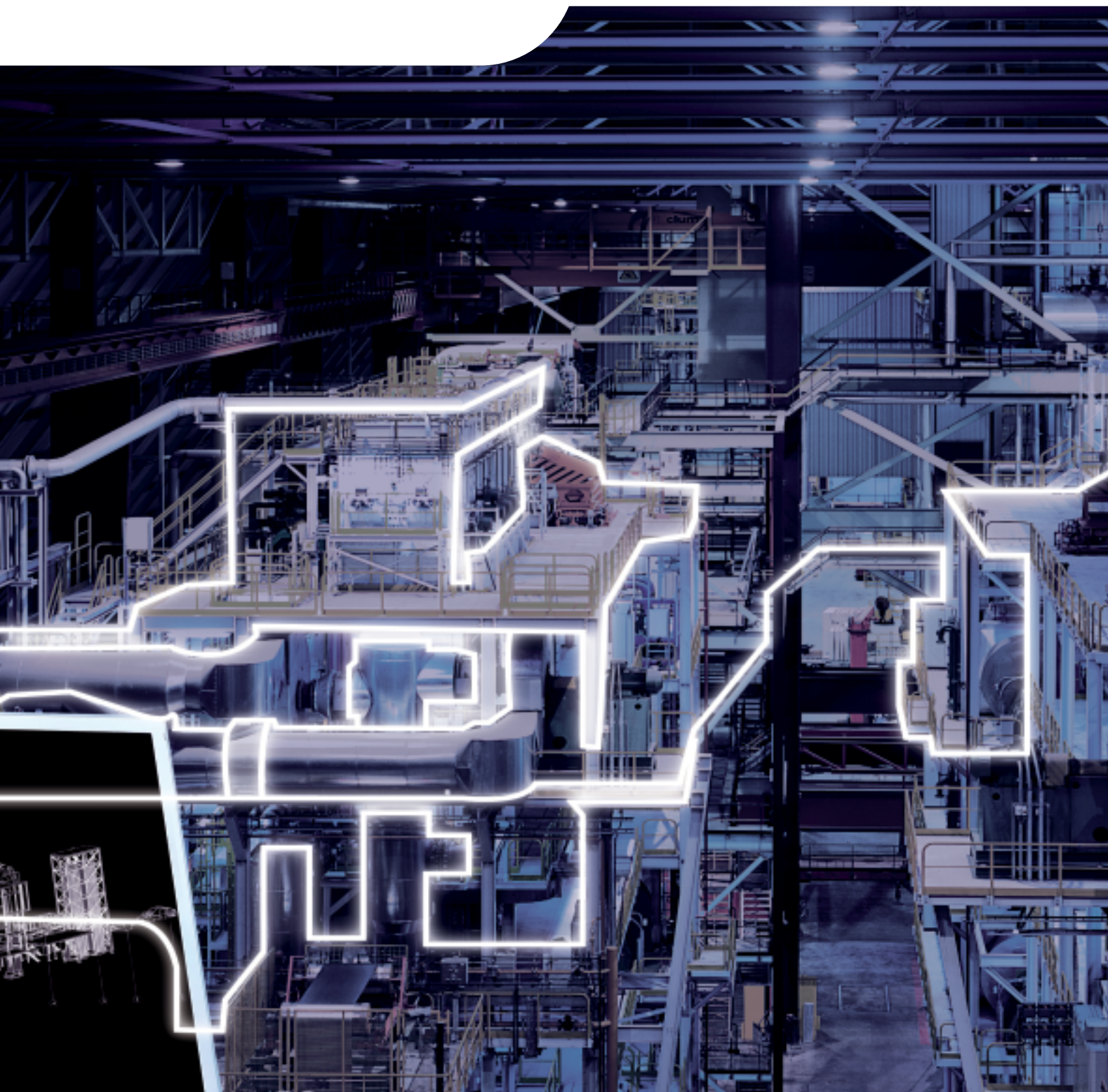




INDUSTRY
FPE

CMI FPE LIMITED
Annual Report 2009-2010





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Corporate Information

BOARD OF DIRECTORS

Mr. Jean-Marc Kohlgruber, *Chairman*
Mr. Rob Johnson (upto 15.07.2010), *Managing Director*
Mr. Raman Madhok (w.e.f. 16.07.2010) *Managing Director*
Mr. Jean Gourp (w.e.f. 20.05.2010) *Deputy Managing Director*
Mr. Yves Honhon
Mr. Ravindra Nath Tandon
Mr. D. J. Balaji Rao
Mr. Raman M. Madhok

REGISTERED OFFICE

Mehta House, Plot No.64,
Road No.13, MIDC,
Andheri (E),
Mumbai – 400 093

WORKSHOPS

(Unit No.I)

A-84/2,3, M.I.D.C.,
Taloja Industrial Area,
Taluka: Panvel, Dist: Raigad
Maharashtra – 410 208

(Unit No.II)

Survey No.144/1/3, Village Rakholi,
Silvassa Khanvel Road,
Silvassa – 396 230, Union Territory
of Dadra & Nagar Haveli

24th Annual General Meeting

will be held on Saturday, July 31, 2010
at 3.30 p.m. at Mehta House, Plot No.64, Road No.13, MIDC,
Andheri (E), Mumbai – 400 093

CORE MANAGEMENT TEAM

Mr. Rob Johnson (upto 15.07.2010)
Mr. Jean Gourp
Mr. Ketan Apte
Mr. Satish Avhad
Mr. Tamal Dutta
Mr. Prasad Jahagirdar
Mr. Sunil Kamat
Mr. Vijay Karayi
Mr. Anand Kumar
Mr. K. Anil Kumar
Mr. Hemant Nikam

COMPANY SECRETARY

Mr. Kunal Trivedi

BANKERS

Canara Bank
Syndicate Bank
Union Bank of India
ING Vysya Bank
ICICI Bank

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants,
12, Dr. Annie Besant Road,
Opp Shiv Sagar Estate,
Worli, Mumbai – 400 018

LEGAL ADVISORS

PDS & Associates
Advocates & Solicitors
119, 11th Floor,
Mittal Chambers
Nariman Point,
Mumbai 400 021

REGISTRARS AND SHARE TRANSFER AGENTS

Sharepro Services (India) Pvt. Ltd.
13 AB Samhita Warehousing Complex, 2nd Floor,
Off Andheri Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri (E) Mumbai 400072.



Continuous Galvanising Line

Message from Chairman's Desk

Dear Shareholders,

I have great pleasure in communicating once again with you and place the Annual Report for the year 2009 – 2010 before you.

Your company during the year inspite of the radical change of the economic parameters facing the world, showed its enormous potential for serving both its markets and rest of the CMI Group. The alliance with the CMI Group has been received very favorably by the markets. The management and engineering offices and the workshops are working at full throttle. Currently full operational activity is almost guaranteed till end of 2011. Furthermore CMI FPE is increasingly finding its place in the internal operations of the Group: technological or commercial exchanges are being multiplied between the entities, as each is more and more recognizing the values of having a solid base in the Indian market. In parallel, the Management team is capitalizing on the confidence of the bankers and the support of its directors to chart ambitious plans for the further development of your company.



Mr. Jean-Marc Kohlgruber
Chairman

I am aware that the innovation of today will lay the foundation for the activity of tomorrow. As an added offering, CMI FPE with the help of specialists from the parent company now offers performance audits to its range of technical assistance services in India. The recommendations made at the end of these audits enable customers to significantly improve quality and quantity of the steel they produce and at the same time optimize the profitability of their (old or recent) installations. The company is also concentrating its efforts on making its industrial processes more efficient by reducing energy consumption, re-using waste heat, and reducing carbon dioxide emissions or by recycling pollutant emissions. Our recent collaborative effort with Tata Consulting Engineers on organizing a seminar on 'Energy Conservation & Emission Control in Integrated Steel plants' for Tata Steel at Jamshedpur was in that direction.

The Indian Economy will continue to grow at a rapid pace for next several years. India and China were the only two countries in Asia which saw an increase in steel production in 2009. At nearly 57 million tonnes, India still has a long way to go and I am pleased to note that the Government agencies are all working in a synchrony to push steel production up by leaps and bounds. We at CMI FPE are ready to contribute through our expanded range of services and equipments to meet the steel producers need to reduce environmental footprint of their processes.

As shareholders, I am sure you are proud to own a stake in the company that has delivered higher than expectations in such turbulent times. I look forward to your continued support and faith to challenges of the years ahead for a better reward.

Yours sincerely,

Jean-Marc Kohlgruber

Chairman



Assembly in progress at Taloja workshop

Message from Managing Director's Desk

Dear Shareholders,

The year that passed saw a strengthening business climate in certain parts of the world, in particular Asia, and a renewed interest among steelmakers to advance key projects. While this allowed us to strengthen our backlog of orders, we did not have the opportunity to fully execute these orders due. This resulted in a reduction in net sales as compared to the previous year. This aside, we continued with our process enhancement initiatives which resulted in improved profit as compared to the previous year.

In the past year, we continued on our focus on our core products and expanded our customer reach by adding strategic customers. With the support of the CMI Group, we will continue to expand our customer base throughout Europe and the Americas. Your company benefited from several on-going initiatives including regular and systematic training of our people, continued focus on several business process improvement projects in purchasing and inventory control, and optimization of our enterprise resource planning system.

Project management processes were strengthened. In particular, the efficacy of the periodic project review meetings was enhanced by adopting the ERP system to have a granular view of various heads of project cost and status of achievement of project milestones, thereby facilitating corrective actions where necessary on a near real time basis.

We also launched a design standardization initiative which will provide benefits for years to come. As a result of these actions, your company remains a leader in our industry.

Your company invested in its IT infrastructure to improve the effectiveness and efficiency of work processes. During the year we maintained our ISO-9001:2000 certification and continue to plan for ISO 14001:2004 certification. The discipline required to maintain these certifications will further strengthen our internal processes related to project management and workshop efficiency.

In the past year, we achieved a significant milestone as we reduced our secured and unsecured loans to zero while increasing our cash position as compared to the previous year. Further, your company achieved a CRISIL rating of "A / Stable" for Cash Credit and Working Capital Demand Loan facilities and a rating of "P1" for packing credit and non fund based facilities. We are now well positioned for future growth and expansion.

While we achieved several key milestones, the competitive landscape remains and we will further develop our technologies and focus on product differentiation to maintain our market position. Further, we will introduce initiatives which will strengthen our relationships with our customers.

I would like to thank all the stakeholders for their trust and support. I am also thankful to the members of the board for their insight and guidance. I would also like to extend a special thank you to all the members of the management team and employees who contributed each day to the success of your company.

Yours sincerely,

Rob Johnson

Managing Director

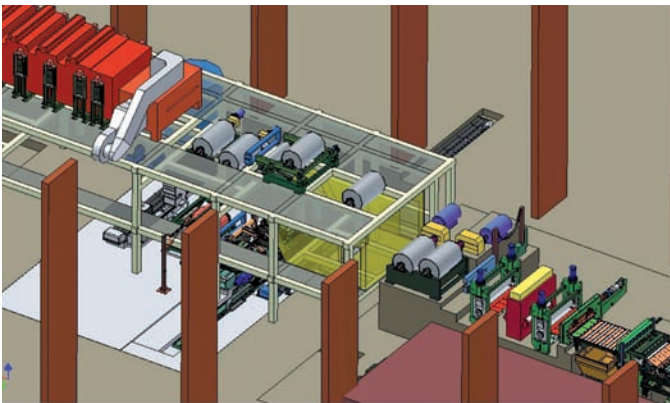


Mr. Rob Johnson
Managing Director



Scope of supply in processing lines

- Continuous Annealing Lines
- Continuous Hot Dip Galvanizing Lines
- Continuous Electro Galvanizing Lines
- Organic Coating Lines
- Electrolytic Cleaning Lines
- Flux Type Lines
- Inspection/Correction/Tension Leveling Lines
- Dual Product Lines
- Processing Lines Special Equipment



Scope of supply in rolling mills

- 4 High and 6 High Reversing Cold Mills (Single or Twin Stand)
- 20-High Cold Rolling Mills
- Tandem Cold Mills
- Continuous Pickling Lines
- Coupled Pickling Lines and Tandem Cold Mills
- 4-High Skin Pass Mills
- 2-High Skin Pass Mills
- 6-High Skin Pass Mills
- Modernization and Special Equipment for Cold/Hot Strip Mills



Scope of supply in chemical processing equipment

- Strip Pickling Lines (Push Pull and Continuous)
- Long Products Pickling Lines (wire, plates, bars, tubes)
- Degreasing Sections
- Acid Regeneration plants (ARP)
- Recovery and Pyrohydrolysis plants
- Waste Water/ Air Treatment plants



Scope of supply in thermal solutions

Reheating Furnaces for Slabs/Billets

Carbon Steel: Horizontal & Vertical Furnaces for Continuous Galvanizing Lines (C.G.L.) and/or Continuous Annealing Lines (C.A.L.)

- Non-Oxidizing Furnaces (N.O.F.)
- Radiant Tubes Furnaces (R.T.F.) with regenerative or recuperative burners
- Blowstab® or Ultra Dry Cooling Equipment
- L-TOP® or LH-TOP Mathematical Model

Carbon Steel: Color Coating Lines (C.C.L.)

- Ovens (convention, IR, UV,...)
- Incinerators
- Dryers

Stainless Steel

- Anneal and Pickle Furnaces
- Bright Annealing Process Equipment

Silicon Steel

- Annealing/Pickling Process Equipment

Other

- Heat Treatment Furnaces for Steel & non Ferrous
- Wastes Sludges and Fumes Treatment
- Carbonisation, Production and Regeneration of Activated Carbon
- Atmosphere Equipment Production



Board of Directors



Board of Directors as on March 31, 2010

Seated from Left to Right : Mr. Yves Honhon, Mr. Jean-Marc Kohlgruber and Mr D. J. Balaji Rao
Standing from Left to Right : Mr. Raman M. Madhok, Mr. Rob Johnson and Mr. R. N. Tandon

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CMI FPE LIMITED WILL BE HELD ON JULY 31, 2010 AT MEHTA HOUSE, PLOT NO. 64, ROAD NO. 13, MIDC, ANDHERI (E), MUMBAI 400093 AT 3.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on equity shares for the year ended on March 31, 2010.
3. To appoint a Director in place of Mr. Ravindra Nath Tandon, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration, and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, be and are hereby re-appointed as 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 mutually agreed.”

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. RAMAN MADHOK AS DIRECTOR

To consider and, if thought fit, pass with or without modification/s, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Raman Madhok, who was appointed by the Board of Directors as an Additional Director with effect from July 16, 2010 and who in terms of Section 260 of The Companies Act, 1956 holds office as such upto the date of Twenty Fourth Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 from a shareholder of the Company signifying his intention to propose Mr. Raman Madhok as a candidate for the office of Director, be and is hereby appointed as a Director of the Company.”

6. APPOINTMENT OF MR. RAMAN MADHOK AS MANAGING DIRECTOR

To consider and, if thought fit, pass with or without modification/s, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, (hereinafter referred to as “the said Act”, which shall include any statutory modification or re-enactment thereof) and subject further to approval of the Central Government and other concerned authorities, if and as and when required, the approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Raman Madhok as the ‘Managing Director’ of the Company for a period of five years with effect from July 16, 2010, upon terms and conditions as detailed herein below, with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed an overall ceiling of Rs. 30,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Raman Madhok.”

REMUNERATION

Basic Salary: Monthly salary of Rs. 16,00,000/-.

Allowances & Perquisites:

- (A)
1. Housing: Furnished rent free accommodation or House rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses, reimbursement of repair, renovation and maintenance expenses of house, allowance or reimbursement for utilities such as gas, electricity, water, soft furnishing, hard furnishing & repairs, helper allowance and similar other allowances.
 2. Club Fees: Reimbursement of membership fee for the clubs in India, including admission and life membership fee.
 3. Other Allowance and Perquisites: Subject to overall ceiling on allowances and perquisites, as aforesaid, Incumbent shall have liberty to opt for such other allowances and perquisites as he deems fit including bonus, performance incentive, medical reimbursement, leave travel concession for self and family, medical insurance and such other allowances and perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Raman Madhok. Incumbent shall also have choice to opt for allowance in lieu of perquisite or vice versa at any time during a year.
- (B) Incumbent shall also be entitled to (i) the Company’s contribution to Provident Fund and superannuation fund not exceeding 12% of the basic salary or such other rate as may be prescribed by the Government from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961 (ii) Gratuity payable as per rules of the Company (which shall not exceed one half month’s salary for each completed year of service) and (iii) Earned leave with full pay or encashment as

per rules of the Company. All of these shall not be included in the computation of limits of the remuneration or perquisites or allowances as aforesaid.

