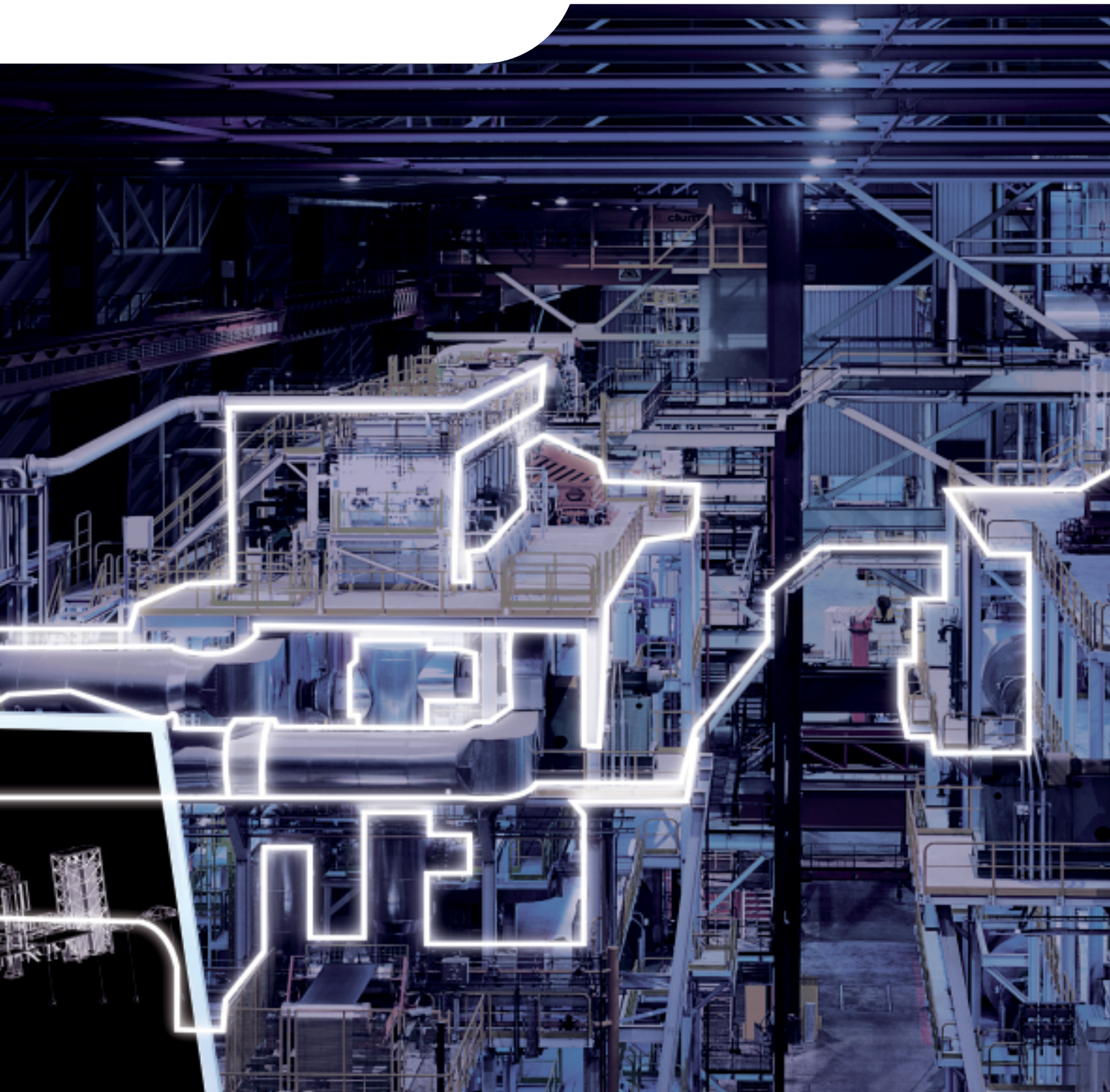
INDUSTRY
FPE

CMI FPE LIMITED

Annual Report 2009-2010



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Corporate Information

BOARD OF DIRECTORS

Mr. Jean-Marc Kohlgruber, *Chairman*
Mr. Rob Johnson (upto 15.07.2010), *Managing Director*
Mr. Raman Madhok (w.e.f. 16.07.2010) *Managing Director*
Mr. Jean Gourp (w.e.f. 20.05.2010) *Deputy Managing Director*
Mr. Yves Honhon
Mr. Ravindra Nath Tandon
Mr. D. J. Balaji Rao
Mr. Raman M. Madhok

