



CMI INDUSTRY

CMI FPE Limited

Annual Report 2016-2017

200

YEARS OF FUTURE

**CMI FPE Limited proudly celebrates
the CMI Group's bicentennial**



CMI INDUSTRY

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Message from the Chairman

200 years of future

When he located in the Seraing Château in 1817, John Cockerill probably did not realize just what an incredible adventure he was setting in motion. Today, the bicentennial of CMI is based around a triple objective: understand the past, celebrate the present and set out for the future.



Message from the Chairman

Dear Shareholders,

Let me begin by thanking Jean Jouet my predecessor for the expertise and direction that he brought to CMI FPE through his impeccable leadership during one of the most turbulent times your Company witnessed during the last few years. We are all thankful to him for his guidance and wish him all the best in his new assignment.

The year 2016-17, indeed, has been a year of many surprises. Firstly the meteoric rise of the charismatic Prime Minister Narendra Modi and his government followed by the demonetisation gamble and the various policy implications. These choices, I believe, will reflect on India's focus on development for the coming 12-18 months.

On the global front the theatrics were no less different, Britain's vote to exit the European Union followed by Trump's dominant win in the US only added more to the fickleness of the market.

The year 2016 was marked by a 0.8% increase in world steel production, and backed by an expected revival in consumption, Worldsteel, the international steel association, also foresees a resumption in demand for steel in 2017-18, but the long-term outlook is less positive.

However the Indian market is more optimistic. India's finished steel products output is likely to register an increase of 5.7% in 2017 as a result of a growing economy and increasing urbanization. Additionally, the steel production in India is expected to further grow in the coming years due to a new and dynamic steel policy that the government is working on, and which will give concrete shape to the vision and plans for increasing steel usage in housing and for other construction projects.

The year 2016-17 was dedicated to bring organizational approach to concrete stage. To make this operational a dedicated 'One Industry' team was put in place based on the principle – one face to the customer with Taloja and Hedavali workshops being used to their maximum potential.

The year also brought us some good orders and I can safely say that we are now slowly and steadily building a robust sales pipeline and are confident that our order entry will look very positive in the future.

During this year's second edition of the CMI Awards, a Group competition divided into three categories (Health & Safety, Innovation, Environment), CMI FPE won the much sought after 'Public Award' for its Semi Automatic Pup Coil Removal Arrangement. A project that materialized following a request from a client who wanted a safe and efficient pup coil withdrawal device. This is also an indication of the culture at CMI FPE where a client is given the best innovative product with safety as its prime focus.

I am pleased to inform you that CMI FPE has had 1347 days without 'Lost Time Accident' at its Taloja workshop and 1026 days at its Hedavali workshop as on March 31, 2017.

We are also delighted to share with you that, '2017' is earmarked as the most exciting year in the history of CMI as it celebrates its glorious 200 years of commemorating past, present and future. It is a proud moment for each one of us to be associated with CMI. We will take advantage of this milestone and develop the image of CMI Group and further use it for commercial development.

Nevertheless the new financial year will be no different in the challenges it will pose but I am optimistic and remain committed to all our stakeholders for sustainable profitable growth.

I assure you that we will continue to uphold the faith you have placed in us and look forward to your continued support.

Yours Sincerely,
Joao Felix Da Silva

Corporate Information

Board of Directors

Mr. Joao Felix Da Silva – Chairman (w.e.f. May 30, 2017)

Mr. Jean Jouet (resigned w.e.f. May 30, 2017)

Mr. Raman Madhok – Managing Director

Mr. Yves Honhon

Mr. D. J. Balaji Rao

Mr. Raman M. Madhok

Mr. N. Sundararajan

Ms. Roma Balwani

Mr. Fabrice Orban

Chief Financial Officer

Mr. Akash Ohri

Company Secretary

Mr. Haresh Vala

Bankers

Canara Bank

Kotak Mahindra Bank Limited

ICICI Bank Limited

Auditors

Deloitte Haskins & Sells, Chartered Accountants

Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

Legal advisors

PDS & Associates, Advocates & Solicitors

Registrar and Share Transfer Agent

Sharepro Services (India) Private Limited

Registered office

Mehta House, Plot No.64, Road No.13, MIDC,

Andheri (East), Mumbai – 400 093

Notice

Notice is hereby given that the Thirty First 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 28, 2017 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements for the year ended March 31, 2017, 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 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2018 at such remuneration and out of pocket expenses as may be mutually agreed between them and the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Audit Committee) and the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS

