CMI Limited
Annual Report 2016-17

AN ISO 9001, ISO 14001 &
OHSAS 18001 COMPANY
CIN NO. L74899DL1967PLC018031

CABLES THAT EMPOWER

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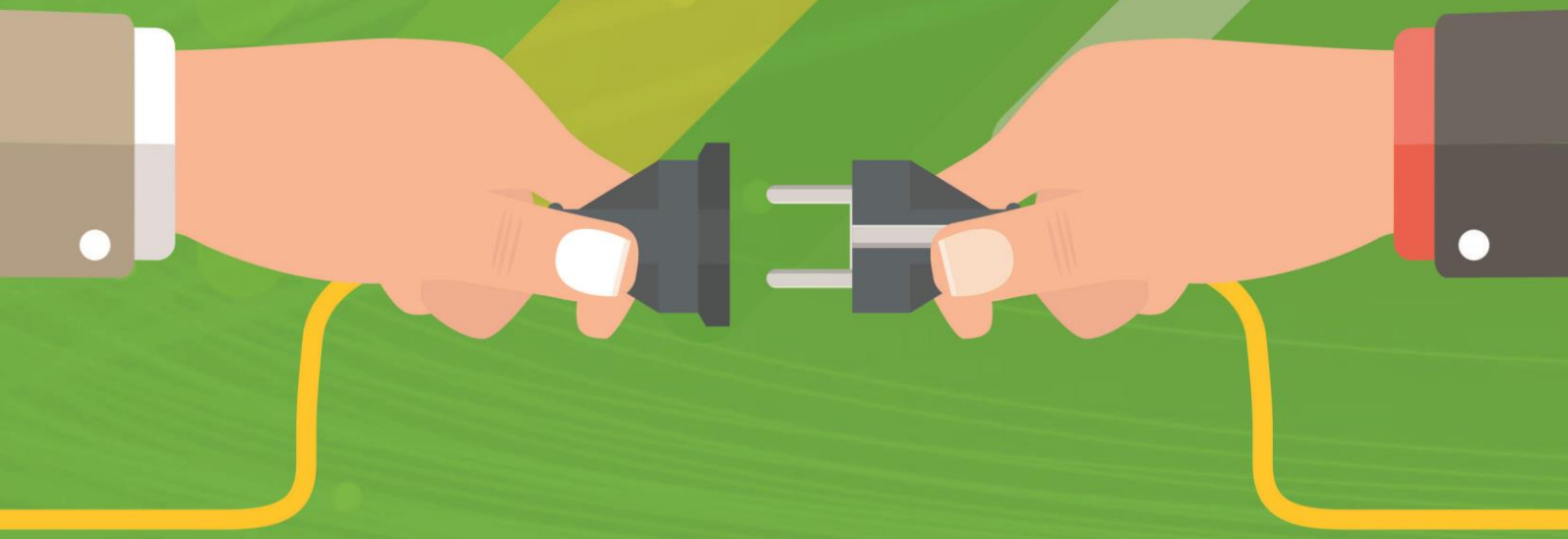
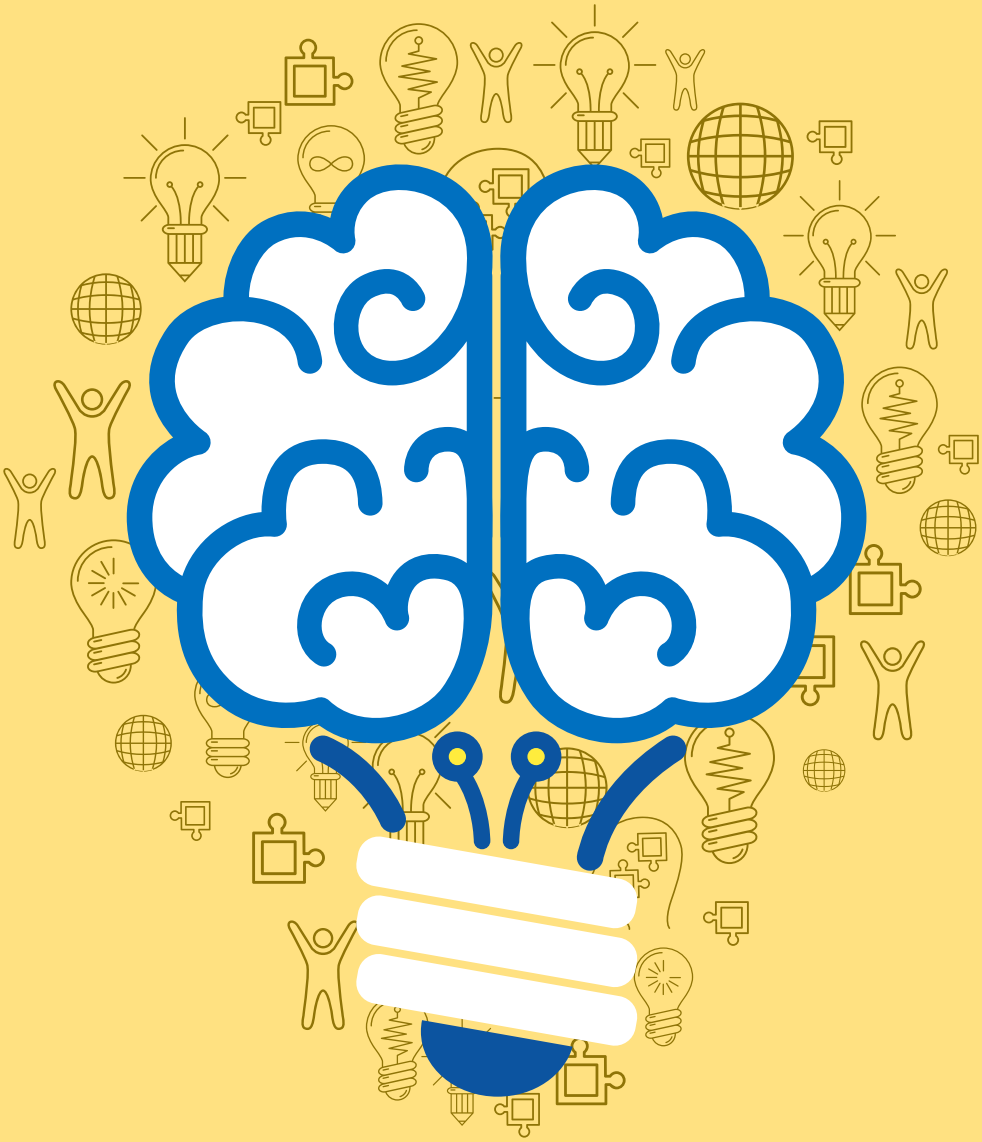
OUR MISSION & VISION