REGISTERED OFFICE

Mehta House, Plot No.64,
Road No.13, MIDC,
Andheri (E),
Mumbai – 400 093

WORKSHOPS

(Unit No.I)

A-84/2,3, M.I.D.C.,
Taloja Industrial Area,
Taluka: Panvel, Dist: Raigad
Maharashtra – 410 208

(Unit No.II)

Survey No.144/1/3, Village Rakholi,
Silvassa Khanvel Road,
Silvassa – 396 230, Union Territory
of Dadra & Nagar Haveli

24th Annual General Meeting

will be held on Saturday, July 31, 2010
at 3.30 p.m. at Mehta House, Plot No.64, Road No.13, MIDC,
Andheri (E), Mumbai – 400 093

CORE MANAGEMENT TEAM

Mr. Rob Johnson (upto 15.07.2010)
Mr. Jean Gourp
Mr. Ketan Apte
Mr. Satish Avhad
Mr. Tamal Dutta
Mr. Prasad Jahagirdar
Mr. Sunil Kamat
Mr. Vijay Karayi
Mr. Anand Kumar
Mr. K. Anil Kumar
Mr. Hemant Nikam

COMPANY SECRETARY

Mr. Kunal Trivedi

BANKERS

Canara Bank
Syndicate Bank
Union Bank of India
ING Vysya Bank
ICICI Bank

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants,
12, Dr. Annie Besant Road,
Opp Shiv Sagar Estate,
Worli, Mumbai – 400 018

LEGAL ADVISORS

PDS & Associates
Advocates & Solicitors
119, 11th Floor,
Mittal Chambers
Nariman Point,
Mumbai 400 021

REGISTRARS AND SHARE TRANSFER AGENTS

Sharepro Services (India) Pvt. Ltd.
13 AB Samhita Warehousing Complex, 2nd Floor,
Off Andheri Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri (E) Mumbai 400072.



Continuous Galvanising Line

Message from Chairman's Desk

Dear Shareholders,

I have great pleasure in communicating once again with you and place the Annual Report for the year 2009 – 2010 before you.



Mr. Jean-Marc Kohlgruber
Chairman

Your company during the year inspite of the radical change of the economic parameters facing the world, showed its enormous potential for serving both its markets and rest of the CMI Group. The alliance with the CMI Group has been received very favorably by the markets. The management and engineering offices and the workshops are working at full throttle. Currently full operational activity is almost guaranteed till end of 2011. Furthermore CMI FPE is increasingly finding its place in the internal operations of the Group: technological or commercial exchanges are being multiplied between the entities, as each is more and more recognizing the values of having a solid base in the Indian market. In parallel, the Management team is capitalizing on the confidence of the bankers and the support of its directors to chart ambitious plans for the further development of your company.

I am aware that the innovation of today will lay the foundation for the activity of tomorrow. As an added offering, CMI FPE with the help of specialists from the parent company now offers performance audits to its range of technical assistance services in India. The recommendations made at the end of these audits enable customers to significantly improve quality and quantity of the steel they produce and at the same time optimize the profitability of their (old or recent) installations. The company is also concentrating its efforts on making its industrial processes more efficient by reducing energy consumption, re-using waste heat, and reducing carbon dioxide emissions or by recycling pollutant emissions. Our recent collaborative effort with Tata Consulting Engineers on organizing a seminar on 'Energy Conservation & Emission Control in Integrated Steel plants' for Tata Steel at Jamshedpur was in that direction.