- (C) Incumbent shall also be provided a chauffeur driven Company car, telephone, fax, internet connectivity and other communication facility at residence, (including payment for local calls and long distance calls) mobile phone connection with handset. The cost and expenses whereof shall not be included in the limit of remuneration.
- (D) Reimbursement of expenses incurred for business of the Company, which shall not be included in the limit of remuneration.
- (E) Subject to provisions of the Companies Act, 1956, perquisites and allowances shall be valued as per Income Tax Rules, 1962 wherever applicable, for the purpose of calculating the above limits. In the absence of any such rules, perquisites and allowances shall be valued at actual cost.

RESOLVED FURTHER THAT, subject to the limit prescribed in section I of part II of Schedule XIII to the said Act as presently in force, approval of the Members of the Company be and is hereby accorded to payment of remuneration, as mentioned hereinabove, to Mr. Raman Madhok for his services as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby conferred authority to vary, amend, modify, revise and supplement the terms and conditions of the of the said appointment, without further reference to the Members, as they deem fit in the best interest of the Company and the Board of Directors of the Company be and is hereby further authorized, subject to limit prescribed in section I of part II of Schedule XIII to the said Act, to revise remuneration of Mr. Raman Madhok from time to time, without further reference to the Members.

RESOLVED FURTHER THAT, notwithstanding the above, the salary, allowances, perquisites and other benefits as mentioned hereinabove or as revised by the Board of Directors as aforesaid be paid, subject to approval of the Central Government if required, as minimum remuneration to Mr. Raman Madhok for a period of three years starting from July 16, 2010, in the event of no profits or inadequacy of profits in any financial year during the tenure of Mr. Raman Madhok as Managing Director of the Company.

RESOLVED FURTHER THAT Mr. Raman Madhok shall not be liable to retire by rotation as a Director during his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution.”

7. APPOINTMENT OF MR. JEAN GOURP AS DIRECTOR

To consider and, if thought fit, pass with or without modification/s, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Jean Gourp, who was appointed by the Board of Directors as an Additional Director with effect from May 20, 2010 and who in terms of Section 260 of The Companies Act, 1956 holds office as such upto the date of Twenty Fourth Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 from a shareholder of the Company signifying his intention to propose Mr. Jean Gourp as a candidate for the office of Director, be and is hereby appointed as a Director of the Company.”

8. APPOINTMENT OF MR. JEAN GOURP AS DEPUTY MANAGING DIRECTOR

To consider and, if thought fit, pass with or without modification/s, the following resolution as a Special Resolution.

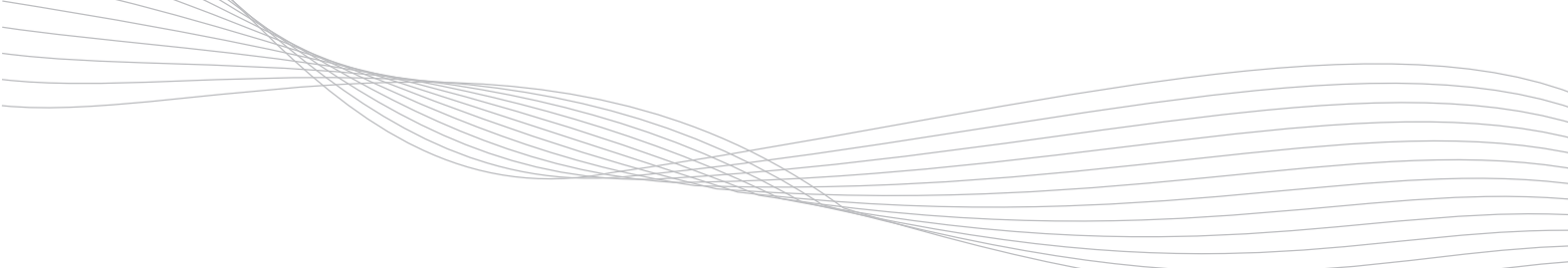
“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, (hereinafter referred to as “the said Act”, which shall include any statutory modification or re-enactment thereof) and subject further to approval of the Central Government and other concerned authorities, if and as and when required, the approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Jean Gourp as the ‘Deputy Managing Director’ of the Company for a period of five years with effect from May 20, 2010, upon terms and conditions as detailed herein below, with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed an overall ceiling of Rs. 12,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Jean Gourp.”

REMUNERATION

Basic Salary: Monthly salary of Rs. 3,68,550/-.

Allowances & Perquisites:

- (A) 1. Housing: Furnished rent free accommodation or House rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses, reimbursement of repair, renovation and maintenance expenses of house, allowance or reimbursement for utilities such as gas, electricity, water, soft furnishing, hard furnishing & repairs, helper allowance and similar other allowances.

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2. Children education allowance: Reimbursement of school fees.
 3. Club Fees: Reimbursement of membership fee for the clubs in India, including admission and life membership fee.
 4. Other Allowance and Perquisites: Subject to overall ceiling on allowances and perquisites, as aforesaid, Incumbent shall have liberty to opt for such other allowances and perquisites as he deems fit including bonus, performance incentive, medical reimbursement, leave travel concession for self and family, medical insurance and such other allowances and perquisites in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jean Gourp. Incumbent shall also have choice to opt for allowance in lieu of perquisite or vice versa at any time during a year.
- (B) Incumbent shall also be entitled to (i) the Company's contribution to Provident Fund and superannuation fund not exceeding 12% of the basic salary or such other rate as may be prescribed by the Government from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961 (ii) Gratuity payable as per rules of the Company (which shall not exceed one half month's salary for each completed year of service) and (iii) Earned leave with full pay or encashment as per rules of the Company. All of these shall not be included in the computation of limits of the remuneration or perquisites or allowances as aforesaid.
- (C) Incumbent shall also be provided for official use a chauffeur driven Company car, telephone, fax, internet connectivity and other communication facility at residence, (including payment for local calls and long distance calls) mobile phone connection with handset. The cost and expenses whereof shall not be included in the limit of remuneration.
- (D) Reimbursement of expenses incurred for business of the company, which shall not be included in the limit of remuneration.
- (E) Subject to provisions of the Companies Act, 1956, perquisites and allowances shall be valued as per Income Tax Rules, 1962 wherever applicable, for the purpose of calculating the above limits. In the absence of any such rules, perquisites and allowances shall be valued at actual cost.

RESOLVED FURTHER THAT, subject to the limit prescribed in section I of part II of Schedule XIII to the said Act as presently in force, approval of the Members of the Company be and is hereby accorded to payment of remuneration, as mentioned hereinabove, to Mr. Jean Gourp for his services as Deputy Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby conferred authority to vary, amend, modify, revise and supplement the terms and conditions of the of the said appointment, without further reference to the Members, as they deem fit in the best interest of the Company and the Board of Directors of the Company be and is hereby further authorized, subject to limit prescribed in section I of part II of Schedule XIII to the said Act, to revise remuneration of Mr. Jean Gourp from time to time, without further reference to the Members.

RESOLVED FURTHER THAT, notwithstanding the above, the salary, allowances, perquisites and other benefits as mentioned hereinabove or as revised by the Board of Directors as aforesaid be paid, subject to approval of the Central Government if required, as minimum remuneration to Mr. Jean Gourp for a period of three years starting from May 20, 2010, in the event of no profits or inadequacy of profits in any financial year during the tenure of Mr. Jean Gourp as Deputy Managing Director of the Company.

RESOLVED FURTHER THAT Mr. Jean Gourp shall not be liable to retire by rotation as a Director during his tenure as Deputy Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

9. COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, pass with or without modification/s, the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Central Government, wherever required, the consent of the Company be and is hereby given to pay to its Non-Executive Directors for a period of five years commencing 1st April, 2009, such commission (at the discretion of the Board, the payment of such commission may be made on a pro-rata basis every month or on annual basis or partly monthly and partly on an annual basis) as the Board may from time to time determine (to be divided amongst them or some or any of them in such proportion/manner as may be determined by the Board from time to time), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year to be computed in the manner provided under Sections 198, 349 and 350 of the Companies Act, 1956."

10. BORROWING LIMITS

To consider and, if thought fit, pass with or without modification/s, the following resolution as an Ordinary Resolution.

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 (which shall include any statutory modification or re-enactment thereof), to borrow money, from time to time, at its discretion either from the Company's banks or any other bank, financial institutions, mutual funds/venture funds, any other lending institutions, and other companies/body corporates or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rs. 500 crores notwithstanding that the money to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Members/Proxies, who attend the meeting, are requested to complete the attendance slip and deliver the same at the entrance of the meeting hall.
- The register of members and share transfer books of the Company will remain closed from July 24, 2010 to July 31, 2010 (both days inclusive).
- Any member who would like to ask any questions on Annual Accounts is requested to send their questions to the Registered Office at least 10 days before the Annual General Meeting to enable the Company to answer the question satisfactorily.
- Pursuant to Clause 49 of the listing agreement, a brief profile of the Directors seeking re-appointment is given hereunder.

Mr. Ravindra Nath Tandon

Name : Mr. Ravindra Nath Tandon
Age : 72 years
Qualifications : B.Sc. (M.E.)
Expertise : Vast Experience in Steel Processing Infrastructure Development and Project Management
Other Directorship : NIL

Mr. Raman Madhok

Name : Mr. Raman Madhok
Age : 52 years
Qualifications : M.S., MBA, Dip T&D
Expertise : Vast Experience in Human Resources, Marketing, Project Management, General Management and Consulting

Other Directorships :

- Open Spaces Consulting Pvt. Ltd.
- ARM Perspectives & Solutions Pvt. Ltd.
- Qi Health & Education Consultant Pvt. Ltd.

Mr. Jean Gourp

Name : Mr. Jean Gourp
Age : 38 years
Qualifications : Masters Degree in Mechanical Engineering
Expertise : Vast Experience in Manufacturing, Sales and General Management

Other Directorship :

- CMI Industry Automation Pvt. Ltd.

- Dividend for the year ended March 31, 2010 as recommended by the Directors, if sanctioned at the Meeting will be paid on or before August 30, 2010 to those members whose names appears in the Company's Register of Members as on July 31, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depositories Limited and Central Depository Services (India) Limited for this purpose.
- Members holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the Company's Registrars and Share Transfer Agents. The members holding shares in the dematerialized form are requested to ensure that the bank account linked to their Depository Participant account is operative.

8. The final dividend for the year 2002-03 will become due for transfer to Investor Education and Protection Fund ("IEPF") in October 2010. The members who have not encashed their dividend are requested to approach the Company. After transfer of the unclaimed dividend to IEPF, no claim shall thereafter lie against the Company or the said fund.
9. The members holding shares in physical form, who have not yet exchanged the old share certificates with the new one bearing new name of the Company, consequent to change of name of the Company are requested to approach the Company's Registrars and Share Transfer Agents.

Sharepro Services (I) Pvt. Ltd.
13AB, Samhita Warehousing Complex,,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Mumbai – 400 072

10. Members holding shares in physical form are requested to notify/send the following to the Company or Share Transfer Agent to facilitate better services:
 - i) Any change in their address/mandate/bank details.
 - ii) Share certificates(s), held in multiple accounts in identical names or joint accounts in the same order of means, for consolidation of such shareholding into one account.
 - ii) In order to prevent fraudulent encashment of the warrants, members holding shares in physical form are requested to inform the following to the Company:
 - a) Name of the sole/First Joint holder and the Folio Number.
 - b) Particulars of Bank Accounts – Name of the Bank, Complete address of Bank, Account type, Bank Account no. allotted by the bank.
11. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their Depositories to the Company will be printed on their Dividend warrants as per applicable regulations of the depositories and the Company will not entertain any direct request from such shareholders for deletion or change in such bank details. Further instructions, if any already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members holding shares in electronic form are advised to notify the changes if any in their address/bank details/mandate to their respective depository participants and informed that their address and bank details, as furnished to the Company by respective Depositories, viz, NSDL and CDSL.
12. Non- Residents Indian Shareholders are requested to inform Sharepro Services (I) Private Limited immediately:
 - a) The change in the residential Status on return to India for permanent settlement
 - b) The particulars of the Bank Account maintained in India with Complete Name, Branch, Account type, Account Number, complete address of the Bank, if not furnished earlier.
13. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and Vote at the Annual General Meeting.

By Order of the Board of Directors

Kunal Trivedi
Company Secretary

Registered Office:
"Mehta House", Plot No. 64,
Road No. 13, MIDC,
Andheri (E),
Mumbai 400 093.

Place : Mumbai
Date : May 20, 2010

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 5 & 6

The Board of Directors of the Company ("the Board") at their meeting held on May 20, 2010 appointed Mr. Raman Madhok as an Additional Director with effect from July 16, 2010 to hold office till the date of the next General Meeting of the Company. Following the decision of Mr. Rob Johnson to leave his position as Managing Director of the Company with effect from July 15, 2010, the Board, at the same meeting, also approved the appointment of Mr. Raman Madhok as the Managing Director of the Company for a period of five years with effect from July 16, 2010 on the terms of remuneration as specified in the resolution at item 6 above, subject to the approval of the shareholders of the Company and all the applicable provisions of the Companies Act, 1956.

Mr. Raman Madhok has been associated with the Company as an Advisor to the Board for last two years and was the sole negotiator on behalf of promoters for the sale of Flat Products Equipments (I) Ltd., to CMI. His last assignment before venturing into consulting was as the CEO of Tradeline LLC Dubai. He was also Joint Managing Director and CEO of JSW Steel for nearly five years in early part of this decade.

As an alumnus of IIT Delhi, XLRI Jamshedpur he has held leadership positions at Voltas, Taj Group of Hotels, Pfizer, Parke Davis and Wyeth Lederle. He has also attended a senior executive course at Manchester Business School, UK as a Chevening Scholar, and was awarded the prestigious Eisenhower Fellowship of the USA.

As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the next general meeting only. Notice under Section 257 of the Companies Act, 1956, has been received from a shareholder signifying his intention to propose the appointment of Mr. Raman Madhok as a Director of the Company.

The aforesaid appointment of Mr. Raman Madhok as Director and Managing Director of the Company and the terms of remuneration needs to be approved by the shareholders of the Company under the provisions of the Companies Act, 1956.

The above terms of appointment & remuneration of Mr. Raman Madhok as mentioned in Item No. 5 & 6 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

In view of the vast experience, the appointment of Mr. Raman Madhok as 'Managing Director' would be in the best interest of your Company.

None of the Directors other than Mr. Raman Madhok is concerned or interested in the said resolutions.

The Board recommends the Ordinary Resolution at item 5 and Special Resolution at Item 6 of this notice for shareholder's approval.

ITEM NO. 7 & 8

The Board of Directors of the Company ("the Board") at their meeting held on May 20, 2010 appointed Mr. Jean Gourp as an Additional Director with effect from May 20, 2010 to hold office till the date of the next General Meeting of the Company. The Board, at the same meeting, also approved the appointment of Mr. Jean Gourp as the Deputy Managing Director of the Company for a period of five years with effect from May 20, 2010 on the terms of remuneration as specified in the resolution at Item 8 above, subject to the approval of the shareholders of the Company and all the applicable provisions of the Companies Act, 1956.

Mr. Jean Gourp has been the Chief Operating Officer of the Company since January 1, 2009. He was part of the CMI and FPE integration team and played a key role in smooth transformation of the Company during last two years. Prior to being assigned to CMI FPE in India, Mr. Jean Gourp has spent over a year as Managing Director of Stalproekt in Moscow. He has also been associated with Stein Heurtey Co. at Shanghai, China as its Deputy Managing Director for five years and has worked for nearly four years in their facilities at France in erection & commissioning and later on as sales engineer. He also spent over a year with Stein Heurtey India on an assignment.

