

ANNUAL  
REPORT  
2014-15



CMI Limited



Poised for  
Growth

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## FORWARD LOOKING STATEMENTS

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approving from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation. CMI Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



# Poised for Growth

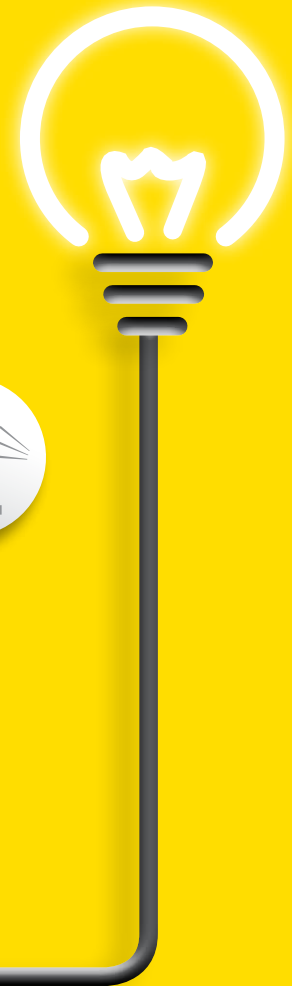
We at CMI have grown consistently despite the challenging macroeconomic situation in the recent years reflecting our fundamental strength of resilience and dynamism.

It is our inherent quality of constantly evaluating ourselves and implementing new measures that fortifies our strength. Due to this dynamism in thought and action, we have built a robust business model and we are continuously strengthening our growth capabilities and deepening our growth appetite.

With the healthy demand growth returning over coming quarters, the onus would shift to enterprises to seize the opportunity. At CMI, with our range of cable wire products backed by state-of-the-art production facility located at Faridabad (Haryana), capable of adhering to both domestic and international specification, we are well equipped to tap this opportunity. The cable rods/wires produced here are used in wide range of applications from Heavy vehicles to Railways and underground Metro Rail System and from telecommunication to satellite launching. Armed with a wide range of products and strong R&D capability, we are well poised to ride on the economic growth in India.



# With Diversity and Innovation



*The relentless efforts by our engineers undeterred by failure and the stringent process that is followed in our R&D centers have resulted in development of number of unique cables meeting specific needs differentiating us from others.*



**The wide variety of product basket coupled with R&D capability has been the driving factor of our consistent growth. Diversity and Innovation has been the hallmark for CMI, establishing us as one of the leading players in the industry.**

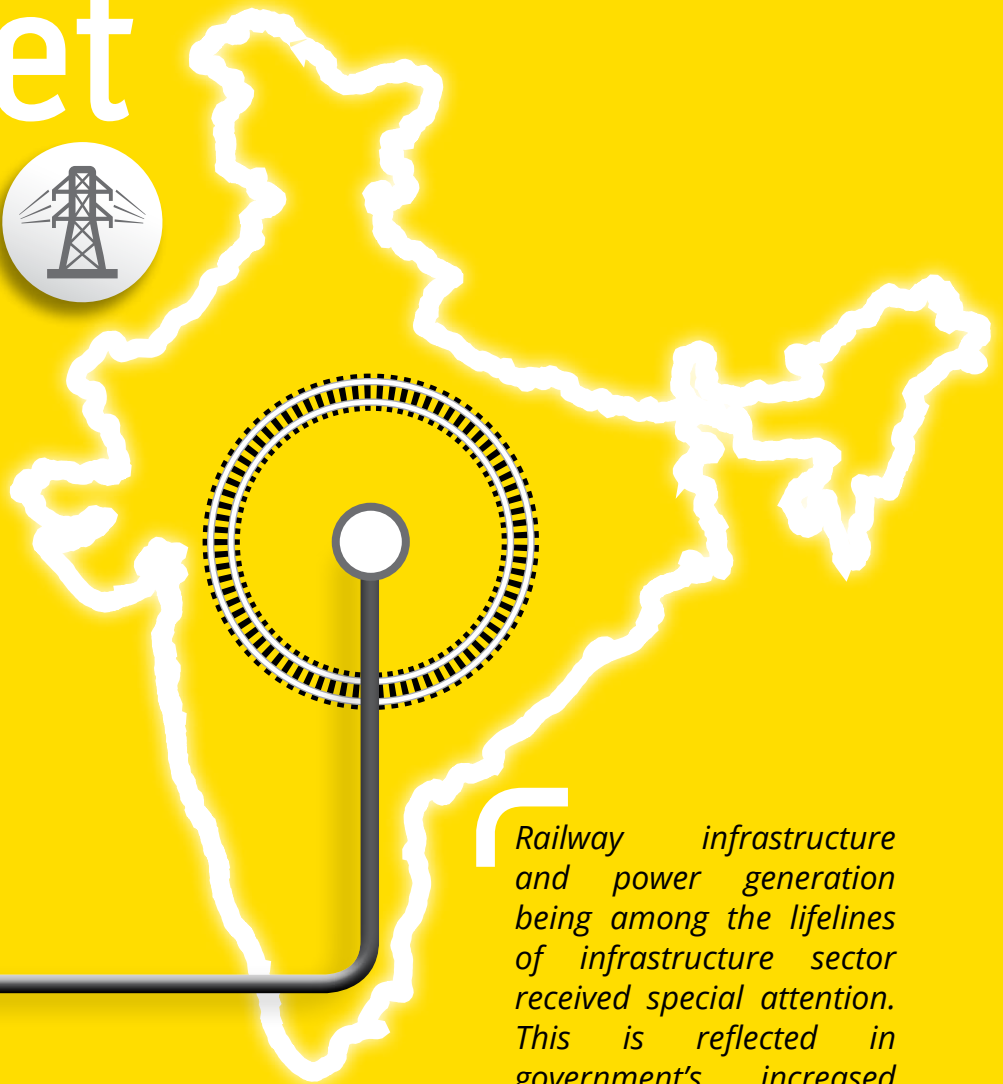
Incepted as a trading company for copper Rods/wires, today we have emerged as a pioneer in development of various types of cable as per national / international specifications catering to customers' specific needs. The cable wires manufactured in our production facility at Faridabad is used in assorted industries spanning from telecommunication, railways to heavy petrochemical plants, oil refineries, power generating stations and satellite launching reflecting our strategy of maintaining a diversified client base.

Innovation at CMI is about a commitment to solve challenging customer problems with new solutions. Our deep knowhow of technologies, keenness on details and fervor for excellence have played the pivotal role in developing a nurturing environment of creation. We boast of a large pool of highly knowledgeable and skilled engineers committed towards innovating cutting edge solutions. The relentless efforts by our engineers undeterred by failure and the stringent process that is followed in our R&D centers have resulted in development of number of unique cables meeting specific needs differentiating us from others.

Thanks to our commitment to diversity and innovation, we have emerged as the preferred vendor for many prestigious clients across industries. We are proud to be the sole supplier for ISRO for specific cables used in Multi Object tracking system. We are one among 15 active vendors for Railways Signaling cables, 10 active vendors for Railway Power cables and 13 active vendors for PIJF quad cables to name a few.



# Huge Opportunity in Domestic Market



*Railway infrastructure and power generation being among the lifelines of infrastructure sector received special attention. This is reflected in government's increased investment in these sectors especially in the railway which witnessed the highest ever annual outlay in the latest rail budget 2015-16.*

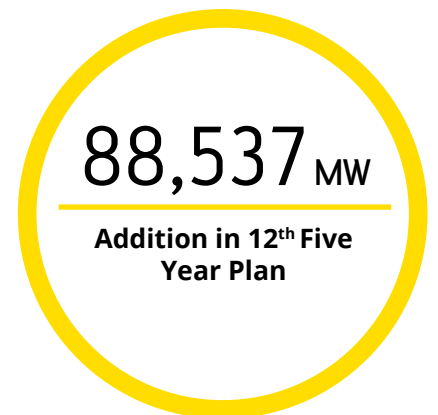


**The nation is geared up to realize the dream of its people of a next generation reform. Supported by a collective strength of its billion plus people, abundance of natural resources and democratic landscape; India is poised to raise its stake on the global economic platform.**

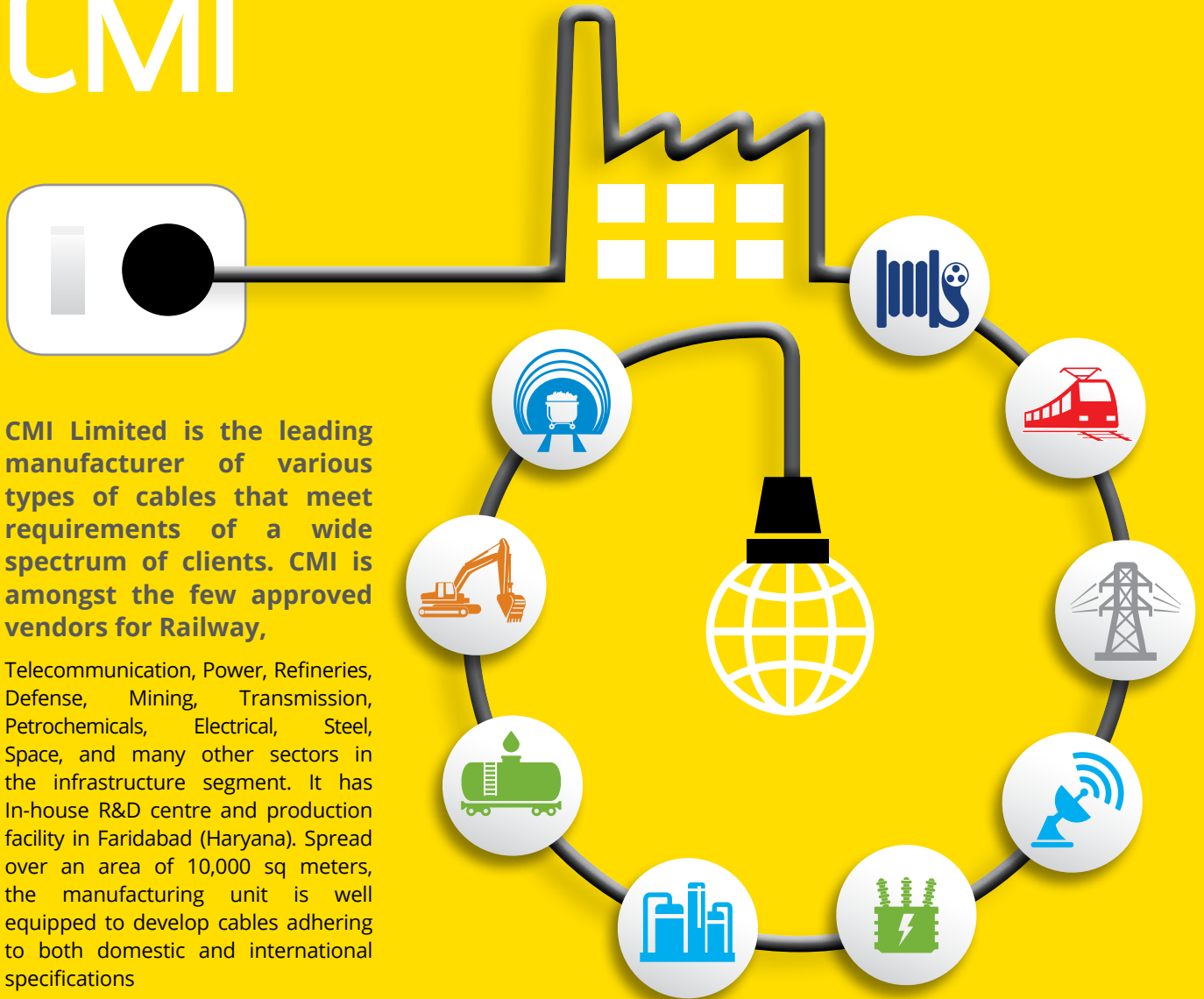
A pro reformist government in the center with the commitment of improving country's benign infrastructure ushered in new hope. Railway infrastructure and power generation being among the lifelines of infrastructure sector received special attention. This is reflected in government's increased investment in these sectors especially in the railway which witnessed the highest ever annual outlay in the latest rail budget 2015-16. A concerted effort to enhance and upgrade the rail infrastructure and to ensure a safe journey instead of announcing popular measures such as introducing new trains augurs well.

The government also charted out an ambitious plan of power for all by 2022 which will require huge capacity addition in the power generation sector. The latest budget witnessed announcement of large capacity addition in the generation segment with setting up of 5 UMPPs (ultra mega power project) of 4,000 mw each.

With the policies in place, the responsibility shifts to the private players to realize the concurrent national dreams of safe rail journey or uninterrupted power supply. We, at CMI are well placed to tap this huge opportunity and assisting the nation in its endeavour to improve quality of life by ensuring a safe rail journey or making energy available to the people of India.



# The World of CMI





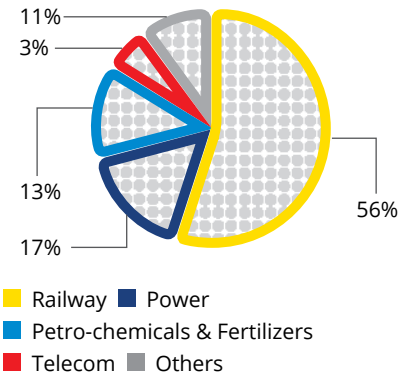


Product	Application
Quad Cables	Specialized Safety cables used by Railways for counting incoming & out going axles / coaches at any particular section to ensure no coach is left behind
Railway Signaling cables	Used for transmitting signals to signal posts for smooth movement of trains.
Ballise cables	Used for Train Protection & Warning system ( TPWS)
Fire Survival cables	Used to maintain circuit integrity in case of fire for 3 hrs up to 950 deg C, to ensure transmission of signals to safety equipments
Low Smoke Zero Halogen (LSZH ) cables	Ensures better visibility & low toxicity in case of fire
Highly flexible multi core copper shielded abrasion resistant TPU sheathed cables	Used for Gas Insulated Substations ( GIS )
Multi pair PTFE insulated & sheathed shielded cables	Multi Object Tracking RADAR for tracking module after it disconnects from Rocket
PTFE insulated, silver plated copper conductor, multi pair data cables	High temperature applications used at satellite launching stations
Air field lighting cables	Used for guiding Air planes on runways
Field Bus / Profibus cables	Used on very sophisticated control instruments
Fire Alarm & Communication cables	Used for fire detection & alert equipments
Polythene Insulated Jelly Filled ( PIJF) telecom cables	Used for last mile connectivity
Specialized Instrumentation & Data shielded cables w	Used on sophisticated control instruments in control rooms for giving signals to activate various equipments.
EPR-CSP-PCP-Silicon	Used at high temperature in Mines, Steel, ship building & Wind energy generation industry.

