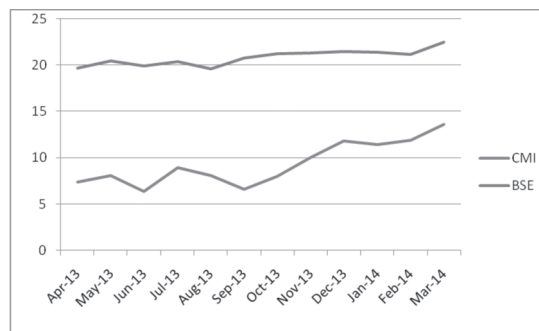
6. Registrars and Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062. Telephone No. : 29961281 Facsimile No. : 29961284
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MONTHLY HIGH AND LOW OF THE SHARES TRADED ON BSE

The monthly high and low prices of every month during the financial year 2013-2014 are given below:

Month	BOMBAY STOCK EXCHANGE LIMITED		
	High (Rs.)	Low (Rs.)	Volume (in Numbers)
April 2013	7.38	6.70	13959
May 2013	8.08	6.66	23674
June 2013	6.34	6.03	814
July 2013	8.90	6.33	68074
August 2013	8.04	6.28	31798
September 2013	6.61	5.76	2461
October 2013	7.98	6.61	79788
November 2013	10.00	7.59	52718
December 2013	11.80	9.70	13244
January 2014	11.44	8.33	58432
February 2014	11.19	9.00	51720
March 2014	13.64	9.67	501923

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



Note : The Chart has share price and indices indexed to 1000 as on the first working day of 2013-14.



SHARE TRANSFER SYSTEM

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

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

Shares in electronic form & Physical form :

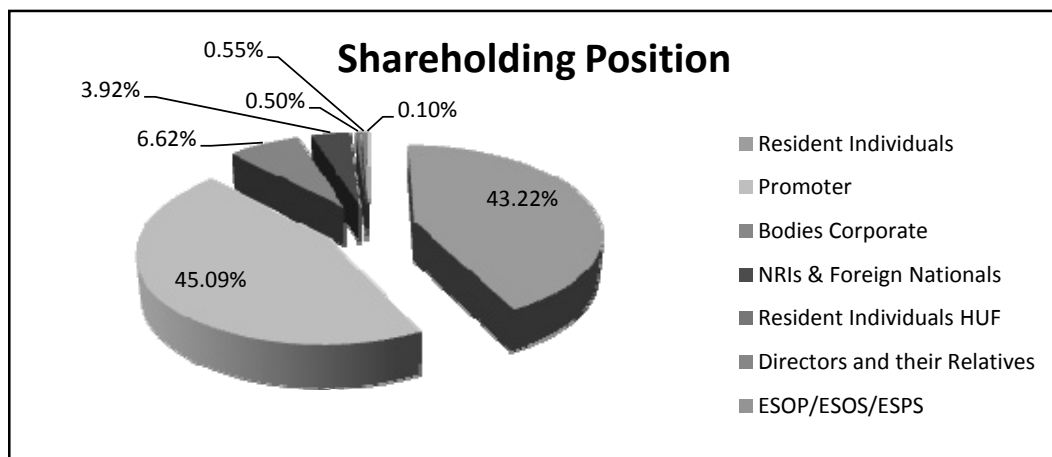
S. No.	Particulars	No. of Shares	% of Total Issued Capital
1	Held in dematerialized form in CDSL	542504	15.35
2	Held in dematerialized form in NSDL	2433077	68.83
3	Physical	559226	15.82
	Total No. of shares (1+2+3)	3534807	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014 :

Share holding of nominal value (In Rupees)	No. of Share Holders		No. of Equity Shares	
	Total	% to Shareholders	Total Share	% to Capital
Upto - 5000	2662	88.05	4,21,871	11.9348
5001 - 10000	177	5.91	1,48,214	4.1930
10001 - 20000	72	2.40	1,11,638	3.1582
20001 - 30000	33	1.10	85,858	2.4289
30001 - 40000	11	0.37	40,765	1.1532
40001 - 50000	18	0.60	87,462	2.4743
50001 - 100000	28	0.60	1,47,133	4.1624
1,00,001 and above	19	0.97	24,91,866	70.4951
TOTAL	2,996	100.00	35,34,807	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2014 :

Sl. No.	Category	No. of Shares held	% to Share holding
1.	Promoters and Promoter Group	15,93,877	45.091
2.	Directors and their Relatives	17,560	0.50
3.	NRIs & Foreign Nationals	1,38,560	3.920
4.	Resident individuals	15,27,580	43.220
5.	Bodies Corporate	2,34,170	6.620
6.	ESOP/ESOS/ESPS	3,400	0.100
7.	Resident Individuals HUF	16,960	0.550
	TOTAL	35,34,807	100.00



DEMATERIALISATION OF SHARES AND LIQUIDITY

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

As on 31st March, 2014, 84.18% of the total paid up share capital amounting to 2975581 equity shares is held in De-mat form and 15.82% of the total paid up capital amounting to 559226 Equity Shares is held in Physical form. All de-mat request received during the year were processed and completed within 15 days from the date of receipt.

CMI LIMITED

Annual Report 2013-14



PLANT LOCATIONS

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

ADDRESS FOR CORRESPONDENCE

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 99 Madangir,

Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir,

New Delhi-110062

Telephone No: 29961281

Facsimile No: 29961284

E-mail: beetal@beetalfinancial.com

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

DEPOSITORY SERVICES

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

ADDRESS FOR CORRESPONDENCE WITH DEPOSITORY

National Securities Depository Limited

Trade World, 'A' Wing, 4th Floor,

Kamala Mills Compound, Senapati Bapat Marg,

Lower Parel, Mumbai 400 013

Telephone: 022-24994200

Facsimile: 022-24972993/ 24976351

E-mail: info@nsdl.co.in

Website: www.nsdl.co.in

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 001

Telephone: 022-22723333

Facsimile: 022-22723199/ 222722072

E-mail: investors@cdslindia.com

Website: www.cdslindia.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

To the Members of CMI Limited

We have examined the compliance of conditions of Corporate Governance by CMI Limited, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

CMI LIMITED

Annual Report 2013-14



Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

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

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

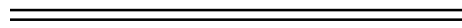
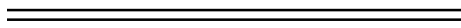
for Pooja Anand & Associates
Company Secretaries

Pooja Anand
FCS 7032

Place : Delhi

Date : 29th August, 2014

C.P. No. 5450





CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Amit Jain, Chief Executive Officer and Subodh Kumar Barnwal, Finance Controller & Company Secretary of CMI Limited, to the best of our knowledge and belief certify that:

- a) We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the Year ended 31st March, 2014 and its entire schedule and notes on accounts, as well as the Cash Flow Statement.
- b) To the best of our knowledge and information:
 - i) These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violate the Company's Code of Conduct.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- e) The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:
 - i) All significant deficiencies in the or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies.
 - ii) Significant changes in internal control over financial reporting during the year.
 - iii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iv) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Place : Delhi

Date: 29th August, 2014

**Amit Jain
CMD & CEO,
CMI Limited
DIN 00041300**

**Subodh Kr Barnwal
CS & Finance Controller
CMI Limited**

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER OF THE COMPANY

I declare that all Board members and senior management have affirmed compliance with the code of conduct for the Financial Year ended on March, 31 2014.