An Engineer with a degree in Business Management from I.N.S.A. Toulouse and University of Surrey, Great Britain, Mr. Jean Gourp has also spent time with Companies like Schlumberger in Gabon, Aerospatiale in France and Norbar Torque Tools in Great Britain.

As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the next general meeting only. Notice under Section 257 of the Companies Act, 1956, has been received from a shareholder signifying his intention to propose the appointment of Mr. Jean Gourp as a Director of the Company.

The aforesaid appointment of Mr. Jean Gourp as Director and Deputy Managing Director of the Company and the terms of remuneration needs to be approved by the shareholders of the Company under the provisions of the Companies Act, 1956.

An abstract of the terms of appointment and remuneration of Mr. Jean Gourp has already been sent to the shareholders as required under Section 302 of the Companies Act, 1956.

In view of the vast experience in Manufacturing, Sales and General Management, the appointment of Mr. Jean Gourp as 'Deputy Managing Director' would be in the best interest of your Company.

None of the Directors other than Mr. Jean Gourp is concerned or interested in the said resolutions.

The Board recommends the Ordinary Resolution at Item 7 and Special Resolution at item 8 of this notice for shareholder's approval.

ITEM NO. 9

As the Company needs to have an optimum Board structure constituting Executive and Non-Executive Directors and considering the fact that it is necessary to have qualified and Independent Directors on the Board and their valuable business and professional advice and in view of nature of work and responsibilities of Non-Executive Directors for participation in Board proceedings and Committee meetings and the increased responsibilities they are expected to shoulder in the affairs of the Company and for higher level of excellence in Corporate Governance, it is proposed to pay commission for each of the five years commencing 1st April, 2009, for an amount not exceeding 1% of the net profit of the company as provided under Section 309(4) of the Companies Act, 1956 or any amendments or modifications thereto, to be divided amongst Directors aforesaid in such manner as the Board of Directors of the Company may from time to time determine. Such commission may be paid to Non-Executive Directors on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis as the Board of Directors deem fit, subject to the approval of Central Government wherever required.

All the Non-Executive Directors may be deemed to be concerned or interested in this resolution.

The Board of Directors recommends the Special Resolution at item 9 for shareholder's approval.

ITEM NO. 10

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall not except with the consent of the shareholders in General Meeting, borrow money(s), where money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Article 12 of the Article of Association of Company provides for the borrowing powers of the Board subject to such limits as may be imposed by the shareholders.

The Company enjoys a debt free status as on March 31, 2010. However, the Company continues to use its non-fund based limits from its bankers. The needs of the Company may increase in near future to meet its working capital requirement and capital expenditure programme.

It is, therefore, proposed to seek an approval of the shareholder's to authorize the Board of Directors to borrow upto a limit of Rs. 500 crores.

None of the Directors are concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution at item 10 of this notice for shareholder's approval.

By Order of the Board of Directors

Kunal Trivedi
Company Secretary

Registered Office:
"Mehta House", Plot No. 64,
Road No. 13, MIDC,
Andheri (E),
Mumbai 400 093.

Place : Mumbai
Date : May 20, 2010

ANNEXURE

The information in terms of item (iv) of sub-paragraph (C) of paragraph 1 of section II of part II of Schedule XIII to the Companies Act, 1956 is hereunder.

I. GENERAL INFORMATION:

1) Nature of Industry

The Company is, *inter alia*, engaged in designing, manufacturing and implementation of turnkey projects of cold rolling mills, galvanizing lines, pickling lines, colour coating lines etc,. It basically caters to the steel industry both Domestic as well as International.

2) Date of commencement of commercial production

May 28, 1986.

3) Financial performance of last five years based on given indicators

	(Rs. in lacs)				
Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Net Sales	38,721.90	45,394.77	32,779.76	51,110.79	28,603.88
Other Income	1,531.99	1,082.35	108.12	47.19	47.47
Total Income	40,253.89	46,477.12	32,887.88	51,157.98	28,651.35
Profit before interest, depreciation and tax	4,983.62	2,850.73	2,658.44	3,231.13	1,162.91
Interest	137.56	522.17	670.22	466.69	465.89
Depreciation	530.68	560.00	540.58	395.50	312.40
Profit before tax	4,315.38	1,768.56	1,447.64	2,368.94	384.62
Profit after tax	2,728.64	267.83	830.30	1,528.64	218.46
Equity Capital	493.78	493.78	493.78	493.78	493.78
Earning per share	55.26	5.42	16.82	30.96	4.42
Rate of dividend per share (%)	100%	20%	20%	100%	10%

Note: - The figures for the previous years have been regrouped wherever necessary to conform to the current year's classification.

4) Export performance and net foreign exchange collaborations

(Rs. in lacs)

Year	Exports
2009-2010	10,397.66
2008-2009	33,241.03
2007-2008	23,150.93
2006-2007	34,283.95
2005-2006	21,108.81

During the aforesaid five years, the Company did not enter into any foreign collaboration.

5) Foreign investments or collaborators, if any

The Company has no foreign investments or collaboration except that the Company was acquired by Cockerill Maintenance & Ingénierie, SA (CMI), a Belgium based Company.

II. INFORMATION ABOUT THE APPOINTEE:

Mr. Raman Madhok –Managing Director

1) Background details

Mr. Raman Madhok has nearly 29 years of experience in Human Resources, Marketing, Project Management, General Management and Consulting. He has been associated with CMI FPE Limited, as an Advisor to the Board for last two years and was the sole negotiator on behalf of promoters for the sale of Flat Products Equipments (I) Limited, in 2008. Before venturing into consulting he was Chief Executive Officer of Tradeline LLC Dubai and was instrumental in setting up the first value added steel plant of UAE, Al Ghurair Iron & Steel LLC at Abu Dhabi.

He had spent nearly a decade with JSW Group in the Steel, Power, Aluminium and publishing businesses and was a member of Board of Directors of these Companies, in addition to being the Joint Managing Director and CEO of JSW Steel till November,

2005. It was his vision to make JSW a most preferred employer and this was recognized when the Company found a place as 'One of the 25 Great Places to Work' in the first Indian Survey in 2003.

He has held leadership positions at Voltas, Taj Group of Hotels, Pfizer, Parke Davis and Wyeth Lederle in the Human Resources function. Mr. Raman Madhok enhanced the human capital valuation of these organizations through several systemic interventions which he personally led. Mr. Raman Madhok is one of the very few HR professionals who successfully managed a large manufacturing Company.

2) Past remuneration

Not applicable.

3) Recognition or awards

Mr. Raman Madhok attended IIT Delhi as a National Science Talent Scholar and is a rank holder and received gold medal in labour economics from XLRI, Jamshedpur. He also attended a Senior Executive Course at Manchester Business School, UK as a Chevening Scholar, and was awarded the prestigious Eisenhower Fellowship of USA in 2004.

4) Job profile and his suitability

Mr. Raman Madhok would be responsible for the overall conduct and management of business and affairs of the Company. This includes development of domestic and international business, providing strategic direction to business of the Company, enhancement of efficiencies and rationalization of costs.

5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during three years starting from July 16, 2010 is as per resolution in Item No. 6 of the notice.

The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the Company.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The Company has net worth of Rs. 107.80 Crores and is listed on Bombay Stock Exchange. The Company earned total revenues of Rs. 402.54 Crores in the year 2009-10. The Company has 2 plants. The Company is engaged in designing, manufacturing and implementation of turnkey projects of cold rolling mills, galvanizing lines, pickling lines, colour coating lines etc.,. It basically caters to the steel industry both domestic as well as International. The Company had work force of 462 people as on the March 31, 2010. Given this size, complexity and sheer knowledge driven nature of business, and also profile of the position and Mr. Raman Madhok as given above, the proposed remuneration is in line with remuneration prevalent in the Heavy Engineering Machinery/Equipment industry for Companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 20, 2010, keeping in view financial position of the Company, trend in the industry, appointee's experience, vast and rich knowledge of the business, past performance, past remuneration etc. The Board of Directors of the Company has also approved of the remuneration at its meeting held on May 20, 2010.

8) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any

Mr. Raman Madhok has no pecuniary relationship directly or indirectly with the Company except to the extent of his proposed remuneration. However, he was Advisor to the Board of Directors of the Company just prior to be appointed as Managing Director of the Company

Mr. Jean Gourp – Deputy Managing Director

1) Background details

Mr. Jean Gourp is having experience of over 20 years in Manufacturing, Sales and General Management. Mr. Jean Gourp has been serving CMI FPE Ltd., since June 2008. From January 2009 he has been the Chief Operating Officer of CMI FPE. He was part of CMI and FPE integration team and played a key role in smooth transformation of the Company during last two years.

Prior to being assigned to CMI FPE in India, Mr. Jean Gourp has spent over a year as Managing Director of CMI Stalproekt in Moscow. He has also been associated with Stein Heurtey Co. at Shanghai, China as its Deputy Managing Director for five years and has worked for nearly four years in their facilities at France as Erection & Commissioning and later on as Sales Engineer. He also spent over a year with Stein Heurtey India on an assignment.

Mr. Jean Gourp was also associated with Companies like Schlumberger in Gabon, Aerospatiale in France and Norbar Torque Tools in Great Britain.

2) Past remuneration

The total remuneration of Mr. Jean Gourp during the year 2009-10 was Rs. 98.38 lacs.

3) Recognition or awards

Mr. Jean Gourp is an Engineer with a degree in Business Management from I.N.S.A. Toulouse and University of Surrey, Great Britain. He has obtained Master's/Engineer Degree from I.N.S.A. Toulouse. Also obtained Honors Degree in "Engineering with Business Management" from University of Surrey, Great Britain and DUT University Degree in Mechanical and Production Engineering.

4) Job profile and his suitability

Mr. Jean Gourp with major focus on sales and business development would assist the Managing Director in management of business and affairs of the Company.

5) Remuneration proposed

The minimum remuneration proposed, in the event of no profits or inadequate profits during three years starting from May 20, 2010 is as per resolution in Item No. 8 of the notice.

The above remuneration comprise of basic salary, allowances and perquisites and contribution to provident fund and superannuation fund as per rules of the Company.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The Company has net worth of Rs. 107.80 Crores and is listed on Bombay Stock Exchange. The Company earned total revenues of Rs. 402.54 Crores in the year 2009-10. The Company has 2 plants. The Company is engaged in designing, manufacturing and implementation of turnkey projects of cold rolling mills, galvanizing lines, pickling lines, colour coating lines etc.,. It basically caters to the steel industry both domestic as well as International. The Company had work force of 462 people as on the March 31, 2010. Given this size, complexity and sheer knowledge driven nature of business, and also profile of the position and Mr. Jean Gourp as given above, the proposed remuneration is in line with remuneration prevalent in the Heavy Engineering Machinery/Equipment industry for Companies with similar size, complexity and profile of the position and position holder.

The minimum remuneration proposed as above has been approved by the Remuneration Committee at its meeting held on May 20, 2010, keeping in view financial position of the Company, trend in the industry, appointee's experience, vast and rich knowledge of the business, past performance, past remuneration etc. The Board of Directors of the Company has also approved of the remuneration at its meeting held on May 20, 2010.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Jean Gourp has no pecuniary relationship directly or indirectly with the company except to the extent of his remuneration as Chief Operating Officer of the Company and proposed remuneration as Deputy Managing Director of the Company.

DIRECTOR'S REPORT

To
The Members
CMI FPE LIMITED

Your Directors have pleasure in presenting the Twenty Fourth Report on the business and operations of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2010.

1. FINANCIAL RESULTS

The following is the summary of financial performance of the Company during the year under review.

FINANCIAL RESULTS	Current Year 2009-2010 (Rs.in Lacs)	Previous Year 2008-2009 (Rs.in Lacs)
Sales and Other Income	40,253.89	46,477.12
Profit before Interest, Depreciation & Tax	4,983.62	2,850.73
Interest	137.56	522.17
Profit before Depreciation & Tax	4,846.06	2,328.56
Depreciation	530.68	560.00
Profit before Tax	4,315.38	1,768.56
Provision for Tax – Current	1,720.00	1,700.00
– Deferred	(171.92)	(992.69)
Tax relating to earlier year (net)	38.66	753.95
Fringe Benefit Tax	-	39.47
Profit after Tax	2,728.64	267.83
Balance brought forward from previous year	1,328.98	1,196.78
Profit available for Appropriation	4,057.62	1,464.61
Appropriation:-		
Proposed Dividend	493.78	98.76
Income Tax on Dividend	82.01	16.78
Transferred to General Reserve	1,000.00	20.09
Balance carried forward	2,481.83	1,328.98
	4,057.62	1,464.61

2. DIVIDEND

Your Directors have recommended a dividend of Rs 10/- (Previous year Rs. 2/-) per equity share of face value of Rs. 10/- for the financial year ended March 31, 2010, which on approval at the forthcoming Annual General Meeting, will be paid

- to those equity Shareholders, holding shares in physical form, whose names appear on the Register of Members of the Company at the close of business hours on July 31, 2010, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Share Transfer Agent before July 24, 2010
- to those beneficial owners, holding shares in electronic form, whose names appear in the statement of beneficial owners furnished by Depositories to the Company as at the close of business hours on July 24, 2010

The total proposed dividend amount shall be Rs. 575.79 lacs including dividend tax for the financial year 2009-2010 (Previous year Rs.115.54 lacs).

3. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 1,000.00 lacs (Previous year 20.09 lacs) to the General Reserve out of the amount available for appropriations. An amount of Rs. 2,481.83 lacs (Previous year Rs. 1,328.98 lacs) has been proposed to be retained in the Profit and Loss Account.

4. OPERATIONS

During the year under review your Company achieved net turnover of Rs. 38,721.90 lacs against the preceding year's level of Rs. 45,394.77 lacs. The Sales includes export sales of Rs.10,397.66 lacs against previous year's Rs. 33,241.03 lacs. Sharp decline in the export sales pertains to global economic slowdown. However, Company successfully targeted the domestic market, which was less affected by the downturn in the economy. The profit after tax for the year is Rs. 2,728.64 lacs against Rs.267.83 lacs for the previous year.

5. FIXED DEPOSIT

Your Company has not accepted any deposits from the public during the year under review.

6. DIRECTORS

Mr. K. R. Iyer and Dr. N. S. Datar retired as Directors w.e.f. September 11, 2009.

The Board of Directors places on record its appreciation for their contribution and guidance to the Board and to the Management.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ravindra Nath Tandon retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The particulars of Director(s) who are seeking re-appointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Section annexed to this report.

During the Board of Directors meeting held on May 20, 2010 Mr. Rob Johnson, Managing Director tendered his resignation from the said post w.e.f. July 15, 2010. Consequently Mr. Raman Madhok is appointed as Managing Director w.e.f. July 16, 2010. Mr. Raman Madhok has been associated with the Company as an Advisor to the Board since last two years. Further Mr. Jean Gourp, Chief Operating Officer of the Company has been elevated to the position of Deputy Managing Director w.e.f. May 20, 2010.

The Board also places on record its appreciation for the tremendous contribution and efforts of Mr. Rob Johnson in serving the Company in his span of two years. During his tenure he successfully accomplished various task the most important being the post acquisition integration of the Company within the CMI fold.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the Annual Accounts for the year under review, the applicable accounting standards have been followed;
- b) the Directors had selected such accounting policies and applied them consistently and 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 2009-2010 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care 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;
- d) the Directors had prepared the annual accounts for the year ended on March 31, 2010 on a going concern basis.

8. INSURANCE

The Insurable interest in all the properties of the Company including building, plant and machinery, stocks have been adequately insured.

9. DISCLOSURES

The information with regards to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to the Company's (Disclosures of particulars in the report of the Board of Directors) Rules, 1988 are given in Annexure "A" forming part of this report.

10. PARTICULARS OF EMPLOYEES

The information as required u/s. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule of 1975, as amended from time to time, forms part of this Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the information relating to the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

11. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a report on Corporate Governance along with a certificate from the auditors are given in Annexure "B" forming part of this report.

12. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a section on management discussion and analysis is given in Annexure "C" forming part of this report.

13. AUDITORS

Deloitte Haskins & Sells., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting. Deloitte Haskins & Sells., being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.



14. HEALTH AND SAFETY

The Company continues to accord high priority to health and safety of employees at all locations. The Company has adopted Safety Health & Environment (SHE) Policy. The employees are encouraged to adopt a healthy, safe and environmentally conscious working style.

