



CMI INDUSTRY

Metals

Leadership Pipeline

Competitive Advantage

Waste Elimination

Corporate
Social
Responsibility

CMI FPE Limited

Active on all fronts

Annual Report **2015-2016**

Technical
Innovation

Audits

CAD/CAM
Integration

Benchmarking

Emerging
Technologies

State Of Art Facility

Valued Customers

Project
Management

Business
Partner

Risk
Mapping

International Technical Meet

Pulse
A CMI People Survey

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Active on all fronts

Message from Chairman

The Group made progress on every front in 2015. Operationally, the CMI teams were mobilised round the clock, year round somewhere in the world. They sought without respite to explore new horizons, while the Group's governance bodies endeavoured to stay on course.

Active on all fronts

After a year of intense commitment in 2014, 2015 dawned as a new year of challenges for the Group. Whether technological or commercial, linked to geopolitical risks or the Group's rapid growth, these challenges once again required the teams to do their utmost in order to achieve new triumphs. **Judge for yourselves!**



Message from Chairman

Dear Shareholders,

The year gone by has been challenging in many ways. Volatility in revenue enhancements, low customer sentiment, weak macro environment and delay in clearances for projects signed but not made effective were some of the key concerns. As an industry dependent largely on health of steel manufacturing companies, future developments are determined on how the economy performs as well as government policies supporting this industry.

Cheaper steel imports amidst weak demand conditions pose a major challenge to Indian manufacturers. Slowdown in Chinese consumption continued to keep global steel demand growth depressed in 2015. The operating margins of the domestic steel industry witnessed a decline in 2015 due to low capacity utilization and fall in sales realisation.

The markets within which we compete continue to undergo stagnant demand with a number of customers reporting complexities in making investment. However I am positive that the impact of urbanisation will have a key role to play in the future. It will create substantial new demand for steel to be used in infrastructure developments such as water, energy and transport systems as well as major construction and infrastructure developments. I am hopeful that the government will be able to carve a balanced path to accommodate aspirations of the stakeholders of steel sector.

CMI FPE has taken several measures to improve its competitiveness in the past year by driving productivity and cost efficiency. Your Company continues to expand its customer relationships through innovation and better solution building. CMI FPE has been putting in place structures that enable it to identify opportunities

for innovative and high impact strategic projects and has simplified and improved its processes to become a more responsive and innovative organisation, where accountability and empowerment go hand in hand.

Your Company has been vigorously working to keep its customers abreast of technological advancements through revamp and upgradation projects so as to ensure better sustainability.

Your Company is working on a range of new products and services to consistently exceed customer expectations. This year CMI FPE also emphasised on training its employees in 'Design Thinking' for better and newer ways of problem solving so as to foster a culture of innovation and substantial progress.

We already have a capable organization with immense trust and loyalty of our customers as well as stakeholders. As we move ahead in our journey we may need swift adaptation and tough decisions, especially for evolving to a product portfolio that is more focused on innovation and value-engineering.

As we look ahead, we see a year of continuing challenges but at the same time we are geared up to make the organization more efficient, to take on the current and future competitive challenges. I am convinced that your support and cooperation will strengthen CMI FPE.

I would also like to express my appreciation to each of you, for your support and understanding as we move on into the new financial year with great hope.

Yours Sincerely,

Jean Jouet



Corporate Information

Board of Directors

Mr. Jean Jouet – Chairman
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. Hareesh Vala

Bankers

Canara Bank
Kotak Mahindra Bank Limited
ICICI Bank Limited
Union Bank of India

Auditors

Deloitte Haskins & Sells, Chartered Accountants

Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

Legal Advisors

PDS & Associates, Advocates & Solicitors

Registrar and Share Transfer Agent

Bigshare Services 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 Thirtieth 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 29, 2016 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, 2016 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. Fabrice Orban (DIN 05114495), 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, 142 and 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), M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W) be and are hereby appointed 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 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or the Company Secretary of the Company, be and is hereby 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. **Re-appointment of Mr. Raman Madhok as Managing Director of the Company**

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 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“the Act”**) and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government and such other consents, permissions and sanctions of appropriate and / or concerned authorities, if required and subject to such conditions and modifications, as may be prescribed, imposed or suggested by any of such appropriate and / or concerned authorities while granting such approvals, consents, permissions and sanctions and as agreed by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers conferred by this resolution) without any further approval of the members of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Raman Madhok (DIN 00672492) as the Managing Director of the Company for a further period of 3 (three) years commencing from October 9, 2016 on the terms and conditions and remuneration as stipulated herein below :

Remuneration :

Total Remuneration : Not exceeding an overall ceiling of ₹ 8 crores per annum. The total remuneration (cost to the company basis) for the first year of his term shall not exceed ₹ 5 crores per annum. Subsequent revisions in the remuneration will be determined and approved by the Board within the above overall ceiling.

