



**CMI INDUSTRY**

**Metals**

# Full commitment

**Annual Report 2014-2015**

**CMI FPE Limited**



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## Full commitment

In a challenging market environment, strong companies look for opportunities to gain strategic advantage, maintain stability and drive long-term growth. They strive to recommit themselves to their core purpose...their stakeholders. At CMI FPE, we have done just that.

Amidst the economic turmoil of the past year, we continued to focus on the fundamentals of our business. We made a number of process improvements to increase operational efficiency and expanded our geographic reach to South East Asian and African markets while leveraging our expertise to provide operational and maintenance services in order to diversify and stabilize our revenue streams.

Our full commitment is to enhance value for all our stakeholders while conducting business safely, in a socially, environmentally and ethically responsible manner.

# Message from Chairman

Dear Shareholders,

Jean-Marc Kohlgruber's leadership and foresight as Chairman of your Company from June 25, 2008 to July 30, 2014 guided us through some exceptionally challenging years. I would like to seize this opportunity to thank him for his valuable guidance and commitment throughout all these years.

This being the first year for me to reach out to all of you, I take this opportunity to share my view and outlook on your Company.

While announced as a financial year in "combat mode", in FY 2013-14 the expected growth did not materialize and, in spite of the unfailing commitment of the teams, growth continued to be sluggish in FY 2014-15. The country's metals & minerals sectors are desperately hoping there is no further reversal in fortunes next year. However various investor reports show that India's growth will continue to remain slow but hopefully stable.

While India's growth invites considerable global attention, we are hoping for an economic revival as promised by the new reform-focused government. There has been a significant sentiment change with the prospect of a stable Government for the next five years and one hopes that during this financial year we will see some definitive measures to bring back confidence and restart investment cycle and job creation.

During this slowdown scenario, CMI FPE has increased its focus on customers, leadership and talent, and is being better organized to serve customers while reducing structural costs.

In order to continue to remain abreast with the market scenario, your Company has consolidated its processes, procedures and

systems with regard to plant capacity for better lead time and operational efficiency. Existing structures and routines have been reinvented through targeted and explicit interventions.

Simultaneously there is an intent to shift from a product focused to a more customer focused orientation. Your Company is now geared up to provide operational and maintenance services to not just CMI supplied equipments but also to cater to the equipments of third party by way of technological upgrading and development of new products and accessories.

CMI FPE is also tapping into new growth markets like South East Asia and Africa, which are slowly emerging. Market entry into Bangladesh, after a long hiatus, proves that your Company's products have good acceptability, recognition and value.

After the intensive commitment which characterized FY 2014-15, success in the upcoming financial year will depend on your Company's capacity to pull out the same stops: operational and commercial efficiency, enhanced technological solutions and value added services, and growing geographical reach.

Hopefully FY 2015-16 will be the year of change for the better, driven by your Company's commitment, improving local market conditions and the support of your customers. Furthermore, your continued support and confidence, for which I warmly thank you, will help us to put our objectives into action and to propel us towards our overall goal: making a better future for CMI FPE.

Yours Sincerely,

Jean Jouet





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# Corporate Information

## **BOARD OF DIRECTORS**

Mr. Jean Jouet– Chairman (w.e.f. July 31, 2014)

Mr. Raman Madhok – Managing Director

Mr. Yves Honhon

Mr. D. J. Balaji Rao

Mr. Raman M. Madhok

Mr. N. Sundararajan

Mr. Fabrice Orban

Ms. Roma Balwani (w.e.f. October 29, 2014)

## **BANKERS**

Canara Bank

Kotak Mahindra Bank Limited

ICICI Bank Limited

Union Bank of India

HDFC Bank Limited

## **REGISTRAR AND SHARE TRANSFER AGENT**

Sharepro Services (India) Private Limited

## **CHIEF FINANCIAL OFFICER**

Mr. Akash Ohri

## **COMPANY SECRETARY**

Mr. Haresh Vala

## **AUDITORS**

Deloitte Haskins & Sells,

Chartered Accountants

## **COST AUDITOR**

Kishore Bhatia & Associates,

Cost Accountants

## **LEGAL ADVISORS**

PDS & Associates,

Advocates & Solicitors

## **REGISTERED OFFICE**

Mehta House, Plot No.64,

Road No.13, MIDC,

Andheri (E), Mumbai – 400 093

# Notice

**Notice is hereby given that the Twenty-ninth Annual General Meeting of the Shareholders of CMI FPE Limited will be held at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093 on Friday, July 31, 2015 at 2.30 p.m. to transact the following business:**

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015 and Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Yves Honhon (DIN 02268831), who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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 read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W) being eligible for re-appointment, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 34.50 lacs (plus reimbursement of out-of-pocket expenses).”