15. PERSONNEL

The industrial relations continued to be cordial at all levels. Your Directors wish to place on record their appreciation of the dedicated services rendered by all Executives, Staff and Workmen of the Company.

16. ACKNOWLEDGEMENT

Your Directors record their sincere gratitude to the Central Government, Government of Maharashtra and Financial Institutions. The Company expresses its thanks to the Bankers for their support and co-ordination in the form of excellent services rendered by them and Shareholders, Business Associates, Customers for their continued support and faith in the Company.

By Order of the Board of Directors

Rob Johnson
Managing Director

Registered Office:
"Mehta House", Plot No. 64,
Road No. 13, MIDC,
Andheri (E),
Mumbai 400 093.

Place : Mumbai
Date : May 20, 2010

ANNEXURE “A” TO DIRECTORS’ REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED MARCH 31, 2010.

A. CONSERVATION OF ENERGY

Energy conservation is a continuous process and is one of the prime areas for control of cost. Steps taken by the Company are as under:

- a) Energy Conservation Measures taken:
 - Intensified ongoing checks and test on performance of electrical transformer plant and better load management.
 - Electrical lighting in the department is decentralized for conservation.
 - Improvement of Power Factor.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
 - Welding generators with rectifiers as and when required, flux welding introduced to reduce power consumption.
- c) Improving benchmarks of the past. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - The measures taken have resulted in savings in the cost of production.
- d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries specified in the Schedule furnishing below:

FORM A

Disclosure of particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION	2009-2010	2008-2009
i. Electricity:		
a. Purchased		
Units (Total) – KWH	1810888	1625036
Total Amount (Rs. in lacs)	91.50	77.65
Rate /Unit (Rs.)	5.05	4.78
Consumption per unit of production	N.A.	N.A.
b. Own generation (DG set)		
Units (Total) – KWH	33700	37785
Total Amount (Rs. in lacs)	5.21	5.10
Rate/Unit (Rs.)	15.45	13.51
Consumption per unit of production	N.A.	N.A.
ii. Coal:	-	-
iii. Furnance Oil / H.S.D.:		
a. Purchased		
Units (Total) – Litres	14506	14600
Total Amount (Rs. in lacs)	5.21	5.65
Rate/Unit (Rs.)	35.90	38.62
Consumption per unit of production	N.A.	N.A.
b. Own generation	NIL	NIL
iv. Others:	NIL	NIL

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form B furnished below:

FORM B

(Disclosure of particulars with respect to Technology Absorption)

RESEARCH AND DEVELOPMENT (R&D):

- Specific areas in which R&D carried out by the Company:
 - Ongoing development of new product design/processes/materials/toolings, improvement of systems in existing products/processes in related manufacturing areas of industrial machinery, related electrical/electronic products and systems.
 - Testing & Certification of existing products for conformity to new Indian/international standards.
- Benefits derived as a result of above R&D.
 - Indigenisation/Import substitution.
 - Cost reduction/improved utilization of material and energy.
 - Technology upgradation.
 - Enhancement in quality and service to the customers.
 - Development of new designs for products and processes.
 - Preparedness to counter competition in the changed liberalized environment.
- Future Plan of Action:
 - Continuation of the present work in R&D for introduction of new products and processes, improvement in the existing products and processes in various areas in which the Company is operating.
 - Faster introduction of new products and R&D.
 - Strengthening infrastructure for R&D.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- Efforts in brief, made towards technology absorption, adaptation and innovation:
 - The Company has during the year under review acquired certain technical know-how from its parent Company Cockerill Maintenance & Ingénierie, SA, Belgium (CMI).
 - Training of personnel abroad for exposure to the latest products/designs, manufacturing technologies and assembly practices. Post acquisition the personnel of the Company have frequently acquired training from CMI Group.
 - Participating in national/international conferences, seminars and exhibitions.
 - Imparting training to personnel by foreign technicians, mostly from CMI Group, in various manufacturing techniques.
 - Evaluation/adaptation/modification of imported designs/technologies to suit indigenous requirements, alternative materials/components.
- Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, saving in foreign exchange, etc.
- Information regarding technology imported during the last five years.

Technology Imported	Year
Related to Acid Re-generation Plant Technology	2009-2010
Related to Color Coating Technology	2009-2010

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total exports during the year under review were Rs. 10,397.66 Lacs as against Rs. 33,241.03 Lacs for the previous year. Information on Foreign Exchange earnings and outgo is specified in the notes to the accounts.

Activities relating to exports and export plans: Post acquisition Company has made its presence felt in the unexplored global markets through the assistance of its parent Company. The Company is also making continuous efforts to explore new foreign markets for products and services. The sales engineers are in constant touch with overseas market.

ANNEXURE “B” TO DIRECTORS’ REPORT

CORPORATE GOVERNANCE REPORT

1. Company’s Philosophy on Corporate Governance

CMI FPE is committed to good Corporate Governance. CMI FPE’s philosophy on Corporate Governance, as stated in the earlier report, is aimed at assisting the Management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavour to attain balance among enhancement of stakeholder value and achievement of business objectives.

The Company is also guided by the business principles laid down by CMI Group in the conduct of its business.

2. Board of Directors

(i) Composition (as on March 31, 2010):

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors. The Board of Directors of the Company represents an optimum combination of experience, knowledge and professionalism. The current strength of the Board of Directors of the Company comprises of six Members. The Company has a Non-Executive Chairman and the number of Independent Directors is exactly one-half of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

The day-to-day management of the Company is conducted by Mr. Rob Johnson, Managing Director subject to the supervision and control of the Board of Directors.

None of the Directors held Directorships in more than 15 Public Limited companies. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. None of the Directors is related to each other. The information on composition/category of Directors and their Directorships/Committee Membership in other public companies as on March 31, 2010 is as under:

Name of Director	Category/Position	No. of other Directorships	Other committee position	
			Member	Chairman
Mr. Jean-Marc Kohlgruber	Non-Executive (Promoter Group)/ Chairman	—	—	—
Mr. Rob Johnson	Executive (Promoter Group)/ Managing Director	—	—	—
Mr. Yves Honhon	Non-Executive (Promoter Group)	—	—	—
Mr. R. N. Tandon	Non-Executive & Independent	—	—	—
Mr. D. J. Balaji Rao	Non-Executive & Independent	9*	6	3
Mr. Raman M. Madhok	Non-Executive & Independent	1	—	—

*(Including Chairmanship of Board of Directors in one Company)

Notes:-

- 1) The directorships exclude alternate directorships, directorships of private limited companies, bodies corporate incorporated outside India and those held in associations.
- 2) The committee positions pertain to position held on Audit Committee and Shareholders’/Investors’ Grievance Committee of public limited companies.

During the Board of Directors meeting held on May 20, 2010 Mr. Rob Johnson, Managing Director tendered his resignation from the said post w.e.f. July 15, 2010. Consequently Mr. Raman Madhok is appointed as Managing Director w.e.f. July 16, 2010. Mr. Raman Madhok has been associated with the Company as an Advisor to the Board since last two years. Further Mr. Jean Gourp, Chief Operating Officer of the Company has been elevated to the position of Deputy Managing Director w.e.f. May 20, 2010.

The Board also places on record its appreciation for the tremendous contribution and efforts of Mr. Rob Johnson in serving the Company in his span of 2 years. During his tenure he successfully accomplished various task the most important being the post acquisition integration of the Company.

(ii) Meetings and attendance:

Seven meetings of the Board of Directors were held during the year ended March 31, 2010. These meetings were held on April 27, 2009, June 17, 2009, July 30, 2009, September 11, 2009, October 28, 2009, January 27, 2010 and March 23, 2010.

The information on attendance of each Director at the meeting of the Board of Directors held during the year ended March 31, 2010 and at the last Annual General Meeting is as under:

Name of Director	No. of Board meetings attended	Attendance at last AGM
Mr. Jean-Marc Kohlgruber	6	Yes
Mr. Rob Johnson	7	Yes
Mr. Yves Honhon	6	Yes
Mr. R. N. Tandon	7	Yes
Mr. K. R. Iyer*	4	Yes
Dr. N. S. Datar*	4	Yes
Mr. D. J. Balaji Rao	6	Yes
Mr. Raman M. Madhok	6	No

*Mr. K. R. Iyer & Dr. N. S. Datar retired w.e.f September 11, 2009.

3. Audit Committee

(i) Composition:

The Company's Audit Committee was re-constituted w.e.f September 11, 2009 following the retirement of Mr. K. R. Iyer & Dr. N. S. Datar. Earlier it comprised of three Non-Executive Directors viz., Mr. R. N. Tandon, as the Chairman of the Committee, while Mr. K. R. Iyer and Dr. N. S. Datar were the other members of the Committee.

The present Audit Committee of the Company comprises of three Non-Executive Directors out of which two are Independent. Mr. D. J. Balaji Rao is the Chairman of the Committee while Mr. Yves Honhon and Mr. R. N. Tandon are its Members.

The Company Secretary acts as secretary to the Committee.

(ii) Meetings and attendance:

Five meetings of the Committee were held during the year ended March 31, 2010. These meetings were held on April 27, 2009, June 17, 2009, July 30, 2009, October 28, 2009 and January 25, 2010. The information with regard to attendance of the Members is as under:

Name	Position held	Category	No. of meetings attended
Mr. D. J. Balaji Rao	*Chairman	Non-Executive & Independent Director	#3
Mr. Yves Honhon	Member	Non-Executive Director	#4
Mr. R. N. Tandon	*Member	Non-Executive & Independent Director	5
Mr. K. R. Iyer	Member	Non-Executive & Independent Director	3
Dr. N. S. Datar	Member	Non-Executive & Independent Director	3

* Mr. D. J. Balaji Rao took over as Chairman of the Committee from Mr. R. N. Tandon w.e.f. September 11, 2009.

Mr. D. J. Balaji Rao attended 2 Committee meetings as a Chairman and had also attended one meeting as an Invitee. Mr. Yves Honhon attended two Committee meetings as a Member w.e.f. September 11, 2009 and the previous 2 meetings were also attended by him as an Invitee.

(iii) Terms of reference:

The role of the Audit Committee includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the financial statements before submission to the Board.
- Reviewing with the management and the external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with External Auditors before the audit commences, the nature and the scope of Audit as well as have post audit discussion.
- Reviewing the Company's financial and risk management policies.

4. Remuneration Committee and Details of Remuneration

(i) Composition, meeting & attendance:

The Remuneration Committee was reconstituted twice during the year under review. Presently it comprises of Mr. Raman M. Madhok as the Chairman of the Committee. Mr. Jean-Marc Kohlgruber, Mr. Yves Honhon, Mr. R. N. Tandon and Mr. D. J. Balaji Rao act as the Members of the Committee. Majority of the Committee comprises of Non-Executive Independent Directors. One meeting dated June 17, 2009 of the Committee was held during the year under review, which was attended by all those who were Members of the Committee as on that date.

(ii) Terms of reference:

The terms of reference of the Committee are to decide the remuneration of the Executive Directors. It reviews the overall compensation policy, service agreements and other employment conditions of the Executive Directors with a view to retaining and motivating the best managerial talents. In determining the remuneration package of the Executive Directors, it evaluates the remuneration paid by comparable organizations and thereafter makes its recommendations to the Board in this regard. It also reviews the performance of the Executive Directors and recommends to the Board the quantum of annual increments/ commissions.

(iii) Remuneration and shareholding of Non-Executive Directors:

The Non-Executive Directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Keeping in view industry practices, the Board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fees presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the Non-Executive Directors for attending meetings of the Board and Committee(s) thereof held during the year ended March 31, 2010 and the number of equity shares held by them in the Company as of date is as under:

Name	Sitting Fees (Rs.)	#Commission	Total	No. of shares held
Mr. Jean-Marc Kohlgruber*	—	—	—	NIL
Mr. Yves Honhon*	—	—	—	NIL
Mr. R. N. Tandon	3,20,000	#3,80,000	7,00,000	NIL
Dr. N. S. Datar	1,60,000	—	1,60,000	NIL
Mr. K. R. Iyer	1,60,000	—	1,60,000	NIL
Mr. D. J. Balaji Rao	1,60,000	#5,40,000	7,00,000	NIL
Mr. Raman M. Madhok	1,80,000	#5,20,000	7,00,000	NIL

* Have voluntarily waived the acceptance of sitting fees.

The Company has accrued the commission payable to its Non-Executive Director's during the current financial year. However the commission payable to Non-Executive Director's is subject to approval of the Shareholders at the General Meeting vide a Special Resolution.

During the year under review, the Non-Executive Director's neither had any other pecuniary relationship nor have entered into any other transaction *vis-à-vis* the Company. None of the Non-Executive Directors holds any shares in the Company.

(iv) Remuneration Policy:

The Managing Director of the Company is paid remuneration as per the terms approved by the Board of Directors of the Company confirmed by the shareholders of the Company and such other approvals as may be necessary. The remuneration structure comprises of basic salary, perquisites and allowances. The present Managing Director being an expatriate did not have any retirement benefit in the local salary but in the view of a recent legislation, the Company is contributing to the provident fund on behalf of the Managing Director.

(v) Remuneration of Executive Directors:

The remuneration paid/payable to Executive Director of the Company for the year ended March 31, 2010 summarized under major elements is as under:

Name	(Rs. in lacs)				
	Salary	Allowances & Perquisites*	Contribution to PF/Gratuity/Compensated Absences & Superannuation Fund	Commission	Total
Mr. Rob Johnson Managing Director	34.02	71.43	4.08	NIL	109.53

* excludes the payment towards the personal accident insurance as the premium has been paid under the Company's Group Personal Accident Scheme for the Company as a whole.

Notes:

- 1) All the above remuneration components except commission are fixed in nature. The payment of commission is considered and approved by the Remuneration Committee and the Board of Directors, based on internal norms for assessing the performance of Executive Directors that includes the Company's strategic business plans, current market trends and contribution of the Executive Directors in achieving the objectives of the Company.
- 2) The Company does not have any stock option scheme.
- 3) The appointment of the Managing Director is for a period of 3 years from the date of his appointment i.e. June 25, 2008.
- 4) The Company has entered into an agreement with Managing Director setting out terms and conditions of appointment.

5. Shareholders'/Investors' Grievance Committee

The Committee deals with various matters relating to:

- transfer/transmission of shares;
 - issue of duplicate share certificates;
 - review of shares dematerialized;
 - monitors expeditious redressal of investors' grievances; and
 - all other matters related to shares.
- (i) Mr. R. N. Tandon is the Chairman of the Committee and Mr. Raman M. Madhok and Mr. Rob Johnson act as its Members. The Company Secretary acts as the Secretary to the Committee and is the Compliance Officer. During the first quarter of the current financial year the Committee included officers of the Company, however, the Committee was re-constituted w.e.f. June 17, 2009 and subsequently all the Members of this Committee are now Board Members. Further a sub-committee has been formed comprising of officials of the Company in order to expedite the share transfer process.
 - (ii) Eight complaints were received from shareholders during the financial year April, 2009 to March, 2010 all of which have been attended to before the end of the year, and believed to have been resolved to the satisfaction of the investors. The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction.
 - (iii) All complaints have been solved to the satisfaction of the shareholders.
 - (iv) Number of pending share transfers: NIL

6. General Body Meetings

The information relating to the location and time of last three Annual General Meetings and the Special Resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any Special Resolution passed
2006-2007	Mehta House, 64, Road No 13, MIDC, Andheri (E), Mumbai 400093	September 28, 2007	3.30 p.m.	Yes. One Special Resolution passed.
2007-2008	Mehta House, 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093	September 19, 2008	3.30 p.m.	Yes. Three Special Resolutions passed.
2008-2009	Mehta House, 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093	September 11, 2009	3.30 p.m.	Yes. One Special Resolution passed.

The Special Resolutions passed at the aforesaid Meetings were put to vote by show of hands. All Special Resolutions were passed unanimously. The Company has neither passed any Special Resolution through postal ballot during 2009-10 nor at present proposes to pass any Special Resolution through postal ballot during the current year.