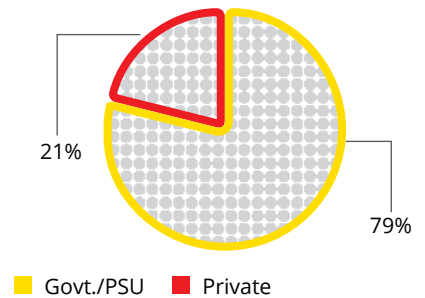
### OUR MAJOR CUSTOMERS

India Railways	LT	Global Toyo	SAIL
Konkan Railway	TCIL	The Linde Group	SIEMENS
EIL	MTNL	NTPC	TATA
GAIL	ALSTOM	Bharat Electronics	ISRO
Indian Oil	Technip	IFFCO	BSNL
HP	LPSC	Bharat Petroleum	

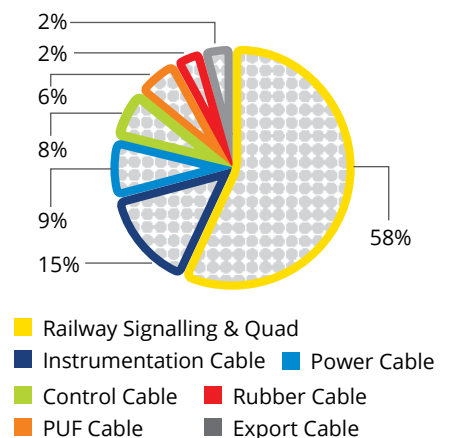
### REVENUE BY SECTOR (FY15)



### REVENUE BY TYPE (FY15)



### REVENUE MIX BY SEGMENT (FY15)



# Financial Highlights

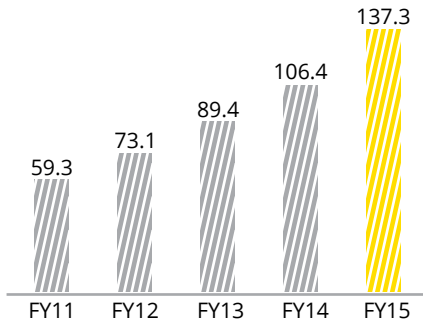
(In ₹ Cr)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Total Income	137.3	106.4	89.4	73.1	59.3
Total Expenses	121.4	97.2	81.0	66.4	54.1
EBITDA	15.9	9.2	8.4	6.7	5.2
Depreciation	0.9	0.8	1.1	1.1	1.1
EBIT	15.0	8.4	7.3	5.6	4.1
Interest	5.9	5.6	4.7	3.3	1.9
Profit Before Tax	9.1	2.8	2.7	2.3	2.2
Tax	2.8	1.0	1.0	0.1	0.2
Profit After Tax	6.3	1.8	1.7	2.2	2.0
Reserves	24.4	10.6	8.8	7.6	5.2
Shareholders Fund	11.5	3.5	3.5	3.4	3.2
Networth	35.9	14.1	12.4	11.0	8.4
Total Debt	33.0	36.6	31.1	27.3	18.3
Cash & Bank Balance	3.1	2.0	4.2	3.1	2.4
<b>Ratios</b>					
EBITDA Margins (%)	11.6%	8.6%	9.4%	9.2%	8.8%
PBT Margins (%)	6.7%	2.6%	3.0%	3.1%	3.8%
PAT Margins (%)	4.6%	1.7%	1.9%	3.0%	3.4%
Earnings Per Share (₹)	7.3	5.0	4.2	6.4	6.3

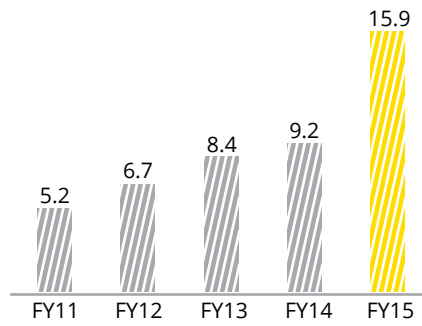
## KEY HIGHLIGHTS

- We received order to supply Fire Alarm and Plant Comm., cable on June 29, 2015 for total value of ₹ 24.69 Cr from M/s. Bharat Petroleum Corporation Limited for integrated refinery expansion project at Kochi refinery, as per inspection and testing by M/s Engineers India Limited.
- We have received order from Bharat Petroleum Corporation Limited, Kochi Refinery for supply of Signal Cable for ₹ 12.30 Cr.

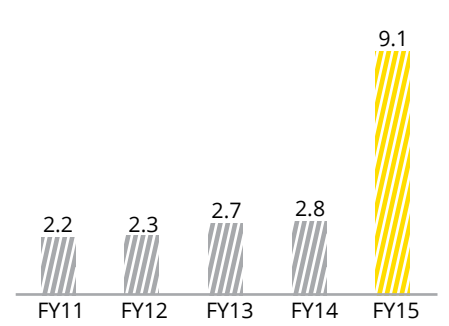
### REVENUE (In ₹ Cr)



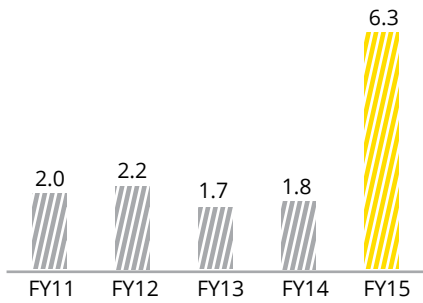
### EBITDA (In ₹ Cr)



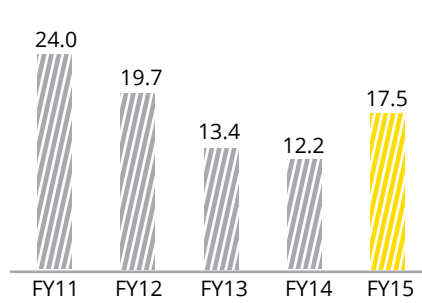
### PBT (In ₹ Cr)



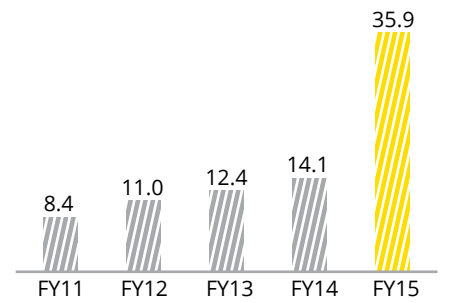
### PAT (In ₹ Cr)



### RONW (In %)



### NETWORTH (In ₹ Cr)



# Message from the Chairman



*We continued with our practice of launching new products during the year under review to stay ahead of the competition. Special signal cables, fire survival cables, cables for multi object tracking radar system, highly flexible multi-core, and copper shielded abrasion resistant TPU sheathed cables for GIS system are among the few products launched this year further strengthening our position.*

## Dear Shareholders,

I am pleased to inform you that CMI reported yet another impressive performance in FY15. Our revenue grew by 29% to ₹ 135 Cr and EBIDTA grew by 73% to ₹ 16 Cr in FY15 from those of previous year. The net profit more than doubled to ₹ 6 Cr in FY15. This fantastic set of numbers is a testimonial to our manufacturing and innovating capabilities for high quality products that serves diversified industries.

India's GDP grew by 7.3% which was much ahead of many other emerging economies globally. Other macroeconomic numbers for the country, such as inflation, IIP, fiscal and current account deficit and forex reserves appear to be favourable placing India in a comfortable position. Announcement of several projects by the new government namely 'Make in India', 'Digital India', '100 Smart Cities' and 'Swacch Bharat Abhiyan' will ensure long term-sustain overall growth for the economy. In our focused sectors where we enjoy a strong presence, government initiated several favourable policies namely allowing 100% FDI in railway infrastructure, allocation of ₹ 800,000 Cr investment in railway over 2015-2020 towards revamping Indian Railways, power for all by 2022 and connecting remote villages digitally. I believe these policies will drive the future growth for us.

To keep pace with enhanced demand, we increased production capacity by almost 25% by adding new machines, upgrading the existing ones and through improved production planning and control system. We continued with our practice of launching new products during the year under review to stay ahead of the competition. Special signal cables, fire survival cables, cables for multi object tracking radar system, highly flexible multi-core, and copper shielded abrasion resistant TPU sheathed cables for GIS system are among the few products launched this year further strengthening our position. The large array of products reaffirms our commitment towards innovation and the consistent effort of our R&D team towards broadening our product portfolio and upgrading the existing ones. Presently, we are setting up plant to manufacture hard drawn grooved contact wire and catenary wire – multi strand cadmium copper conductor. Both are used for railway electrification.

In our continuous pursuit of growth, we expanded our client base during the year by adding some of the big brands such as BPCL, Samsung, Heavy Engineering, and Nuclear Power Corporation Ltd (NPCL).

India today stands at a cusp of a new dawn. With a pro-reformist government in the centre, the nation is dreaming of a better quality of life with 24\*7 power supply, safe rail transportation and improved connectivity through broadband. We, at CMI are ready to participate in realising the concurrent national priorities.

I take this opportunity to thank all our stakeholders, who have shown trust and confidence in your Company and also thank our employees for their valuable contribution and dedication.

Thank You

**Amit Jain**

*Chairman and Managing Director*

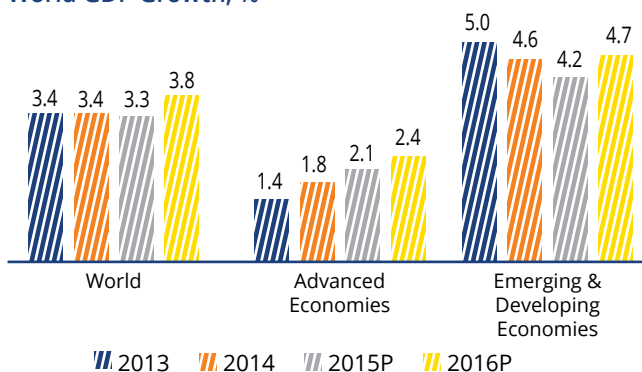
# Management Discussion and Analysis



## GLOBAL ECONOMY

The year 2014 witnessed divergent growth globally and the world economy grew by 3.4% (IMF's World Economic Outlook Update July, 2015) led by strengthening of the US economy. Growth in Emerging and Developing economies slowed down to 4.6% in 2014 against 5.0% in 2013. The advanced economies have been witnessing a continuous recovery due to moderate fiscal adjustment, increase in disposable income and lower crude oil prices. Growth in the Developing & Emerging economies is projected to marginally come down due to the slowdown in China & Brazil. IMF projected that the World GDP growth would be 3.3% in 2015 and growth would further revive to 3.8% in 2016.

World GDP Growth, %

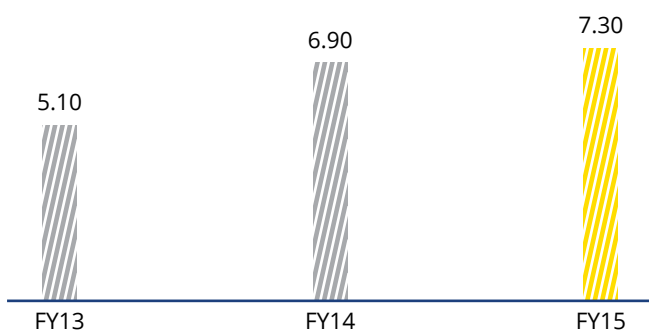


Source: IMF's World Economic Outlook Update July, 2015

## INDIA ECONOMY

India economy grew by 7.3% in FY15 as per the new calculation method taking 2011-12 as the base year. The year witnessed revival in the Industry activities with IIP moving to 2.8% during the period April-March 2015 as against contraction of (-0.1%) in the same period last year. Significant decline in commodity prices globally helped containing the inflation. CPI which stood at 8.59% at the start of the year FY15 cooled down to 5.17% at the end of the FY15. This encouraged RBI to cut the repo rate in three tranches by 25 bps each during CY2015. The current Government is focused towards infrastructure revival and is formulating policies to increase the ease of doing business in India. Various other initiatives taken by the government such as Digital India, Make in India, Swachh Bharat Mission and FDI approval in Railway infrastructure development is expected to provide fillip to the economy.

### India's GDP Growth, %



Source: CSO

## WIRE AND CABLE INDUSTRY OVERVIEW

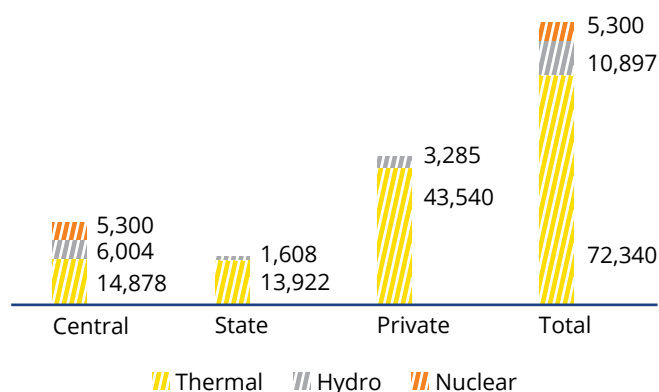
The wires and cables industry in India is currently growing at a CAGR of 16.7% (FY2009-14) mainly on account of the power and the telecom sector (Source: Ken Research). These two sector accounts for 40% of wire and cable industry.

## POWER SECTOR

The reforms ushered in by the Electricity Act, 2003 led to strong addition in the generation capacity in India over 2010-15. The cumulative addition in power generation in the last eight years has been around 130 GW. The 12th

five year plan has an ambitious target of adding around 88 GW of generation capacity out of which thermal power contributes around 72 GW. This compares favourably to the previous plans-8th, 9th, 10th five year plans, a much-lower 63 GW was added cumulatively.

### Target Capacity Addition in 12<sup>th</sup> five year plan (MW)



Source: CEA

The new government is focused on meeting with the energy security and planned big ticket investments in power generation sector. In the budget 2015-16, the government announced setting up 4 Ultra mega power plant (UMPP) of 400 MW each entailing an investment of ₹ 1 lakh Cr. The massive capacity addition in the generation sector will drive up the demand for wire and cable.

### Plan wise installed cumulative generating capacity in India

Plan	Generation (MW)
VI	42,584
VII	63,636
VIII	85,795
IX	105,045
X	132,329
XI	199,877
XII (Till April,15)	268,602

Source: CEA

## RAILWAYS

The new government has set medium-term (Five Year) and long-term (Vision 2030) objectives to enhance capacity and transform the Indian Railways to convene the country's

social and economic aspirations. The Rail budget 2015-16 mentions about the modernization and enhancement of the existing infrastructure by laying new lines, gauge conversion, doubling, tripling and electrification. Additionally, introduction of 'Train sets' that is similar to bullet train and semi-high speed train (160-200 kmph), over the nine railway corridors are also on the anvil which will include of enhancing and upgrading rail infrastructure. Besides, improving the present capacity, The Rail budget also charts out accident free and safe travel as one of the prime focus area to transform the Railways. Signaling system being the major instrument in ensuring safety, would witness big investments for this ambitious plan of government.

Government's decision of allowing 100% FDI in 17 key areas of railways appeared to be timely given the huge investment planned out for capacity augmentation and improvement. Among other areas, total FDI is permitted in the Installation and maintenance of Asset failure detection systems (Track/ OHE/ Rolling Stock/Signaling etc.) and construction of new facilities to develop advanced systems and renovating/maintaining existing systems.

In order to achieve this goal, an unprecedented investment of ₹ 1 lac Cr for 2015-16 and ₹ 8.56 lac Cr for the period of 2015-20 was planned out which would be financed from multi lateral development Banks, Pension Funds and private sources apart from the gross budgetary support and internal generation.