Mission

"Sustainable growth through innovation"

Our mission is to achieve sustainable growth by delivering high-quality, innovative products that meet new, undefined or existing market needs in unique ways. We achieve this by fostering innovation which helps us to stay ahead in the competition, provide meaningful differentiation and gain increased recognition in the wires and cables industry.

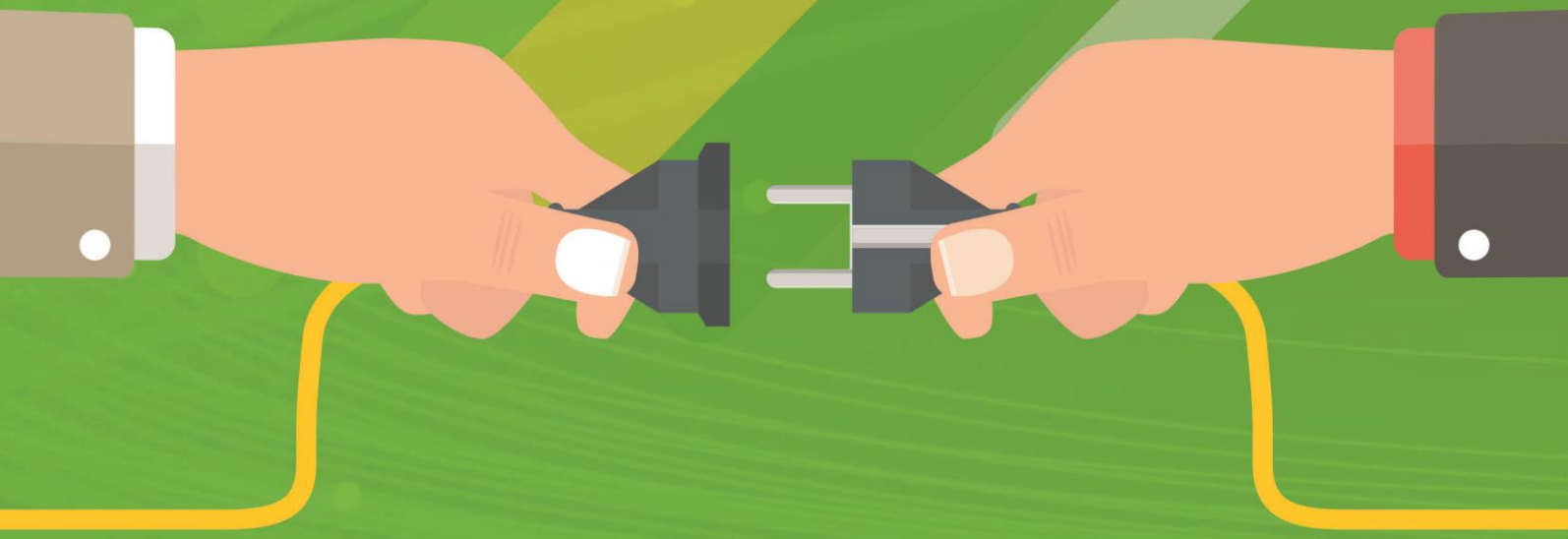


Vision

"To maximize shareholders value through leadership position in the global specialty cable space"

Our vision is to become one of the world's leading cable manufacturers by utilizing state-of-the-art manufacturing facilities and best-in-class resource pool. We aim to be the first choice amongst significant players in the specialty cable manufacturing industry by delivering products which exceed customers' expectations. Our priority is to maximize shareholders value through product development, improved efficiency and open culture within the Company.

OUR VALUES



Our Values

Integrity

A pledge to follow ethical business practices and be honest in all our business dealings

Excellence

A commitment to excel in all our operations by demonstrating teamwork, trust and efficiency

Customer Satisfaction

A guarantee of total customer satisfaction with products meeting international quality standards