Place : Delhi

Date : 29th August, 2014

**Amit Jain
CMD & CEO,
CMI Limited
DIN 00041300**



MANAGEMENT DISCUSSION & ANALYSIS REPORT (2013-2014)

The Board of Directors takes pleasure in presenting before you, the Company's 47th Annual Report for the Financial Year ending 31st March, 2014, along with Corporate Governance Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Signaling Cables

The efficiency of any railway system is dependent upon an infrastructure, system of operations and the safety measures it provides. The signaling and communication system forms the backbone of an efficient railway system. This plays a pivotal role in the smooth running of railways. Safety is the measure concern on running of the trains. This is not only an inevitable requirement in terms of operations but also in terms of safety of the system itself.

As the Indian Railways are expanding and the Government focuses on this vital requirement for the growth of the Indian economy, the railway cable industry is certainly set to witness strong demand and growth. The present stable Government's main focus on infrastructure development, Railways, Metro Rails, Power Sector etc. Due to this demand of cables increased many times.

In addition to this, the expansion, replacement of existing set up and setting up of metro rail systems in various cities shall make further addition to the demand of signaling cables, power and other cables. Now Metro Railway is become main tool for transportation.

Power Cables

Cables play a small but significant part in infrastructure activities. The Power Sector is the backbone for sustained industrial growth and robust investments have been proposed towards building up capacities. For India to sustain its GDP growth at over 5.50%, it is estimated that the power sector should grow atleast 1.8 to 2 times of the GDP, translating to an addition of generation capacity by nearly 30,000 to 35,000 MW (Megawatts) each year.

Presently, the Indian Power Sector is going through a process of reform and restructuring. Tangible demand still remains a long awaited promise from the power sector which is the key demand driver for power cables. It is well known that the power sector programmes are irreversible as this is inextricably intertwined with the country's economic development.

Power cables play a crucial part in all three aspects of the power sector – generation, transmission and distribution. Power shortages on account of various factors such as pilferage, theft, equipment defaults and increasing amounts of power deficits has raised the demand for quality equipment. Consequently, the major cable manufacturers have ventured into manufacturing extra high voltage cables along with expanding capacities to meet the rising demand. With the rising population and growth story of India, the need of fast paced growth in power generation is increasingly gaining importance.

The Management is of the view, that the Industrial expansion plans will give boost the demand for cables from these sectors and accordingly thrust is been given to develop the facilities for these areas.



Export market covering Yemen, Kuwait, Sudan and Saudi Arabia and Sri Lanka is also having huge potentials for cables and management is optimistic to shape up its exports plans with respect to these markets.

Telecommunication Cables

The wear & tear in the infrastructure of the Telecommunication service providers will generate replacement demands to maintain the existing infrastructure. Due to obsolete technology very few competitors are now left in this market and handsome business can be generated from this sector.

Instrumentation Cables

CMI Limited manufactures a wide variety of cables suitable for the process instrumentation. In the projects to power generation & distribution, Refinery and various other types of engineering industries, the process instrumentation plays a vital role in measurement, supervision and control of the process and the cables to be used for process instrumentation should be designed and manufactured very carefully. CMI Limited with its meticulous efforts in maintaining quality, stringent in the process control during manufacture and the knowledge of cable designing, and is proud to say that it is capable of supplying instrumentation cables meeting any Indian / International standard or a specific requirement desired by different customers like IOCL, ONGC, MRPL, EIL, Indian Railways, Metros, BHEL etc.

Rubber Cables

In keeping with the company's commitment to technological advancement, elastomer materials such as Polychloroprene (PCP) Chloro-sulphonated Polythelene (CSP), Nitrile Rubber / PVC blends, Ethylene Propylene Rubber (EPR), Ethylene Vinyl Acetate (EVA) and Silicon have been specially compounded to meet numerous heat oil and fire resisting requirement. In the recent years, the company has also started to manufacture and supply special Elastomeric Fire Survival Cables for power, control and Instrumentation wiring. Demand of this type of cable is increased, so company has received good order from various customers.

OPPORTUNITIES AND THREATS

- ❖ The Company is taking all steps to increase the efficiency and reduce the cost.
- ❖ The Company expects that new orders from domestic as well as foreign market will materialize.
- ❖ The Company has diversified its product mix to obtain orders from buyers in India and abroad.
- ❖ The Company is in need of infusion of fresh working capital funds to enhance its productions and other facilities.

OUTLOOK

Due to stable Government at centre, the Indian economy is booming and high growth rate will be expected in coming years. This trend is expected to continue during the years to come. The cable industry in India with strong investments proposed across sectors such as power, realty, industrial, railways and telecom is expected to see a strong growth in coming years.



RISKS AND CONCERNS

Due to the inherent nature of any business, risk factors arise out of uncertain events and your Company is also not an exception to this. Some of the major risks to which the company is exposed are Competition Risk, Key Employees Risk, Raw Material Price Risk, and Working Capital Risk. The Company policy to reduce the adverse impacts of the same is as follows :

- ❖ The Company's commitment to quality products with emphasis on customer services and substantial product and distribution resources.
- ❖ Your Company is dedicated to attain organizational excellence by developing and inspiring the true potential of Company's human capital and providing opportunities for growth, well being and enrichment.
- ❖ As a prudent working capital risk management policy, your Company management keeps a close watch on the working capital requirements and its management through a robust risk monitoring and its control mechanism.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Your Company's well established internal audit process continuously monitors the adequacy and effectiveness of the internal control environment across the various businesses and the status of compliance with operating systems and policies, and assists in the formulation of risk management policies. Efforts continue to be directed at securing adequacy and effectiveness of laid down systems and policies, particularly in the new business initiatives. In the networked IT environment of your Company, validation of IT security receives focused attention of the internal audit team whose members are regularly trained on contemporary audit techniques and methodologies. The Internal Audit function also reviews the execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate.