The Indian Economy will continue to grow at a rapid pace for next several years. India and China were the only two countries in Asia which saw an increase in steel production in 2009. At nearly 57 million tonnes, India still has a long way to go and I am pleased to note that the Government agencies are all working in a synchronity to push steel production up by leaps and bounds. We at CMI FPE are ready to contribute through our expanded range of services and equipments to meet the steel producers need to reduce environmental footprint of their processes.

As shareholders, I am sure you are proud to own a stake in the company that has delivered higher than expectations in such turbulent times. I look forward to your continued support and faith to challenges of the years ahead for a better reward.

Yours sincerely,

Jean-Marc Kohlgruber

Chairman



Assembly in progress at Taloja worshop

Message from Managing Director's Desk

Dear Shareholders,

The year that passed saw a strengthening business climate in certain parts of the world, in particular Asia, and a renewed interest among steelmakers to advance key projects. While this allowed us to strengthen our backlog of orders, we did not have the opportunity to fully execute these orders due. This resulted in a reduction in net sales as compared to the previous year. This aside, we continued with our process enhancement initiatives which resulted in improved profit as compared to the previous year.



Mr. Rob Johnson
Managing Director

In the past year, we continued on our focus on our core products and expanded our customer reach by adding strategic customers. With the support of the CMI Group, we will continue to expand our customer base throughout Europe and the Americas. Your company benefited from several on-going initiatives including regular and systematic training of our people, continued focus on several business process improvement projects in purchasing and inventory control, and optimization of our enterprise resource planning system.

Project management processes were strengthened. In particular, the efficacy of the periodic project review meetings was enhanced by adopting the ERP system to have a granular view of various heads of project cost and status of achievement of project milestones, thereby facilitating corrective actions where necessary on a near real time basis.

We also launched a design standardization initiative which will provide benefits for years to come. As a result of these actions, your company remains a leader in our industry.

Your company invested in its IT infrastructure to improve the effectiveness and efficiency of work processes. During the year we maintained our ISO-9001:2000 certification and continue to plan for ISO 14001:2004 certification. The discipline required to maintain these certifications will further strengthen our internal processes related to project management and workshop efficiency.

In the past year, we achieved a significant milestone as we reduced our secured and unsecured loans to zero while increasing our cash position as compared to the previous year. Further, your company achieved a CRISIL rating of "A / Stable" for Cash Credit and Working Capital Demand Loan facilities and a rating of "P1" for packing credit and non fund based facilities. We are now well positioned for future growth and expansion.

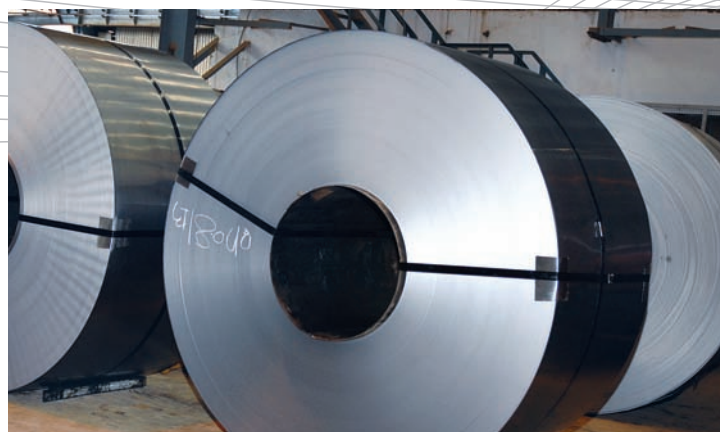
While we achieved several key milestones, the competitive landscape remains and we will further develop our technologies and focus on product differentiation to maintain our market position. Further, we will introduce initiatives which will strengthen our relationships with our customers.

I would like to thank all the stakeholders for their trust and support. I am also thankful to the members of the board for their insight and guidance. I would also like to extend a special thank you to all the members of the management team and employees who contributed each day to the success of your company.