1. Basic Salary : ₹ 20,00,000/- (Rupees Twenty Lacs only) per month.
2. Housing : Furnished rent free accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses, reimbursement of repairs, renovation and maintenance expenses of house, allowance or reimbursement for utilities such as gas, electricity, water, soft furnishing, hard furnishing and repairs, helper allowance and similar other allowances.
3. Reimbursement of expenses incurred on entertainment for business development and reimbursement of membership fee for the clubs in India, including admission and life membership fee.
4. Other Allowances, Perquisites and Incentive: Subject to overall ceiling as aforesaid, the Managing Director shall have liberty to opt for

such other allowances, perquisites and incentive as he deems fit including bonus, performance incentive, medical reimbursement, leave travel concession for self and family, provision of car for his personal use and such other allowances, benefits, amenities and facilities, etc. as per the Company's Rules and approved by Nomination and Remuneration Committee or as may be mutually agreed between the Board of Directors and the Managing Director.

5. The Managing Director will also be a member of the Group Medical and Personal Accident Insurance policies of the Company.
6. The appointment is terminable by giving not less than six months' notice in writing on either party or as may be agreed by the Board.

In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration :

- Company's contribution to Provident Fund, as per the Company's policy.
- Gratuity payable as per the rules of the Company.
- Earned leave with full pay or encashment, as per the rules of the Company.
- The Managing Director shall be provided for official use a chauffeur driven Company car, telephone, fax, internet connectivity, mobile phone, connections with handset(s) and other communication facilities at residence (including payment for local calls and long distance calls).
- Reimbursement of expenses incurred for the business of the Company.

Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of any such Rule.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with Schedule V of the Act, where in any financial year during the currency of the tenure of Mr. Raman Madhok as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Raman Madhok, the above remuneration as minimum remuneration by way of salary, perquisites and / or allowance, incentives exceeding the limit laid down in Schedule V of the Act, as applicable to the Company or such other limits, as may be prescribed by the Central Government from time to time as to minimum remuneration and in compliance with provisions stipulated therein subject to the prior approval of the Central Government, if and to the extent necessary.

RESOLVED FURTHER THAT the Board and Nomination and Remuneration Committee be and are hereby authorised to vary, amend, modify and revise from time to time the terms of remuneration payable to Mr. Raman Madhok as Managing Director, within the above overall limit, as may be deemed appropriate.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to make necessary application(s) to such authorities, as may be required, for seeking its approval and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to seek necessary approvals and settle any questions, difficulties or doubts that may arise in this regard."

5. **Maintaining of records at the office of Registrar and Share Transfer Agent**

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 94 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby approves that the Register of Members and Index of Members maintained under Section 88 of the Act and copies of Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, be kept at the office of the Registrar and Share Transfer Agent of the Company viz. Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400072 or at such other place or office within Mumbai, where the Registrar and Share Transfer Agent may shift from time to time.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof, if any, constituted by the Board) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, things and matters and take such actions as may be required from time to time to give effect to the above resolution and to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official(s) or authorised representative(s) of the Company for the purpose of giving effect to this resolution."

6. **Ratification of the remuneration payable to Cost Auditor for the financial year 2016-17**

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 the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed by the Board of Directors of the Company, on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company at a remuneration of ₹ 2,00,000/- (Rupees Two Lacs only) plus reimbursement of out-of-pocket expenses for the financial year 2016-17, be and is hereby ratified and confirmed."

7. **Omnibus prior approval for Material Related Party Transactions**

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 requirements of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"Listing Regulations"**), provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **"the Act"**) including any statutory modification(s) or re-enactment(s) thereof for the time being in force, provisions of Companies (Meeting of Board and its Powers) Rules, 2014 (hereinafter referred to as **"the Rules"**) and the approval of Audit Committee and the Board of Directors of the Company and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the omnibus prior approval of the members of the Company be and is hereby accorded for entering into the following proposed Related Party Transactions with respect to sale and purchase of goods and supply of services, upto the maximum amounts as appended in the table below :

Sr. No.	Name of the Related Party	Relation-ship	Maximum Value of Transactions for 2 to 3 years based on orders to be received
1.	CMI SA	Holding Company	₹ 500 crores
2.	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 25 crores

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Raman Madhok, Managing Director of the Company and Mr. Akash Ohri, Chief Financial Officer of the Company be and are hereby severally authorised to agree, accept and finalise all such terms and conditions, modification(s) and alteration(s) as they may deem fit and also authorised to resolve and settle all questions, difficulties or doubts that may arise with regard to the said transaction and finalise and execute the agreement(s), documents and writings and to do all such acts, deeds, matters and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution."

By Order of the Board

Haresh Vala
Company Secretary

Mumbai
June 23, 2016

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 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 25, 2016 to July 29, 2016 (both days inclusive).
4. The Company's Registrar and Share Transfer Agent (R & T Agent) 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 Section 205A(5) and 205C of the Companies Act, 1956 (which are in force), the Company has transferred on due dates, the unpaid or unclaimed dividends

for the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the information of the unpaid and unclaimed dividends lying with the Company as on the date of last Annual General Meeting held on July 31, 2015, on the website of the IEPF viz. www.iepf.gov.in and also on the website of the Company viz. www.cmifpe.com.

The final dividend for the year ended March 31, 2009 will become due for transfer to IEPF in the month of November, 2016. 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 Agent. 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.

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 issued by the Institute of Company Secretaries of India, is annexed hereto.
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 Agent. Members holding shares in electronic form may contact their respective Depository Participants for availing 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