The Audit Committee of your Board met regularly during the year. It reviewed the adequacy and effectiveness of the internal control environment and monitored implementation of internal audit recommendations. It also actively engaged in overseeing financial disclosures and in reviewing your Company's risk management policies.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Directors Report for the year 2013-2014 is giving a detailed view of the performance of the Company. The report being self-explanatory and does not require any further clarifications.

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

It is your Company's belief that people are at the heart of corporate purpose and constitute the primary source of sustainable competitive advantage. The thrust of your Company's human resource development efforts therefore is to create a responsive and market-



driven organization. Market connectivity, proactive response to market signals, unity of purpose and world-class execution of strategy are the hallmarks of CMI's performance culture. In pursuit of your Company's strategy to create new engines of growth by blending competencies residing in different parts of CMI, human resource strategies continue to focus on the development of distributed leadership at all levels in the organization.

Senior Managers of your Company engaged in a review of corporate strategy, which provided an opportunity to collectively take stock of initiatives in recent years to achieve International competitiveness in each business, to ideate on future growth opportunities and determine strategic responses. Your Company's belief in trust, transparency and teamwork improved employee productivity at all levels. CMI's commitment to harmonious industrial relations through partnership and collaboration resulted in enhancing effectiveness of operations, and enabled the achievement of international benchmarks in productivity and quality. Your Company's ongoing objective is to create an inspirational work climate where talented employees engage in creating sustained value for the shareholder and other stakeholders.

FORWARD LOOKING STATEMENT

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward - looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board
CMI Limited

Place : Delhi
Dated : 29th August, 2014

Amit Jain
Chairman of the Meeting
DIN 00041300



J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Office Add: 27/55, Street No. 8, Vishwas Nagar, Delhi-110032
Phone No. : 22389025, 22385078; E-mail : jkmanocha@yahoo.com

Independent Auditors' Report

To the Members of
CMI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CMI Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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 Standards notified under the Companies Act, 1956 (the Act) read with of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Office Add: 27/55, Street No. 8, Vishwas Nagar, Delhi-110032
Phone No. : 22389025, 22385078; E-mail : jkmanocha@yahoo.com

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - bb) Since (all) the branch(es) of the Company are also audited by us, the report on the accounts of branch offices audited by other auditor under section 228(3)(c) of the Companies Act, 1956 is not applicable.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For J.K. MANOCHA & ASSOCIATES
Chartered Accountants
FRN: 007345N

J.K.MANOCHA
(Partner)

Membership No.: 082442
Place: Delhi
Date: 30-05-2014



J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Office Add: 27/55, Street No. 8, Vishwas Nagar, Delhi-110032
Phone No. : 22389025, 22385078; E-mail : jkmanocha@yahoo.com

Annexure to Independent Auditor's Report

The Annexure referred to in paragraph 1 of our report of even date to the members of CMI Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

1. 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.
c) During the period, the Company has disposed certain items of its fixed assets. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.
2. a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) 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 or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
b) According to the information and explanations given to us, the Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and the details are as follows:
No. of Parties – 1
The maximum amount involved during the year – Rs. 566.70 lacs
Year end balance – Rs. 463.08 lacs
c) The terms and conditions of unsecured loans taken from Companies, firms or other parties are not prima facie prejudicial to the interest of the Company.
d) As per the explanation and information given to us, the Company has paid interest on the loans at prevailing market rates.



J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Office Add: 27/55, Street No. 8, Vishwas Nagar, Delhi-110032
Phone No. : 22389025, 22385078; E-mail : jkmanocha@yahoo.com

- e) As per the information and explanation provided to us, the Company is repaying principal as per stipulation and there is no overdue amount.
- 4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5. a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- (Rupees Five Lacs) in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit as per the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975.
- 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed cost records have been made and maintained.
- 9. a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Excise Duty, Cess, Service Tax, Custom Duty and other material statutory dues applicable to it.
b) According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales-tax, custom duty, excise duty, cess and other undisputed statutory dues were generally outstanding, at the year end, for a period of more than six months from the date they became payable except Central Sales Tax Rs. 1,05,74,897/- and VAT Rs. 7,77,909/-.
c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.



J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

Office Add: 27/55, Street No. 8, Vishwas Nagar, Delhi-110032
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10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on 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 or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of the clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion and according to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to information and explanations given to us, the company has not given guarantees for loans taken by others from banks and financial institutions.
16. According to information and explanations given to us the company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis have been used for long-term investment by the Company.
18. According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For J.K. MANOCHA & ASSOCIATES
Chartered Accountants
FRN: 007345N

J.K.MANOCHA
(Partner)

Membership No.: 082442
Place: Delhi
Date: 30-05-2014

CMI LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

Description	Note	Amount in Rs.	
		As at 31st March 2014	As at 31st March 2013
I Equity and Liabilities			
1 Shareholders' Funds			
a. Share Capital	1	35,380,570	35,380,570
b. Reserves and Surplus	2	106,025,440	88,342,570
c. Money Received against Share Warrants		-	-
		141,406,010	123,723,140
2 Share Application Money Pending Allotment			
		-	-
3 Non-Current Liabilities			
a. Long-term Borrowings	3	116,412,199	126,008,063
b. Deferred Tax Liability (Net)		-	-
c. Other Long-term Liability		-	-
d. Long-term Provisions		-	-
		116,412,199	126,008,063
3 Current Liabilities			
a. Short-term Borrowings	4	249,370,103	184,677,510
b. Trade Paybles	5	130,457,973	158,886,429
c. Other Current Liabilities	6	49,419,347	27,380,086
d. Short-term Provisions	7	10,230,341	-
		439,477,764	10,396,893
		<u>697,295,973</u>	<u>631,072,121</u>
II ASSETS			
1 Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	8	53,012,145	58,094,406
ii. Intangible Assets		-	-
iii. Capital work-in-progress		-	-
iv. Intangible Assets under Development		-	-
		53,012,145	58,094,406
b. Non-Current Investments	9	4,656	4,656
c. Deferred Tax Assets (Net)	10	2,283,900	1,337,723
d. Long-Term Loans and Advances	11	464,083	367,083
e. Other Non Current Assets	12	14,140,425	58,062
2 Current Assets			
a. Current Investments		-	-
b. Inventories	13	327,602,811	254,731,152
c. Trade Receivables	14	234,47,153	221,658,314
d. Cash and Cash Equivalents	15	5,858,657	41,516,877
e. Short-term Loans & Advances	16	59,146,814	51,251,805
f. Other Current Assets	17	235,329	-
		627,390,764	2,052,042
		<u>697,295,973</u>	<u>631,072,121</u>
Significant Accounting Policies and Notes on Financial Statements	1 to 25		