7. Disclosures

1. The Company has not entered into any materially significant related party transactions with its Promoters, Directors or management or their relatives etc., that may have potential conflict with the interest of the Company at large.
2. The Board of Directors has laid down the code of conduct for Directors and Senior Management Personnel including all functional heads, which they are bound to observe in the course of conduct of business of the Company. This code of conduct has been posted on the website of the Company. Each Director of the Company and Senior Management Personnel including all functional heads, to whom the code has been made applicable, have affirmed their compliance with the code. A declaration by Mr. Rob Johnson, Managing Director, to this effect forms part of this report.
3. The Company has not established a formal whistle blower policy mechanism. However, no personnel of the Company have been denied any access to the Audit Committee.

8. Means of Communication

The Company regularly intimates its unaudited as well as audited Financial Results to the Stock Exchange, as soon as these are taken on record/approved. The Financial Results are published in leading English and Marathi daily newspapers. The results are also available on website created by SEBI (EDIFAR) and are also displayed on the Company's website www.cmifpe.com. During the year, the Company has not made any presentation to institutional investors or to the analysts.

9. General Shareholder Information

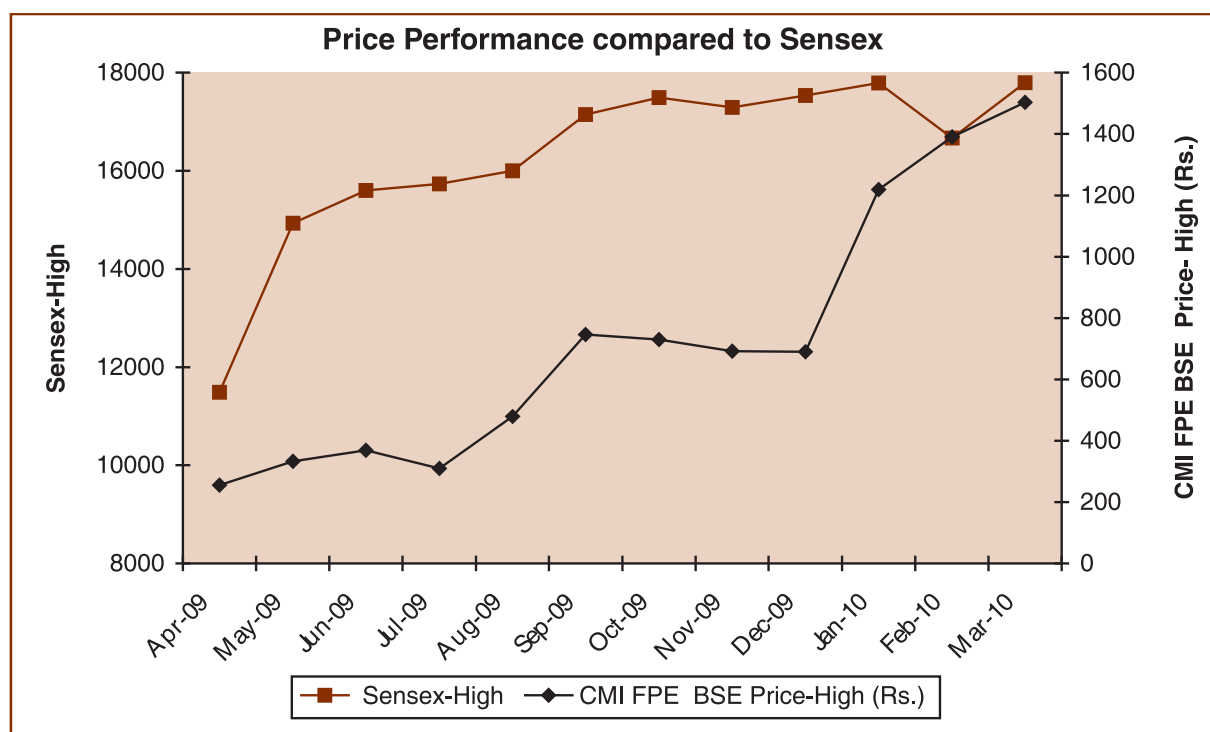
AGM: Date, Time and Venue	July 31, 2010 at 3.30 p.m. at Mehta House, 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093.
Date of Book Closure	July 24, 2010 to July 31, 2010 (both days inclusive).
Dividend Payment Date	On or before August 30, 2010.
Financial year	April to March
Listing on Stock Exchanges	Bombay Stock Exchange Limited. 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The Company has paid the annual listing fees for the period April, 2010 to March, 2011. The shareholders of the Company at their meeting held on 19-09-2008 accorded approval for delisting of equity shares from the Ahmedabad Stock Exchange Limited and the Delhi Stock Exchange Limited. The Company has complied with the necessary formalities for delisting. Subsequently the equity shares of the Company shall continue to be listed only on Bombay Stock Exchange Limited (BSE).
Stock Code	BSE Scrip Code : 500147 Scrip Name : CMIFPE
ISIN	The ISIN No. for dematerialization of the Company's shares with NSDL and CDSL is INE515A01019 .
Corporate Identification Number (CIN)	The Company's CIN, allotted by the Ministry of Corporate Affairs, is L99999MH1986PLC039921 .
Market Price Data	Annexure A.
Performance in comparison to BSE Sensex	Annexure B.
Registrar and Transfer Agents	Sharepro Services (India) Private Limited 13AB Samhita Warehousing Complex, 2nd Floor, Off Andheri Kurla Road , Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (E) Mumbai 400072 Tel. No.: 67720300 Fax No.: 28591568
Distribution of Shareholding as on 31-03-2010.	Annexure C.
Shareholding pattern	Annexure D.
Dematerialization of shares	Annexure D.
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.	The Company has not issued any GDRs/ADRs/warrants or any other convertible instruments.
Plant Locations	<u>Plants:</u> <u>Unit No. I</u> A-84, 2/3, MIDC, Talaja Industrial Area, Dist Raigad - 410208. Maharashtra. <u>Unit No. II</u> Survey. No. 144/1/3, Silvassa Khanvel Road, Village Rakholi, Silvassa – 396230. Union Territory of Dadra & Nagar Haveli.
Address for correspondence	"Mehta House", Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093. Tel. No.022 66762727 Fax No.022 667s62737/38 The investors may register their grievance on investors@cmifpe.com , an exclusive e-mail ID for registration of complaints by the investors.

Annexure A

The high and low prices of the Company's equity shares (face value of Rs. 10 each) on Bombay Stock Exchange (BSE) during the financial year 2009-10 were as under:

Month	BSE	
	High (Rs.)	Low (Rs.)
April, 2009	255.30	232.50
May, 2009	333.00	230.10
June, 2009	368.05	283.00
July, 2009	309.00	230.00
August, 2009	479.45	306.00
September, 2009	746.60	444.65
October, 2009	730.00	660.00
November, 2009	692.10	630.00
December, 2009	690.00	642.60
January, 2010	1,218.90	675.00
February, 2010	1,391.00	989.80
March, 2010	1,503.00	1,021.00

Annexure B



Annexure C

Distribution of shareholding as on March 31, 2010 is as under:

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
Upto 500	3387	93.409	321583	6.513
501 – 1000	119	3.282	92152	1.866
1001 – 2000	55	1.517	84005	1.701
2001 – 3000	22	0.607	56905	1.152
3001 – 4000	6	0.165	21860	0.443
4001 – 5000	6	0.165	27217	0.551
5001 – 10000	16	0.441	111282	2.254
10001 and above	15	0.414	4222809	85.520
Total	3626	100.000	4937813	100.000

Annexure D

Shareholding pattern as on March 31, 2010 is as under:

Category	No. of shares	% holding
Promoters & Promoters Group	37,03,200	75.00
Mutual Funds, Banks & Insurance Companies	200	0.00
Foreign Institutional Investors (FII's)/OCB	1,850	0.04
NRIs	37,175	0.75
Domestic Companies	98,661	2.00
Resident Individuals	10,96,727	22.21
Total	49,37,813	100.00

Dematerialization of shares:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	48,59,688	98.42	3077	84.84
Physical Form	78,125	1.58	550	15.16
Total	49,37,813	100.00	3627	100.00

Non-Mandatory Requirements

1. The Board

The present Chairman is a foreign national and Non-Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and direction of the Company irrespective of duration of their tenure. The non-mandatory condition that Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a Company will be considered when deemed fit by the Board of the Company. The Board takes into account qualification and experience of Independent Director, which would be of use to the Company and which would enable him to contribute to the Company in his capacity as Independent Director.

2. Remuneration Committee

The Company has set up Remuneration Committee comprising of three Independent Directors, which determines remuneration payable to the Executive Directors of the Company.

3. Shareholders rights

The Company publishes its quarterly financial results in leading English and Marathi daily newspapers.

4. Audit qualifications

The Company proposes or has taken steps to move to unqualified financial statements.

5. Training and Evaluation

The training of Board Members and evaluation of performance of Non-Executive Directors as envisaged under clause 49 of the listing agreement will be considered as and when such need arises.

6. Whistle Blower Policy

The Company at present has not established formal whistle blower policy mechanism. However, no personnel of the Company have been denied any access to the Audit Committee.

DECLARATION

I hereby declare that the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2010.

For CMI FPE Limited

Place : Mumbai
Dated : May 20, 2010

Rob Johnson
Managing Director

ANNEXURE “C” TO DIRECTORS’ REPORT

MANAGEMENT DISCUSSION & ANALYSIS

The Management of CMI FPE Limited [Formerly Flat Products Equipments (India) Ltd.] presents below its analysis on performance of the Company for the year 2009-10 and an outlook for the future. The report conveys expectations on future performance based on the current business environment. These could vary based on future developments unreckoned presently.

Industry Structure & Developments:

The Indian economy which came under strain already during second part of the previous year triggered by the global slowdown, moved into 2009 at a reduced intensity as evidenced by the decelerated growth of industrial production. The negative impact of these adverse conditions was especially felt during the first part of the year while some positive and mainly domestic factors helped it to regain some of the lost ground. With the signs of economic recovery coming to the fore much earlier than expected there was reasonable improvement in the over all conditions.

While the Indian industry in general has seen an improvement with the manufacturing sector leading the pack, the deceleration in the agricultural growth, dampened by a deficient rainfall, could act as a drag on the overall growth of the Indian economy which is already in the thick of inflationary pressures. The Indian capital goods industry with its strategic importance to the economic independence and which has evolved over the years in terms of competitiveness, witnessed a downturn towards the end of 2008 and this had a pronounced effect on the index of industrial production which declined rapidly since then. Though there have been some signs of consolidation in the industrial sector recovery, the performance of the capital goods sector has not been at desired levels as the order inflow has not been as robust as in the past. India, being one of the emerging market economies, is well aware of the importance of a strong domestic capital goods industry with its own advantages and certain initiatives in the pipeline like the Goods and Service Tax should enable the industry to sharpen its competitiveness for reaching greater heights.

Outlook:

The management of CMI FPE is prepared to face the challenging environment and has taken measures to continue to maintain reasonable profits. The Company is focused to reduce cost and preserve capital in order to sustain in turbulent times. The steps being taken include effective management of foreign exchange risk, controlling costs and creating further all around operational efficiencies particularly through improved inventory and receivables management.

With improvement in economic scenario, better liquidity, recent pickup in growth rate in the manufacturing sector and continued investments in infrastructure projects, the business is expected to grow

Considering that CMI FPE is essentially a projects company, it becomes very important to closely monitor project cash flows. Systems have been strengthened for cash flow management.

As is well known, the per capita consumption of steel in India is significantly below international levels. It is expected that the Central Government would announce on a periodic basis a slew of measures to boost infrastructure as part of Economic Policy initiatives. This would give a fillip to the Steel Industry and have a favourable impact on the Company's Operations going forward.

The Company is also keen to build and expand in technology base to meet the increasing needs of its customers and differentiate itself from the competition.

Review of Operations:

The Company focused on domestic market during the year under review. Its domestic sales amounted to 73.15% of its net sales for F.Y. 2009-2010 (Previous Year 26.77%). Also profit after tax registered a significant increase of 918.28% (i.e. Rs. 27.29 crores in F.Y. 2009-2010 vis-à-vis Rs. 2.68 crores in the previous year).

Opportunities and Threats:

The Company, over the last 23 years, has acquired a global leadership position in the design, manufacture, erection and commissioning of Cold Rolling Mill Complexes and Auxiliary Equipments for the Cold Rolling Industry and the Metal Processing Industry.

In the coming months, the Company sees significant business opportunities in this market. A committee has been constituted in each of these areas to script a business plan and to thereafter take substantive actions.

The Company has a presence in both the domestic and export markets and this mitigates to some extent the impact of adverse economic conditions arising in any one of these markets at a time.

An average gestation time for each project is any where between 12 months to 36 months. Such long gestation period brings along the inherent risks like variations in input prices, adverse development at customers' end leading to project delays, prolonged project management, performance issues etc. Though every care is taken to mitigate the impact of any adverse element, the inherent nature of projects business cannot be devoid of such elements.

The buoyancy in investment activity is very significant to the capital goods industry as the business development of the Company as a supplier of equipments depends a lot on the capital expenditure programme charted out by the corporations and entrepreneurs.

The business climate holds the key for the uninterrupted capital expenditure programme. In the event of an uncertain business environment as witnessed in the recent past and the consequent deferment of projects, this could cause a downturn in the Company's business.

Risk Management:

CMI FPE is exposed to risks that are inherent to its businesses and the environment within which it operates.

Your Company adopts a comprehensive and integrated risk appraisal, mitigation and management process. The Board of Directors oversees all risks assumed by the Company. Specific committees comprising of Managing Director and Senior Management of the Company are constituted to facilitate focused oversight of various risks.

As mentioned above, the average gestation time for each project is anywhere between 12 months to 36 months. The entity has in place an Assessment Committee which examines in great detail the various sources of risks and the risk mitigation strategies to be adopted just preparatory to finalization of contracts with prospective customers. Business risk, financial risk, liquidity risk and market risks are the key risks reviewed by the Assessment Committee prior to their approving the various contract covenants. A standard checklist is adopted for this purpose. Once the project materializes, the various risks as well as risk mitigation strategies are reviewed on a periodic basis by the Company's Management Committee and emergent actions are taken on the basis of these discussions.

The Company's Management Committee identifies, evaluates and firms up strategy to mitigate risks of the Company. The Committee has identified the following risks and has taken remedial measures for mitigating the same:

Sr. No.	Risk	Mitigation Measures
1.	Concentration on a handful of clients could hamper business growth	Post acquisition your Company is constantly striving to increase its client base and have also been successful to some extent. The Company is also receiving orders from CMI Group Companies. Further CMI Brand name has also helped Company to add new names in its clients list.
2.	Non availability of essential raw materials in terms of cost and quality	Critical inputs scenario is continuously monitored and suitable remedial measures are taken immediately.
3.	Foreign Exchange exposure	Hedging of firm commitment and export receivables has being adopted during the current financial year by your Company.
4.	Lack of adequate low cost funds to meet capex requirements could hamper business growth	Your Company enjoys a debt free status as regards it is utilizing internal accruals to fund the capex requirements. Further liquid funds at the disposal of the Company are judiciously used and conserved for earning non-operating revenue.
5.	Human Resource availability	Your Company depends upon qualified and skilled man-power. Human Resource is an important asset of the Company. Company continuously trains its HR assets to ensure the prevalence of contemporary work knowledge.

Financial Performance:

During the year 2009-10, the total operating income at Rs.402.54 crores registered decline of 13.39% over the previous year. The profit before tax at Rs.43.15 crores grew by 143.92% over the previous year, also profit after tax at Rs.27.29 crores increased by 918.28% over the previous year. The earnings per equity share of Rs.10 was Rs.55.26 as against Rs.5.42 in the previous year. Operationally, the interest cost at Rs.1.38 crores was 73.66% lower compared to the previous year due to disciplined inventory and receivables management. The Company repaid bank borrowings and other loans to the extent of Rs.55.74 crores. This together with disciplined working capital management resulted in saving of Rs.3.85 crores in interest cost.

Industrial Relations & Human Resources Management:

The industrial relations remained cordial at all locations. The development of human resources is an ongoing imperative for the Company in order to prepare them for future responsibilities in terms of professional skills as well as business skills. It has a large pool of trained and capable employees who help customers on an ongoing basis to improve efficiency and effectiveness of the processes and equipments supplied by the Company at client sites.