Yours sincerely,

Rob Johnson

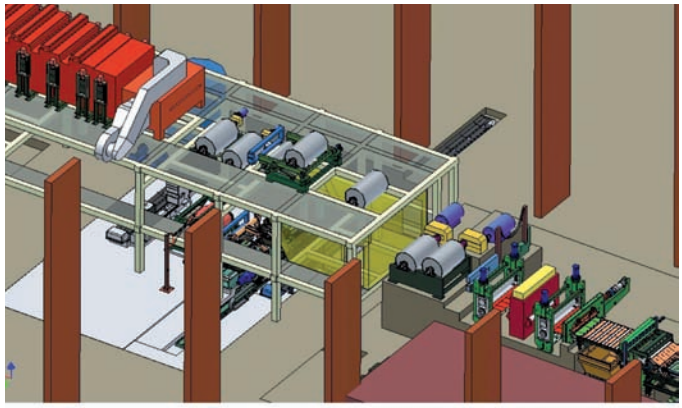
Managing Director





Scope of supply in processing lines

- Continuous Annealing Lines
- Continuous Hot Dip Galvanizing Lines
- Continuous Electro Galvanizing Lines
- Organic Coating Lines
- Electrolytic Cleaning Lines
- Flux Type Lines
- Inspection/Correction/Tension Leveling Lines
- Dual Product Lines
- Processing Lines Special Equipment





Scope of supply in rolling mills

- 4 High and 6 High Reversing Cold Mills (Single or Twin Stand)
- 20-High Cold Rolling Mills
- Tandem Cold Mills
- Continuous Pickling Lines
- Coupled Pickling Lines and Tandem Cold Mills
- 4-High Skin Pass Mills
- 2-High Skin Pass Mills
- 6-High Skin Pass Mills
- Modernization and Special Equipment for Cold/Hot Strip Mills

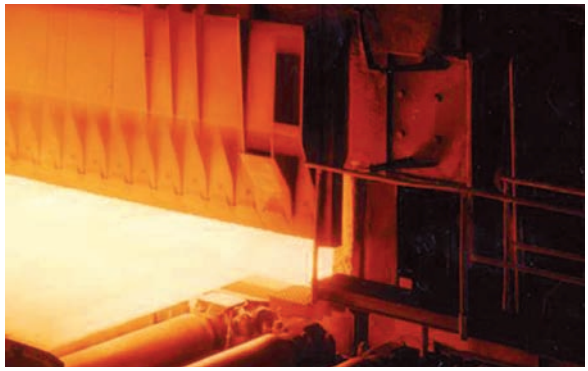




Scope of supply in chemical processing equipment

- Strip Pickling Lines (Push Pull and Continuous)
- Long Products Pickling Lines (wire, plates, bars, tubes)
- Degreasing Sections
- Acid Regeneration plants (ARP)
- Recovery and Pyrohydrolysis plants
- Waste Water/ Air Treatment plants





Scope of supply in thermal solutions

Reheating Furnaces for Slabs/Billets

Carbon Steel: Horizontal & Vertical Furnaces for Continuous Galvanizing Lines (C.G.L.) and/or Continuous Annealing Lines (C.A.L.)

- Non-Oxidizing Furnaces (N.O.F.)
- Radiant Tubes Furnaces (R.T.F.) with regenerative or recuperative burners
- Blowstab® or Ultra Dry Cooling Equipment
- L-TOP® or LH-TOP Mathematical Model

Carbon Steel: Color Coating Lines (C.C.L.)

- Ovens (convention, IR, UV,...)
- Incinerators
- Dryers

Stainless Steel

- Anneal and Pickle Furnaces
- Bright Annealing Process Equipment

Silicon Steel

- Annealing/Pickling Process Equipment

Other

- Heat Treatment Furnaces for Steel & non Ferrous
- Wastes Sludges and Fumes Treatment
- Carbonisation, Production and Regeneration of Activated Carbon
- Atmosphere Equipment Production

Board of Directors



Board of Directors as on March 31, 2010
Seated from Left to Right : Mr. Yves Honhon, Mr. Jean-Marc Kohlgruber and Mr D. J. Balaji Rao
Standing from Left to Right : Mr. Raman M. Madhok, Mr. Rob Johnson and Mr. R. N. Tandon