#### Investment Outlay for five years (2015-20)

In ₹ Cr	Amount	%
Network Decongestion (incl. DFC, Electrification, Doubling, etc.)	199,320	23.3%
Network expansion (incl. electrification)	193,000	22.5%
National Projects (North Eastern & Kashmir connectivity projects)	39,000	4.6%
Safety (Track renewal, bridge works, ROB, RUB and Signaling & Telecom)	127,000	14.8%
Information Technology / Research	5,000	0.6%
Rolling Stock (Locomotives, coaches, Wagons - production & maintenance)	102,000	11.9%
Passenger Amenities	12,500	1.5%
High Speed Rail & Elevated corridor	65,000	7.6%
Station redevelopment and logistic parks	100,000	11.7%
Other	13,200	1.5%
<b>Total</b>	<b>856,020</b>	

Source: Indian Railways Budget 2015-16

Government also plans to set up monorail and metrorail projects in various cities in India entailing a huge investment towards these. The upcoming projects will require large amount of copper wire providing a Phillip to the industry.

#### Monorail Projects in India

Project Location	Cost (in ₹ Cr)	Status
Bangalore	7,700	Planning
Thane-Bhiwandi-Kalyan	3,750	Planning
Thiruvananthapuram	3,590	Planning
Jacob Circle-Wadala-Chembur	3,000	Partially completed
Delhi	2,235	Planning
Kozhikode	1,991	Planning
BKC Mumbai	1,125	Planning
Chandigarh	NA	Planning
Chennai Elevated MRTS	NA	Planning
Port Blair	NA	Planning
Dehradun	NA	Planning
Pune	NA	Planning

#### Metrorail Projects in India

Phase	Project Cost (In ₹ Cr)	Expected Completion
Delhi Metro Phase 1	10,571	Completed
Delhi Metro Phase 2	19,131	Completed
Delhi Metro Phase 3	3,590	Planning
Mumbai Metro Line 1	2,356	Completed
Mumbai Metro Line 2	42,710	2021
Mumbai Metro Line 3	23,136	Unknown
Bangalore Metro Phase 1	11,609	2015
Bangalore Metro Phase 2	26,405	5 Years from start of work

#### TELECOMMUNICATION

In order to provide telephone connection and broadband facilities on demand across the country at an affordable price the Government in its recent budget 2015-16 has taken the following steps:

- Universal Service Obligation Fund Administration (USOF) projected a total amount of ₹ 12,600 Cr in the Budget Estimate (BE) for the year 2015-16 for the new initiative. Of the total amount, ₹ 9,335 Crores is proposed for the scheme of creating National Optical Fiber Network (NOFN) for Broadband connectivity to 2.50 lakh Village Panchayats of the country and ₹ 1,230 Crores in 10 states of Left wing extremism affected areas.
- Allocation of ₹ 1,737 Cr for replacing 5 lakhs legacy wireline exchanges by Next generation network (NGN) to BSNL.

There is a touch competition for fixed line telephony from wireless phones. Even though overall telephone subscription is on rise, fixed line telephony subscription has been reducing each year. In a boost to fixed line telephony during the year, TRAI reduced charges that operators pay to terminate calls on competing networks. The revised rate

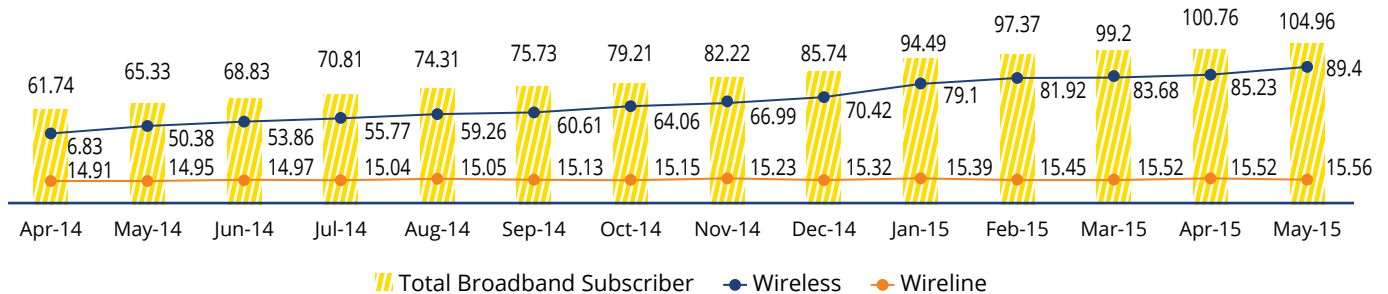


has been beneficial for fixed line telephony subscription as Inter Connection charges paid is reduced, thereby benefiting the operators and the end user as benefit will be passed out to end user leading to cut in tariff prices.

In the past one year, Broadband subscribers in India

increased from 61.74 million in April 2014 to 104.96 million in May 2015. Of this Wireline broadband connectivity increased from 14.91 million in April 2014 to 15.56 million in May-15. The steady rise in wireline broadband connectivity will drive the growth for cable industry.

### Broadband Subscribers - India, million



### REFINERY

CMI Limited manufactures a wide variety of cables suitable for the process instrumentation. In Refinery and various other types of engineering industries, the process instrumentation plays a vital role in measurement, supervision and control of the process.

Government owned oil refining companies such as IOCL, BPCL and HPCL will increase their refining capacity by 37% to 185.3 million tones (MT) by 2016-17 by expanding existing units and commissioning a new plant at Paradip in Odisha (Source: Oil Minister's speech in Lok Sabha, 2014). Additional to this, IOCL plans setting up a ₹ 30,000 Cr refinery at Mundra in Gujarat as part of a plan to increase its processing capacity to 100 MT. Among the private refiners, Reliance Industries plans to invest ₹ 78,000 Cr to set up its third refinery-cum-petrochemical complex at Jamnagar in Gujarat. However, overcapacity exceeding the domestic demand, weak global demand and softening in crude oil price is likely to stall additional refining capacity to come in the medium term affecting the demand for cable products.

### OPERATIONAL REVIEW

- During the year, the production capacity increased by almost 25% over last year due to commissioning of one additional cable laying machine, improving capacity of other important machines & by better production planning & control system.
- New products developed during the year were
  - Cable for Multi Object Tracking Radar system for ISRO, with special high temperature PTFE insulating material.
  - Fire Survival cables for Refinery & Metros,
  - Highly flexible multi core, copper shielded, abrasion resistant TPU sheathed cables for GIS systems.
  - XLPE insulated special Signal cables for Bangladesh Railways

- The Company also developed cable for Train protection & warning system, which will be used in bulk quantities for improving safety on Indian Railways. R&D work is in progress for developing new overhead Grooved Contact wire & Catenery wire for electric traction of Locos for Indian Railways.
- Besides serving existing customers, CMI continued to expand its clientele by adding new customers. The details of new client and projects received from the are:
  - Supplying Signal & Fire alarm cables worth ₹ 12.5 Cr to Bharat Petroleum Corporation Ltd, Kochi
  - Supplying special signal cables for Hyderabad metro for Samsung Hyderabad
  - Heavy Engineering Ranchi for supplying of Special Rubber cables
  - Nuclear Power Corporation Ltd

### FINANCIAL REVIEW

#### Total Income

The Company's Gross Operating Income stood at ₹ 137.33 Cr in FY15, an increase by 29% Y-o-Y as compared to ₹ 106.41 Cr in FY14. The increase was primarily driven by higher revenue contribution from railway.

#### Operating Expenses

Operating expenses of the Company stood at ₹ 122.25 Cr in FY15 as compared to ₹ 98.03 Cr, an increase of 25% Y-o-Y, which is attributed to the following factors:

Raw Material Cost increased by 19% at ₹ 109.85 Cr in FY15 to ₹ 92.24 Cr in FY14.

Employee cost increased by 11% at ₹ 2.41 Cr in FY15 compared to ₹ 2.18 Cr in FY14 on account of addition of new employees and increase in salary & wages.

#### EBITDA

EBITDA increased by 79% at ₹ 15.04 Cr in FY15 from ₹ 8.38 Cr in FY14.

### Depreciation

Depreciation cost stood at ₹ 0.88 Cr in FY15 as against ₹ 0.82 Cr in the previous year, up 7% Y-o-Y.

### Financial costs:

The financial charges have risen from ₹ 5.58 Cr to ₹ 5.90 Cr on account of higher working capital utilisation in the books.

### Total Tax Expense

Total Tax Expense stood at ₹ 2.83 Cr, higher by 174% on Y-o-Y basis.

### Net Profit

Consolidated Net Profit for FY15 was ₹ 6.31 Cr from ₹ 1.77 Cr in FY14.

### Net worth

Total Net worth of the Company stood at ₹ 37.02 Cr in FY15, an increase of 162% as compared to ₹ 14.14 Cr in FY14. The same comprised of following:

Paid up capital stood at ₹ 11.5 Cr as on 31<sup>st</sup> March 2015, comprising 114,51,807 shares.

The Company's Reserves and Surplus was to the tune of ₹ 24.44 Cr in FY15. Of this, the surplus in Profit & Loss Account was ₹ 6.30 Cr.

### Fixed Assets

Net Fixed Assets of the Company stood at ₹ 8.22 Cr as against ₹ 5.30 Cr, contributing 9% to the Total Assets of the Company.

### Cash & Bank Balances

The Company had a Cash & Bank balance of ₹ 3.05 Cr as on 31<sup>st</sup> March 2015, as compared to ₹ 1.99 Cr in FY14.

## RISK AND CONCERNS

### Business Risk

Company's most of the products are used in infrastructure, power, railway, telecommunications, and industrial segments. Any slowdown in economic activities can affect the growth of these sectors and thereby demands for the products.

Mitigation: The Company is trying to enter into new sectors to hedge the business and launching new products.

### Input Cost

Commodity prices are volatile in nature. Price for the raw materials used to manufacture cable and wire such as aluminum and copper change frequently. Any increase in the input cost can negatively impact the profitability of the Company.

Mitigation: The Company passes off such negative impacts to its client partially or completely by adding price escalation clause in most of the contracts.

### Political Risk

Political, social / civil unrest, within India can have an impact on the Company's operations.

Mitigation: We have operations spread across India and also have exports so the impact would not be high.

## OUTLOOK

With the infrastructure sector reviving, company's outlook appears to be exciting. Government's focus on sector such as power, railway infrastructure and digital infrastructure will benefit the economy as a whole and CMI in particular. The Company is well prepared to take this opportunity with its strong R&D and manufacturing capability.

## INTERNAL CONTROL SYSTEMS

Your Company follows a strong system of internal control to ensure that all assets are safeguarded and protected against unauthorized use. The Company remains committed to ensuring effective control systems which monitors the internal audit and risk assessment, Compliance, Policy and mitigation. 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.

## HR

We believe in that people are at the heart of corporate purpose and constitute the primary source of sustainable competitive advantage. Market connectivity, proactive response to market signals, unity of purpose and world-class execution of strategy 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.

# Directors' Report

## TO THE MEMBERS OF CMI LIMITED

The Board of Directors present the Forty Eighth (48<sup>th</sup>) Annual Report on the business and operations of the Company, together with the Audited Financial Statement FY 2014-15. 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 2014-15 are governed by the relevant provisions, schedules, rules of the Companies Act, 2012.

## FINANCIAL PERFORMANCE SUMMARY

	(₹ in lacs)	
Financial Results	2015	2014
Net revenue (excluding excise duty)	13728.37	10640.99
Less: Total Expenditure excluding Depreciation	12727.22	10278.67
<b>Profit before Depreciation and Tax</b>	<b>1001.15</b>	<b>362.32</b>
Less: Depreciation	87.77	82.21
<b>Profit Before Tax</b>	<b>913.37</b>	<b>280.11</b>
Less: Provision for Tax	347.00	105.00
Add: Previous Year Adjustments	64.02	1.72
<b>Net Profit for the Year carried to the Balance Sheet</b>	<b>630.40</b>	<b>176.83</b>

## OVERALL REVIEW

Overall, 2014-15 has been a very successful year; there is an increase of 29.01% in the turnover of the Company. The Profit before depreciation and tax has increased by 176.32% while the Net Profit has increased by 256.50%. The Company has adopted adequate cost control measures throughout the year, and 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 major improvement in margins. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market. With 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, Modernization of Railways and other Infrastructures

Development. Taking clue from such positive development, turnaround scenario is envisaged during the latter part of the financial year 2015-16. With growth in Power sectors, Railways 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 2014-15.

## 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 31<sup>st</sup> March, 2015, 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.

## COST AUDITOR

The Directors have appointed M/s Ajay Kumar Singh and Co., Cost Accountants, as Cost Auditor to audit the accounts relating to cable manufacturing for the financial year ending March, 31 2016.

## INTERNAL AUDITORS

Ms. Sarita Yadav, performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

## SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of the Companies Act, 2012, and Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s Himanshu Sharma & Associates, Practicing Company Secretary for conducting Secretarial Audit of the Company for the financial year 2014-15.

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

### 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 enhanced to its long term credit rating of BBB-. The BBB- awarded by Care Analysis and Research Limited (CARE) reflects moderate degree of safety regarding timely servicing of financial obligation. The Company's short term credit rates as A4+ by Care Analysis and Research Limited (CARE), reflects minimal degree of safety regarding timely payment of financial obligations.

### SEGMENT WISE PERFORMANCE:

Company operates only in one segment.

### MATERIAL CHANGES:

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

- This Company has allotted 19,25,650 equity shares and 7,00,000 Warrants convertible into equal number of equity shares at ₹ 101/- each (Face value of ₹ 10/- plus Premium of ₹ 91/- Per Equity Share/Warrant) calculated in compliance with provisions of Regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto, with approval of shareholders in the Extraordinary General Meeting held on 23<sup>rd</sup> July, 2015.

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

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

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

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.	Not Applicable
Performance & Financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.	Not Applicable

### 1. DIRECTORS

#### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Amit Jain, 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 1<sup>st</sup> 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 27<sup>th</sup> June, 2015, 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.

Mrs. Archana Bansal was appointed as an Additional Director on 01.05.2015 to hold office till 48<sup>th</sup> AGM. The Board recommended her regularization as Ordinary Director in the ensuing Annual general Meeting.

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

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 the Companies Act, 2013.

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

Sl. 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	Mrs. Archana Bansal	01129623	Additional Director	01.05.2015

### EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors/ Members of the Committees, as the case may be and discussions with the Directors by the Chairman of the NRC.

### COMMITTEE OF THE BOARD

#### A. Audit Committee

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

#### B. Nomination & Remuneration Committee

Policy laid down by the Nomination And Remuneration Committee for remuneration of Directors, KMP & other employees and the criteria formulated by the committee for determining qualifications, positive attributes, independence of a director.

The following policies of the Company are attached herewith (Annexure 2):

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

### VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

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

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

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with the loan to any other bodies corporate or persons are not applicable to the Company.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) :

Section 135 of the Companies Act, 2013, is not applicable to the company.

### RELATED PARTY TRANSACTIONS :

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 (Annexure - 3)

### EXTRACT OF THE ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report (Annexure - 4)

## **REGULATORY ACTION:**

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

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

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Act, the Directors state that:

- (i) In the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2015 the applicable accounting standards read with requirements set out under Schedule III of the Act have been followed and no material departures have been made from the same.
- (ii) Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that year ended on that date except to the extent mentioned in notes to accounts;
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Financial statements have been prepared on a going concern basis.
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **NUMBER OF MEETINGS:**

### **Board Meeting:**

During the year Twelve (12) Board Meetings and one independent directors' meeting was held. The Details of

which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

## **EXTRAORDINARY GENERAL MEETING**

No Extra Ordinary General Meeting was held on during the year 2014-2015.

## **SHARE CAPITAL**

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

The Company's Shares are delisted from Ahmadabad Stock Exchange (ASE) through letter Ref. No.: 598 dated 5<sup>th</sup> March, 2015.