As per our report of even date attached

J. K. Manocha & Associates
Chartered Accountants
FRN: 007345N

For and on behalf of the Board of Directors

J. K. Manocha
Partner
Membership No.: 082442
Place: New Delhi
Date: 30-05-2014

Subodh Kumar Barnwal
Company Secretary

Amit Jain
Managing Director
DIN 00041300

Ramesh Chand
Director
DIN 02759859

CMI LIMITED
Statement of Profit and Loss for the Year ended 31st March 2014

Description	Note	Amount in Rs. As at 31st March 2014	Amount in Rs. As at 31st March 2013
Incomes :			
I. Revenue from Operations			
Sale of Products	18	1,175,974,624	987,073,175
Less : Excise Duty		<u>124,648,345</u>	<u>101,433,285</u>
		1,051,326,279	885,639,890
II. Other Incomes			
	19	12,773,342	6,505,927
III. Total Revenue			
		<u>1,064,099,621</u>	<u>892,145,817</u>
IV. Expenses :			
a. Cost of Raw Materials Consumed	20	922,464,289	768,882,927
b. Purchase of Stock-in-Trade		18,215,892	-
c. Change in Inventories of finished goods, work-in-progress and stock-in-trade	21	(71,769,214)	(53,250,619)
d. Employee Benefit Expenses	22	21,756,960	19,406,131
e. Finance Cost	23	55,791,845	46,628,056
f. Depreciation	8	8,221,321	10,465,886
g. Other Expenses	24	<u>81,407,770</u>	<u>75,325,778</u>
Total		<u>1,036,088,862</u>	<u>867,458,159</u>
V. Profit before exceptional and extra ordinary items and taxes			
		2,8010,759	24,687,658
VI. Exceptional Items			
		-	-
VII. Profit before extra ordinary items and taxes			
		28,010,759	24,687,658
VIII. Extra Ordinary Items			
		-	-
IX. Profit before Tax			
		28,010,759	24,687,658
X. Tax Expenses :			
1 Current Tax		(10,500,000)	(10,000,000)
2 Excess/(short) provision for taxes of earlier years		(774,067)	-
3 Deferred Taxes		946,177	1,952,361
XI. Profit for the year			
		<u>17,682,870</u>	<u>16,640,019</u>
XII. Earning per Share			
1 Basic		5.00	4.78
2 Diluted		5.00	4.76

Significant Accounting Policies and Notes on Financial Statements **1 to 25**

As per our report of even date attached
J. K. Manocha & Associates
Chartered Accountants
FRN: 007345N

For and on behalf of the Board of Directors

J. K. Manocha
Partner
Membership No.: 082442
Place: New Delhi
Date: 30-05-2014

Subodh Kumar Barnwal
Company Secretary

Amit Jain
Managing Director
DIN 00041300

Ramesh Chand
Director
DIN 02759859

CMI LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

DESCRIPTION	Amount in Rs. As at 31st March 2014	Amount in Rs. As at 31st March 2013
NOTE 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
500,000 Redeemable Preference Shares of Rs. 100/- each	50,000,000	50,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paid-up Capital		
35,34,807 (Previous year 33,66,483) Equity Shares of Rs. 10 each, fully paid up	35,348,070	35,348,070
Add: Forfeited Shares - Amount Originally Paid up	32,500	32,500
	<u>35,380,570</u>	<u>35,380,570</u>

NOTE 1.1

The details of Shareholders holding more than 5% shares :

<u>Name of the Shareholder</u>	<u>No. of Shares - % held</u>	<u>No. of Shares - % held</u>
Amit Jain	1593877 - 45.09	1593877 - 45.09

NOTE 1.2

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

<u>Particulars</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Equity Shares at the beginning of the year	3,534,807	3,366,483
Add: Shares issued on exercise of preferential allotment during the year	-	168,324
Less : Shares cancelled on buy back of equity shares	-	-
Equity Shares at the end of the year	<u>3,534,807</u>	<u>3,534,807</u>

NOTE 1.3

Terms & rights attached to Equity shares and Preference Share

The Company has issued only one class of shares, i.e. equity shares of face value of Rs 10/- each.

NOTE 1.4

The Company has issued 4,81,307 Equity Shares in the last five years as preferential allotment.

NOTE - 2

Reserves and Surplus

Capital Redemption Reserve:

As per last Balance Sheet
 8,000,000 | 8,000,000 |

Share Premium:

As per last Balance Sheet
 25,852,899 | 23,200,113 |

Add: Received on shares issued during the year
 - | 2,652,786 |

Surplus/(Deficit) in Statement of Profit and Loss:

As per last Balance Sheet
 54,489,671 | 44,881,746 |

Less: Provision for gratuity for earlier years
 - | (6,417,456) |

Less: Provision for deferred tax liability for earlier years
 - | (614,638) |

Add: Transferred from Statement of Profit & Loss
 17,682,870 | 16,640,019 |

NOTE - 3

Long Term Borrowings

(a) Secured Loans

From Banks and Others

Term Loan from HDFC Bank Ltd. against Hypothecation of Cars repayable in 60 EMI for Rs. 1,13,075/- starting from 07th April 2013
 3,311,202 | 4,200,287 |

Term Loan from Syndicate Bank against Hypothecation of two Cars repayable in 60 EMI for Rs. 25,330/- starting from 30 June 2013 and Rs. 17,656/- 31st October 2012.
 1,065,821 | 1,431,193 |

Term Loan from Kotak Mahindra Bank Ltd., against Hypothecation of Residential Property of the relative of the Managing Director and Corporate guarantee of the company repayable in 72 EMI of Rs. 14,45,825/- starting from 10th July 2013.
 56,700,547 | - |