Information Technology:

The Company is constantly assessing upgrading and fine tuning its information systems to cater to the growing information requirements of various users. It recognizes that information technology in the recent past has transformed from being an enabler to a key business driver because customers, suppliers and senior management needs consolidated real time information for quick and accurate decision making.

The Company has during the year increased its investments in cutting edge technologies, integration of software packages and is looking forward to working with different locations of CMI to improve customer satisfaction.

The Company's business processes have been calibrated in a state of the art ERP system, which provides a high degree of visibility and transparency of the entity's business processes.

**Internal Control Systems:**

The Company has in place adequate systems of internal control commensurate with its size and nature of operations. The system on internal controls ensures that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized and reported correctly. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Company has an Internal Auditor for examining the adequacy and compliance with laid down policies, controls, statements of operating procedures and statutory requirements. The Audit Committee of the Board of Directors approves the Annual Internal Audit Plan and reviews the internal audit reports as well as action taken on the matters reported upon which is discussed at the Audit Committee meetings.

Cautionary Statement:

The Statements made in this report are forward looking and are made on basis of certain assumptions and expectations of future events.

The Company cannot guarantee that these forward looking statements will be realized though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements is subject to risk, uncertainties and even inaccurate assumptions which could thus differ materially from those projected in any such forward looking statements.

The Board of Directors of the Company assumes no responsibility in respect of the forward looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly, update any forward looking statements on the basis of subsequent developments, information, future events or otherwise.

CEO / CFO CERTIFICATION

To the Board of Directors
CMI FPE Limited

We have reviewed the financial statements, read with cash flow statement of CMI FPE Limited for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement of omit any material fact or contain statements that may be misleading;
- (a) (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For CMI FPE LIMITED

Rob Johnson
Managing Director
(Chief Executive Officer)

Place : Mumbai
Dated : May 20, 2010

Prasad Jahagirdar
Sr. Vice President - Finance
(Chief Financial Officer)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To:
The Members of CMI FPE Limited,

We have examined the compliance of conditions of Corporate Governance by CMI FPE Limited (hereinafter referred to as the 'Company'), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has materially complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

A. S. Varma
Partner
(Membership No. 15458)

MUMBAI, May 20, 2010

AUDITORS' REPORT TO THE MEMBERS OF CMI FPE LIMITED

1. We have audited the attached Balance Sheet of **CMI FPE Limited** ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As stated in Note 19(b) of Schedule K to financial statements, excess managerial remuneration amounting to Rs. 406.26 lacs paid to the two former whole-time directors (one of whom since deceased) in the previous year was in excess over the limit, specified under the relevant provisions of the Companies Act, 1956 and subject to the approval of the Central Government, for waiver of recovery. Further, as stated in Note 19(c) of Schedule K to financial statements, the said two former directors had retained three cars of the Company at the time when they ceased to be the whole time directors on June 25, 2008; the written down value of such assets was Rs. 16.02 lacs, this is subject to approval of the Central Government for waiver of recovery. The required documents have been submitted during the year to the Central Government, Ministry of Corporate Affairs. The same has been acknowledged by the officials of the Ministry. The approval against the said application is awaited. Our report for the previous year ended March 31, 2009 was similarly modified.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) *Subject to our comment in the aforesaid paragraph 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

A. S. Varma
Partner

(Membership No. 15458)

MUMBAI, May 20, 2010

ANNEXURE TO THE AUDITORS' REPORT OF CMI FPE LIMITED

(Referred to in paragraph 3 of our report of even date)

- i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, *discrepancies that were noticed on such verification are being reconciled with book records and would be adjusted in future upon completion of reconciliation.*
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. (Also refer note 12 of Schedule K to the financial statements)
- iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services (project revenues). During the course of our audit, we have not observed any major weakness in such internal control system.
- vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time other than those entered into with sole/special nature supplier.
- vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by Management have been commensurate with the size of the Company and nature of its business.
- ix) As per information and explanations given to us, the Company is not required to maintain cost accounting records under Section 209(1)(d) of the Companies Act, 1956.
- x) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.

- c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as at March 31, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
The Central Excise Act, 1944	Excise Duty – Cenvat credit (including interest and penalty)	Central Excise and Service Tax Appellate Tribunal	2007-08	193.17

- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- xii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

A. S. Varma
Partner

(Membership No. 15458)

MUMBAI, May 20, 2010

BALANCE SHEET AS AT MARCH 31, 2010

		(Rs. In Lacs)			
	Schedule	As at March 31, 2010		As at March 31, 2009	
I Sources of Funds :					
(1) Shareholders' Funds					
(a)	Share Capital	A	493.78	493.78	
(b)	Reserves and Surplus	B	10,287.02	10,780.80	8,134.17
					8,627.95
(2) Loan Funds					
(a)	Secured Loans	C	-	3,074.10	
(b)	Unsecured Loans	D	-	-	2,500.00
					5,574.10
	Total		10,780.80		14,202.05
II Application of Funds :					
(1) Fixed Assets					
(a)	Gross Block	E	7,392.48	6,974.04	
(b)	Less : Depreciation / Amortisation		4,568.80	4,070.27	
(c)	Net Block		2,823.68	2,903.77	
(d)	Capital Work In Progress		8.83	2,832.51	0.30
					2,904.07
(2) Investments					
(3) Deferred Tax Asset (Net) [Refer Note 5 of Schedule K]					
			1,102.35		930.43
(4) Current Assets, Loans and Advances :					
(a)	Inventories	G	1,991.85	1,722.99	
(b)	Sundry Debtors		21,446.59	20,946.80	
(c)	Cash and Bank Balances		4,501.80	3,671.38	
(d)	Other Current Assets		1,170.67	1,554.91	
(e)	Loans and Advances		4,453.47	5,226.36	
			33,564.38	33,122.44	
Less : Current Liabilities and Provisions :					
(a)	Liabilities	H	24,229.89	19,557.92	
(b)	Provisions		2,488.56	3,208.57	
			26,718.45	22,766.49	
	Net Current Assets		6,845.93		10,355.95
	Total		10,780.80		14,202.05
Significant Accounting Policies and Notes to the Accounts	K				

Schedules A to K annexed hereto form part of the Balance Sheet and Profit and Loss Account

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. S. Varma
Partner

Jean-Marc Kohlgruber
Chairman

Rob Johnson
Managing Director

Yves Honhon
Director

Kunal Trivedi
Company Secretary

Prasad Jahagirdar
Sr. Vice President-Finance & CFO

Place : Mumbai
 Date : May 20, 2010

Place : Mumbai
 Date : May 20, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. In Lacs)	
	Schedule	For the Year ended March 31, 2010	For the Year ended March 31, 2009
I	Income :		
	Gross Sales and Services	40,020.04	45,840.80
	Less: Excise Duty	1,298.14	446.03
	Net Sales and Services	38,721.90	45,394.77
	Other Income	1,531.99	1,082.35
	Total	40,253.89	46,477.12
II	Expenditure :		
	Manufacturing, Erection and Other Expenses	35,237.92	43,591.13
	Interest	137.56	522.17
	Depreciation/Amortisation	530.68	560.00
		35,906.16	44,673.30
III	Profit Before Prior Period Adjustments & Tax	4,347.73	1,803.82
	Prior Period Adjustments (Net) [Refer Note 23 of Schedule K]	32.35	35.26
IV	Profit Before Tax	4,315.38	1,768.56
	Provision for Taxation		
	(a) Current Tax [Including Interest Rs. 29.45 lacs (Previous Year - Rs. 99.71 lacs)]	1,720.00	1,700.00
	(b) Deferred Tax	(171.92)	(992.69)
	(c) Tax Relating to Earlier Years (Net) [Refer Note 6 of Schedule K]	38.66	753.95
	(d) Fringe Benefit Tax	-	39.47
V	Profit After Taxation	2,728.64	267.83
	Add: Balance brought forward from Previous Year	1,328.98	1,196.78
VI	Balance Available for Appropriation	4,057.62	1,464.61
VII	Appropriation :		
	Proposed Dividend	493.78	98.76
	Provision for Taxation on Dividend	82.01	16.78
	Transferred to General Reserves	1,000.00	20.09
	Balance carried to Balance Sheet	2,481.83	1,328.98
VIII	Earnings per share (EPS) [Refer Note 21 of Schedule K]		
	Basic and Diluted Earnings per Share	55.26	5.42
	Equity share, face value of Rs.10/- each		
	Significant Accounting Policies and Notes to the Accounts	K	

Schedules A to K annexed hereto form part of the Balance Sheet and Profit and Loss Account

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. S. Varma
Partner

Jean-Marc Kohlgruber
Chairman

Rob Johnson
Managing Director

Yves Honhon
Director

Kunal Trivedi
Company Secretary

Prasad Jahagirdar
Sr. Vice President-Finance & CFO

Place : Mumbai
 Date : May 20, 2010

Place : Mumbai
 Date : May 20, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule A : Share Capital	(Rs. In Lacs)	
	As at March 31, 2010	As at March 31, 2009
Authorised		
8,000,000 Equity Shares of Rs.10/- each	800.00	800.00
200,000 Preference Shares of Rs.100/- each	200.00	200.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued, Subscribed and Paid-Up		
4,937,813 Equity Shares of Rs.10/- each fully paid-up [Of the above, 3,697,700 Equity Shares constituting 74.89% are held by Cockerill Maintenance and Ingenierie S.A., the Holding Company]	493.78	493.78
Total	<u>493.78</u>	<u>493.78</u>

Schedule B : Reserves and Surplus	(Rs. In Lacs)	
	As at March 31, 2010	As at March 31, 2009
(a) Securities Premium Account		
Balance as per previous Balance Sheet	1,466.27	1,466.27
(b) General Reserve		
Balance as per previous Balance Sheet	5,338.92	5,318.83
Add : Transferred From Profit & Loss Account	<u>1,000.00</u>	<u>20.09</u>
	6,338.92	5,338.92
(c) Profit and Loss Account	2,481.83	1,328.98
Total	<u>10,287.02</u>	<u>8,134.17</u>

Schedule C : Secured Loans	(Rs. In Lacs)	
	As at March 31, 2010	As at March 31, 2009
(a) Loans and Advances from Banks	-	3,040.12
(b) Other Loans and Advances		
Machinery / Car Finance :		
Financial Institution and Others	-	33.98
Total	<u>-</u>	<u>3,074.10</u>

Notes :

1. Loans and Advances from banks including cash credit is secured by hypothecation of stocks and book debts and secured by first *pari passu* charge on the fixed assets of the Company and equitable mortgage of land at Taloja, Silvassa and Andheri. The Company continues to avail non-fund based limits and the charge continues.
2. Machinery / Car finance were to be secured by hypothecation of specific asset covered under such loans.

Schedule D : Unsecured Loans	(Rs. In Lacs)	
	As at March 31, 2010	As at March 31, 2009
(a) Short Term Loans and Advances		
From a Bank	-	2,500.00
Total	<u>-</u>	<u>2,500.00</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule E : Fixed Assets										(Rs. In Lacs)	
Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block		
	As at March 31, 2009	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2010	Up to March 31, 2009	For the year	Deductions/ Adjustments	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009	
Tangible Assets											
Freehold Land	103.99	-	-	103.99	-	-	-	-	103.99	103.99	
Leasehold Lands	353.85	-	-	353.85	5.66	5.66	-	11.32	342.53	348.19	
Flats	10.82	-	-	10.82	0.25	0.25	-	0.50	10.32	10.57	
Factory Roads	50.02	19.18	-	69.20	9.25	2.49	-	11.74	57.46	40.77	
Factory Buildings	1,831.38	11.90	-	1,843.28	956.72	87.64	-	1,044.36	798.92	874.66	
Office Building	496.00	5.57	-	501.57	181.34	15.74	-	197.08	304.49	314.66	
Plant & Machinery	2,491.30	134.06	-	2,625.36	1,752.05	204.56	-	1,956.61	668.75	739.25	
Electrical Installations	98.91	-	-	98.91	61.92	5.14	-	67.06	31.85	36.99	
Quality Control Equipments	28.84	0.24	1.65	27.43	24.50	0.58	1.24	23.84	3.59	4.34	
Office Equipments	209.25	8.15	22.80	194.60	100.85	16.05	12.88	104.02	90.58	108.40	
Computers	290.32	196.13	17.23	469.22	217.98	52.88	(1.59)*	272.45	196.77	72.34	
Furniture	90.20	13.58	2.81	100.97	52.09	16.04	1.87	66.26	34.71	38.11	
Motor Car	10.81	-	-	10.81	1.65	2.37	-	4.02	6.79	9.16	
Computers (Lease Asset)	21.35	-	21.35	-	15.65	2.10	17.75	-	-	5.70	
Intangible Assets											
Software	418.90	95.47	-	514.37	222.26	119.18	-	341.44	172.93	196.64	
Designs & Drawings	468.10	-	-	468.10	468.10	-	-	468.10	-	-	
Total	6,974.04	484.28	65.84	7,392.48	4,070.27	530.68	32.15	4,568.80	2,823.68	2,903.77	
Previous Year	7,626.84	275.62	928.42	6,974.04	4,241.60	560.00	731.33	4,070.27	2,903.77	-	
Capital work in progress									8.83	0.30	
								Total	2,832.51	2,904.07	

* After netting off the accumulated depreciation of Rs.17.75 Lacs (Previous Year - Rs.Nil) on leased assets which have been transferred to owned assets during 2009-2010.

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule F : Investments		(Rs. In Lacs)	
	No. of Equity Shares @	As at March 31, 2010	As at March 31, 2009
Long Term Investments (At Cost Less Diminution In The Value, Other Than Temporary) - Non-trade			
(a) Quoted			
Syndicate Bank	Nil	-	1.51
(Face value Rs.10/- each)	(3,025)		
Union Bank of India	Nil	-	10.09
(Face value Rs.10/- each)	(9,172)		
		-	11.60
(b) Unquoted			
Elbee Services Limited	4,000	* 0.00	7.62
(Face value Rs.10/- each, Book Value Re.1/-)	(4,000)		
Essem Coated Steels Limited	34,000	* 0.00	3.40
(Face value Rs.10/- each, Book Value Re.1/-)	(34,000)		
Elbee Airline Limited	100,000	* 0.00	40.00
(Face value Rs.10/- each, Book Value Re.1/-)	(100,000)		
Highland Park Co Op Hsg. Society Ltd	10	0.01	0.01
(Face value Rs.50/- each)	(10)		
		0.01	51.03
		0.01	62.63
Less : Provision for Diminution in value of investments		-	51.03
Total		0.01	11.60

* Carrying value written down to Re.1/- during 2009-2010 against Provision for Diminution.

@ Previous year's figures are in brackets.

