

CMI FPE Limited
Annual Report 2018-2019

Enabler of opportunities





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Message from the Chairman

Dear Shareholders,

In the first half of 2018, India's economy surged ahead after spending much of the previous year recovering from the Goods and Services Tax (GST) overhaul and the demonetization decision by the Government. While growth pulled back sharply in the second half of the financial year 2018-2019, India still registered the fastest growth rate compared to any other major economies in the world as per International Monetary Fund (IMF).

Trade Analysts believe that India will continue to hold this distinction in the years to come, and many Indian economists expect the continuity of a second Modi term to provide space to re-energize his reform agenda after the lackluster 2018. Modi 2.0 also indicates continuity in economic policy going forward, notably a focus on infrastructure likely to support growth in steel demand above 7% in both 2019 and 2020.

As such, the Indian economy should maintain momentum on 2019, supported by robust government spending, relaxed monetary policy and greater political certainty following the elections. But we all know, that the business environment in India, as in the rest of the world, remains challenging and uncertain.

On the back of this complex and ever changing general economic context, our Group has decided to adapt itself, in order to be best positioned for the next decades. As such, Mr. Jean-Luc Maurange has been named the new CEO of the Group and its worldwide entities located in 23 countries spread across 5 continents. Going back to its roots,

CMI becomes John Cockerill...again...to take on a fresh perspective, inspired by the visionary spirit of its founder. Announced in January 2019 to the Group's worldwide staff, the official announcement of the Group's new identity and name took place on May 16, 2019.

"Back to the roots" stands for continuity, a recurrent theme for the Group's development including our company – CMI FPE. In June 2018, our Company has celebrated its 10th anniversary as a member of the Group, which is now called 'John Cockerill'. Over the course of the ten years that have passed since, the group's envisaged strategy became reality. Since 2008 the Indian steel market has been growing fast, and I can say today that the confidence that our Group's Chairman, Mr. Bernard

Serin put in the success of the cooperation between our Group and its Indian entities has proven right. It remains to be said that we are confident that after our current Managing Director, Mr. Raman Madhok, will have left us in October this year, his worthy successor will help us continue on the same path.

I am delighted to see that over the past decade our Company along with its workshops have been fully integrated into the Group's Industry Sector. The most recent visible signs of the successful integration process is the exchange of personnel between India and the rest of the Sector Industry. On the one hand, I would like to mention the arrival of our company's new Chief Operating Officer, Mr. Frédéric Midy. Coming from our Sector's European headquarter in Belgium, Frédéric joined CMI FPE in December 2018. He is since heading our Indian entity's engineering and project management departments, as well as its workshops. On the other hand, we have been welcoming Mr. Akash Ohri in Belgium in his new function as the Sector's new Financial Controller.

Our firm belief is that our men and women are our biggest asset and that our growth is attributed to our employees, who have grown and developed with the Company. The integration efforts have paid off to the entire satisfaction of the management both locally and on corporate level. Today our Company is an integral part of our Sector's "One Team" philosophy, and I thank every single one of them, not only for having accepted the journey with us, but for having actively taken part in it.

Additionally to its growth in China and India, our Sector is further tapping into other growth markets, like Vietnam and South East Asia. A growth that is supported by the engineering and production provided by our Company.

Markets which are increasingly emerging and prove that our company's products have good acceptability, recognition and value for money approach that is directly linked to value added innovation.

Our Sector's method of staying ahead of competitors is to deploy new production and processing technology used to differentiate our products. The Industry Sector which includes our Company – CMI FPE have developed high performance products and found ways to introduce more operation flexibility to manage the increasingly extended product mix of our clients.



Building upon our experience, we are constantly improving our technologies, amongst others by developing equipment dedicated to continuously improve quality and also reduce energy losses in steel processes for several years now. The purpose of these solutions is to help industries reduce their environmental footprint; improve costs by reducing energy outlays and improving their processes.

One of the most visible signs of our focus on value added innovation, are the recently registered orders, amongst which are three processing lines for one of India's largest steel producer and global steel giant, Tata Steel. All three high-end lines are to provide the client with the very latest technology, and will allow the client to produce skin panels for car outer bodies, helping it retain leadership among domestic suppliers to high-quality segments like the auto and white goods sectors.

