



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Members of CMI LIMITED will be held on Tuesday, the 28th day of September, 2010 at 11.30 a.m. at Lajwaab Banquet Hall, Vikas Marg, Delhi – 110092 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 along with the Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Vijay Kumar Gupta, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
3. To appoint Mr. Ramesh Chand, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
4. To appoint **M/s J. K. Manocha & Associates, Chartered Accountants, Delhi**, the retiring Auditors, to hold office as Auditors from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration:

"RESOLVED THAT M/s J. K. Manocha & Associates, Chartered Accountants, Delhi, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and Board of Directors of the Company be and is hereby authorized to fix their remuneration."

SPECIAL BUSINESS:

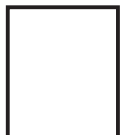
5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:**

"RESOLVED THAT Mr. Abhishek Aggarwal, who was appointed as an Additional Director by the board on 20th November, 2009 as per Article 80 of Articles of Association of the Company and holds office up to the date of 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 under Section 257 of the Companies Act, 1956, be and is hereby elected and appointed as Director of the Company liable to retire by rotation.

6. **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 269, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and Article 110 of Articles of Association of the Company, this meeting hereby approves the appointment of Mr. Amit Jain as Managing Director of the Company with effect from 1st April 2010 for a period of three years, on the terms and conditions as approved by the Board of Directors of the Company and at a remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, a copy whereof initialed by the Chairman for identification is placed before this Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem, desirable, necessary, expedient, usual or proper to implement this resolution."



By Order of the Board

Place: Delhi
Date: 9th August, 2010

Amit Jain
Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2010 to Tuesday, 28th September, 2010, both days inclusive.
4. The Explanatory statement pursuant to Section 173(2) of Companies Act, 1956, which sets out details relating to special business to be transacted at the meeting, is annexed hereto.
6. Members are requested:
 - a) To intimate immediately for change of their address and bank particulars to the "RTA" in case shares are held in certificate form;

AND

- In case the shares are held in dematerialized form, information should be passed on directly to their respective Depository Participant and not to the Company/RTA without any delay.
- b) To provide information with respect to particulars such as occupation, fathers' name etc and such other information, that is not available with the company so as to update Members' Register.
 - c) To quote Ledger Folio Numbers/DP ID – Client ID in all their correspondence.
 - d) To bring their admission slips along with copy of the Reports and Accounts to the Annual General Meeting.
 - e) No gift or gift coupons will be distributed at the meeting.
4. No amount of money is due & pending which is required to be transferred to unpaid or unclaimed dividend account or to Investor Education and Protection Fund.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors of your Company appointed Mr. Abhishek Aggarwal as an Additional Director of the Company at their Meeting held on 20th November, 2009, pursuant to Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Article 80 of the Articles of Association of the Company. In terms

of the said section, he holds office up to the ensuing Annual General Meeting.

It is proposed to appoint Mr. Abhishek Aggarwal as Director of the Company, liable to retire by rotation.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for office of Director of the Company.

The Board of Directors of your Company are of the view that it is desirable to avail guidance and advice of Mr. Abhishek Aggarwal who is having rich experience and expertise in cable industry and Public Relations and accordingly, your Directors recommend the Resolution at Item No. 5 for your approval.

None of the Directors except Mr. Abhishek Aggarwal seeking appointment is concerned or interested in the said resolution.

Item No. 6

The Board of Directors of your Company at their meeting held 1st April 2010 on the recommendations of Remuneration Committee of the Company have resolved to appoint Mr. Amit Jain as Managing Director at a monthly remuneration Rs 1,25,000/- (Rupees One Lakh and Twenty Five Thousand Only) with effect from 1st April 2010 subject to the approval of the Members and in pursuance of the provisions of Schedule XIII and other applicable provisions of the Company Act, 1956. The remuneration package proposed to be provided to Mr. Amit Jain is as follows:

Basic Salary	:	63,750.00
HRA(60% of Basic)	:	38,250.00
Education Allowance	:	2,500.00
Conveyance Allowance	:	12,000.00
Fixed Medical Allowance	:	8,000.00
Total		1,24,500.00
Insurance Premium	:	500.00
Total Emoluments		1,25,000.00

Mr. Amit Jain turnaround the Company from a loss making entity to a profitable Company with his extraordinary vision and entrepreneurial skills. Under his leadership, CMI has grown significantly despite many hurdles. Because of his foresightedness and professional approach, he is appointed as Managing Director for a period of three years from 1st April, 2010 to 31st March, 2013. As a Managing Director, he is responsible for overall management of the Company.