CMI LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

DESCRIPTION	Amount in Rs. As at 31st March 2014	Amount in Rs. As at 31st March 2013
(B) Unsecured Loans		
From Directors	10,362,709	52,770,000
From Intercompany Deposits	34,325,470	51,580,746
From Others	9,646,450	16,025,837
	<u>55,334,629</u>	<u>120,376,583</u>
	<u>116,412,199</u>	<u>126,008,063</u>
NOTE - 4		
Short Term Borrowings		
Loan Repayable on Demand		
Secured:		
Form Banks:		
Working Capital Limit from Syndicate Bank - Secured by creating charge on Inventory, Book Debts and Factory Land and Building.	144,493,298	120,439,389
Unsecured:		
Form Others	104,876,805	64,238,121
	<u>249,370,103</u>	<u>184,677,510</u>
NOTE - 5		
Trade Payables		
Micro, Small and Medium Enterprises	69,068	302,047
Others	130,388,905	158,584,382
	<u>130,457,973</u>	<u>158,886,429</u>
NOTE - 6		
Other Current Liabilities		
Current Maturities of Long Term Debts	10,696,731	1,104,638
Advance from Customers	2,769,314	1,310,562
Statutory Liabilities	22,175,093	14,764,644
Other Payables	13,778,209	10,200,242
	<u>49,419,347</u>	<u>27,380,086</u>
NOTE - 7		
Short Term Provisions		
Provision for Income Tax (Net)	10,230,341	10,396,893
	<u>10,230,341</u>	<u>10,396,893</u>
NOTE - 9		
Non Current Investments		
Trade Investments		
In Quoted and Fully paid up Equity Shares - Dena Bank		
300 (Previous year 300) Equity Shares of Rs. 10 each fully paid up	4,656	4,656
(Market Value as on 31.03.2014 Rs.60.55 each, Total Value Rs. 18,165/-)		
(Market Value as on 31.03.2013 Rs.89.40 each, Total Value Rs. 26,820/-)	-	-
	<u>4,656</u>	<u>4,656</u>
NOTE - 10		
Deferred Tax Assets		
Opening Balance	1,337,723	-
Add/Less: Created/(Reversed) during the year	946,177	1,337,723
	<u>2,283,900</u>	<u>1,337,723</u>

CMI LIMITED

TANGIBLE ASSETS

NOTE - 8

GROUP OF ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NETT BLOCK	
	Value at 1.04.2013	Addition During Year	Sold during the Year	Value of 31.03.2014	Upto 01.04.2013	For The Year	Written Back during the year	As At 31.03.2014	As At 31.03.2013	
Land - Freehold	175,130.00	-	-	175,130.00	-	-	-	175,130.00	175,130.00	
Factory Buildings	7,381,555.77	-	-	7,381,555.77	3,547,275.89	212,925.00	-	3,621,354.88	3,894,279.88	
Plant & Equipment	155,562,968.40	3,403,292.00	2,909,239.00	156,057,021.40	122,125,178.80	5,473,133.72	2,744,950.00	31,203,668.88	33,437,789.60	
Furniture & Fixture	2,246,659.11	23,619.00	-	2,270,278.11	1,829,046.80	79,723.00	-	361,508.31	417,612.31	
Office Equipments	5,702,946.20	195,800.00	-	5,898,746.20	4,592,410.00	215,478.00	-	1,090,868.20	1,110,536.20	
Vehicles	24,135,859.00	3,148,599.00	4,087,292.00	23,197,166.00	5,016,800.63	2,240,061.00	619,330.00	16,559,634.37	19,119,058.37	
Total	195,205,118.48	6,771,310.00	6,996,531.00	194,979,897.48	137,110,712.12	8,221,320.72	3,364,280.00	53,012,144.64	58,084,406.36	
Previous Year	226,345,187.88	16,223,766.00	47,363,845.40	195,205,118.48	174,008,671.52	10,465,886.00	47,363,845.40	58,094,406.36	52,336,516.36	

CMI LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

DESCRIPTION	Amount in Rs. As at 31st March 2014	Amount in Rs. As at 31st March 2013
NOTE - 11		
Long Term Loans and Advances		
(Unsecured, considered good)		
Loans and Advances to Staff	464,083	367,083
	<u>464,083</u>	<u>367,083</u>
NOTE - 12		
Other Non Current Assets		
Fixed Deposits-Maturity after twelve months. (Pledged with banks as margin money)	14,054,438	54,438
Interest Accrued on rfixed deposits-maturity after twelve months	85,987	3624
	<u>14,140,425</u>	<u>58,062</u>
NOTE - 13		
Inventories		
(As per inventories taken, valued and certified by the Management)		
i) Raw Materials	59,933,601	58,721,705
ii) Work-in-Progress	228,017,001	172,130,348
iii) Finished Goods	36,907,832	21,025,271
iv) Stores and Spares	2,744,377	2,853,828
	<u>327,602,811</u>	<u>254,731,152</u>
NOTE - 14		
Trade Receivables		
(Unsecured Considered Good)		
(a) Debt outstanding for a period exceeding six months	49,134,493	25,263,527
(b) Others Debts	185,412,660	196,394,787
	<u>234,547,153</u>	<u>221,658,314</u>
NOTE - 15		
Cash and Bank Balances		
Cash in Hand	1,784,877	1,749,757
Balances with Banks	59,219	50,883
Fixed Deposits-Maturity within twelve months. (Pledged with banks as margin money)	4,014,561	39,716,237
	<u>5,858,657</u>	<u>41,516,877</u>
NOTE - 16		
Short Term Loans and Advances		
(Unsecured, considered good)		
Prepaid Expenses	969,061	335,230
Balance with Central Excise Authorities	7,356,821	4,329,771
Loans and Advances to others	50,820,932	46,406,804
	<u>59,146,814</u>	<u>51,071,805</u>
NOTE - 17		
Other Current Assets		
Interest Accrued	235,329	2,052,042
	<u>235,329</u>	<u>2,052,042</u>