Additionally, to serve our clients best, we have been stepping up our manufacturing expansion in both of our workshops in Taloja and Hedavali over the past 10 years. An expansion which was necessary in order to most adequately address the strong long-term economic development and purchasing power that is expected to translate into new and expansion of existing installed production and assembly facilities.

We trust that with all of our latest investments and innovations in terms of services and products the Group is most adequately equipped to assist our company on its way towards sustainability in the years to come.

When talking about sustainability, I would also like to mention with pride, that CMI FPE has won the Group's Public Prize at the 2018 Awards for its health, nutrition and education program. It was a real pet project shared by the Group's staff the world over. An award vividly illustrating the adherence of our worldwide staff to the idea that a healthy community is the best way to achieve sustainable development.

Let me conclude by thanking our employees as well as other stakeholders for their continued commitment to CMI FPE.

Finally many thanks to you, valued shareholders, for your support and for placing your confidence in us to lead your company successfully in the future.

Yours sincerely,

João Felix Da Silva

Corporate Information

Board of Directors

Mr. Joao Felix Da Silva - 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. Haresh Vala

Bankers

Canara Bank
Kotak Mahindra Bank Limited
ICICI Bank Limited
Standard Chartered Bank
Mashreq Bank psc

Auditors

S R B C & Co LLP, Chartered Accountants

Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

Legal Advisors

Agrud Partners, 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 Thirty Third Annual General Meeting of the Members of CMI FPE Limited ("the Company") will be held on Thursday, August 1, 2019 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company including audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Joao Felix Da Silva (DIN 07662251), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Ms. Roma Balwani (DIN 00112756) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution **as a Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Roma Balwani (DIN 00112756) who was appointed as an Independent Director and who holds office of the Independent Director up-to October 28, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from October 29, 2019 up-to October 28, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee), 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."

5. Commission on Profits to Non-Executive Directors

To consider and if thought fit, to pass the following resolution **as a Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Listing Regulations"**) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to all applicable approval(s) as may be required, the consent of the members of the Company be and is hereby accorded for the payment of commission to Non-Executive Directors of the Company, for a period of 5 (five) years commencing from April 1, 2019, to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine, within the overall limit of 1% (one per-cent) per annum or such other percentage as may be specified by the Act from time to time in this regard, of the Net Profits of the Company to be computed in the manner specified under Section 198 of the Act.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fee payable to the Non-Executive Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee), 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."

6. Omnibus prior approval for Material Related Party Transactions

To consider and if thought fit, to pass, the following resolution **as an Ordinary Resolution**:

"RESOLVED THAT pursuant to the requirements of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"the Listing Regulations"**), provisions of Section 188 and

other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “**the Act**”), provisions of Companies (Meeting of Board and its Powers) Rules, 2014 (hereinafter referred to as “**the Rules**”) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) 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 material Related Party Transactions with respect to sale and purchase of goods, supply of services and payment of brand and technical royalty fees, from financial year 2019-20 to financial year 2021-22 up-to the maximum amounts as appended in the table below :

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 3 years from financial year 2019-20 to financial year 2021-22 based on orders to be received
1.	CMI SA, Belgium	Holding Company	₹ 800 crores
2.	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 50 crores
3.	CMI Engineering (Beijing) Co. Ltd.	Fellow Subsidiary	₹ 50 crores

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Managing Director, Chief Operating Officer and 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.”

7. Ratification of the remuneration payable to Cost Auditor for the financial year 2019-20

To consider and if thought fit, to pass, the following resolution **as an Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies

(Audit and Auditors) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and as approved by the Board of Directors, on the recommendations of the Audit Committee, the remuneration of ₹ 2,30,000/- (Rupees Two Lakhs Thirty Thousand only) (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) be paid to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2019-20 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Chief Financial Officer of the Company be and are hereby severally authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors
For CMI FPE Limited**

Haresh Vala
Company Secretary

Mumbai
May 30, 2019

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:

- A Member entitled to attend and vote at the Annual General Meeting (“AGM”) 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.** Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the AGM. A proxy form is annexed to this Report. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.