4. **Appointment of Mr. Joao Felix Da Silva 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 Sections 152, 161 and all other applicable provisions of the Companies Act, 2013 (**“the Act”**) and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Joao Felix Da Silva (DIN 07662251), who was appointed, on the recommendations of the Nomination and Remuneration Committee, as an Additional Director of the Company by the Board of Directors, with effect from May 30, 2017 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, and whose term of office expires at this Annual General Meeting, and who being eligible offers himself for appointment, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act 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.

RESOLVED FURTHER THAT Mr. Raman Madhok, Managing Director of the Company and the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. Ratification of the remuneration payable to Cost Auditor for the financial year 2017-18

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 all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of and terms of remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed, on the recommendations of the Audit Committee, by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2017-18, at a remuneration of ₹ 2,00,000/- (Rupees Two Lacs only) plus reimbursement of out-of-pocket expenses for the financial year 2017-18, be and are hereby ratified and confirmed.”

6. Determination of fees for delivery of documents to shareholders

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 20 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the shareholder the fee in advance equivalent to

the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of documents by the Company and that no such request shall be entertained by the Company post the dispatch of such documents by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the key managerial personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

By Order of the Board

Haresh Vala
Company Secretary

Taloja
May 30, 2017

Registered office:
Mehta House, Plot No. 64,
Road No. 13, MIDC, Andheri (East),
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 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 annexed hereto, in order to be effective, must be deposited at the Registered Office of the Company, duly completed, stamped 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) in number 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 representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

2. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 and the Secretarial Standard on General Meetings (SS 2), in respect of 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 24, 2017 to July 28, 2017 (both days inclusive).
4. The Company's Registrar and Share Transfer Agent (R & T Agents) for its Share Registry Work (Physical and Electronic), are Bigshare Services Private Limited, having their office premises at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400 072.
5. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 (**"the Act"**) dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central

Government. The Members who have not encashed their dividend warrant(s) so far for the financial year 2009-10 or any subsequent financial years are requested to lodge their claims with Company's R & T Agents. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.

The Ministry of Corporate Affairs notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, on September 5, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 on February 28, 2017 (**"IEPF Rules"**) which are applicable to the Company. The objective of the IEPF Rules is to help shareholders ascertain the status of unclaimed amounts. In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the last Annual General Meeting i.e. July 29, 2016, on the website of IEPF viz. www.iepf.gov.in and under "Investor Relations" section on the website of the Company.

As per the provisions of Section 124 of the Act, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The Company will send out individual communication to those shareholders whose dividend remain unclaimed for seven years, and also publish an advertisement in newspapers, inviting such shareholders to claim their dividend.

6. The relevant details of Directors proposed to be appointed / re-appointed, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS 2) on General Meetings issued by the Institute of Company Secretaries of India, are furnished hereunder.
7. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their

requests in 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 themselves of this facility.

8. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's R & T Agents.
9. Members are requested to notify immediately any change of address to the Company's R & T Agents or to their respective Depository Participant, in case of shares held in electronic form.
10. 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.
11. Members are requested to address all correspondence, including dividend matters, to the Company's R & T Agents.
12. Members seeking any information with regards to Accounts / Annual Reports, are requested to write to the Company at least 10 (ten) days before the Meeting, to enable the management to keep the information ready at the Meeting.
13. 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.
14. Electronic copy of the Annual Report for FY 2016-17 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 a physical copy 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.

15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for FY 2016-17 will be available on the Company's website - www.cmifpe.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days up to and including the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the members may also send requests to the Company's investor email id: investors@cmifpe.com.
16. A route map showing directions to reach the venue of the meeting is given in the Annual Report.
17. Process and manner for Members opting to vote through electronic means:
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the Meeting) to exercise their right to vote at the 31st Annual General Meeting ("AGM"). The business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL"):

The instructions for e-voting are as under:

- A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:**
 - (i) Open email and open PDF file viz; "CMI FPE e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.