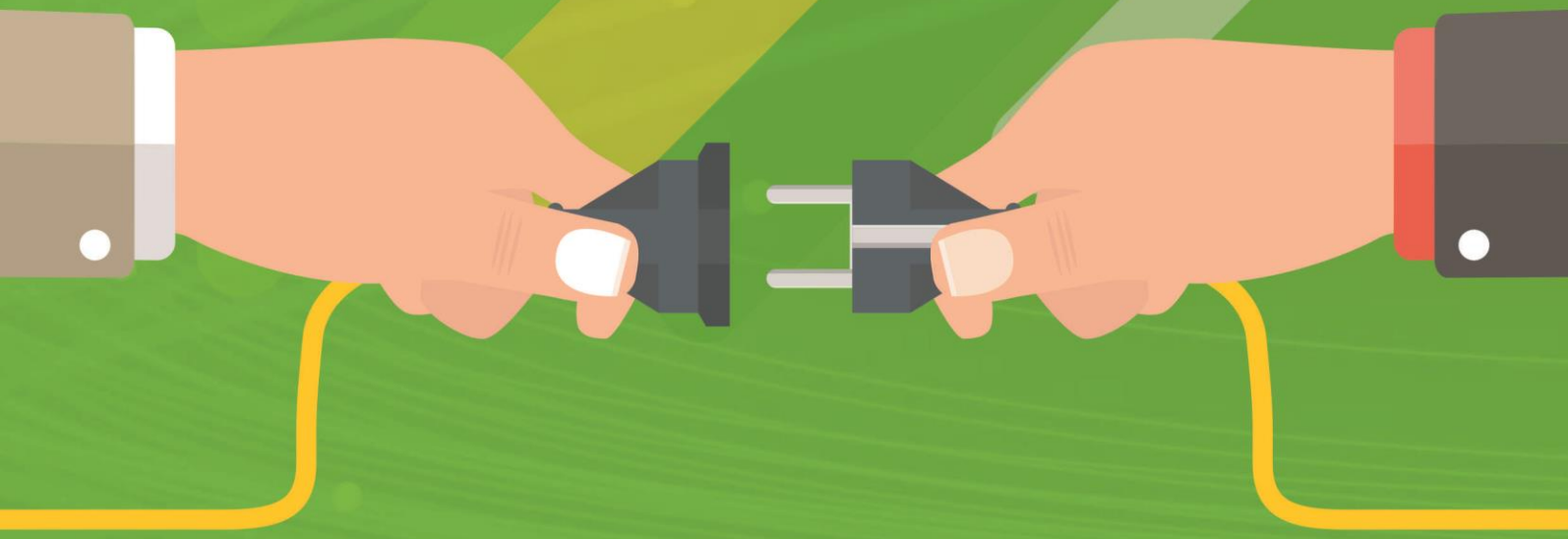
Respect

A promise to treat all employees, customers and other stakeholders with dignity and respect

Safety

An assurance of safety and security to all by framing and following thorough safety rules

CHAIRMAN'S SPEECH



Chairman's Speech

Dear Shareholders,

It is with a great sense of pride that I address you with another year of commitment to deliver strong performance both operationally and financially. The journey of transformation which began in 1967 with modest operations has started to bear fruits now, as CMI Limited strengthened its presence in the highly competitive Indian wire and cable market. The synergetic acquisition completed in the last fiscal year has been moving steadily towards the envisioned direction, as evidenced by higher capacity utilization, increased average realizations and growth across products and sectors. The Company has yet again delivered robust financial performance on a standalone basis, with gross sales rising to Rs.343.8 crores from Rs.269.9 crores posted in the previous year and net profit increased to Rs.20.1 crores from Rs.17.0 crores reported in the corresponding period last year. This impressive financial performance underpins the strength of our business model and our strong positioning in the wire and cable market. On a consolidated basis, gross sales climbed to Rs.420.7 crores from Rs.269.9 crores a year ago, while net profit excluding extraordinary items grew from Rs.27.0 crores in FY2015-16 to Rs.30.1 crores posted in the current fiscal year.

The past year signified our acquisition of General Cable Energy India Private Limited, presently known as CMI Energy India Private Limited (CMIE), a wholly owned subsidiary of CMI Limited. During the year, we focused to enhance the capacity utilization at our CMIE plant located at Baddi which started to contribute substantially to our topline. Our product offering from CMIE not only complements our current product portfolio but also provides us with an opportunity to cross-sell and acquire new clients across sectors and geographies. On the operational front, Indian Railways continued to remain our top customer, while we explored new business avenues in the renewable space through our offerings of cables for solar power projects. During the year, we bagged significant orders from Indian Railways, Bharat Heavy Electricals Limited and other PSUs and continued to receive approvals for newer products from our clients. At the end of the year, we have orders in hand worth more than Rs.300 crores for both the plants located at Faridabad and Baddi, to be executed within the timeframe of six-to-eight months, providing significant revenue visibility for the near term. Our strong order book, experience in implementing large projects and highly capable management team empowers the Company to steer in the right direction going forward.

The rejuvenation of the Indian economy in the past three years is a big positive for the overall wire and cable industry. With the International Monetary Fund (IMF) projecting the Indian economy to be one of the fastest growing economies in the world, we believe that our Company is well placed to benefit from the expected traction in the Indian economy post the demonetization and ongoing structural reforms such as the recent introduction of the Goods and Services Tax (GST). The Government of India's impetus to boost the economy through several of its key projects such as 'Make in India', 'Smart City Programme', 'Housing for All', 'Power for All' and 'Digital India' are likely to translate into higher orders for our Company. Similarly, the government's massive planned capital expenditure for Indian Railways, Metro projects, Infrastructure, Housing and Power T&D sector is likely to prove beneficial to our Company in the long-term.