## SPECIAL BUSINESS

### 4. Appointment of Mr. Jean Jouet as a Director

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 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder, Mr. Jean Jouet (DIN 06937120), who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 31, 2014 pursuant to the provisions of Section 161(1) of the Act, and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### 5. Appointment of Ms. Roma Balwani as a Director

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 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Ms. Roma Balwani (DIN 00112756), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 29, 2014 pursuant to the provisions of Section 161(1) of the Act, and whose term of office expires at this 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 5 (five) consecutive years for a term up to October 28, 2019."

#### 6. Commission to Non-Executive Directors

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and subject to all applicable approval(s) as may be required, the consent of the shareholders of the Company be and is hereby accorded for the payment of commission to Non-Executive Directors of the Company, for a period of 5 (five) years commencing from April 1, 2014, not exceeding, in the aggregate, 1% per annum of the Net Profit of the Company for that year as computed in the manner specified under Section 198 of the Act and that Board of Directors of the Company shall in their absolute discretion, decide the extent to which such remuneration is payable to each of the Non-Executive Directors based on their individual services to the Company within the ceiling limit of 1% of the Net Profit of the Company."

#### 7. Ratification of the remuneration payable to Cost Auditor for the financial year 2015-16

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 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 1.40 lacs (plus reimbursement of out-of-pocket expenses) payable to M/s. Kishore Bhatia & Associates, Cost Accountants for conducting the audit of the cost accounting records of the Company for the financial year 2015-16, be and is hereby ratified and confirmed."

**By Order of the Board**

**Haresh Vala**  
Company Secretary

Mumbai  
May 29, 2015

#### Registered office:

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

**Tel. No.:** 022-66762727 | **Fax No.:** 022-66762737/38

**CIN.:** L99999MH1986PLC039921

**Email:** investors@cmifpe.com

**Website:** www.cmifpe.com

## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (“Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company. Further a member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.

2. The 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.
3. The Register of Members and Share Transfer Books of the Company will be closed from July 28, 2015 to July 31, 2015 (both days inclusive).
4. The Company's Registrar and Transfer Agents (R&T Agents) for its Share Registry Work (Physical and Electronic), are Sharepro Services (India) Private Limited having their office premises at 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka

Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072.

5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends that are unclaimed for a period of 7 (seven) years are required to be transferred to the Investor Education and Protection Fund (IEPF). An amount of ₹ 86,726/- being unclaimed Interim dividend of the Company for the financial year 2006-2007 and ₹ 4,65,255/- being unclaimed Final dividend of the Company for the financial year 2006-2007 were transferred to IEPF and no claim lies against the Company in respect thereof.

The final dividend for the financial year 2007-2008 will become due for transfer to IEPF in November, 2015. Members who have not encashed the Dividend Warrants so far for the said financial year or any subsequent financial years are requested to make their claim to the Company's R&T Agents. It may be noted that once the amounts in the Unpaid Dividend Accounts are transferred to IEPF, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

Pursuant to the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), the Company has uploaded the information of the Unclaimed Dividends as on the date of the Annual General Meeting (AGM) held on July 30, 2014, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also on the website of the Company viz. [www.cmifpe.com](http://www.cmifpe.com).

6. The relevant details of Directors proposed to be appointed / re-appointed, as required under Clause 49 of the Listing Agreement with the Stock Exchange is annexed to the Notice.
7. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring

to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R&T Agents. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

8. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service (ECS) to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participants and/or the Company's R&T Agents.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's R & T Agents.
10. Members are requested to notify immediately any change of address to the Company's R&T Agents or their respective Depository Participants, in case of shares held in electronic form.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate the risks associated with physical shares and for ease in portfolio management. Members can contact the Company's R & T Agents for assistance in this regard.
12. Members are requested to address all correspondence, including dividend matters, to the Company's R&T Agents.
13. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date, so as to enable the management to keep the information ready.
14. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
15. Electronic copy of the Annual Report for FY 2014-15 and the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copies of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.
16. Process and manner for Members opting to vote through electronic means:
  - I. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide to the members the facility to exercise their right to vote at the 29<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):