CMI LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Amount in Rs.		Amount in Rs.	
	As at 31st March 2014		As at 31st March 2013	
NOTE - 18				
Sales of Products				
Sales of Products	1,175,974,624.31	<u>1,175,974,624.31</u>	987,073,174.95	<u>987,073,174.95</u>
NOTE - 19				
Other Income				
Dividend Income	1,740		900	
Duty Drawback	718,229		785,554	
Import Licence Income	1,973,684		-	
Job Work Income	-		92,125	
Interest Received	2,646,299		3,028,187	
Profit on Sale of Fixed Assets	-		430,132	
Rent received	128,000		80,000	
Exchange Rate Fluctuation	3,885,799		2,040,483	
Amounts written back	2,628,046		48,546	
Miscellaneous Receipts	791,545	<u>12,773,342</u>	-	<u>6,505,927</u>
NOTE - 20				
Cost of Raw Materials Consumed				
Opening Stock of Raw Material	58,721,705		63,247,575	
Add: Purchases	908,398,961		749,868,032	
Less: Closing Stock of Raw Material	<u>(59,933,601)</u>	907,187,065	<u>(58,721,705)</u>	754,393,902
Opening Stock of Stores and Spares	2,853,828		2,065,765	
Add: Purchases of Stores, Spares and Packing Materials	15,167,773		15,277,088	
Less: Closing Stock of Stores and Spares	<u>(2,744,377)</u>	15,277,224	<u>(2,853,828)</u>	14,489,025
		<u>922,464,289</u>		<u>768,882,927</u>
NOTE - 21				
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Opening Stock of Finished Goods	21,025,271		42,325,063	
Less: Closing Stock of Finished Goods	<u>(36,907,832)</u>	(15,882,561)	<u>(21,025,271)</u>	21,299,792
Opening Stock of Work-in-Progress	172,130,348		97,579,937	
Less: Closing Stock of Work-in-Progress	<u>(228,017,001)</u>	(55,886,653)	<u>(172,130,348)</u>	(74,550,411)
		<u>(71,769,214)</u>		<u>(53,250,619)</u>
NOTE - 22				
Employee Benefit Expenses				
Director's Remuneration	2,400,000		2,250,000	
Salaries, Wages, Bonus and Other Benefits	17,221,988		15,236,726	
Contribution to Provident and Other Funds	1,090,059		1,102,832	
Workmen and Staff Welfare Expenses	1,044,913	<u>21,756,960</u>	816,573	<u>19,406,131</u>

CMI LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Amount in Rs.	
	As at 31st March 2014	As at 31st March 2013
NOTE - 23		
Finance Cost		
Interest Expenses	47,000,847	37,745,885
Other Financial Charges	8,790,998	8,882,172
	55,791,845	46,628,056
NOTE - 24		
Other Expenses		
Manufacturing Expenses		
Power & Fuel Charges	12,217,849	13,936,626
Job Work Charges	10,809,599	9,583,880
Other Manufacturing Expenses	5,034,274	4,155,212
Repairs to Building	1,969,815	1,536,909
Repair and Maintenance Other Assets	64,191	134,309
Repairs to Plant and Machinery	5,371,480	5,177,853
	35,467,208	34,524,788
Administrative and Selling Expenses		
Advertisement and Publicity	5,000	69,580
Auditors' Remuneration & Refreshment	50,000	50,000
Computer Expenses	180,497	189,432
Conveyance Expenses	1,742,711	1,011,661
Donation	174,000	175,000
Fees & Subscription	188,288	213,771
Festival Expenses	72,340	76,950
Freight & Cartage Outward (Net)	3,150,815	1,461,580
Insurance Charges	596,243	502,952
Legal & Professional Fees	2,208,692	3,796,567
Listing Compliance & Fees	148,884	119,907
Meeting Expenses	90,387	94,749
Misc. Expenses	285,253	261,029
Postage & Courier Charges	97,532	79,217
Printing & Stationery	331,655	359,638
Penalty and Fines	203,000	-
Property Tax	29,700	30,847
Rent	4,440,000	4,040,000
Rent of Office Equipements	42,000	42,000
Sales Tax Demand	228,400	-
Security Service Charges	230,847	194,906
Service Tax on Freight	772,195	595,446
Telephone Charges	418,666	490,624
Tour and Travelling Expenses	1,855,451	2,653,607
Loss on Sale of Fixed Assets	648,651	-
Amounts written off	3,031,925	2,666,801
Selling Expenses	24,717,431	21,624,726
	45,940,562	40,800,990
	81,407,770	75,325,778



CMI LIMITED

NOTE – 25 :

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

The Financial Statements are prepared under the historical cost convention, on going concern concept and in compliance with the relevant accounting principles, accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. The significant accounting policies adopted by the Company are detailed below:

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

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

2. Investments

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

3. Revenue Recognition

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

4. Foreign Currency Transaction

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

5. Depreciation / Amortization

Depreciation has been provided on single shift basis on fixed assets on straight line methods at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956 except for fixed assets of PVC Cable division for which written down value method has been adopted. The Intangible assets of the Company are amortized over lease period or economic useful life whichever is shorter.



6. Valuation of Inventories

- a) Raw Materials, Stores and Spares and Packing Material are valued at lower of cost, based on FIFO basis (Net of CENVAT Credit) or net realizable value.
- b) Work in Progress is valued at their estimated absorption cost (Net of CENVAT). Cost of Stock in Process includes cost of raw materials and estimated overheads up to the stage of completion.
- c) Finished Goods are valued at lower of cost of production or net realizable value. Cost of finished goods includes cost of raw material, cost of manufacturing, cost of conversion and other cost incurred in finishing the goods.
- d) Scrap is valued at estimated net realizable value.

7. Retirement Benefits

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

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

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

Leave Encashment: - The liability in respect of Leave Encashment is recognized in the same manner as gratuity.

8. Taxes on Income

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

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

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



9. Use of Estimates

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

10. Impairment of Assets

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

11. Borrowing Cost

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

12. Leases

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

13. Provisions, Contingent Liabilities and Contingent Assets

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

14. Cash Flow Statements

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



B. NOTES TO ACCOUNTS :

1. Contingent Liabilities

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

(Rs. in Lacs)

SI.No.	Nature of Liability	March 31, 2014	March 31, 2013
(a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	895.40	836.95

2. The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2014. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Gratuity:

As per actuarial valuations the Present Value of Obligation is Rs. 74.92 Lacs and the Fair Value of Plan Assets is of Rs. 14.84 Lacs and the Net Gratuity Liability is Rs. 66.08 Lacs as on 31st March, 2014.

Leave Encashment:

As per actuarial valuations the Present Value of Obligation is Rs. 6.93 Lacs and the Fair Value of Plan Assets is of Rs. Nil and the Net Leave Encashment Liability is Rs. 6.93 Lacs as on 31st March, 2014 and is provided in the books of account.