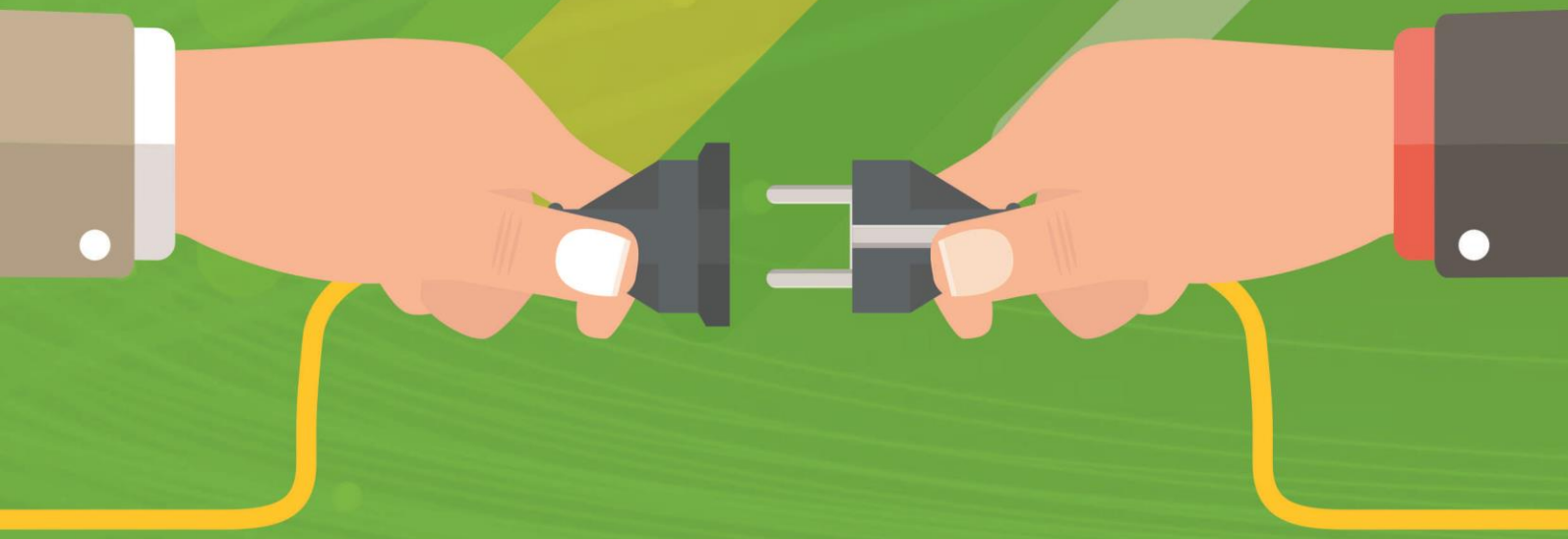
We continue to acknowledge integrity, excellence, customer satisfaction, respect and safety for people as the fundamental cornerstones of our eventful journey. We are moving forward to achieve sustainable growth for our organization through investment in R&D and commitment towards delivering high-quality, innovative products. To further expand our product offerings, we have envisaged a capital expenditure to the tune of Rs.20 crores in plant and machinery. We always thrive to maximize shareholders value and have taken a step forward in that direction by recommending a final dividend of Rs.1 per equity share for the financial year ended 31 March 2017.

I take this opportunity to thank all our shareholders for their continued support and trust in the Company and the management. I also sincerely extend our gratitude to all the employees for their immense contribution and dedication in nurturing the growth of the Company. I remain optimistic that we together can make a difference and achieve newer peaks for the Company, going forward.

Amit Jain

Chairman cum Managing Director

OUR COMPANY



About Our Company

CMI Limited

Headquartered in Delhi, CMI Limited (hereinafter "the Company"/"CMI"/"CMI Limited"), an ISO 9001 accredited Company, is engaged in manufacturing cables for various industries such as Railways, Oil & Gas, Telecommunications, Energy, Industrial, Power, Petrochemicals, etc. We are present in the entire value chain of the wire and cable industry, starting from design, development and manufacturing to marketing and distribution of cables. With our diversified range of cables, we cater to the requirements of a broad spectrum of industries and clients. Our comprehensive product portfolio includes electric cables for Railways, Metro projects, Utilities, Buildings, Data Transmission, Instrumentation, Submarine Cables, Control Cables, Special Cables and Extra High Voltage (EHV) Cables, which conform to several domestic and international specifications. We are one of the few approved vendors to supply signalling cables to Railways. We provide signalling cables and other safety cables to Railways and other government agencies which form our primary source of revenue. Our plants located at Faridabad and Baddi possess state-of-the-art production lines along with R&D and testing facilities. Apart from the capabilities to serve clients across industries, the plant at Baddi is equipped to manufacture cables used in the solar power projects.