### **(a) EQUITY SHARES**

The Company has allotted 70,00,000 Equity shares having face value ₹ 10/- each at a premium of ₹ 15/- Per Equity Share to Promoters and Non Promoters in pursuance of resolution for preferential issue passed by the members through postal ballot on 27<sup>th</sup> June, 2014 and received Listing and Trading Approval from the Bombay Stock Exchange Limited vide its letter no DCS/PREF/J/FIP/345/2014-15 dated 10<sup>th</sup> September, 2014.

The Company has allotted 9,17,000 Equity shares having face value ₹ 10/- each at a premium of ₹ 54/- Per Equity Share to Non Promoters (7,57,000 Equity shares on 06<sup>th</sup> February, 2015 and 1,60,000 Equity shares as on 19<sup>th</sup> February, 2015) and 7,00,000 warrants convertible into equal number of Equity shares to promoters group, in pursuance of resolution for preferential issue passed by the members through postal ballot on 20<sup>th</sup> January, 2015 and received Listing Approval from the Bombay Stock Exchange Limited vide its letter no DCS/PREF/UZ/FIP/113/2015-16 dated 13<sup>th</sup> May, 2015.

## **FIXED DEPOSITS**

During the year under review, the Company has not accepted any deposits within the meaning of the Companies Act, 2012 read with the Companies (Acceptance of Deposits) Rules. The Company did not have any unclaimed or overdue deposits as on March 31, 2015.

## **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**

The Company is committed to maintain highest standards of corporate Governance and adhere to corporate governance requirement set out by SEBI. The Company has also implemented best corporate governance practices. The report on Corporate Governance as stipulated under the Listing Agreement forms integral part of this Report.

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.

### **MANAGERIAL REMUNERATION:**

Details/ Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration as **(Annexure- 5)**.

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

The disclosure of particulars with respect to conservation of energy, technology absorption, Research and technology

and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of the Directors' Report 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.
- Replaced old generator with new and technology updated generator for conserving energy.

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 but maintenance of all machineries and Equipments should be done properly.

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 and CFL lamps in whole plant

- Recycling the vacuum Pump cooling water for environment saving.
  - Company now updated with the manufacturing Of all types of cables
  - New and upgraded technology has been followed for energy conservation.
2. Benefits derived as a result of the above efforts
- Reduction in power usage and thereby reducing cost of production.
  - Environmental saving.
  - Improved efficiency and productivity.
  - Cost and time saving.

**C. RESEARCH AND DEVELOPMENT**

Specific areas in which R&D carried out by the Company	Product Development and process improvement
Benefits derived as a result of the above R&D	The company has started manufacturing High Temperature Rubber cables
Future plan of action	Technology Up gradation
Expenditure on R&D	Capital Expenditure: ₹ 7.82 Lacs Recurring Expenditure: ₹ 6.85 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 ₹ 9,19,714/- from export of Sales of Cables.

2. Total Foreign Exchange earned and used:

	(Amount in ₹)
a. Total Foreign Currency Earned	8.34 Lacs
b. Total Foreign Currency Used	2042.35 Lacs

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

By Order of the Board  
CMI Limited

**Amit Jain**  
Chairman Cum Managing Director  
DIN 0041300

Date: 28<sup>th</sup> August, 2015

**Registered Office:**

C-483, Yojna Vihar  
Delhi- 110092  
Email Id: [info@cmilimited.in](mailto:info@cmilimited.in)



# Annexure A to the Directors Report

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To The Members  
CMI LIMITED  
C-483, Yojna Vihar  
Delhi-110092

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Novartis India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-law framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the Audit period)
- (vi) Other laws applicable to the Company :-
  1. Industrial Disputes Act, 1947
  2. The Payment of Wages Act, 1936
  3. The Minimum Wages Act, 1948
  4. Employee State Insurance Act, 1948
  5. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
  6. The Payment of Bonus Act, 1965
  7. The Payment of Gratuity Act, 1972
  8. The Contract Labour (Regulation and Abolition) Act, 1970
  9. The Maternity Benefits Act, 1961
  10. The Income Tax Act, 1961
  11. Indirect Tax Laws

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

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India. (Not applicable, since notified and effective from July 1, 2015.)
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that during the audit period:**

**Allotment of Equity Shares:**

The Company has allotted 70,00,000 Equity shares of ₹ 10/- each at a price ₹ 15/- Per Share to Promoters on Preferential basis on 15th July, 2014 and got listing and trading approval under Clause 24(a) from BSE through letter DCS/PREF/J/FIP/345/2014-15 dated 10<sup>th</sup> September, 2014

**Further allotment of Equity Shares to Non-Promoters:**

The Company has issued 9,17,000 Equity shares and 7,00,000 warrant convertible into equal number of equity shares of ₹ 10/- each at a price ₹ 64/- per share to Non- Promoters on Preferential basis on 06-02-2015 and 19-02-2015 and got Listing and trading Approval from BSE through letter DCS/PREF/UZ/113/2015-16 dated 13<sup>th</sup> May, 2015.

**Himanshu Sharma & Associates**

(Company Secretaries)

CS Himanshu Sharma

Proprietor

CS27235: CP 11553

Place: New Delhi

Date: 28<sup>th</sup> August, 2015

*Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.*

## **Annexure A**

### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To The Members  
CMI LIMITED  
C-483, Yojna Vihar,  
Delhi-110092

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Himanshu Sharma & Associates**

(Company Secretaries)

CS Himanshu Sharma

Proprietor

CS27235: CP 11553

Place: New Delhi

Date: 28<sup>th</sup> August, 2015

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

## I. REGISTRATION AND OTHER DETAILS:

1	CIN	:	L74899DL1985PLC018031
2	Registration Date	:	29/10/1985
3	Name of the Company	:	CMI Limited
4	Category/Sub-Category of the Company	:	Company Limited by Shares
5	Address of the Registered office of the Company	:	C- 483 Yojna Vihar, Delhi- 110092
6	Whether listed Company	:	Yes
7	Name, Address and Contact details of RTA, If any	:	Beetal Financial & Computer Services Private Limited Add: Beetal House, 3rd Floor, 99, Madangir, B/4, Local Shopping Centre, New Delhi- 110062 Tel: 011-29961281, 29961282

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cables	85441990	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
N.A.					

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Demat	% of Total Shares	Physical	Demat	% of Total Shares	
A. Promoters							
(1) Indian							
a) Individual	-	15,93,877	45.09	-	48,93,877	42.73	(2.36)
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-

f) Any Other and their relatives, societies partnership firms, RBI, Employee welfare fund, EBIP/ ESOS Trusts	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>15,93,877</b>	<b>45.09</b>	-	<b>48,93,877</b>	<b>42.73</b>	<b>(2.36)</b>
(2) Foreign							
a) NRIs -Individuals	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>15,93,877</b>	<b>45.09</b>	-	<b>48,93,877</b>	<b>42.73</b>	<b>(2.36)</b>
<b>B. Public Shareholding</b>							
1. Institutions							
a) Mutual Funds	-	-	-	-	1,00,000	-	0.87
b) Banks / FI	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-
f) Insurance Companies							
g) FIs	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>15,93,877</b>	<b>45.09</b>	<b>14,21,426</b>	<b>50,36,504</b>	<b>56.39</b>	-
<b>2. Non-Institutions</b>							
a) Bodies Corp.	40,800	1,93,370	6.62	60,800	6,67,606	6.36	(0.26)
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,36,656	4,92,546	26.29	6,64,656	5,55,097	10.65	(15.64)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	46,100	5,52,178	16.93	6,60,500	28,77,762		30.90
c) Others							
- Directors	8,770	8,790	0.50	8770	1000	0.09	(0.41)
- ESOP/ESOS/ESPS	3,400	-	0.10	3200	-	0.03	(0.07)
- HUF	-	19,660	0.56	-	9,18,037	8.02	7.46
- NRI	23,500	1,15,060	3.92	23,500	6,362	0.26	(3.66)
- Clearing Members	100	100	0.0	-	10,640	0.09	0.09
<b>Sub-total (B)(2):-</b>	<b>5,59,226</b>	<b>13,81,704</b>	<b>54.91</b>	<b>14,21,426</b>	<b>50,36,504</b>	<b>56.39</b>	<b>1.48</b>

Total Public Shareholding (B)=(B)(1)+(B)(2)	5,59,226	13,81,704	54.91	14,21,426	50,36,504	57.27	2.36
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5,59,226</b>	<b>29,75,581</b>	<b>100.00</b>	<b>14,21,426</b>	<b>1,00,30,381</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Amit Jain	15,93,877	45.09	-	43,93,877	38.37	-	6.72
2	Dhruv Jain	-	-	-	5,00,000	4.37	-	4.37
3								
4								
5				-				
6				-				
7				-				
8				-				
9				-				
10				-				
11				-				
12				-				
	<b>Total</b>	<b>15,93,877</b>	<b>45.09</b>	<b>-</b>	<b>48,93,877</b>	<b>42.74</b>	<b>-</b>	<b>11.09</b>

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

Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	15,93,877	45.09	15,93,877	45.09
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	33,00,000	-2.35	#	#
At the End of the year	48,93,877	42.74	48,93,877	42.74

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Amit Jain	15,93,877	45.09	15-07-2014	28,00,000	Preferential Allotment	43,93,877	45.09
Dhruv Jain	-	-	15-07-2014	5,00,000	Preferential Allotment	5,00,000	4.37

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

Name	Shareholding at the beginning of the year		Increase/Decrease	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
	No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
RUCHIKA SINGHAL	140000	3.96	Decrease	Transfer	17000	.15
ABHISEK AGGARWAL	106878	3.02	Decrease	Transfer	0	0
AMIT KUMAR SHARMA	59600	1.69	Decrease	Transfer	1900	0.016
MINESH S PATEL	57600	1.63	Decrease	Transfer	0	0
MITESH M PATEL	57400	1.62	Decrease	Transfer	0	0
JAYANTILAL CHUNILAL CHOUDHARY	49600	1.4	Decrease	Transfer	47721	.42
PRESCIENT SECURITIES PVT. LTD.	40000	1.13	Decrease	Transfer	40000	.35
SHOBHA DEVI BOTHRA	38111	1.08	Decrease	Transfer	0	0
GLOBE MARKET P. LTD.	37043	1.05	Decrease	Transfer	0	0

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

Name	Shareholding at the beginning of the year		Increase/Decrease	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
	No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
SHUBHAM GUPTA	Nil	Nil	Increase	Preferential Allotment	6,00,000	5.24
SHASHANK GUPTA	Nil	Nil	Increase	Preferential Allotment	6,00,000	5.24
KUSUM AGARWAL	Nil	Nil	Increase	Preferential Allotment	6,00,000	5.24
DEVENDER KUMAR GUPTA (HUF)	Nil	Nil	Increase	Preferential Allotment	6,00,000	5.24
CNI RESEARCH LIMITED	Nil	Nil	Increase	Preferential Allotment	3,17,700	2.77
SAVITA AGARWAL	Nil	Nil	Increase	Preferential Allotment	2,00,000	1.75
NISHA GUPTA	Nil	Nil	Increase	Preferential Allotment	1,50,000	1.31
SORABH GUPTA	Nil	Nil	Increase	Preferential Allotment	1,50,000	1.31
B N Mittal (HUF)	Nil	Nil	Increase	Preferential Allotment	1,00,000	.87
MANOJ MITTAL	Nil	Nil	Increase	Preferential Allotment	1,00,000	.87

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	V K Gupta		8770	0.248	8770	0.077
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	Ramesh Chand		8790	0.249	1000	0.009
At the End of the year			8770	0.249	1000	0.009

**V. INDEBTEDNESS**

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

Amount in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	2055.70	1602.11	-	3657.81
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>2055.70</b>	<b>1602.11</b>	-	<b>3657.81</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	190.30	168.94	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	<b>-190.30</b>	<b>-168.94</b>	-	-
<b>Indebtedness at the end of the financial year</b>	<b>1865.40</b>	<b>1433.17</b>	-	<b>3298.57</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. Remuneration of Directors and Key Managerial Personnel:**

Remuneration to Managing Director, Whole Time Director and/or Manager

Amount in Lacs

Sr. No.	Particulars of Remuneration	Name of Directors		Total
		Amit Jain	V K Gupta	
		Chairman & Managing Director	Whole Time Director	
1.	Gross salary			
	(a) Salary as per Section 17(1) of the Income Tax Act, 1961	21.00	4.80	25.80
2.	(b) Value of Perquisites as per Section 17(1) of the Income Tax, Act, 1961	-	1.20	1.20

**B Remuneration to other directors: Not paid any Remuneration**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission					
	• Others, please specify					
	<b>Total (1)</b>	-	-	-	-	-
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

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

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Subodh Kumar	Raj Kumar	
		Company Secretary	CFO	-
1.	Gross salary			
(a)	Salary as per Section 17(1) of the Income Tax Act, 1961	5.59	1.80	7.39
2.	(a) Value of Perquisites as per Section 17(1) of the Income Tax, Act, 1961		-	-
	<b>Total</b>	<b>5.59</b>	<b>1.80</b>	<b>7.39</b>

**Note :** This report is to be read with our letter of even date which is annexed as 'ANNEXURE V' and forms an integral part of this report.



**FORM NO. AOC.2**

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

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

**1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

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

**2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS**

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Mr. Amit Jain	Chairman Cum Managing Director	Lease rent of Vehicle	75,000	Three Years	Rent Paid Every Month in Advance	No.

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

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

# Corporate Governance Report for the Year 2014-15

## 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	40
Non- Executive Independent Directors	3	60
<b>Total</b>	<b>5</b>	<b>100</b>

Name of the Director	Category	No. of Board Meetings during the year 2014-15		Whether attended last AGM held on September 30, 2014	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	13	13	Yes	None	1
Mr. Vijay Kumar Gupta DIN 00995523	Executive director	13	11	Yes	None	1
Mr. Pyare Lal Khanna DIN 02237272	Non – Executive Independent Director	13	11	Yes	None	2
Mr. Ramesh Chand DIN 02759859	Non- Executive Independent Director	11	12	Yes	None	2
*Mrs. Archana Bansal DIN 01129623	Non- Executive Independent Director	11	1	No	Gold Coin Investment Compay Limited	None

\* was appointed as an Additional Director on 01.05.2015 to hold office till 48<sup>th</sup> AGM . The Board recommended her regularization as Ordinary Director in the ensuing Annual general Meeting.

- (ii) **Thirteen** Board Meetings were held during the year 2014-2015 and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

2<sup>nd</sup> April, 2014; 30<sup>th</sup> May, 2014; 30<sup>th</sup> June, 2014; 12<sup>th</sup> August, 2014; 29<sup>th</sup> August, 2014; 13<sup>th</sup> November, 2014; 15<sup>th</sup> December, 2014; 22<sup>nd</sup> December, 2014; 08<sup>th</sup> January, 2015; 28<sup>th</sup> January, 2015; 06<sup>th</sup> February, 2015; 19<sup>th</sup> February, 2015; 31<sup>st</sup> March, 2015.

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.

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

As required under Clause 49 of the Listing Agreement, brief resume of directors being reappointed, nature of his expertise in specific functional areas and names of companies in which he hold directorship and membership of the committees of the board are furnished hereunder:

- Mr. Amit Jain, retires by rotation at the 48<sup>th</sup> Annual General Meeting of the Company and being eligible offer himself for re-appointment.
  - Mr. Amit Jain, appointed as director of the Company on 01/10/2002, has rich experience in

cable manufacturing Industry. His shareholding in the Company as on 31.03.2015 is 43,93,877 Equity Shares.

