



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 46TH ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Friday, the 27th September, 2013 at 11:30 am at Lajwaab Banquet Hall, Vikas Marg, Delhi – 110092 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Pyare Lal Khanna, who retires from office by rotation, and being eligible, offers himself for re-appointment.
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 M/s J.K. Manocha & Associates, Chartered Accountants, New Delhi, be and hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

By Order of the Board

Place : Delhi
Date : 29th August, 2013

Amit Jain
Chairman & Managing Director



NOTICE

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 ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, THE INSTRUMENT MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote on their behalf at the Meeting.
2. Brief resume of all the Directors, nature of their expertise in specific functional area, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, Shareholding and relationships between Directors inter-se stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
3. Members are requested to bring their ID cards and attendance slip along with their copy of Annual Report of the Meeting.
4. Relevant documents referred in the accompanying notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 A.M to 1.00 P.M up to the date of the Meeting.
5. Pursuant to Section 154 of the Companies Act, 1956 the Company has already notified closure of Register of Members and Share Transfer Books from September 21st, 2013 to September 27th, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if the dividend is declared at the Meeting.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.



7. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Transfer Agents, M/s Beetal Financial & Computer Services Private Limited, Beetle House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062.
8. The Members are requested 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.
9. Members holding shares in electronic form are requested to quote Ledger Folio Numbers/ DP ID- Client ID in all their correspondence.
10. The Members are requested to note that no gift or gift coupons will be distributed at the meeting.
11. 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.
12. The Register of Director's shareholding will be available for inspection at the meeting.

By Order of the Board

Place : Delhi
Date : 29th August, 2013

Amit Jain
Chairman & Managing Director



DIRECTORS' REPORT

To,
The Members,
CMI Limited

The Board of Directors takes the pleasure in presenting the Forty Sixth (46th) Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	(Rs. in lacs)	
	2012-13	2011-12
Gross Revenue (Sales & Other Income)	8921.46	7310.93
Less : Operating & Administrative Expenses	8569.92	6965.53
Profit before Depreciation and Tax	351.54	345.40
Less : Depreciation	104.66	107.85
Profit Before Tax	246.88	237.54
Add : MAT credit	—	37.98
Less: Provision for Tax	100.00	51.20
Add: Previous Year Adjustments	19.52	(8.69)
Net Profit for the Year carried to the Balance Sheet	166.00	215.64

OVERALL REVIEW

Overall, 2012-13 has been a satisfying year; there is an increase of 22.86% in the turnover of the Company. The total income (i.e. the aggregate of Turnover and other income) and the Net Profit before Depreciation and Tax reports an increase of 22.03% and 1.78% respectively. Further, the Net Profit after Depreciation and Tax reports a decrease of 23.02% only. Although, the Company has adopted adequate cost control measures throughout the year, but due to increase in Financial Cost, Net Profit did not increase as compared to increase in turnover. The Company was 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 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



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.

Therefore, the Directors do not recommend any dividend on Equity Shares for the financial year 2012-13.

AUDITORS AND THEIR REPORT

M/s J. K. Manocha & Associates, Chartered Accountants, Delhi, 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 for the financial year 2013-14 of the Company. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the limit prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations of the Auditors, are self-explanatory and do not call for any further explanation from the Directors.

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 sustained its long term credit rating of BB. The BB awarded by ICRA reflects moderate risk regarding timely servicing of financial obligation. The Company's short term credit rates as A4+ by ICRA, reflects minimal degree of safety regarding timely payment of financial obligations.



DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. Pyare Lal Khanna Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers their candidature for re-appointment. Your Board recommends his re-appointment.

During the year under review, Mr. Neeraj Goel who was appointed as Director of the Company on 14th February, 2002, resigned from the directorship of the company w.e.f. 15th February, 2013.

None of the Directors of the Company is disqualified under the provision of Section 274(1) (g) of the Companies Act, 1956.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under 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 for the year ended 31st March, 2013 the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 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 at the end of the financial year and of the profit of the Company for that period 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 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.

COMMITTEES

The Board of Directors has constituted three Committees of the Board – the Audit Committee, the Investor's/Shareholder's Grievance Committee & Remuneration Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Signed minutes of the Board Committee meetings are placed for information of the board. The role and composition of these Committees, including the number of meetings held during the financial year have been provided in this report.

EXTRAORDINARY GENERAL MEETING

No Extra Ordinary General Meeting was held during the year 2012-2013.

SHARE CAPITAL

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

(a) EQUITY SHARES

For 152675 Equity Shares of Rs. 10/- each which were issued and allotted at the Board Meeting held on 30th March, 2011, on preferential basis at a price of Rs. 25.76/- per share (including the premium of Rs.15.76/- per Equity Share) to Mr. Amit Jain in the capacity of the promoter(s) of the Company, the listing approval has been obtained from the Bombay Stock



Exchange Limited vide letter dated 2nd June, 2011 and from the Delhi Stock Exchange Limited vide letter no. DSE/LIST/6685/20918/7618 dated 08th August, 2012. The listing approval of aforesaid Equity Shares is still awaited from Ahmadabad Stock Exchange Limited.

(b) CONVERTIBLE WARRANTS

For 328632 Convertible Warrants issued and allotted at the Board meeting held on 30th March, 2011 at a price of Rs. 25.76/- per warrant on preferential basis to Mr. Amit Jain, in the capacity of promoter of the Company, the right of conversion has been exercised by the Warrant Holder- Mr. Amit Jain in the following manner:

- For the FIRST TRANCHE of 160308 Convertible warrants out of total 328632 Convertible Warrants converted into 160308 Equity Shares on 16th January, 2012, the listing approval has been received from BSE vide letter no. DCS/PREF/PS/FIP/066/2012-13 on 27th April, 2012 and are listed on BSE w.e.f. 06th June, 2012 and from DSE vide letter no. DSE/LIST/6685/20919/7619 dated 08th August, 2012.
- The remaining 168324 Convertible warrants out of total 328632 Convertible Warrants were converted into 168324 Equity Shares on 30th July, 2012 and the listing approval has been received from BSE vide letter no. DCS/PREF/PS/FIP/197/2013-14 on 9th July, 2013 and are under process for listing on BSE.

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 read with the Companies (Acceptance of Deposits) Rules.

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 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.

PARTICULARS OF EMPLOYEES

During the year under review none of the employees was in receipt of remuneration more than Rs. 60,00,000/- per annum, if employed for the whole year or Rs. 5,00,000/- 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, Research and technology 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:

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.

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.

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.