The proposed remuneration payable to Mr. Amit Jain is quite moderate compared to remuneration being paid at his level in the cable industry and the same is in conformity with Schedule XIII of the Act.

Except Mr. Amit Jain, none of the Directors is interested in this resolution. The Board recommends the resolution at Item No. 6 as Ordinary Resolution for your approval.

By Order of the Board

Amit Jain
Managing Director

Place: Delhi
Date: 9th August, 2010

DIRECTORS' REPORT

To,

The Members,
CMI Limited

Your Directors have enormous gratification in presenting the Forty Third (43rd) Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

OVERALL REVIEW

During the year under review, although there is a downfall of 9.51% in the turnover of the Company, yet the total income (i.e. the aggregate of Turnover and other income) fall down by 6.45% only. Further, the Net Profit before Depreciation and Tax reports a downfall of 1.17% only. Since, the Company has adopted adequate cost control measures through out the year, therefore despite of the reduced turnover; it is still able to maintain its Net Profit. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market.

FINANCIAL REVIEW

The working results of the Company for the year are as follows: -

PARTICULARS	31.03.2010 Amt. (In Rs.)	31.03.2009 Amt. (In Rs.)
Total Income (Turnover + Other Income)	48,80,79,653	52,17,18,366
Less: Expenditure	45,85,16,178	49,18,03,699
Profit before Depreciation and Tax	2,95,63,475	2,99,14,667
Less: Depreciation	1,03,03,830	87,25,348
Profit Before Tax	1,92,59,645	2,11,89,320
Less: Taxation-Current Year	11,35,000	-
Fringe Benefit Tax	-	1,47,911
Add: MAT Claimable	10,34,097	-
Previous Year Adjustments	1,454	4,53,066
Net Profit for the year carried to the Balance Sheet	191,60,196	2,14,94,475

DIVIDEND

Although the brought forward losses have been adjusted during the year, yet 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.

AUDITORS

M/s J. K. Manocha & Associates, Chartered Accountants, Delhi, who retires at the conclusion of this Annual General Meeting, and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company. They have furnished a certificate to the effect that their re-appointment if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The name of the Auditors' Firm has been changed from M/s Manocha J. K. & Associates to M/s J. K. Manocha & Associates.

AUDITORS' OBSERVATION

The Auditors' Report has been annexed with this report, Auditors' observations are self explanatory, which do not call for any further clarifications.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Vijay Kumar Gupta and Mr. Ramesh Chand, Directors are liable to retire by rotation and being eligible offers their candidature for re-appointment.

During the year under review, Mr. Abhishek Aggarwal has been appointed as an Additional Director and Mr. Parag Jain has resigned as Director effective 20th November, 2009. Your Directors place before the members of the Company a proposal to regularize Mr. Abhishek Aggarwal as Director of the Company.

The Board of Directors of the Company resolved to appoint Mr. Amit Jain, as the Managing Director of the Company with effect from 1st April 2010 for a period of three years i.e. up to 31st March 2013 at a monthly remuneration of Rs. 1,25,000/- subject to the approval of the Members and in pursuance of the provisions of Schedule XIII and other applicable provisions of the Company Act, 1956.