- The Board recommends the appointment of Mrs. Archana Bansal as woman director.

- Mrs. Archana Bansal has rich experience in Business. Her shareholding in the Company as on 31.03.2015 is NIL.
- Mrs. Archana Bansal is also a director in Gold Coin Investment Compay Limited.

#### **CODE OF CONDUCT**

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

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

A declaration signed by the Director and Manager of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2015, all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management respectively.

**AMIT JAIN**

Chairman cum Managing director  
DIN: 00041300

Date: 28-08-2015

#### **ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2013**

Name of the Director	Mr. Amit Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Ramesh Chand	Mrs. Archana Bansal
DESIGNATION	Chairman cum Managing Director & CEO	Non- Executive Independent Director	Executive Director	Non- executive Independent Director	Non executive Independent Director
Date of Birth	15 <sup>th</sup> Oct., 1973	13 <sup>th</sup> Aug., 1948	15 <sup>th</sup> Dec., 1949	15 <sup>th</sup> May, 1949	07 <sup>th</sup> Sept.,1973
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	1 <sup>st</sup> October, 2002	30 <sup>th</sup> Sept, 2004	15 <sup>th</sup> Jan, 2009	27 <sup>th</sup> Feb, 2009	1 <sup>st</sup> May, 2015

Name of the Director	Mr. Amit Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Ramesh Chand	Mrs. Archana Bansal
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 Business
Shareholding in CMI Limited as on 31-03-2015	4393877 (38.37%)	Nil	8770 (0.077%)	1000 (0.009%)	Nil
Directorship in other Companies and Memberships of Committees*	Nil	Nil	Nil	Nil	Nil
<b>DIN</b>	<b>00041300</b>	<b>02237272</b>	<b>00995523</b>	<b>02759859</b>	<b>01795684</b>

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

\*\* In terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement every listed Company is required to appoint one Woman Director on the Board of the Company. Mrs. Archana Bansal was appointed as an Additional Director on 01.05.2015, on the Board of the Company.

## MEETINGS OF INDEPENDENT DIRECTORS

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

The Independent Directors met once during the Financial Year on 31<sup>st</sup> March, 2015, to take note of the following activities to be undertaken by them:

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

## 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:

### AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides

reassurance to the board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;
- Reliability of financial and other management information;
- Compliance with relevant national laws and 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 Section 134 of the Companies Act, 2012.
  - Qualification in the draft audit report
  - Significant adjustments arising out of audit
  - Compliance with legal requirements concerning financial statements
  - Related party transaction ;
  - Scrutiny of inter corporate loans and advances.
  - Approval of appointment of CFO or any other person heading Finance function after assessing the qualification, experience and background etc of the candidate.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management ;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing The adequacy of the Internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audits;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's Response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter ;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by Board from time to time.

### 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 30<sup>th</sup> September, 2014 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 2014-15	
		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 2014-2015. The dates on which the said meetings were held are as follows:

30<sup>th</sup> May, 2014; 12<sup>th</sup> August, 2014; 13<sup>th</sup> November, 2014; 8<sup>th</sup> January, 2015

The Necessary quorum was present for all the meetings.

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

• **NOMINATION AND REMUNERATION COMMITTEE**

The Company has 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 22<sup>nd</sup> 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 2014-15	
		Held	Attended
Mr. Pyare Lal Khanna	Non- Executive Independent Director	3	3
Mr. Ramesh Chand	Non- Executive Independent Director	3	3
Mr. Amit Jain	Executive Director	3	2
Mrs. Archana Bansal	Non- Executive Independent Director	3	1

The Nomination and Remuneration Committee was reconstituted on 01.05.2015 and as a result composition of the Committee includes Mrs. Archana Bansal in place of Mr. Amit Jain.

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

13<sup>th</sup> November, 2015, 28<sup>th</sup> March, 2015 and 01<sup>st</sup> May, 2015.

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to 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 and Key Managerial Personnel (KMP) for the financial year ending March 31, 2015:

(₹ In lakhs)

Director	Salary and Allowance	Perquisites	Contribution to PF, Superannuation and other Fund	Total	Sitting Fees
Mr. Amit Jain (CEO & Managing Director)	21.00	-	0.155	21.155	-
Mr. Vijay Kumar Gupta (Executive Director)	4.80	1.20	-	6.00	-
Mr. Subodh Kumar Barnwal	5.59	-	0.155	5.745	
Mr. Raj Kumar	1.80	-	0.13	1.93	

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

In compliance with the requirement of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has in place a 'Stakeholders Relationship Committee' to look into complaints and grievances of the stakeholders of the Company.

#### 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 31<sup>st</sup> March 2015 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 2014-2015. The dates on which the said meetings were held were as follows:

23<sup>st</sup> May, 2014, 14<sup>th</sup> August, 2014.

**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 their 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 31<sup>st</sup> March 2015. For any complaints or query may be made on [info@cmilimited.in](mailto:info@cmilimited.in).

## GENERAL MEETING

### (a) Annual General Meeting:

Details	Date	Time	Venue	Details of Special Resolution Passed at AGM
<b>45<sup>th</sup> AGM for the Financial Year 2011-12</b>	29 <sup>th</sup> September, 2012	11.30 A.M.	Lajwaab Banquet Hall, Vikas Marg, Delhi-110092	Nil
<b>46<sup>th</sup> AGM for the Financial Year 2012-13</b>	27 <sup>th</sup> September, 2013			*Re-appointment and increase in remuneration of Managing Director *Delisting of Shares
<b>47<sup>th</sup> AGM for the Financial Year 2013-14</b>	30 <sup>th</sup> September, 2014			*Increase in remuneration of Managing Director Re-appointment of Whole Time Director Adoption of New Set of Articles of Association of the Company.

### (b) Extra Ordinary General Meeting:

No Extra Ordinary General Meeting of the Members was held during the year 2014-15.

### (c) Postal Ballot:

Two Postal Ballot were conducted as on 27<sup>th</sup> June, 2014 & 20<sup>th</sup> January, 2015 during the year 2014-15.

Date	Details of Special resolution
<b>27.06.2014</b>	* Increase in Auhtorised Captal * Alteration in Articles of Association * Issue of Equity shares and warrant on preferential basis
<b>20.01.2015</b>	* Increase in Auhtorised Captal * Alteration in Articles of Association * Issue of Equity shares and warrant on preferential basis

## DISCLOSURES

- a) During the financial year under review the Company has not entered into any transaction of the material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- b) During the financial year under review there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority, except for non appointment of woman director.
- c) The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company and there are no statutory audit qualifications in this regard.
- d) All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- e) The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.
- f) Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives.
- g) In terms of Clause 49(IX) of the Listing Agreement, the Manager 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.



- h) As regards the other Non-Mandatory requirements, the Board has taken cognizance of the same and shall adopt the same as and when necessary.

## SUBSIDIARY COMPANIES

As on 31.03.2015, the Company does not have any subsidiary company whether Indian or foreign.

## 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 2014, 30th September 2014, 31<sup>st</sup> December 2014 and audited results for the quarter and year ended on 31<sup>st</sup> March 2015 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 2014	12 <sup>th</sup> Aug., 2014	13 <sup>th</sup> Aug. 2014
July–September 2014	13 <sup>th</sup> Nov. 2014	14 <sup>th</sup> Nov. 2014
October-December 2014	10 <sup>th</sup> Feb. 2015	11 <sup>th</sup> Feb. 2015
January-March 2015 (Audited)	30 <sup>th</sup> May, 2015	1 <sup>st</sup> June, 2015

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.

## POLICY

### A. RELATED PARTY TRANSACTION POLICY

The Company in compliance with the provisions of Companies Act, 2013, read with relevant rules and Listing Agreement, has adopted a Related Party Transaction Policy, for approval of all the related party transactions entered into by the Company.

### B. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

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

### C. RISK MANAGEMENT POLICY

The Company has a risk management policy in place to take care of various risks to which the company is exposed to and to ensure Implementation of Risk Management Systems and Framework; Reviewing the Company's financial and risk management policies; Assessing risk and minimizing the procedures; Framing, implementing and monitoring the risk management plan for the Company

## 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 [cssubodh.kumar@gmail.com](mailto:cssubodh.kumar@gmail.com).

## GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting: ➤ Day and Date ➤ Time ➤ Venue	➤ Tuesday, 29 <sup>th</sup> September, 2015 ➤ 11.30 A.M. ➤ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.
2.	Financial Calendar for 2015-16: ➤ Accounting Period ➤ Un-audited financial results for the first three quarters ➤ Fourth quarter Results ➤ Annual General Meeting (Next Year)	➤ April 1, 2015 to March 31, 2016 ➤ Announcement within 45 days from the end of each quarter ➤ Announcement of Audited Accounts on or before May 31, 2015. ➤ September, 2016 (Tentative)

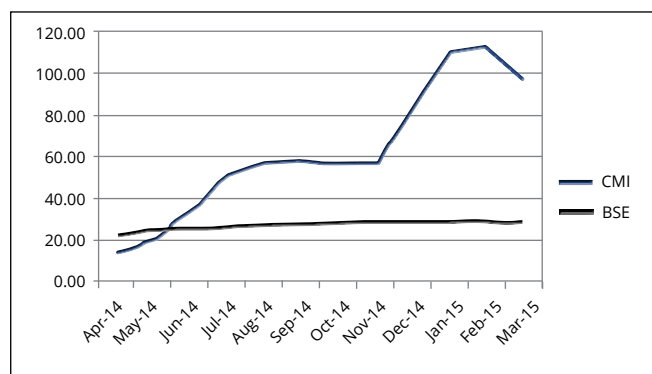
3.	Date of Book Closure	23 <sup>rd</sup> September, 2015 to 29 <sup>th</sup> September, 2015 (both days inclusive)
4.	Dividend payment date	No Dividend recommended by the Board of Directors of the Company.
5.	Listing on Stock Exchanges:	Address
	<ul style="list-style-type: none"> <li>➤ Delhi Stock Exchange Limited</li> <li>➤ Bombay Stock Exchange Limited</li> <li>➤ BSE Stock Code</li> </ul>	<ul style="list-style-type: none"> <li>➤ DSE House, 3/1 Asaf Ali Road, New Delhi – 110002.</li> <li>➤ 25<sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001</li> <li>➤ 517330</li> </ul>
Note: During the year, the listing fees for the year 2014-2015 has been paid to Bombay Stock Exchange Limited & Delhi Stock Exchange Limited		
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

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

The monthly high and low prices of every month during the financial year 2014-15 are given below:

Month	BOMBAY STOCK EXCHANGE LIMITED		
	High (₹)	Low (₹)	Volume (in Numbers)
April 2014	15.90	12.20	16105
May 2014	20.04	12.70	145976
June 2014	35.80	21.00	233901
July 2014	55.10	35.70	242589
August 2014	67.05	52.00	599457
September 2014	64.60	55.50	195790
October 2014	64.95	54.00	98982
November 2014	63.65	46.60	259372
December 2014	83.80	57.50	521418
January 2015	118.90	81.00	1608297
February 2015	124.40	103.00	633145
March 2015	116.70	85.00	376668

### 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 2014-15.

### 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	2902164	25.34
2	Held in dematerialized form in NSDL	7128217	62.25
3	Physical	1421426	12.41
<b>Total No. of shares (1+2+3)</b>		<b>11451807</b>	<b>100.00</b>

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015:

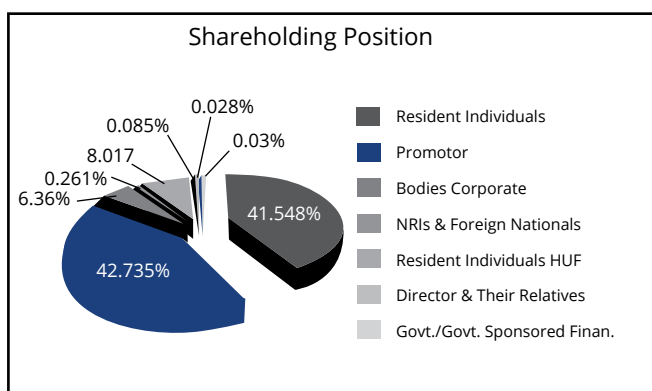
Share holding of nominal value	No. of Share Holders	No. of Equity Shares	
		Total	% to Shareholders
(In Rupees)		Total Share	% to Capital
Upto - 5000	2720	4,27,439	3.7325
5001 - 10000	210	1,79,527	1.5677
10001 - 20000	97	1,49,842	1.3085

Share holding of nominal value	No. of Share Holders	No. of Equity Shares	
20001 - 30000	33	1.03	86,212 0.7528
30001 - 40000	20	0.37	42,674 0.3726
40001 - 50000	50	0.62	97,373 0.8503
50001 - 100000	68	1.56	4,43,592 3.8736
1,00,001 and above	3210	2.12	1,00,25,148 87.5421
<b>TOTAL</b>	<b>3210</b>	<b>100.00</b>	<b>1,14,51,807 100.00</b>

#### CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2015:

Sl. No.	Category	No. of Shares held	% to Share holding
1.	Promoters and Promoter Group	48,93,877	42.735
2.	Directors and their Relatives	9,770	0.085
3.	NRIs & Foreign Nationals	29,862	0.261
4.	Resident individuals	47,58,015	41.548
5.	Bodies Corporate	7,28,406	6.361
6.	ESOP/ESOS/ESPS	3,200	0.028
7.	Resident Individuals HUF	9,18,037	8.017
8.	Govt./Govt. Sponsored Financial Institutions	1,00,000	0.873
	<b>TOTAL</b>	<b>1,14,51,807</b>	<b>100.00</b>

#### 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 31<sup>st</sup> March, 2015, 87.59% of the total paid up share capital amounting to 10030381 Equity Shares is held in Demat form and 12.41% of the total paid up capital amounting to 1421426 Equity Shares is held in Physical form. All demat request received during the year were processed and completed within 15 days from the date of receipt.

#### PLANT LOCATIONS

The Company's plant is located at Plot No. 71 & 82, Sector- 06, Faridabad, Haryana-121006.

#### ADDRESS FOR CORRESPONDENCE

##### Beetal Financial & Computer Services (P) Ltd.

Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062  
Telephone No: 29961281-83  
Facsimile No: 29961284  
E-mail:beetal@beetalfinancial.com

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

#### DEPOSITORY SERVICES

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

#### ADDRESS FOR CORRESPONDENCE WITH DEPOSITORY

##### National Securities Depository Limited

Trade World, 'A' Wing, 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](http://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/ 22722072  
E-mail: [investors@cdslindia.com](mailto:investors@cdslindia.com)  
Website: [www.cdslindia.com](http://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 31<sup>st</sup> March 2015, 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 Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

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

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

**for Himanshu Sharma & Associates  
Company Secretaries**

**Place: Delhi**

**Date: 28<sup>th</sup> August, 2015**

**Himanshu Sharma**

**CS 27235**

**C.P. No. 11553**

# 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, 2015, 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 Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to

obtain audit evidence about the amounts and disclosures in the financial statements.