	Book Value		Market Value	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Aggregate of Quoted Investments	-	11.60	-	14.96
Aggregate of Unquoted Investments	0.01	-	N.A.	N.A.
	0.01	11.60		

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule G : Current Assets, Loans and Advances	(Rs. In Lacs)	
	As at March 31, 2010	As at March 31, 2009
(a) Inventories :		
(Valued at lower of cost and net realisable value)		
Raw Materials	1,425.96	1,187.17
Stores and Spares	214.95	223.00
Work In Progress	16.32	20.19
Finished Goods (Including Excise Duty)	334.62	292.63
	1,991.85	1,722.99
(b) Debtors :		
(Unsecured)		
More than six months :		
Considered good	4,330.43	5,944.19
Considered doubtful	1,666.13	373.11
	5,996.56	6,317.30
Other debts :		
Considered good	10,826.76	10,148.71
Due From Customer on Construction Contracts :		
Considered good	6,289.40	4,853.90
Considered doubtful	-	421.87
	6,289.40	5,275.77
	* 23,112.72	21,741.78
Less : Provision for Doubtful Debts	(1,666.13)	(794.98)
	21,446.59	20,946.80
* Debtors includes retention monies of Rs. 7,985.96 Lacs (Previous Year - Rs. 7,227.18 Lacs) which are due on completion of contracts / final acceptance by the customers.		
(c) Cash and Bank Balances :		
Cash on Hand	3.33	3.74
Balance With Scheduled Banks :		
In Current Accounts	1,356.69	3,107.86
In Fixed Deposit Accounts	3,141.78	559.78
	4,501.80	3,671.38
(d) Other Current Assets :		
Interest Accrued but not due on fixed deposit with banks	82.74	17.95
Deposits with Government and Others	1,087.93	1,536.96
	1,170.67	1,554.91
(e) Loans and Advances :		
(Unsecured and Considered Good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,380.74	2,269.18
Loans to Employees	17.98	51.39
Note: Due from Wholetime Directors Rs. Nil (Previous Year - Rs. Nil); Maximum balance outstanding during the year Rs. Nil (Previous Year - Rs. 60.00 Lacs)		
Advances Paid to Suppliers	3,054.75	2,904.24
Advance Income Tax and T.D.S. (Net of Provisions)	-	1.55
	4,453.47	5,226.36
Total	33,564.38	33,122.44

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule H : Current Liabilities and Provisions		(Rs. In Lacs)	
		As at March 31, 2010	As at March 31, 2009
(a) Liabilities :			
Sundry Creditors			
Total outstanding dues of micro enterprises and small enterprises [Refer Note 11 of Schedule K]	306.43	186.12	
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,793.11	5,412.95	
Unpaid Dividend [there are no amounts due and payable to Investor Education and Protection Fund]	12.79	13.05	
Other Liabilities	1,038.84	608.04	
Due to Customer on Construction Contracts	3,533.43	5,058.18	
Advance Received From Customers	12,545.29	8,279.58	
	<u>24,229.89</u>		19,557.92
(b) Provisions :			
Proposed Dividend	493.78	98.76	
Provision for Tax on Proposed Dividend	82.01	16.78	
Provision for Loss on Contracts	189.35	125.40	
Provision for Custom Duty on Bonded Goods	58.58	297.16	
Provision for Warranties	846.84	975.37	
Provision for Employee Benefits	552.91	513.94	
Provision for Bonus	123.72	105.44	
Provision for Fringe Benefit Tax (Net of Payments)	-	1.47	
Provision for Taxation (Net of Payments)	141.37	1,074.25	
	<u>2,488.56</u>		3,208.57
Total	<u><u>26,718.45</u></u>		<u><u>22,766.49</u></u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule I : Other Income	(Rs. In Lacs)	
	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Other Income		
Interest on Fixed Deposits and others [Including TDS: Rs.11.23 Lacs (Previous Year - Rs.12.70 Lacs)]	101.32	60.80
Dividend on non-trade and long-term investment	0.05	0.45
Profit on sale of non-trade and long-term investments	8.94	-
Scrap Sales	99.77	127.08
Provision Written Back (No Longer Required) [Refer Note 28 of Schedule K]	1,175.52	-
Commission Written Back	91.41	71.32
Liquidated Damages Received	18.53	-
Exchange Rate Gain (Net)	-	786.51
Other Miscellaneous Income	36.45	36.19
Total	<u>1,531.99</u>	<u>1,082.35</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule J : Manufacturing, Erection and Other Expenses	(Rs. In Lacs)	
	For the Year ended March 31, 2010	For the Year ended March 31, 2009
(i) Raw Materials and Bought-Out Components Consumed	24,627.61	26,368.05
(ii) Increase/Decrease In Stock-In-Trade		
Opening Stocks :		
Work-In-Progress	20.19	3,108.20
Finished Goods (Including Excise Duty)	292.63	2,686.86
	<u>312.82</u>	<u>5,795.06</u>
Excise Duty on Finished Goods (Opening)	(110.68)	(338.62)
Excise Duty on Finished Goods (Closing)	142.58	110.68
	<u>31.90</u>	<u>(227.94)</u>
	344.72	5,567.12
Less: Closing Stock:		
Work-In-Progress	16.32	20.19
Finished Goods (Including Excise Duty)	334.62	292.63
	<u>350.94</u>	<u>312.82</u>
	(6.22)	5,254.30
(iii) Project Related expenses [Refer Note 22 of Schedule K]	553.48	610.55
(iv) Labour and Processing Charges	1,043.20	833.58
(v) Erection Expenses	297.11	1,053.43
(vi) Payment to and Provisions for Employees :		
Wages, Salaries and Bonus	2,253.76	2,733.88
Contribution to Provident Fund and other funds	184.72	248.94
Staff welfare expenses	204.23	106.02
	<u>2,642.71</u>	<u>3,088.84</u>
(vii) Manufacturing, Administrative and Selling Expenses :		
Stores and Spares consumed	404.52	193.11
Power and Fuel	130.16	124.73
Repairs :		
- Building	45.33	7.75
- Plant & Machinery	21.22	15.26
- Others	98.56	45.50
Rent	118.41	53.55
Rates and Taxes	366.58	105.76
Insurance	49.09	47.27
Commission on Sales	0.46	624.76
Loss on Sale / Scrap of Assets / Written off (Net)	11.42	* 173.54
[* Including gift of cars]		
Diminution In Value of Long Term Investments	-	51.03
Loss on Exchange Fluctuation (Net)	475.53	-
Provision for Doubtful Debts	1,530.51	794.98
Brand Fees	72.50	-
Warranties	325.24	975.37
Liquidated Damages	-	170.08
Loss on Contract	63.95	125.40
Packing and forwarding Expenses	628.99	1,458.81
Travelling and Conveyance	497.73	380.33
Postage, Telex and Telephone Expenses	49.03	46.20
Legal and Professional Fees	478.00	319.22
Bank Charges	248.05	269.36
Provision for Doubtful Debts set up in earlier year	101.86	
Less : Provision utilised for Bad Debts	(101.86)	
Auditors' Remuneration	61.41	67.10
Miscellaneous Expenses	403.34	333.27
	<u>6,080.03</u>	<u>6,382.38</u>
Total	<u>35,237.92</u>	<u>43,591.13</u>

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Schedule – K

NOTES ON ACCOUNTS

1. Nature of Operations:

The principal activities of the Company comprise manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants and pickling lines for ferrous and non-ferrous industries world wide.

2. Statement of Significant Accounting Policies:

(A) Basis of Preparation:

The Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(B) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include percentage of completion method which requires the Company to estimate the cost expended to date as a proportion of the total estimated costs, provision for doubtful debts, future obligations under employee benefit plans, income taxes, warranties and the useful lives of fixed assets and intangible assets.

Accounting estimates can change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

(C) Fixed Assets:

i. Tangible Assets:

Tangible assets are stated at their original cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and attributable cost if any, of bringing the asset to its working condition for its intended use. Capital Work in Progress is valued at cost.

ii. Intangible Assets:

Intangible assets are stated at their cost of acquisition less accumulated amortization and accumulated impairment losses, if any, thereon. An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The cost of an intangible asset is allocated over the best estimate of its useful life on a straight line basis, a basis that reflects the pattern in which the asset's economic benefits are consumed.

(D) Depreciation:

Depreciation is provided on written down value method in accordance with Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired or sold during the year is provided on pro-rata basis and is provided on Plant and Machinery items based on number of shifts worked as per the provisions of the Companies Act, 1956. In respect of the following tangible and intangible assets, the following straight line method depreciation rates applied are different to the rates prescribed by Schedule XIV to the Companies Act, 1956.

Sr. No.	Asset	Rate Applied	Schedule XIV
1.	Flats (2)	2.27% & 2.56% (SLM)	1.63% (SLM)
2.	Software	33.33% (SLM)	16.21% (SLM)

Leasehold land is being amortized over the period of the lease.

(E) Impairment:

An asset is considered to be impaired in accordance with Accounting Standard 28 - Impairment of Assets, when at Balance Sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

at the weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the profit and loss account.

(F) Investments:

Investments classified as long term investments are stated at cost of acquisition. However, provision for diminution in value is made to recognise a decline, other than temporary, in its value. Investments classified as current investments are stated at lower of cost and fair value determined either on an individual basis or by category of investment, but not an overall (or global) basis.

(G) Income Taxes:

Tax Expense comprises current and deferred tax. Obligation of fringe benefit tax on the part of the Company has been withdrawn effective April 1, 2009. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of the earlier years.

During the financial year 2009-2010, the Central Government has abolished the fringe benefit tax from April 1, 2009. Hence, fringe benefit tax of Rs. 8.50 lacs paid before the announcement has been transferred to advance income tax as per the Government announcement.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on carried forward business losses and unabsorbed depreciation is set up only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

At each Balance Sheet date, the Company assesses unrecognised deferred tax assets to the extent that it is reasonably certain or virtually certain supported by convincing evidence as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax is reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain and supported by convincing evidence, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(H) Inventories:

- i Inventories are valued at lower of cost and net realisable value.
- ii Cost of raw materials comprises all costs of purchases (Net of Cenvat credit) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by moving weighted average method.
- iii Cost is arrived at on a moving weighted average method and includes, where appropriate, manufacturing overheads and excise duty. Work in progress and finished goods inventory is valued as aforesaid based on estimated value of work completed on each project.
- iv Inventory includes goods lying with vendors for job work and goods in - transit.

(I) Central Excise Duty:

Excise duty liability is accounted for as and when goods are produced as per consistent practice, in pursuance to the accepted practice of excise authorities.

(J) Revenue Recognition:

Sales, other than long term contracts are recognised on dispatch of goods. Sales are net of Value Added Tax. The Excise Duty recovered is presented as a reduction from gross sales.

Revenues from long term contracts are recognised on the percentage of completion method, in proportion that the contract cost incurred for the work performed up to the reporting date bear to the estimated total contract costs.

Construction contracts are accounted for in accordance with the Accounting Standard 7 (Revised) on Accounting for Construction contracts. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, (the percentage of completion method).

At each reporting date, the contracts in progress (Progress work) is valued and carried in the Balance Sheet under Current Assets. Advance and progress payments received from customers during the course to completion are carried under Current

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Liabilities. Based on overall Gross margin estimated for outstanding contracts, revenues for contracts in progress are recognised in the Profit and Loss account based on the stage of completion of contract at the Balance Sheet date. Stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

The Cenvat Credit is accounted by crediting the amount to cost of purchases on receipt of goods and is used on clearance of finished goods by debiting Excise duty account.

Contract revenue accrued in excess of billing amounting to Rs. 6,289.40 lacs (2008-2009: Rs.4,853.90 lacs) excluding provisions for doubtful debts Rs. Nil (2008-2009: Rs. 421.87 lacs) has been reflected as "due from customers on construction contracts" under the head "Currents assets, Loans and Advances". While billing in excess of Contract revenue accrued amounting to Rs. 3,533.43 lacs (2008-2009:Rs. 5,058.18 lacs) has been reflected as "due to customers on construction contracts" under the head "Current Liabilities and Provisions".

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Income from services is recognised as and when the services are rendered.

Interest Revenue is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

Export benefits are recognised in the Profit and Loss Account when the right to receive credit as per the terms of the entitlement and reasonable certainty of collection is established in respect of exports made.

(K) Foreign Currency Transactions:

i. Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the monthly/Weekly average exchange rate.

ii. Translation:

Foreign currency monetary assets and liabilities reported at the Balance Sheet date are translated using the prevailing exchange rate on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate on date of transaction.

iii. Exchange differences:

Exchange differences arising on settlement of monetary assets and liabilities, during the year are recognized in the Profit and Loss Account.

iv. Forward exchange contracts are entered into for minimising risks (not intended for trading and speculative purposes). Any profit and loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

v. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. In respect of outstanding derivative contracts as at Balance Sheet date, such contracts are marked to market and keeping in view the principle of prudence, only unrealized net mark-to-market losses are recognized to Profit and Loss Account and net gain, if any, are ignored in pursuance of the announcement dated March 29, 2008 by the Institute of Chartered Accountants of India.

(L) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable (more likely than not) that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the flow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is to be made when there is possible obligation that arises from past events and the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may, but probably will not require an outflow of resources or in respect of which the likelihood of outflow of resources is remote.

(M) Post-Sales Warranties and Liquidated Damages:

The Company provides its Clients with a fixed-period warranty on all Contracts as per stipulated terms. Costs associated with such contracts are accrued at the time related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumption. Liquidated damages are provided as per Management's estimates on case to case basis.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

(N) Provision for Doubtful debts:

Specific provision for doubtful debts is made where collection of debtors is uncertain.

(O) Employee Benefits:

i. Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account.

ii. Defined Benefit Plan/Long term compensated absences:

Company's liabilities towards gratuity and compensated absences are determined as at the end of the reporting date by independent actuary using the Projected Unit Credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

(P) Leases:

Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

Finance Lease:

Leases that transfer substantially all the risks & rewards incidental to ownership of the assets are classified as Finance Leases. Assets procured under finance lease are recognized as Leased Assets and depreciation charged with the same rate used for charging depreciation on the depreciable assets of same kind owned by the Company.

(Q) Earnings per Share:

Basic earnings per share are calculated by dividing the net profit and loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(R) Technology Fees:

Technology fees is computed under an agreement effective January 1, 2010 on value addition basis on the equipment manufactured with help of new technology provided by CMI, SA. Technology fees are being fully charged off at the time of incurrence, and is included under project expenses.

(S) Brand Fees:

Brand fees charged by CMI SA, under an agreement effective January 1, 2010, is being charged off at the time of incurrence and is included in Manufacturing, Erection and Other expenses.

3. Contingent liabilities:

(Rs. in lacs)

Sr. No.	Particulars	2009-2010	2008-2009
1.	Bank Guarantees	10,035.85	8,956.82
2.	Letter of Credit to suppliers	1,115.38	125.81
3.	Claims against the Company not acknowledged as debts		
(a)	Excise duty (including interest and penalty)*	193.17	183.94
(b)	Provident Fund	-	15.45
(c)	Service Tax**	280.84	-
(d)	Income Tax	-	32.17
(e)	Income Tax***	33.67	-
(f)	Labour Matter	5.00	-

* During the year 2007-2008, Central Excise Department had rejected the Company's rebate claim and Cenvat credit aggregating Rs.141.74 lacs (2008-2009: Rs.141.74 lacs). On appeal, rebate claim of Rs.70.87 lacs was allowed. However, on receipt of first appellate order, the Central Excise department has issued during 2008-2009 a demand notice for Rs.141.74 lacs (2008-2009: Rs.141.74 lacs) comprising Cenvat Credit disallowance of Rs.70.87 lacs and penalty of Rs.70.87 lacs. The penal interest approximating Rs. 51.43 lacs (2008-2009:Rs.42.20 lacs) is contingent in nature. The demand notice has been appealed before CESTAT against order.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

** During the period October 2007 to February 2008, the Company has paid service tax on the Commission charged by their non-resident commission Agents for the services rendered in connection with sales of the assessee's finished goods in overseas market and availed Cenvat Credit. The Central Excise department has issued a show cause Notice No.F.No.V(CH84)3-06/Dem./2009-10, dated 29.10.2009 for denial of wrongly availed Cenvat Credit of Rs.140.41 lacs of service tax paid as input service during the period October 2007 to February 2008. The Commissioner of Central Excise, Customs and Service tax vide their order No.14/Dem./Vapi/2010 dated 12.04.2010 uphold the service tax liability of Rs. 140.41 lacs with additional penalty of Rs 140.43 lacs. The Company has decided to appeal before the CESTAT against order.

*** Favorable decision received in favour of the Company from the Income Tax Appellate Tribunal in respect of which the department has gone in appeal before the Honorable Bombay High Court on November 12, 2009 for Assessment Year 2003-2004 concerning the matter relating to computing of deduction under Section 80HHC and under Section 80IB of Income Tax Act, 1961 and establishing nexus between interest received and interest paid. Amount involved is Rs.33.67 lacs (2008-2009: Rs. Nil). This matter is pending in the High Court.

Based upon the legal opinion obtained by the Company and further discussions with the Solicitors, the Company believes that there is a fair chance of decision in its favour in respect of details listed in items 3(a), (c), (e) and (f) above and accordingly no provision has been considered necessary.