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

(Rs. in Lacs)

	March 31, 2014	March 31, 2013
Payment to Auditor		
a) Audit Fees	0.50	0.50
b) Other Services (fees for representations in IT Scrutiny and Appeal Cases)	0.06	0.50
c) Certification Charges and Others	0.30	0.19
Total	0.86	1.19



5. Foreign Currency Receipts & Expenditure :

	<u>2013-14</u>	<u>2012-2013</u>
CIF Value of Imports	Rs. 811.35 Lacs	Rs. 10.61 Lacs
Expenditure in foreign currency	Rs. 2.39 Lacs	Rs. 6.48 Lacs
Earning in foreign currency	Rs. 380.55 Lacs	Rs. 504.33 Lacs

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

7. Leases :

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

The Company has no Intangible Asset as on 31.03.2014.

ii) Disclosure under AS-19 (Leases) :-

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

(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

- (i) not later than one year;
- (ii) later than one year and not later than five years;
- (iii) later than five years;

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

Sl. No.	Particulars	Up to 1 Year	>1,=5 Years	>5 Years
1	Factory	3,240,000	3,240,000 p.a.	Nil
2	Guest House	1,200,000	Nil	Nil
3	Office Equipment	42,000	42,000 p.a.	Nil

(b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;

● **Not Applicable**

(c) Lease payments recognized in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents;

● **Details of lease payments recognised in the statement of profit and loss for the period are as per Clause 1(a) here in above and there are no contingent rents.**

(d) Sub-lease payments received for (or receivable) recognized in the statement of profit and loss for the period;

● **Not Applicable**

(e) a general description of the lessee's significant leasing arrangements including,



but not limited to, the following:

- (i) the basis on which contingent rent payments are determined;
- (ii) the existence and terms of renewal or purchase options and escalation clauses; and
- (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

● **Not Applicable**

8. Trade Payables include an amount of Rs. 0.69 (Previous year Rs. 3.02 Lacs) being amount payable to Micro, Small & Medium Enterprises Development Act, 2006, including balances exceeding Rs. One Lakh in aggregate. The outstanding exceeding Rs. 1.00 lac for a period in excess of 45 days at balance sheet date is nil.

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

9. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

I. Key Managerial Personnel

Mr. Amit Jain	Managing Director
Mr. V.K. Gupta	Whole Time Director
Mr. Nishant Jain	Additional Director
Mr. Pyare Lal Khanna	Director
Mr. Ramesh Chand	Director
Mr. Subodh Kr. Barnwal	Secretary

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

M/s. Wireco (India) - A proprietorship concern of Mr. Pyare Lal Khanna, director of the company.

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

Mr. Parag Jain, Mrs. Himani Jain.



Details of transactions under the ordinary course of business between Company and the related parties during the year and the status of outstanding balances as on 31st March 2014 is as follows :

(Rs. In Lacs)

Nature of Transaction	Key Managerial Personnel, Other Directors and their relatives		Companies or firms in which Key Managerial Personnel/Directors are interested	
	2014	2013	2014	2013
Directors' Remuneration (Note "a")	24.00	22.50	-	-
Interest Paid/Payable (Note "b")	10.24	77.36	-	-
FINANCE				
Unsecured Loans Received (Note "c")	180.84	155.23	-	27.14
Unsecured Loans Received Paid back (Note "d")	604.92	217.53	-	27.14

Notes:

a) Remuneration paid to :

Mr. Amit Jain Rs. 18.00 Lacs (Previous Year Rs. 16.50 Lacs)
Mr. V. K. Gupta Rs. 6.00 Lacs (Previous Year Rs. 6.00 Lacs)

b) Interest paid / payable to :

Mr. Amit Jain Rs. 10.24 Lacs (Previous Year Rs. 77.36 Lacs)

c) Transactions in Unsecured Loans Received during the year with;

Amit Jain Rs. 180.84 Lacs (Previous Year Rs. 151.48 Lacs)
Himani Jain Rs. Nil (Previous Year Rs. 2.50 Lacs)
Parag Jain Rs. Nil (Previous Year Rs. 1.25 Lacs)
Wireco (India) Rs. 0.01 Lacs (Previous Year Rs. 27.14 Lacs)

d) Transactions in Unsecured Loans Received paid back during the year with;

Amit Jain Rs. 604.92 Lacs (Previous Year Rs. 213.78 Lacs)
Himani Jain Rs. Nil (Previous Year Rs. 2.50 Lacs)
Parag Jain Rs. Nil (Previous Year Rs. 1.25 Lacs)
Wireco (India) Rs. 0.01 Lacs (Previous Year Rs. 27.14 Lacs)



11 Breakup of consumption of Raw Material and Stores and Spares into imported and Indigenous							
Sl. No.	Particulars		Current Year Amount	Percentage %		Previous Year Amount	Percentage %
Raw Material							
a	Imported		811.35	8.94%		10.03	0.13%
b	Indigenous		8260.52	91.06%		7533.91	99.87%
	Total		9071.87	100%		7543.94	100.00%
Stores and Spares							
a	Imported		Nil	0.00%		Nil	0.00%
b	Indigenous		152.77	100.00%		144.89	100.00%
	Total		152.77	100.00%		144.89	100.00%

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

Sl. No.	Particulars	March 31, 2014	March 31, 2013
(a)	Net Profit / (loss) as per Profit & Loss Account (Rs.)	1,76,82,870	1,66,40,019
(b)	Weighted Average No. of Ordinary Shares outstanding (Basic EPS)	35,34,807	34,78,699
(c)	EPS (Basic) (Rs.) [(a)/(b)]	5.00	4.78
(d)	Weighted Average No, of Ordinary Shares on the assumption of full conversion of warrants into shares	35,34,807	34,92,726
(e)	EPS (Diluted) (Rs.) [(a)/(d)]	5.00	4.76
(f)	Face Value of each equity share (Rs.)	10.00	10.00



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

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

Particulars	Amount(Rs.) March 31, 2014	Amount(Rs.) March 31, 2013
WDV of Fixed Assets as per Companies Act, 1956	53,012,145	58,094,406
WDV of Fixed Assets as per Income Tax, 1961	38,605,012	41,411,996
Taxable/(Deductible) Temporary Difference on account of depreciation	14,407,133	16,682,411
Deferred Tax Liability / (Asset) @ 30.90%	4,451,800	5,154,865
Expenses allowed on the basis of payment as per Income Tax Act, 1961	21,798,387	21,011,611
Deferred Tax Liability / (Asset) @ 30.90%	(6,735,700)	(6,492,588)
Deferred Tax Liability / (Asset) @ 30.90%	(2,283,900)	(1,337,723)

14. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.
15. The letters for Balance Confirmation were sent to all parties against which no objection has been received from the parties. Hence, balances in the books of accounts have been considered.
16. That Fixed deposits with more than twelve months maturity have been classified under the head "Other Non Current Assets" and Security Deposits have been classified under the head "Short Term Loans and Advances".
16. Previous year figures have been regrouped /rearranged wherever considered necessary.
17. Information required in terms of part IV of the Schedule VI to the Companies Act, 1956 as complied by the Company is attached.