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

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

## Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- 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

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanations given to us :
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note B-1 to the financial statements,
- ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses,
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Chartered Accountants

FRN: 007345N

**J.K. MANOCHA**

(Partner)

Place: Delhi

Date: 30-05-2015

Membership No.: 082442

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## Annexure to Independent Auditor's Report

The Annexure referred to in our report to the members CMI Limited for the year Ended on 31<sup>st</sup> March 2015. We report that:

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) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets shall be verified in a phased manner. Accordingly, the Company has carried out a physical verification of fixed assets at the end of the current year. No discrepancies were noted on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
2. a) As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
- b) 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) The Company is maintaining proper records of inventory. No discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. 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 loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii(b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public covered under Sections 73 to 76 of the Companies Act, 2013.
6. We have broadly reviewed the Cost Accounting records maintained by the Company under clause of sub section (1) of Section 148 of the Companies Act, 2013 and we

are of the opinion that prima-facie the prescribed cost records have been made and maintained.

7. a) 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, value added tax, 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 ₹ 1,00,63,647/- and VAT ₹ 8,83,522/-.
- b) According to the information and explanations given to us, there are following amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

<b>F.Y</b>	<b>LAW</b>	<b>AMOUNTS</b>
2014-15	TDS	₹ 919.00
2012-13	TDS	₹ 1.00
2011-12	TDS	₹ 1,864.50
Prior Years	TDS	₹ 71,237.85

- c) According to the information and explanations provided to us, the company is not required to transfer to investor education and protection fund. Thus the provision of clause (vii)(c) of the order is not applicable on the company.

8. The Company does not have any accumulated loss at the end of financial year more than fifty percent of its net worth and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
9. According to the books of accounts and records of the company, during the year under audit, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. 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.
11. According to information and explanations given to us the company has raised new term loans during the year and the same have been applied for the purpose for which they were raised. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
12. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

Place: Delhi  
Date: 30-05-2015

Membership No.: 082442

# BALANCE SHEET

As at March 31, 2015

(Amount in ₹)

Description	Notes	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	1	114,550,570	35,380,570
(b) Reserves and Surplus	2	244,404,887	106,025,440
(c) Money Received against Share Warrants		11,200,000	370,155,457
			-
			141,406,010
<b>2. Share Application Money Pending Allotment</b>			
		-	-
<b>3. Non-current Liabilities</b>			
(a) Long-term Borrowings	3	28,396,550	116,412,199
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term Liabilities		-	-
(d) Long-term Provisions		-	28,396,550
			-
			116,412,199
<b>4. Current Liabilities</b>			
(a) Short-term Borrowings	4	301,461,071	249,370,103
(b) Trade Payables	5	166,567,265	130,457,973
(c) Other Current Liabilities	6	47,759,833	49,419,347
(d) Short-term Provisions	7	34,404,683	550,192,852
			10,230,341
			439,477,764
<b>TOTAL</b>		<b>948,744,859</b>	<b>697,295,973</b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	75,654,717	53,012,145
(ii) Intangible Assets	8	6,576,096	-
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets under Development		-	82,230,813
			-
			53,012,145
(b) Non-Current Investments	9	4,656	4,656
(c) Deferred Tax Assets (Net)	10	8,686,300	2,283,900
(d) Long-Term Loans and Advances	11	13,305,066	6,854,483
(e) Other Non Current Assets		-	-
<b>2. Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	12	347,802,606	327,602,811
(c) Trade Receivables	13	365,677,709	234,547,153
(d) Cash and Bank Balances	14	30,528,053	19,913,095
(e) Short-term Loans & Advances	15	99,430,293	52,756,414
(f) Other Current Assets	16	1,079,364	844,518,024
			321,316
			635,140,790
<b>TOTAL</b>		<b>948,744,859</b>	<b>697,295,973</b>

Significant Accounting Policies and Notes on Financial Statements 1 to 24

As per our report of even date attached

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

**J. K. Manocha**  
Partner  
Membership No.: 082442

Place: New Delhi  
Date: 30-05-2015

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

**Subodh Kumar Barnwal**  
Company Secretary

**Amit Jain**  
Managing Director

**Raj Kumar**  
C.F.O.

**Ramesh Chand**  
Director



# STATEMENT OF PROFIT & LOSS ACCOUNT

For the year ended on March 31, 2015

(Amount in ₹)

Description	Notes	For the year ended on March 31, 2015		For the year ended on March 31, 2014	
<b>INCOMES:</b>					
I. <b>Revenue from Operations</b>					
Sale of Products	17	1,507,640,299		1,175,974,624	
Less : Excise Duty		150,082,941	1,357,557,358	124,648,345	1,051,326,279
II. Other Incomes	18		15,279,510		12,773,342
III. <b>Total Revenue</b>			<b>1,372,836,868</b>		<b>1,064,099,621</b>
IV. <b>Expenses:</b>					
(a) Cost of Raw Materials Consumed	19		1,098,518,495		922,464,289
(b) Purchase of Stock-in-Trade			1,973,838		18,215,892
(c) Change in Inventories of finished goods, work-in-progress and stock-in-trade	20		(12,598,277)		(71,769,214)
(d) Employee Benefit Expenses	21		24,142,789		21,756,960
(e) Finance Cost	22		59,033,242		55,791,845
(f) Depreciation	8		8,777,074		8,221,321
(g) Other Expenses	23		101,652,140		81,407,770
<b>Total</b>			<b>1,281,499,302</b>		<b>1,036,088,862</b>
V. <b>Profit before exceptional and extra ordinary items and taxes</b>			91,337,566		28,010,759
VI. Exceptional Items			-		-
VII. <b>Profit before extra ordinary items and taxes</b>			<b>91,337,566</b>		<b>28,010,759</b>
VIII. Extra Ordinary Items			-		-
IX. <b>Profit before Tax</b>			<b>91,337,566</b>		<b>28,010,759</b>
X. Tax Expenses:					
1. Current Tax			(34,700,000)		(10,500,000)
2. Excess/(short) provision for taxes of earlier years			-		(774,067)
3. Deferred Taxes			6,402,400		946,177
XI. <b>Profit for the year</b>			<b>63,039,966</b>		<b>17,682,870</b>
XII. <b>Earning per Share</b>					
1. Basic			7.29		5.00
2. Diluted			7.27		5.00

Significant Accounting Policies and Notes on Financial Statements 1 to 24

As per our report of even date attached

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

**J. K. Manocha**  
Partner  
Membership No.: 082442

Place: New Delhi  
Date: 30-05-2015

For and on behalf of the Board of Directors

**Subodh Kumar Barnwal**  
Company Secretary

**Amit Jain**  
Managing Director

**Raj Kumar**  
C.F.O.

**Ramesh Chand**  
Director

## CASH FLOW STATEMENT

For the year ended March 31, 2015

(Amount in ₹)

	For the period March 31, 2015	For the period March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit after Depreciation</b>	63,039,966	17,682,870
<b>Add:</b> Depreciation	8,777,074	8,221,321
Interest & Bank Commission paid	59,033,242	55,791,845
Miscellaneous Expenditure written off	-	-
<b>Debtors Written Off</b>	1,633,182	3,031,925
<b>Previous Year Adjustments</b>	9,178,519	-
<b>Less:</b> Interest Receipt	7,982,959	2,646,299
Creditors Written Back	5,762,508	2,628,046
Profit on Sale of Fixed Assets	64,048	-
<b>Operating Profit before extraordinary items and Working Capital Change</b>	<b>127,852,468</b>	<b>79,453,615</b>
<b>Adjustments for</b>		
(Increase)/Decrease in Trade and Other Receivables	(191,415,465)	(34,092,676)
(Increase)/Decrease in Inventories	(20,199,795)	(72,871,659)
Increase/(Decrease) in Trade and Other Payables	58,624,120	(6,555,747)
Cash Generated from Operations	<b>(25,138,672)</b>	<b>(34,066,466)</b>
<b>Add: Extra ordinary items</b>		
Bad debts written off	(1,633,182)	(3,031,925)
Creditors Written Off	5,762,508	2,628,046
Previous Year Adjustments	(9,178,519)	-
<b>Net Cash used in Operating Activities</b>	<b>(30,187,865)</b>	<b>(34,470,345)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	(47,229,813)	(6,771,310)
Sale of Assets	5,222,876	6,996,531
Profit on sale of Assets	64,048	-
Deprecation Written Back	(5,167,324)	(3,364,280)
Interest Received	7,982,959	2,646,299
	<b>(39,127,254)</b>	<b>(492,760)</b>

# CASH FLOW STATEMENT

For the year ended March 31, 2015

(Amount in ₹)

	For the period March 31, 2015	For the period March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings/Repayments/FDR	(88,015,649)	(9,595,864)
Increase/(Decrease) in Share Application Money	-	-
Increase/(Decrease) in Share Capital	79,170,000	-
Increase/(Decrease) in Share Warrant	11,200,000	-
Increase/(Decrease) in Share Premium	84,518,000	-
Increase / (Decrease) in Short Term Borrowings	52,090,968	64,692,594
Interest & Bank Commission Paid	(59,033,242)	(55,791,845)
<b>Net Cash from Financing Activities</b>	<b>79,930,077</b>	<b>(695,115)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>10,614,958</b>	<b>(35,658,220)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	19,913,095	55,571,315
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	30,528,053	19,913,095

## Notes:

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

## Auditors' Report:

We have examined the cash Flow Statement of CMI Limited for the period ended March 31, 2015. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit & Loss and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

For and on behalf of the Board of Directors

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

**J. K. Manocha**  
Partner  
Membership No.: 082442

Place: New Delhi  
Date: 30-05-2015

**Subodh Kumar Barnwal**  
Company Secretary

**Amit Jain**  
Managing Director

**Raj Kumar**  
C.F.O.

**Ramesh Chand**  
Director

## NOTE - 1

### Share Capital

(Amount in ₹)

DESCRIPTION	(Amount in ₹)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised Capital</b>		
25,000,000 Equity Shares of ₹ 10/- each .	250,000,000	100,000,000
(Previous year 10,000,000 Equity Shares of ₹ 10/- each and 500,000 Redeemable Preference Shares of ₹ 100/- each)	-	50,000,000
	250,000,000	150,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
11,451,807 (Previous year 35,34,807) Equity Shares of ₹ 10 each, fully paid up.	114,518,070	35,348,070
<b>Add:</b> Forfeited Shares - Amount Originally Paid up	32,500	32,500
	<b>114,550,570</b>	<b>35,380,570</b>

### NOTE - 1.1

The details of Shareholders holding more than 5% shares :

Name of the Shareholder	No. of Shares - % held	No. of Shares - % held
Amit Jain	4393877 - 38.37	1593877 - 45.09
Shubham Gupta	600000 - 5.24	-
Shashank Gupta	600000 - 5.24	-
Kusum Agarwal	600000 - 5.24	-
Devender Kumar Gupta	600000 - 5.24	-

### NOTE - 1.2

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

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,534,807	3,534,807
Add: Shares issued on exercise of preferential allotment during the year	7,917,000	-
Less: Shares cancelled on buy back of equity shares	-	-
<b>Equity Shares at the end of the year</b>	<b>11,451,807</b>	<b>3,534,807</b>

### NOTE - 1.3

#### Terms & rights attached to Equity shares

The Company has issued only one class of shares, i.e. equity shares of face value of ₹ 10/- each. All Equity Shareholders are entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

### NOTE 1.4

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

**NOTE - 2****Reserves and Surplus**

(Amount in ₹)

	As at March 31, 2015	As at March 31, 2014
<b>Capital Redemption Reserve:</b>		
As per last Balance Sheet	8,000,000	8,000,000
<b>Share Premium:</b>		
As per last Balance Sheet	25,852,899	25,852,899
Add: Received on shares issued during the year	84,518,000	110,370,899
	-	-
<b>Surplus/(Deficit) in Statement of Profit and Loss:</b>		
As per last Balance Sheet	72,172,541	54,489,671
Less: Adjustment relating to depreciation in pursuant to the enactment of Companies Act 2013 (Refer to Note No.-8)	(9,178,519)	-
Add: Transferred from Statement of Profit & Loss	63,039,966	126,033,988
	<b>244,404,887</b>	<b>106,025,440</b>

**NOTE - 3****Long Term Borrowings**

(Amount in ₹)

	As at March 31, 2015	As at March 31, 2014
<b>a. Secured Loans</b>		
<b>From Banks</b>		
Term Loan from HDFC Bank Ltd. against Hypothecation of Car repayable in 60 EMI of ₹ 1,13,075/- starting from 07 <sup>th</sup> April 2013.	2,306,327	3,311,202
Term Loan from Syndicate Bank against Hypothecation of two Cars repayable in 60 EMI for ₹ 25,330/- starting from 30 <sup>th</sup> June 2013, ₹ 17,656/- 31 <sup>st</sup> October 2012 and one Car repayable in 36 EMI for ₹ 23,037/- starting from 30 <sup>th</sup> November 2014.	1,051,488	1,065,821
Term Loan from Kotak Mahindra Bank Ltd. against Hypothecation of Commercial Property of the company repayable in 120 EMI for ₹ 2,47,132/- starting from 10 <sup>th</sup> November 2014.	15,987,735	-
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.	-	56,700,547
	<b>19,345,550</b>	<b>61,077,570</b>
<b>b. Unsecured Loans</b>		
From Directors	8,551,000	10,362,709
From Intercompany Deposits	500,000	35,325,470
From Others	-	9,646,450
	<b>9,051,000</b>	<b>55,334,629</b>
	<b>28,396,550</b>	<b>116,412,199</b>

**NOTE - 4**

**Short Term Borrowings**

(Amount in ₹)

	As at March 31, 2015	As at March 31, 2014
<b>Loan Repayable on Demand</b>		
<b>Secured:</b>		
From Banks :		
Working Capital Limit from Syndicate Bank - Secured by creating charge on Inventory, Book Debts and Factory Land and Building.	167,194,639	144,493,298
<b>Unsecured :</b>		
From Others - Inter-corporate deposits	134,266,431	104,876,805
	<b>301,461,071</b>	<b>249,370,103</b>

**NOTE - 5**

**Trade Payables**

Micro, Small and Medium Enterprises	108,700	69,068
Others	166,458,565	130,388,905
	<b>166,567,265</b>	<b>130,457,973</b>

**NOTE - 6**

**Other Current Liabilities**

Current Maturities of Long Term Debts	2,664,318	10,696,731
Advance from Customers	792,972	2,769,314
Statutory Liabilities	28,670,643	22,175,093
Interest accrued but not due on borrowings	547,213	509,504
Other Payables	15,084,687	13,268,705
	<b>47,759,833</b>	<b>49,419,347</b>

**NOTE - 7**

**Short Term Provisions**

Provision for Income Tax (net)	34,404,683	10,230,341
	<b>34,404,683</b>	<b>10,230,341</b>

**NOTE - 8**

**TANGIBLE ASSETS**

(Amount in ₹)

GROUP OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NETT BLOCK		
	Value at 1.04.2014	Addition During Year	Sold during the year	Value at 31.03.2015	Upto 01.04.2014	For The Year	Written Back during the year	As At 31.03.2015	As At 31.03.2014
Land - Freehold	175,130.00	-	-	175,130.00	-	-	-	175,130.00	175,130.00
Factory Buildings	7,381,555.77	-	-	7,381,555.77	3,760,200.89	243,734.00	-	4,003,934.89	3,621,354.88
Office Building	-	25,145,100.00	-	25,145,100.00	-	25,148.00	-	25,148.00	-
Plant & Equipment	156,057,021.40	7,306,247.00	5,222,876.00	158,140,392.40	124,853,362.52	12,474,382.00	5,167,324.30	132,160,420.22	31,203,658.88
Furniture & Fixture	2,270,278.11	1,663,452.00	-	3,933,730.11	1,908,769.80	275,593.00	-	2,184,362.80	361,508.31
Office Equipments	5,898,746.20	5,610,901.00	-	11,509,647.20	4,807,888.00	1,039,526.00	-	5,847,414.00	1,090,858.20
Vehicles	23,197,166.00	804,113.00	-	24,001,279.00	6,637,531.63	3,773,306.00	-	10,410,837.63	16,559,634.37
<b>Total</b>	<b>194,979,897.48</b>	<b>40,529,813.00</b>	<b>5,222,876.00</b>	<b>230,286,834.48</b>	<b>141,967,752.84</b>	<b>17,831,689.00</b>	<b>5,167,324.30</b>	<b>154,632,117.54</b>	<b>53,012,144.64</b>
Previous Year	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	141,967,752.84	58,094,406.36

**INTANGIBLE ASSETS**

GROUP OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NETT BLOCK		
	Value at 1.04.2014	Addition During Year	Sold during the year	Value at 31.03.2015	Upto 01.04.2014	For The Year	Written Back during the year	As At 31.03.2015	As At 31.03.2014
Computer Software	-	6,700,000.00	-	6,700,000.00	-	123,904.00	-	123,904.00	6,576,096.00
<b>Total</b>	-	<b>6,700,000.00</b>	-	<b>6,700,000.00</b>	-	<b>123,904.00</b>	-	<b>123,904.00</b>	<b>6,576,096.00</b>
Previous Year	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>194,979,897.48</b>	<b>47,229,813.00</b>	<b>5,222,876.00</b>	<b>236,986,834.48</b>	<b>141,967,752.84</b>	<b>17,955,593.00</b>	<b>5,167,324.30</b>	<b>154,756,021.54</b>	<b>53,012,144.64</b>
<b>Less: Depreciation relating to earlier years adjusted in retained earnings *</b>							<b>9,178,519.00</b>		
<b>Debited to Statement of profit and loss statement</b>							<b>8,777,074.00</b>		

\* Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1<sup>st</sup> April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to ₹91.78 lacs.