PREFERENTIAL ALLOTMENT

During the year under review, an Extra-ordinary General Meeting of the Members of the Company was held as on 2nd February, 2010 to offer, issue and allot 30,00,000 Equity Shares of the Company to Mr. Amit Jain, in the capacity of promoter, on preferential basis. However, the decision of Board of Directors of the Company is still pending in this regard.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

REVOCATION OF SUSPENSION OF TRADING IN SHARES ON BSE

During the year under review, the Company has made all compliances required till date in conformity with various clauses of Listing Agreement signed with Bombay Stock Exchange Limited and has also paid re-instatement fees for revocation of suspension of trading in shares of the Company.

Consequently, BSE has lifted suspension on the trading of Equity Shares of the Company and the shares of the Company are now being traded w.e.f. 4th August, 2010.

INSPECTION UNDER SECTION 209A OF COMPANIES ACT

During the year under review, an inspection of the Company was carried out under Section 209A of the Companies Act, 1956 and certain observations were raised by Regional Director (RD), Northern Region in this regard. The officials of the Company have been dealing with the same and as and when the final remark from Government of India will be received by the Company, it will be replied appropriately.

HUMAN RESOURCES

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

CORPORATE GOVERNANCE

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

The Compliance Report on Corporate Governance Report forms part of this Annual 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.

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.

ISO CERTIFICATION

Your Company continues to uphold and maintain the prestigious ISO 9001 Certification for manufacture of PJFT, Dry Core, PVC, Instrumentation, Power Control and Networking Applications Cables. The Company continues to practice international quality standards, systems and procedures.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there were no material departures.
- (ii) Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

As none of the employees was in receipt of remuneration more than Rs. 24,00,000/- per annum, if employed for the whole year or Rs. 2,00,000/- per month, if employed for part of the year. Therefore, the Company is not required to give information pursuant to Section 217(2A) of the Companies Act, 1956.

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

The disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure Of Particulars on The Report of Board Of Directors) Rules, 1988 forming part of the Directors' Report and is as under:

Conservation of Energy

(a) Energy Conservation Measures taken	The Company has taken adequate measures to ensure optimum use of all equipments so as to conserve energy.
(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy	The Company is evaluating new technologies to make its infrastructure more energy efficient.

(c) Impacts of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	These measures resulted in cost saving for the company and effective management and efficient utilization of energy resources.
(d) Total Energy consumption and energy consumption per unit of production as per Form A	Not Applicable

Technology Absorption, Adaptation & Innovation

Continuous efforts are being made for product improvement and cost reduction.

I. 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: Nil Recurring Expenditure: Nil

II. Technology absorption, adaptation and innovation

Efforts, in brief made towards technology absorption, adaptation and innovation	In-house training is being imparted to plant personnel for adaptation of the updated technology.
Benefits derived as a result of above efforts, for e.g. product improvement, cost reduction, product development, import substitution etc.	New Product Development, Cost optimization, Productivity and product quality improvement.

I. The Company has not made any technology import.

II. Foreign Exchange Earnings and Outgo:

Expenditure in Foreign Currency	Nil
Earnings in Foreign Currency	Nil

SUBSIDIARY COMPANY

The Company has one wholly owned subsidiary Company viz. CMI Telecom Limited. The Company has yet to commence its business.

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 controlled 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 wish to take this opportunity to offer sincere appreciation and acknowledge with gratitude the support and co-operation extended by the clients, vendors, bankers, registrar and share transfer agent, business associates, financial institutions, media and their agencies and look forward to their continued support and assistance.

Your Directors also convey their gratitude to the Members of the Company for the confidence shown by them in the Company and thank the employees at all levels, who, through their untiring efforts, dedication, cooperation and commitment have enabled the company to achieve its strategic corporate objectives.

By Order of the Board

Amit Jain
Chairman of the Meeting

Place: Delhi

Date: 9th August, 2010

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the CMI Group.

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

The Company will continue to focus its resources, strengths and strategies to create and safeguard shareholders' wealth.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory, significant and other material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non-Executive Directors, the latter includes independent professionals. Directors are appointed / re-appointed with the approval of the Shareholders and all are liable to retire by rotation except Managing Director. The present strength of the Board of Directors is six, of which one is an Executive Director.