J. K. Manocha & Associates
Chartered Accountants
FRN: 007345N

For and on behalf of the Board of Directors

J. K. Manocha
Partner
Membership No.: 082442
Place: New Delhi
Date: 30-05-2014

Subodh Kumar Barnwal
Company Secretary

Amit Jain
Managing Director
DIN 00041300

Ramesh Chand
Director
DIN 02759859

CMI LIMITED

Cash Flow Statement for the Year ended 31st March 2014

	For the period ended 31.03.2014	For the period ended 31.03.2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Depreciation	17,682,870	16,640,019
Add: Depreciation	8,221,321	10,465,886
Interest & Bank Commission paid	55,791,845	46,628,056
Miscellaneous Expenditure written off	-	-
Debtors Written Off	3,031,925	2,666,801
Previous Year Adjustments	-	-
Less: Interest Receipt	2,646,299	3,028,187
Creditors Written Back	2,628,046	48,546
Profit on Sale of Fixed Assets	-	430,132
Operating Profit before extraordinary items and Working Capital Change	79,453,615	72,893,897
Adjustments for		
(Increase)/Decrease in Trade and Other Receivables	(34,092,676)	(54,528,347)
(Increase)/Decrease in Inventories	(72,871,659)	(49,512,812)
Increase/(Decrease) in Trade and Other Payables	(6,555,747)	70,540,704
Cash Generated from Operations	(34,066,466)	39,393,442
Add: Extra ordinary items		
Bad debts written off	(3,031,925)	(2,666,801)
Creditors Written Off	2,628,046	48,546
Previous Year Adjustments	-	(7,032,094)
Net Cash used in Operating Activities	(34,470,345)	29,743,093
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets	(6,771,310)	(16,223,776)
Sale of Assets	6,996,531	47,363,845
Profit on sale of Assets	-	430,132
Deperication Writeen Back	(3,364,280)	(47,363,845)
Interest Received	2,646,299	3,028,187
	(492,760)	(12,765,457)
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings/Repayments/FDR	(9,595,864)	4,533,875
Increase/(Decrease) in Share Application Money	-	(853,551)
Increase/(Decrease) in Share Capital	-	1,683,240
Increase/(Decrease) in Share Warrant	-	(1,084,006)
Increase/(Decrease) in Share Premium	-	2,652,786
Increase / (Decrease) in Short Term Borrowings	64,692,594	32,891,901
Interest & Bank Commission Paid	(55,791,845)	(46,628,056)
Net Cash from Financing Activities	(695,115)	(6,803,811)
NET INCREASE IN CASH & CASH EQUIVALENTS	(35,658,220)	10,173,825
(A + B + C)		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	41,516,877	31,343,052
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,858,657	41,516,877

Notes :

(1) Of the above amount, an amount of Rs. 1,80,68,999/- (Previous Year Rs. 3,97,70,675/-) is pledged with Banks and is not available for free use by the Company.

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

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

Auditors' Report :

We have examined the cash Flow Statement of CMI Limited for the period ended 31st March, 2014. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

For J. K. Manocha & Associates
Chartered Accountants
FRN: 007345N

For and on behalf of the Board of Directors

J. K. Manocha
Partner
Membership No.: 082442
Place: New Delhi
Date: 30-05-2014

Subodh Kumar Barnwal
Company Secretary

Amit Jain
Managing Director
DIN 00041300

Ramesh Chand
Director
DIN 02759859

FORM NO. - 11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CMI LIMITED

CIN L74899DL1985PLC018031

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

Tel. : 011-49570000-12, Fax : 011-22160411

E-mail : info@cmilimited.in Website : www.cmilimited.in

Name of the Member (s) : Registered address : Email id : Folio No./ Client Id.: DP ID :

I/We, being the member(s) of of the above named company hereby appoint

- Name : Email Id :
Address :
Signature :
- Name : Email Id :
Address :
Signature :
- Name : Email Id :
Address :
Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Tuesday, 30th day of September, 2014 at 11.30 A.M. at Lajwaab Banquet Hall, Vikas Marg, Delhi-110092 and any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.:

Ordinary Business:

- Adoption of the audited Balance Sheet as at March 31, 2014, the audited Statement of profit and Loss for the financial year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
- Appointment of Director in place of Shri Vijay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of Statutory Auditors of the Company for a term of three years (subject to retification of their appointment at every AGM) and fixing their remuneration.

Special Business:

- Appointment of Shri Pyare Lal Khanna as an Independent Director.
- Appointment of Shri Ramesh Chand as an Independent Director.
- Increase in remuneration of Shri Amit Jain Managing Director of the Company.
- Confirmation of Re-appointment of Shri Vijay Kumar Gupta as Whole Time Director.
- Adoption of New Set of Articles of Association of the Company.

Signed this day of 2014.

Affix Rs. 1/- Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



CMI LIMITED

CIN L74899DL1985PLC018031

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

Tel. : 011-49570000-12, Fax : 011-22160411

E-mail : info@cmilimited.in Website : www.cmilimited.in

ATTENDANCE SLIP

47th ANNUAL GENERAL MEETING

Date: 30th September, 2014 Time : 11:30 a.m.

Place : Lajawab Banquet Hall, Vikas Marg, Delhi-110092

Member's Folio/
DPID- Client ID No.

Member's/ Proxy's
name in Block Letters

Member's/ Proxy's Signature

Note :

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of the meeting hall.
2. Bodies Corporate, whether a company or not, who are member, may attend through their authorized representatives appointed under section 113 of the Companies Act, 2013. A copy of the authorization should be deposited with the company.
3. In case of shares held in demat/ electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the company by NSDL/CDSL.

Electronic copy of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of the Attendance Slip.

Physical copy of the Annual Report for 2013-14 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered for a hard copy.