## NOTE - 9

### Non Current Investments

#### Non-Trade Investments "Valued at cost"

(Amount in ₹)

	As at March 31, 2015	As at March 31, 2014
In Quoted and Fully paid up Equity Shares of Dena Bank 300 (Previous year 300) Equity Shares of ₹ 10 each fully paid up (Market Value as on 31.03.2015 ₹ 50.60 each, Total Value ₹ 15,180/-) (Market Value as on 31.03.2014 ₹ 60.55 each, Total Value ₹ 18,165/-)	4,656 - <b>4,656</b>	4,656 - <b>4,656</b>

## NOTE - 10

### Deferred Tax Assets (Net)

Refer to Note 24(b)(13)

Opening Balance	2,283,900	1,337,723
Add/(Less): Debited/(Reversed) during the year	6,402,400	946,177
	<b>8,686,300</b>	<b>2,283,900</b>

## NOTE - 11

### Long Term Loans and Advances

(Unsecured, considered good)

Loans and Advances to Staff	370,083	464,083
Security Deposits	753,983	240,400
Capital Advances	12,181,000	6,150,000
	<b>13,305,066</b>	<b>6,854,483</b>

## NOTE - 12

### Inventories

(As per inventories taken, valued and certified by the Management)

i) Raw Materials	66,195,114	59,933,601
ii) Work-in-Progress	242,205,655	228,017,001
iii) Finished Goods	34,266,641	36,907,832
iv) Stock in Trade	1,050,814	-
v) Stores and Spares	4,084,382	2,744,377
	<b>347,802,606</b>	<b>327,602,811</b>

## NOTE - 13

### Trade Receivables

(Unsecured Considered Good)

(a) Debt outstanding for a period exceeding six months	46,182,941	49,134,493
(b) Others Debts	319,494,768	185,412,660
	<b>365,677,709</b>	<b>234,547,153</b>



**NOTE - 14****Cash and Bank Balances**

(Amount in ₹)

Particulars	As at	
	March 31, 2015	March 31, 2014
Cash in Hand	4,688,437	1,784,877
Balances with Banks	69,610	59,219
Fixed Deposits-Maturity within twelve months. (Pledged with banks as margin money)	25,770,005	18,068,999
	<b>30,528,053</b>	<b>19,913,095</b>

**NOTE - 15****Short Term Loans and Advances**

(Unsecured, considered good)

Prepaid Expenses	608,833	969,061
Balance with Central Excise Authorities	7,282,695	7,356,821
Loans and Advances to others	91,538,765	44,430,532
	<b>99,430,293</b>	<b>52,756,414</b>

**NOTE - 16****Other Current Assets**

Interest Accrued	1,079,364	321,316
	<b>1,079,364</b>	<b>321,316</b>

**NOTE - 17****Sales of Products**

(Amount in ₹)

Particulars	For the year ended		For the year ended	
	March 31, 2015		March 31, 2014	
Sales of Products	1,507,640,299	<b>1,507,640,299</b>	1,175,974,624	<b>1,175,974,624</b>

**NOTE - 18****Other Income**

Dividend Income	330	1,740
Duty Drawback	49,573	718,229
Import Licence Income	654,263	1,973,684
Job Work Income	142,828	-
Interest Received	7,982,959	2,646,299
Profit on Sale of Fixed Assets	64,048	-
Rent received	406,000.00	128,000
Lease Rent received	217,000.00	-
Exchange Rate Fluctuation	-	3,885,799
Amounts written back	5,762,508	2,628,046
Miscellaneous Receipts	-	791,545
	<b>15,279,510</b>	<b>12,773,342</b>

**NOTE - 19**

**Cost of Raw Materials Consumed**

(Amount in ₹)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Opening Stock of Raw Material	59,933,601		58,721,705	
Add: Purchases	1,081,486,283		908,398,961	
Less: Closing Stock of Raw Material	(66,195,114)	1,075,224,770	(59,933,601)	907,187,065
Opening Stock of Stores and Spares	2,744,377		2,853,828	
Add: Purchases of Stores, Spares and Packing Materials	24,633,730		15,167,773	
Less: Closing Stock of Stores and Spares	(4,084,382)	23,293,725	(2,744,377)	15,277,224
		<b>1,098,518,495</b>		<b>922,464,289</b>

**NOTE - 20**

**Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Opening Stock of Finished Goods	36,907,832		21,025,271	
Less: Closing Stock of Finished Goods	(34,266,641)	2,641,191	(36,907,832)	(15,882,561)
Opening Stock of Work-in-Progress	228,017,001		172,130,348	
Less: Closing Stock of Work-in-Progress	(242,205,655)	(14,188,654)	(228,017,001)	(55,886,653)
Opening Stock of Stock in Trade	-		-	
Less: Closing Stock of Stock in Trade	(1,050,814)	(1,050,814)	-	-
		<b>(12,598,277)</b>		<b>(71,769,214)</b>

**NOTE - 21**

**Employee Benefit Expenses**

Director's Remuneration	2,700,000		2,400,000	
Salaries, Wages, Bonus and Other Benefits	18,503,109		17,221,988	
Contribution to Provident and Other Funds	1,719,034		1,090,059	
Workmen and Staff Welfare Expenses	1,220,646	<b>24,142,789</b>	1,044,913	<b>21,756,960</b>

**NOTE - 22**

**Finance Cost**

Interest Expenses	47,319,406		47,000,847	
Other Financial Charges	11,713,836	<b>59,033,242</b>	8,790,998	<b>55,791,845</b>

**NOTE - 23****Other Expenses****Manufacturing Expenses**

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014	
Power & Fuel Charges	17,191,998	12,217,849	
Job Work Charges	15,801,989	10,809,599	
Other Manufacturing Expenses	7,165,389	5,034,274	
Repairs to Building	2,814,345	1,969,815	
Repair and Maintenance Other Assets	208,640	64,191	
Repairs to Plant and Machinery	5,661,485	48,843,846	5,371,480
<b>Administrative and Selling Expenses</b>			35,467,208
Advertisement and Publicity	6,575	5,000	
Auditors' Remuneration & Refreshment	80,000	50,000	
Computer Expenses	154,641	180,497	
Conveyance Expenses	1,619,395	1,742,711	
Donation	56,000	174,000	
Fees, Rates and Taxes	1,222,805	188,288	
Festival Expenses	121,203	72,340	
Freight & Cartage Outward (Net)	2,061,829	3,150,815	
Insurance Charges	652,999	596,243	
Legal & Professional Fees	4,508,402	2,208,692	
Listing Compliance & Fees	750,671	148,884	
Meeting Expenses	187,093	90,387	
Misc. Expenses	296,084	285,253	
Postage & Courier Charges	90,077	97,532	
Printing & Stationery	504,780	331,655	
Penalty and Fines	367,100	203,000	
Property Tax	7,289	29,700	
Rent	4,440,000	4,440,000	
Rent of Office Equipments	42,000	42,000	
Lease Rent Car	75,000	-	
Sales Tax Demand	-	228,400	
Security Service Charges	268,987	230,847	
Service Tax on Freight	1,891,614	772,195	
Telephone Charges	391,887	418,666	
Tour and Travelling Expenses	2,179,989	1,855,451	
Loss on Sale of Fixed Assets	-	648,651	
Amounts written off	1,633,182	3,031,925	
Selling Expenses	29,198,692	52,808,294	24,717,431
	<b>101,652,140</b>	<b>81,407,770</b>	<b>45,940,562</b>

**NOTE – 24:**

**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, 2013. 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 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 whichever is lower.

**3. Revenue Recognition**

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

**4. Foreign Currency Transaction**

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

**5. Depreciation / Amortization**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method except for fixed assets of PVC Cable division where depreciation is provided on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The Intangible assets of the Company are 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 Work in Process includes cost of raw materials and estimated overheads up to the stage of completion.
- c) Finished Goods are valued at lower of cost of production or net 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.
- e) Trading Goods are valued at lower of cost or 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 have been prepared in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting years. Although these estimates are based upon the best knowledge of the management of current events and actions, actual results could differ from these estimates

## **10. Impairment of Assets**

An assets is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss 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 or 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 Statement**

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:

		(₹ in Lacs)	
Sl. No.	Nature of Liability	March 31, 2015	March 31, 2014
(a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	970.39	895.40
(b)	Pending suit in court filed by parties for alleged demand for recovery.	64.36	64.36

2. The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at March 31, 2015. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### Gratuity:

As per actuarial valuation, the Present Value of Obligation is ₹ 78.73 Lacs and the Fair Value of Plan Assets is of ₹ 16.17 Lacs and the Net Gratuity Liability is ₹ 62.56 Lacs as on March 31, 2015.

#### Leave Encashment:

As per actuarial valuation, the Present Value of Obligation is ₹ 7.51 Lacs and the Fair Value of Plan Assets is of ₹ Nil and the Net Leave Encashment Liability is ₹ 7.51 Lacs as on March 31, 2015 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 service tax) includes the following:

		(₹ in Lacs)	
Payment to Auditor		March 31, 2015	March 31, 2014
a) Audit Fees		0.80	0.50
b) Other Services (fees for preparation, filing and representations in IT Scrutiny and Appeal Cases)		1.40	0.06
c) Certification Charges and Others		0.49	0.30
<b>Total</b>		<b>2.69</b>	<b>0.86</b>

5. Foreign Currency Receipts & Expenditure:

		(₹ in Lacs)	
Payment to Auditor		2014-15	2013-14
CIF Value of Imports		2040.45	811.35
Expenditure in foreign currency		1.90	2.39
Earning in foreign currency		8.34	380.55

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 31.03.2015.

- 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 ₹)

Sl. No.	Particulars	Up to 1 Year	>1,=5 Years	>5 Years
1	Plot No. 82, Sector – 6, Faridabad, Haryana	3,240,000	1,62,00,000	Nil
2	Flat No. L- 1602, Laburnum Tower, Designarch Gardenia E Homes, Sector – 5, Vaishali, Ghaziabad, U.P	6,00,000	Nil	Nil
3	Photocopy Machine	42,000	2,10,000	Nil
4	Toyoto Innova Car	3,00,000	5,25,000	Nil

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

• **Not Applicable**

- (c) Lease payments 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. Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in schedule II. Accordingly, the unamortized carrying value is being depreciated/ amortized over the revised/ remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to ₹ 91,78,519.
9. Trade Payables include an amount of ₹ 1.09 Lacs (Previous year ₹ 0.69 Lacs) being amount payable to Micro, Small & Medium Enterprises as defined in Micro, Small & Medium Enterprises Development Act, 2006. The outstanding exceeding ₹ 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.

10. There are following TDS demands outstanding as on 31.03.2015.

<b>F.Y</b>	<b>LAW</b>	<b>AMOUNTS</b>
2014-15	TDS	₹ 919.00
2012-13	TDS	₹ 1.00
2011-12	TDS	₹ 1,864.50
Prior Years	TDS	₹ 71,237.85

11. That the company has test marketed the LEGO MINDSTORM EV-3 CORE SET - 45544 and sold the same for ₹ 67,497.90 and the same is included in Sale of products.

12. RELATED PARTY TRANSACTIONS AS PER ACCOUNTING STANDARD 18:

**I. Key Managerial Personnel**

Mr. Amit Jain	Managing Director
Mr. V.K. Gupta	Whole-Time Director
Mr. Pyare Lal Khanna	Director
Mr. Ramesh Chand	Director
Mr. Subodh Kumar Barnwal	Secretary
Mr. Raj Kumar	C.F.O

**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.
- Vardhman Cables India Pvt. Ltd. – Relative of director is director of the company.
- RKJ Alloys & Conductors Pvt. Ltd. - Relative of director is director of the company.
- Lancer Telecom (India) Pvt. Ltd. - Relative of director is director of the company.