Composition of the Board of Directors as on 31st March 2010:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	1	17
Non-Executive Independent Directors	3	50
Other Non-Executive Directors	2	33
Total	6	100

Directors

The Board constitution, the attendance of the Directors at the meetings of the Board held during the financial year and at the last Annual General Meeting (AGM), numbers of other Directorship / Committee Membership held by them during the year 2009 - 2010 are tabulated below:

Name of Director	Category of Director	Number of Board Meetings		Attendance in Last AGM	No. of Directorships in other Public Cos.	No. of Other Committee position as Member	No. of Other Committee position as Chairman
		Held*	Attended				
Mr. Amit Jain	Chairman cum Managing Director & Executive Promoter Director	18	18	Yes	One	None	None
Mr. Parag Jain **	Non Executive Promoter Director	13	13	Yes	None	None	None
Mr. Pyare Lal Khanna	Non Executive Independent Director	18	16	Yes	None	None	None
Mr. Abhishek Aggarwal***	Non Executive Director	6	5	No	None	None	None
Mr. Vijay Kumar Gupta	Non Executive Director	18	18	Yes	One	None	None
Mr. Neeraj Goel	Non Executive Independent Director	18	17	Yes	None	None	None
Mr. Ramesh Chand	Non Executive Independent Director	18	16	Yes	None	None	None
<p>* Denotes number of meetings held during the tenure of directorship of each director.</p> <p>** Mr. Parag Jain has resigned as Director of the Company w.e.f 20th November, 2009.</p> <p>*** Mr. Abhishek Aggarwal has been appointed as Additional Director of the Company w.e.f. 20th November, 2009.</p> <p># Mr. Vijay Kumar Gupta and Mr. Ramesh Chand Directors are liable to retire by rotation and being eligible offer themselves for re-appointment.</p>							

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.

Number of Board of Directors Meeting held during the year.

Eighteen (18) Board Meetings were held during the year 2009-2010 and the gap between two meetings did not exceed four months. The details of which are as follows:

(1) 18th April, 2009; (2) 1st May, 2009; (3) 25th May, 2009; (4) 30th May, 2009; (5) 27th June, 2009; (6) 30th June, 2009; (7) 20th July, 2009; (8) 11th August, 2009; (9) 3rd September, 2009; (10) 21st September, 2009; (11) 21st October, 2009; (12) 18th November, 2009; (13) 20th November, 2009; (14) 30th November, 2009; (15) 21st December, 2009; (16) 7th January, 2010; (17) 30th January, 2010; (18) 5th March, 2010;

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS

Name of the Director	Mr. Amit Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Abhishek Aggarwal	Mr. Neeraj Goel	Mr. Ramesh Chand
Designation	Chairman cum Managing Director & Executive Promoter Director	Non Executive Independent Director	Non Executive Director	Non Executive Director	Non Executive Independent Director	Non Executive Independent Director
Date of Birth	15 th Oct., 1973	13 th Aug, 1948	15 th Dec, 1949	14 th Feb, 1981	6 th Dec, 1975	15 th May, 1949
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	1 st Oct, 2002	30 th Sept, 2004	15 th Jan, 2009	20 th Nov., 2009	14 th Feb, 2002	27 th Feb, 2009
Qualifications & Experience	Having rich experience in cable manufacturing industry	Having more than 40 years of Grassroot level experience in Metals	Having very rich experience in Technical and Marketing	MBA Finance and expertise in Financial Management	Having more than 10 years of experience in Marketing	B.Sc and MA in Sociology and have expertise in Finance Management
Shareholding in CMI Limited as on 31-03-2010	1,112,570 (36.44%)	Nil	8770 (0.29%)	1,10,344 (3.61%)	Nil	9000 (0.30%)
Directorship in other Companies and Memberships of Committees*	CMI Telecom Limited	Nil	CMI Telecom Limited	Nil	Nil	Nil
DIN	00041300	02237272	00995523	01259173	01753138	02759859

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