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) per-cent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) per-cent of the total share capital of the Company carrying voting rights may appoint a single

- person as proxy and such person cannot act as a proxy for any other person or member. The holder of the proxy shall prove his identity at the time of attending the AGM.
2. Corporate Members are required to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative(s) to attend and vote on their behalf at the AGM.
 3. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID / Folio Number. Duplicate Slip or copies of the Report and accounts will not be made available at the AGM.
 4. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings ("**SS 2**") and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Special Business of the accompanying Notice is annexed hereto.
 5. The Register of Members and Share Transfer Books of the Company will remain closed from July 26, 2019 to August 1, 2019, both days inclusive, for determining the names of the members eligible for dividend on the Equity Shares, if declared at the AGM.
 6. Dividend of ₹ 10/- per equity share of face value of ₹ 10/- each for the year ended March 31, 2019, as recommended by the Board of Directors, if declared at the AGM, will be payable after August 1, 2019 to those members :
 - (a) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agent ("**R & T Agent**") on or before July 28, 2019; and
 - (b) whose names appear as Beneficial Owners in the list of Beneficial Owners as on July 28, 2019 furnished by National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") for this purpose.
 7. The Company's R & T Agent for its Share Registry Work (Physical and Electronic) are Bigshare Services Private Limited, having their office premises at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.
 8. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, all unclaimed dividend up-to the financial year 2010-11 to Investor Education and Protection Fund ("**IEPF**") established by the Central Government. Pursuant to the provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.cmifpe.com) and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed dividend for the financial year 2011-12 will fall due for transfer to IEPF in this financial year. Those members, who have so far not encashed their dividends for the financial year 2011-12, are requested to claim it from the R & T Agent of the Company without any further delay.
 9. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to IEPF. The Company will send out individual communication to the concerned shareholders intimating them their particulars of the equity shares due for transfer.

Upon transfer, the shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application, the details of which are available on www.iepf.gov.in. All correspondence should be addressed to the R & T Agent of the Company.
 10. A brief resume of each of the Directors proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of the Companies in which they hold directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard 2 on General Meetings, are provided in Appendix A to the Notice.
 11. Members holding shares in physical mode are advised to make nomination in respect of their shareholding in the Company in the nomination form (Form SH-13). Members holding shares in electronic mode may contact their respective Depository Participant ("**DP**") for availing the nomination facility.
 12. 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 DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's R & T Agent.
 13. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities

are held in the dematerialised form with the Depositories. Therefore, members are requested to take action to dematerialise the equity shares of the Company, promptly.

14. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS / ECS mandate, email address, power of attorney, change of address / name, etc., to their DP only and not to the Company's R & T Agent. Changes intimated to DP will then be automatically reflected in the Company's records which will help the Company and its R & T Agent to provide efficient and better service to the members. Members holding shares in physical form are requested to advise such changes to the Company's R & T Agent.
15. Members are requested to address all correspondence, including dividend matters, to the Company's R & T Agent.
16. Members desirous of getting any information about the accounts and / or operations of the Company are requested to write to the Company at least seven days before the date of the AGM, to enable the management to keep the information ready at the AGM.
17. Electronic copy of the Annual Report for financial year 2018-19 and the Notice of the 33rd AGM of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is uploaded on the Company's website www.cmifpe.com and is being sent to all the Members whose email IDs are registered with the Company / DP for communication purpose 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.
18. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the members at the Company's Registered Office during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days, except Saturday, up to and including the date of the AGM and also at the AGM.
19. The route map to reach the venue of the meeting is given in the Annual Report.

20. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2, 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 on resolutions proposed to be considered at the 33rd AGM

by electronic means. The business may be transacted through e-voting services provided by National Securities Depository Limited ("NSDL").

The Board has appointed M/s. I. Qureshi & Associates, Practising Chartered Accountants as the Scrutinizer to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner.

The instructions for e-voting are as follows:

Step 1 : Login to NSDL's e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL's e-voting system.

Step 1

How to log-in to the NSDL e-voting website

1. Visit the e-voting website of NSDL by opening your web browser and type the following URL : <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on 'e-Voting' and proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For members who hold shares in demat account with NSDL	8 character DP ID followed by 8 digit Client ID For example, if your DP ID is IN3 00*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For members who hold shares in demat account with CDSL	16 digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****.