**III. Relatives of 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 31<sup>st</sup> March 2015 is as follows:**

(₹ In Lacs)

<b>Nature of Transaction</b>	<b>Key Managerial Personnel, Other Directors and their relatives</b>		<b>Companies or firms in which Key Managerial Personnel/ Directors are interested</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Directors' Remuneration (Note "a")	27.00	24.00	-	-
Secretary's Remuneration (Note "b")	5.59	05.15	-	-
CFO Remuneration (Note "c")	1.80	1.80	-	-
Interest Paid/Payable (Note "d")	12.30	10.24	-	-
Lease Rent Paid/Payable (Note "e")	0.75	-	-	-
<b>FINANCE</b>				
Unsecured Loans Received (Note "f")	2,208.92	1,714.08	-	-
Unsecured Loans Received Paid back (Note "g")	2,575.29	2,300.72	-	-



**Notes:****a) Remuneration paid to:**

Mr. Amit Jain ₹ 21.00 Lacs (Previous Year ₹ 18.00 Lacs)

Mr. V.K. Gupta ₹ 6.00 Lacs (Previous Year ₹ 6.00 Lacs)

**b)** Mr. Subodh Kumar Barnwal ₹ 5.59 Lacs (Previous Year ₹ 5.15 Lacs)**c)** Mr. Raj Kumar ₹ 1.80 Lacs (Previous Year ₹ 1.80 Lacs)**d) Interest paid / payable to:**

Mr. Amit Jain ₹ 12.30 Lacs (Previous Year ₹ 10.24 Lacs)

**e) Lease rent (Vehicle) paid / payable to:**

Mr. Amit Jain ₹ 0.75 Lacs (Previous Year ₹ Nil)

**f) Transactions in Unsecured Loans Received during the year with;**

Mr. Amit Jain ₹ 235.25 Lacs (Previous Year ₹ 180.84 Lacs)

Lancer Telecom (India) Pvt. Ltd. ₹ 6 Lacs (Previous Year 86 Lacs)

RKJ Alloys &amp; Conductors Pvt. Ltd. ₹ 1962.67 Lacs (Previous Year 1299.74 Lacs)

Vardhman Cables India Pvt. Ltd. ₹ Nil (Previous year 147.50 Lacs)

Himani Jain ₹ 5 Lacs (Previous year Nil )

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

Mr. Amit Jain ₹ 253.37 Lacs (Previous Year ₹ 604.92 Lacs)

Lancer Telecom (India) Pvt. Ltd. ₹ 6 Lacs (Previous Year 86 Lacs)

RKJ Alloys &amp; Conductors Pvt. Ltd. ₹ 2307.67 Lacs (Previous Year 1440.17 Lacs)

Vardhman Cables India Pvt. Ltd. ₹ 3.25 Lacs (Previous Year 169.63 Lacs)

Himani Jain ₹ 5 Lacs (Previous year Nil )

**13. Breakup of consumption of Raw Material and Stores and Spares into imported and Indigenous**

Sl. No.	Particulars	Current Year	Percentage	Previous Year	Percentage
		Amount	%	Amount	%
<b>Raw Material</b>					
a.	Imported	2040.45	18.83%	811.35	8.94%
b.	Indigenous	8794.15	81.17%	8260.52	91.06%
	<b>Total</b>	<b>10834.60</b>	<b>100.00%</b>	<b>9071.87</b>	<b>100.00%</b>
<b>Stores and Spares</b>					
a.	Imported	Nil	0.00%	Nil	0.00%
b.	Indigenous	246.34	100.00%	152.77	100.00%
	<b>Total</b>	<b>246.34</b>	<b>100.00%</b>	<b>152.77</b>	<b>100.00%</b>

14. 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, 2015	March 31, 2014
(a)	Net Profit / (loss) as per Profit & Loss Account (₹)	6,13,83,715	1,76,82,870
(b)	Weighted Average No. of Ordinary Shares outstanding (Basic EPS)	86,51,075	35,34,807
(c)	EPS (Basic ) (₹) [(a)/(b)]	7.10	5.00
(d)	Weighted Average No. of Ordinary Shares on the assumption of full conversion of warrants into shares	86,70,733	35,34,807
(e)	EPS (Diluted) (₹) [(a)/(d)]	7.08	5.00
(f)	Face Value of each equity share (₹)	10.00	10.00

15. **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:

Amount (₹)

Particulars	March 31, 2015	March 31, 2014
WDV of Fixed Assets as per Companies Act, 2013	82,230,813	53,012,145
WDV of Fixed Assets as per Income Tax, 1961	71,554,159	38,605,012
Taxable/ (Deductible) Temporary Difference on account of depreciation	10,676,654	14,407,133
Deferred Tax <b>Liability</b> / (Asset) @ 30.90%	<b>3,299,100</b>	<b>4,451,800</b>
Expenses allowed on the basis of payment as per Income Tax Act, 1961	38,787,601	21,798,387
Deferred Tax Liability / <b>(Asset)</b> @ 30.90%	<b>(11,985,400)</b>	<b>(6,735,700)</b>
<b>Deferred Tax Liability / (Asset) @ 30.90%</b>	<b>(8,686,300)</b>	<b>(2,283,900)</b>

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

16. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.
17. Certain debit and credit balances of the parties are subject to confirmations.
18. Previous year figures have been regrouped /rearranged wherever considered necessary.
19. Information required in terms of the Schedule III to the Companies Act, 2013 as complied by the Company is attached.

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

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

**J. K. Manocha**  
**Partner**  
Membership No.: 082442

Place: New Delhi  
Date: 30-05-2015

**Subodh Kumar Barnwal**  
Company Secretary

**Amit Jain**  
Managing Director

**Raj Kumar**  
C.F.O.

**Ramesh Chand**  
Director



**CMI LIMITED**

CIN L74899DL1985PLC018031

**Registered Office:** C- 483, Yojna Vihar, Delhi- 110092. **Tel No.:** 011-49570000-12 Fax No.: 011-22160411

**Email.Id:** [info@cmilimited.in](mailto:info@cmilimited.in), **website:** [www.cmilimited.in](http://www.cmilimited.in)

NOTICE IS HEREBY GIVEN THAT THE 48TH ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Tuesday, the 29th September, 2015 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, 2015 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 Amit Jain (holding DIN 00041300) 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 48th Annual General Meeting until the conclusion of the 49th Annual General Meeting 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 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 the remaining

tenure of his appointment, on the following terms and conditions as approved by nomination and remuneration committee of the Board:-

<b>Particulars</b>	<b>Amount per Month (in ₹)</b>
Basic Salary	1,55,000.00
HRA (50% of Basic)	77,500.00
Education Allowance	7,500.00
Fixed Medical Allowance	10,000.00
<b>Total</b>	<b>2,50,000.00</b>

**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.

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

**Increase in remuneration of Shri Vijay Kumar Gupta, Whole Time Director.**

**RESOLVED THAT** pursuant to the provisions of Section 196, Section 197 and Section 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the Increase in remuneration of Shri Vijay Kumar Gupta (DIN: 00995523) Whole Time Director of the Company, upto the remaining tenure of his appointment, on the following terms and conditions as approved by nomination and remuneration committee of the Board:-

Particulars	Amount per Month (in ₹)
Salary	55,000.00
Medical Re-imburement	5,000.00
Chauffeur	10,000.00
<b>Total</b>	<b>70,000.00</b>

**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 V K Gupta, 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 Whole Time 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.

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

**"RESOLVED THAT** pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time Ms. Archana Bansal (DIN: 01129623) she was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st May, 2015 in terms of Section 161 of the Companies Act, 2013 and all other applicable provisions and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force), and Article 96 of Article of Association of the Company and her term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 30th April, 2020.

**FURTHER RESOLVED THAT** Mr. Amit Jain Managing Director and Subodh Kr. Barnwal Company Secretary of the Company be and are hereby authorized to file requisite e-forms with the appropriate authority with in such time and period as may be prescribed".

**By Order of the Board  
CMI LIMITED**

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

**Place: Delhi  
Date: 28<sup>th</sup> August, 2015**

**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 Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (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 26, 2015, Friday**

**End of e-voting Upto at 5.00 p.m. of September 28, 2015, Monday**

**E-voting shall not be allowed beyond 5.00 p.m. of September 28, 2015, Monday.** 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 September 22, 2015.

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](http://www.cmilimited.in) under the segment "For Investor"** which can be freely downloadable by any members, forthwith after it is sent to the members. Any shareholder wishing to receive a physical copy of the Annual Report, may write to the Company or Company's Share Registrar by email, the Company will arrange to send the physical copy of the annual report to such member within 7 days of the receipt of the communication.
21. **Voting through electronic means:**

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote 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:

  - (i) The voting period begins on **<From 9.00 a.m. of September 26, 2015, Friday > and ends on <5.00 p.m. of September 28, 2015, Monday>**. 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 **22<sup>nd</sup> September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution(s) contained in this Notice.
- (xi) Click on the EVSN for the relevant <CMI LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- OTHER INSTRUCTIONS:**
- (a) In case of any queries regarding remote e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.
- (b) If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.

2. The shareholders can opt for only one mode of voting, i.e. either physically by attending EGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in EGM.
  3. The scrutinizer shall within a period of not exceeding three days from the conclusion of the EGM 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.
  4. The results of the remote 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.

#### 4. 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 4593877(38.37%) Equity share 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 Rs 2,00,000/- p.m. to Rs. 2,50,000/- p.m., of Shri Amit Jain, Managing Director of the Company in its meeting held on 28-08-2015 on the following terms and conditions as approved by remuneration committee of the Board

Particulars	Amount per Month (in ₹)
Basic Salary	1,55,000.00
HRA (50% of Basic)	77,500.00
Education Allowance	7,500.00
Fixed Medical Allowance	10,000.00
<b>Total</b>	<b>2,50,000.00</b>

#### 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. 4 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. 4.

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.

#### 1. GENERAL INFORMATION

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

(₹ In Lacs)

Financial Parameters	2012-2013	2013-2014	2014-2015
Total Sales	9870.73	11579.75	15076.40
PAT	246.88	280.11	913.37

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

**2. INFORMATION ABOUT THE MANAGING DIRECTOR**

**Name of the Appointee/ Managing Director**

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

**Past Remuneration:** ₹ 24,00,000/- Per Annum

**Job Profile and his suitability:** Mr. 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**

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	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 28.08. 2015.
Pecuniary relationship directly/indirectly with the Company or relationship with managerial personnel, if any	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

**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 ₹ 913.37Lacs (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 Shri 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.

Except Shri Amit Jain, none of the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**1. Increase in remuneration of Shri. Vijay Kumar Gupta 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 recommended increase in the remuneration from Rs. 50,000/- p.m. to Rs. 70,000/- p.m. of Shri Vijay Kumar Gupta, Whole Time Director of the Company in its meeting held on 28th August, 2015 for remaining period. He is holding 8770(0.248%) Equity Shares in the Company.

The Board of Directors accordingly recommends the resolution set out in Item No. 5 of the accompanying Notice for the confirmation of the Members.

Shri Vijay Kumar Gupta is not 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. 5.

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 Mr. 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

(₹ In Lacs)

Financial Parameters	2012-2013	2013-2014	2014-2015
Total Sales	9870.73	11579.75	15076.40
PAT	246.88	280.11	913.37

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

**2. INFORMATION ABOUT THE WHOLE TIME DIRECTOR**

**Name of the Appointee/ Whole Time Director**

**Background Details :** Mr. Vijay Kumar Gupta more than 35 years of rich experience in cable industry and marketing.

Past Remuneration: ₹ 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

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	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 Remuneration Committee and Board of Directors of the Company in their meeting held on 28.08. 2015.
Pecuniary relationship directly/indirectly with the Company or relationship with managerial personnel, if any	Shri Vijay Kumar Gupta has no pecuniary relationship directly/indirectly with the Company except to the extent of his remuneration and Share holding

### 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 ₹913.37Lacs (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. Vijay Kumar Gupta under the provisions of Companies Act, 2013
- (2) **Steps taken or proposed to be taken for improvement:** Your Management is in continuous process to cop up 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.

Except Shri Vijay Kumar Gupta, none of the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### Item No. 6 Regularisation of Mrs. Archana Bansal

The Board of Directors at their meeting held on 1<sup>st</sup> May, 2015, on the recommendation of Nomination Committee, appointed Ms. Archana Bansal (DIN: 01129623) as an Additional Director under Section 161 of the Companies Act, 2013 and all other applicable provisions and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereon, for the time being in force), and Article 96 of Article of Association of the Company and as an Independent Non-executive Director of the Company for five consecutive years under Section 149 of the Companies Act, 2013 with effect from 1st May, 2015. Her appointment is subject to the approval of the shareholders. The Company has received a notice in writing from a member proposing Ms. Bansal as a candidate for the office of Director of the Company. Ms. Bansal is also a member of Nomination and Remuneration Committee of the Board of Directors of the Company.

Ms. Bansal is a leading business woman. She is under Graduate. She has vast experience in business.

Ms. Bansal holds directorship under stated other companies in India:

1. Gold Coin Investment Company Limited
2. NBF Properties Private Limited.

Ms. Bansal does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Ms. Bansal has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the Opinion of the Board of Directors, Ms. Bansal fulfils the conditions specified in the Companies Act, 2013 and other applicable provisions and Rules.

The Board of Directors considers that his association would be of immense benefit to the Company and is desirable to avail services of Ms. Bansal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Bansal as an Independent Director for five consecutive years for a term upto 30th April, 2020 for the approval by the shareholders of the Company.

Except Ms. Bansal, being an appointee, none of the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**By order of the Board  
CMI LIMITED**

**Amit Jain**

Place: Delhi  
Date: 28<sup>th</sup> August, 2015

Chairman & Managing Director  
(DIN 00041300)





## CMI LIMITED

CIN L74899DL1985PLC018031

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

Tel No.: 011-49570000-12 Fax No.: 011-22160411

Email.Id: [info@cmilimited.in](mailto:info@cmilimited.in), web Site: [www.cmilimited.in](http://www.cmilimited.in)

### 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]

Name of the Member (s) :

Registered address :

Email id :

Folio No./ Client Id.:

DP ID :

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

1. Name:..... Email Id:

Address : .....

Signature : .....

2. Name: ..... Email Id:

Address : .....

Signature : .....

3. Name: ..... Email Id:

Address : .....

Signature : .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Tuesday, 29th day of September, 2015 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, 2015, 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 Mr. Amit Jain, who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of Statutory Auditors of the Company for a term of one year and fixing their remuneration.

##### Special Business:

- Increase in remuneration of Shri Amit Jain Managing Director of the Company
- Increase in remuneration of Shri Vijay Kumar Gupta Whole Time Director of the Company.
- Appointment of Ms. Archana Bansal as an Independent Director.

Signed this .....day of .....2015.

Affix ₹ 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.





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### **ATTENDANCE SLIP**

48th ANNUAL GENERAL MEETING

Date: 29th September, 2015 Time: 11:30 a.m.

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

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\_\_\_\_\_  
**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 2014-15 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.



# Corporate Information

## BOARD OF DIRECTORS

**Amit Jain**

Managing Director

**Pyare Lal Khanna**

Non-Executive Independent Director

**Vijay Kumar Gupta**

Whole-Time Director

**Ramesh Chand**

Non-Executive Independent Director

**Archana Bansal**

Non-Executive Independent Director

## AUDIT COMMITTEE

**Ramesh Chand**

Chairman

**Pyare Lal Khanna**

Member

**Vijay Kumar Gupta**

Member

## NOMINATION & REMUNERATION COMMITTEE

**Pyare Lal Khanna**

Chairman

**Ramesh Chand**

Member

**Archana Bansal**

Member

## STAKE HOLDERS RELATIONSHIP COMMITTEE

**Pyare Lal Khanna**

Chairman

**Ramesh Chand**

Member

**Vijay Kumar Gupta**

Member

## COMPANY SECRETARY & FINANCE CONTROLLER

**Subodh Kr. Barnwal**

## STOCK EXCHANGES

**Delhi Stock Exchange Limited**

DSE House

3/1 Asaf Ali Road,

New Delhi – 110 002.

**Bombay Stock Exchange Limited**

25th Floor, P J Towers,

Dalal Street, Fort,

Mumbai – 400 001.

## AUDITORS

**M/s J. K. Manocha & Associates**

Chartered Accountants

27/55, Street No. 8, Vishwas Nagar,

Shahdara, Delhi-110 032

Phone: 011- 22389025

Regn. No. : 082442

## BANKERS

Syndicate Bank Shahdara, Delhi -32

## REGD. OFFICE

C-483, Yojna Vihar

Delhi-110092

Phone: 011-49570000-11

Fax: 011-22160411

[www.cmilimited.in](http://www.cmilimited.in)

## WORKS

Plot No. 71 & 82, Sector- 06,

Faridabad, Haryana.

Phone : 0129-42622700-714

Fax: 0129-2242686



**CMI Limited**

**REGISTERED OFFICE**

C-483, Yojna Vihar  
Delhi-110092

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