4. Disclosure pursuant to Accounting Standard (AS) – 7 (revised):

(Rs. in lacs)

Sr. No.	Particulars	2009-2010	2008-2009
1.	Contract Revenue recognised during the year (Net of excise)	35,830.21	43,133.60
2.	Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	35,766.26	43,008.21
3.	Customer advances outstanding for contracts in progress	12,545.29	8,279.58
4.	Retention money due from customers for contracts in progress	7,985.96	7,227.18
5.	Amount due from customers	6,289.40	5,275.77
6.	Amount due to customers	3,533.43	5,058.18

5. Deferred Tax assets and liabilities arising due to timing differences comprise of:

(Rs. in lacs)

ITEMS	2009-2010	2008-2009
Timing differences in accounting and tax depreciation.	23.38	(25.62)
Amount of Disallowance u/s 43B, to be allowed on payment basis;		
Provision for Doubtful debts	553.45	270.21
Provision for Warranties	281.30	331.53
Provision for Leave encashment	87.92	111.42
Provision for Sick leave encashment	7.41	15.03
Provision for Earned leave	53.34	10.86
Provision for Bonus	41.10	35.84
Provision for LTA and medical expenses	-	0.16
Provision for Expenses (custom duty on bonded goods)	19.46	101.00
Provision for Loss on contract	-	42.62
Provision for Gratuity	34.99	37.38
Total Amount of Disallowance	1,078.97	956.05
Total Deferred Tax Asset / (Liability)	1,102.35	930.43

6. (a) The Income Tax Department had conducted a survey u/s 133A of the Income Tax Act, 1961 at the Company's premises on January 16, 2009 for matters relating to accounting year 2006-2007 and 2007-2008 (Assessment years 2007-2008 and 2008-2009). As a result, the Company had revised its income tax returns for those two years and had paid additional Income tax of Rs.631 lacs during 2008-2009 owing to disallowable expense and the same amount had been expensed in 2008-2009 in the Profit and Loss Account on prudence. However, during the year 2009-2010, the Income Tax Department has issued notice of demand aggregating Rs.16.41 lacs (2008-2009:Rs. Nil) under Section 156 of the Income Tax Act, 1961 and the said amount has also been paid during the year by charging it off fully to the Profit and Loss Account and is included in Tax relating to earlier years.
- (b) Further, provision for tax relating to earlier years includes Rs. 22.25 lacs (2008-2009: Rs.122.95 lacs) based on assessment orders / judgments received by the Company during the year in respect of earlier years for matters relating to Income tax and Fringe Benefit tax.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

7. Provision for commission on Sales aggregating Rs. 91.41 lacs (2008-2009: Rs.949.68 lacs) on certain contracts [including Rs. Nil (2008-2009: Rs.443.21 lacs) provided during the current year] has been reversed during the year in the Profit and Loss Account [Rs. 91.41 lacs (2008-2009: Rs.71.32 lacs) reversal included in Other Income and Rs. Nil (2008-2009: Rs.435.15 lacs) reversal set-off against receivable balance outstanding on certain contracts], on the basis of mutual agreement between the Company and the agents. Accordingly, profit before tax for the year is higher by Rs. 91.41 lacs (2008-2009: Rs.949.68 lacs) than what those would have been had the provision for commission not been reversed.

8. Information in respect of Related Parties:

1. Enterprises controlling the Company:

Cockerill Maintenance & Ingenierie S.A. (Holding Company)

2. Other Related Parties with whom transactions have taken place:

a) Fellow Subsidiaries:

1. CMI Industry Automation Private Limited (formerly NT Strips and Automation Private Limited) (w.e.f. June 26, 2008)
2. CMI EFCO Inc.
3. CMI Thermline SAS.
4. CMI UVK GmbH
5. CMI Engineering (Beijing) Co.
6. CMI India Engineering Private Limited

(b) Key Managerial Personnel:

1. Mr. Rob Johnson – Managing Director (w.e.f. June 26, 2008)
2. Late Mr. Tilak Raj Mehta – Chairman and Managing Director (upto June 25, 2008 and ceased to be Director from November 10, 2008)
3. Mrs. Nishi T. Mehta – Whole time Director (upto June 25, 2008 and ceased to be director thereafter)

(c) Enterprises over which Key Managerial personnel are able to exercise significant influence:

1. CMI Industry Automation Private Limited (up to June 25, 2008) (formerly NT Strips and Automation Private Limited)
2. Niraj Metals and Alloys Private Limited (up to November 10, 2008)
3. R. S. Global Shipping (I) Limited (up to November 10, 2008)

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

During the year following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in lacs)

Nature of transactions during the year	Enterprise controlling the Company	Fellow Subsidiaries	Key Managerial Personnel	Enterprises over which Key Managerial Personnel are able to exercise significant influence
Rendering of Services	-	2.37	-	-
	(-)	(0.28)	(-)	(0.14)
Purchase of Goods	0.27	2,849.18	-	-
	(-)	(1,885.01)	(-)	(667.22)
Receiving of Services	-	0.16	-	-
	(-)	(337.08)	(-)	(269.07)
Sale of Goods	529.47	1,099.19	-	-
	(161.28)	(0.83)	(-)	(-)
Sale of Fixed Assets	-	-	-	-
	(-)	(21.20)	(-)	(-)
Remuneration	-	-	109.53	-
	(-)	(-)	(550.23)	(-)
Travelling Expenses Reimbursement	-	10.63	-	-
	(-)	(-)	(-)	(-)
Expense Reimbursement	0.81	39.30	-	-
	(0.68)	(18.00)	(-)	(-)
Advance Received	-	-	-	-
	(556.14)	(-)	(-)	(-)
Other Expenditure	-	-	-	-
	(3.27)	(-)	(-)	(-)
Dividend Paid	73.95	-	-	-
	(73.95)	(-)	(-)	(-)
Brand and Technology Fees	286.96	-	-	-
	(-)	(-)	(-)	(-)
Receivables	79.74	1,296.01	-	-
	(0.68)	(1,166.71)	(-)	(-)
Payables	0.81	87.98	-	-
	(3.27)	(-)	(-)	(36.97)

Note: Previous year's figures have been given in brackets above.

The significant related party transactions are as under:

Nature of transaction	Fellow Subsidiaries	Amount Rs. in lacs	Key Managerial Personnel	Amount Rs. in lacs	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Amount Rs. in lacs
Rendering of Services	CMI India Engineering Private Limited	2.37			NT Strips and Automation Pvt. Ltd.	-
		(-)				(0.14)
	CMI Industry Automation Private Limited	-				(0.28)
Purchase of Goods	CMI Industry Automation Private Limited	2,810.80			NT Strips and Automation Pvt. Ltd.	-
		(1,885.01)			Niraj Metals and Alloys Pvt. Ltd.	(580.24)
						(86.98)
Receiving of Services	CMI Industry Automation Private Limited	0.16			R .S. Global Shipping India Limited	-
		(337.08)				(269.07)

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Nature of transaction	Fellow Subsidiaries	Amount Rs. in lacs	Key Managerial Personnel	Amount Rs. in lacs	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Amount Rs. in lacs
Sale of Goods	CMI Thermline SAS	803.91 (-)				
	CMI EFCO Inc.	294.79 (-)				
	CMI Industry Automation Private Limited	0.49 (0.83)				
Sale of Fixed Assets	CMI Industry Automation Private Limited	- (21.20)				
Travelling Expense Reimbursement	CMI India Engineering Private Limited	10.63 (-)				
	CMI Engineering Beijing Co.	0.30 (-)				
Expense Reimbursement	CMI India Engineering Private Limited	39.00 (18.00)				
			Tilak Raj Mehta	- (345.35)		
Remuneration			Nishi T. Mehta	- (138.36)		
			Rob Johnson	109.53 (66.52)		
	Receivables	CMI EFCO Inc.	206.36 (-)			
	CMI Industry Automation Private Limited	1,076.65 (1,166.71)				
Payables	CMI Industry Automation Private Limited	85.20 (-)			Niraj Metals and Alloys Pvt. Ltd.	- (19.15)
					R .S. Global Shipping India Limited	- (17.82)

Note: Previous year's figures have been given in brackets above.

9. Provisions:

(Rs. in lacs)

Sr. No.	Nature	Opening Balance as on 01.04.2009	Provision Created during the year	Provision Utilized/ Reversed During the Year	Closing Balance as on 31.3.2010
1.	Provision for Warranties	975.37 (-)	325.24 (1,598.14)	453.77 (622.77)	846.84 (975.37)
2.	Provision for Loss on contracts	125.40 (-)	63.95 (125.40)	- (-)	189.35 (125.40)
3.	Provision for Custom duty on bonded goods	297.16 (-)	- (309.16)	238.58 (12.00)	58.58 (297.16)
4.	Provision for doubtful debts	794.98 (-)	1,530.51 (1,261.25)	659.36 (466.27)	1,666.13 (794.98)
5.	Provision for Bonus	105.44 (-)	127.93 (105.44)	109.65 (-)	123.72 (105.44)
6.	Provision for leave benefit	403.98 (261.29)	128.82 (339.61)	85.24 (196.92)	447.56 (403.98)

Note: Previous year's figures have been given in brackets above.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Disclosures pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets – Recognition Criteria:

- a) Expected timing of any resulting outflow of economic benefits – over the next 2-3 years.
- b) Indication of uncertainty of these outflows – due to estimates and depending on the actual claims for warranties that may be received in future or circumstances that may arise in future concerning provisioning for estimated loss on contracts.
- c) There is no amount of any expected reimbursement in respect of these provisions.

10. Employee Benefits:

Staff Costs include the following:

Defined Contribution Schemes	(Rs. in lacs) 2009-2010	(Rs. in lacs) 2008-2009
Company's contribution to Provident Fund	107.55	109.75
Company's contribution to Management Superannuation	37.80	39.99
Defined Benefit Schemes – Gratuity		
a) Liability Recognised in the Balance Sheet		
i) Present Value of Funded Obligation		
As at the beginning of the year	235.30	153.70
Service cost	29.65	16.45
Interest cost	20.59	13.00
Actuarial (gain) / loss on obligations	(0.85)	90.55
Benefits paid	(27.18)	(38.40)
As at the end of the year	257.51	235.30
Less:		
ii) Fair Value of Plan Assets		
As at the beginning of the year	125.33	139.00
Expected Return on Plan Assets less loss on investments	9.33	9.62
Actuarial gain on Plan Assets	0.69	11.18
Employers' Contribution	43.98	3.93
Benefits paid	(27.18)	(38.40)
As at the end of the year	152.15	125.33
Liability Recognised in the Balance Sheet	105.36	109.97
b) Expense during the year		
Service cost	29.65	16.45
Interest cost	20.59	13.00
Expected Return on Plan Assets	(9.33)	(9.62)
Actuarial (Gain)/Loss	(1.54)	79.37
	39.37	99.20
Actual Return on Plan Assets	10.02	20.80
c) Break up of Plan Assets as a percentage of total Plan Assets		
(Percentage or Value)		
Insurer Managed Funds*	100.00%	100.00%
	100.00%	100.00%
The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The Directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.		
d) Principal Actuarial assumptions		
Rate of Discounting	8.30%	7.95%
Expected Return on Plan Assets	7.50%	7.50%
Rate of increase in salaries	8.00%	8.00%
Attrition Rate		
Age (Years)		
21-30	5.00%	5.00%
31-40	3.00%	3.00%
41-59	2.00%	2.00%

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

EXPERIENCE ADJUSTMENT:

(Rs. in lacs)

	2009-2010	2008-2009
Defined Benefit Obligation	257.51	235.30
Plan Assets	152.15	125.33
Surplus/(deficit)	(105.36)	(109.97)
Experience Adjustment on Plan Liabilities	10.55	80.64
Experience Adjustment on Plan Assets	0.69	11.18

The Company expects to contribute Rs.50.00 lacs (2008-2009: Rs.10.00 lacs) to its Gratuity plan.

In assessing the Company's employees benefits Liabilities the actuary monitors mortality assumptions and uses up-to-date mortality tables, the base being the LIC 1994-96 ultimate tables.

* Due to absence of data provided by LIC, break-up of plan assets (asset allocation) in insurer managed funds have not been furnished.

The above information has been certified by the actuary and relied upon by the auditors.

11. Disclosure as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Sr. No.	Particulars	(Rs. in lacs)	(Rs. in lacs)
		2009-2010	2008-2009
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier:		
	- Principal Amount	109.68	112.25
	- Interest thereon	-	1.83
(ii)	The amount of interest paid by the buyer in terms of Section 16, along with the amounts of payment made to the supplier beyond the due date.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	0.44	4.97
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	0.44	6.80
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

Disclosure of Sundry Creditors under Current Liabilities is based on the Confirmations available with the Company as of the previous year regarding the status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

12. Additional Information pursuant to para 3 and 4C of part II of Schedule VI of the Companies Act, 1956:

Break up of Sales Value by class of goods (net):

(Rs. in lacs)

Description	Turnover of Goods	
	2009-2010	2008-2009
Cold Rolling Mill	18,168.11	29,026.87
Continuous Galvanizing Lines	7,071.80	1,871.97
Metal processing Lines	-	6,828.23
Equipment for CRM/CGL	-	4,876.00
Acid regeneration Plant	1,044.47	-
Tension Levelling Line	1,218.14	-
ECL	2,612.49	-
Pickling Line	2,572.86	-
Colour Coating Line	1,621.47	-
Inline skin pass mill	14.62	-
Other sales*	4,397.94	2,791.70
Total	38,721.90	45,394.77

*Includes revenue from services rendered in the form of supervision and erection and sale of spares on composite long-term contracts. See break-up of income from services rendered below.

Note:

Since the Company is a Project Management Company and engaged in the business of putting up Projects for its clients on turnkey basis, the Company is following Percentage of Completion Method as prescribed under Accounting Standard-7 – Construction Contracts under which project stock, manufactured items, bought out items and other direct costs are considered as Project Costs incurred till date. In view of the above, it is not possible to give the details of manufactured items in terms of its quantity and corresponding values. The same is the case with trading items as well. The nature of these items is totally dissimilar. Therefore, it is not possible to split and disclose the quantitative information as required by Schedule VI to the Companies Act, 1956.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Break up of each class of services recognized in Financial Statements (included in Other sales – see above):

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Service receipt-supervision charges	313.05	449.13
Service receipt-erection charges	355.35	159.75

13. Value of Imports calculated on C.I.F. basis:

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Raw materials, components, stores and spares	4,798.63	8,751.75
Capital Goods	1.37	-

14. Expenditure in foreign currency (on accrual basis):

(Rs. in lacs)

Sr. No.	Particulars	2009-2010	2008-2009
1.	Commission on sales, Supervision & erection expenses, Design & engineering services and Consultancy charges	36.71	707.23
2.	Travelling expenses	111.69	67.12
3.	Brand and Technology Fees (excluding Income Tax Rs. 39.17 lacs (2008-2009:Rs. Nil) incidence borne by the Company)	286.96	-
4.	Others	7.33	-

15. (a) During the year, the Company has entered into agreement with CMI SA for providing knowhow, access to various industrial processes, development and implementation of strategy, access to best practices for business operations, exploitation of knowledge for new business initiatives, access to new global business opportunities etc. The agreement is effective from January 1, 2010. Technology fees comprises of following:

- Lump sum fees [net of Income Tax borne by the Company Rs. 31.11 lacs (2008-2009:Rs.Nil)] Rs. 214.46 lacs
(2008-2009:Rs. Nil)

(b) The Company has also entered into an agreement with CMI SA for rights to use the CMI Brand name. The Company will pay 0.6% of net sales. The agreement is effective from January 1, 2010 and the tenure of the agreement is five years.

- Brand Fees [net of Income Tax borne by the Company Rs.8.06 lacs (2008-2009: Rs. Nil)] Rs. 72.50 lacs
(2008-2009: Rs. Nil)

16. Earnings in foreign currency (on accrual basis):

(Rs. in lacs)

Particulars	2009-2010	2008-2009
Export of Goods on F.O.B. Basis	7,135.61	4,116.16
Export of Services	282.83	706.04

Note: The total export sales (made under long term contracts) of Rs.8,420.40 lacs comprises of sale of goods amounting to Rs.7,135.61 lacs on F.O.B. basis as above and balance sales on CFR/CIF basis.

17. Remittance in foreign currency on account of dividend to non-resident shareholder:

(Net of tax deducted at source wherever applicable)

Dividend remittance	2009-2010	2008-2009
i. Number of Shareholder (CMI SA)	1	1
ii. Number of Shares on which Dividend paid	3,697,700	3,697,700
iii. Year to which the dividend relate	2008-2009	2007-2008
iv. Amount Remitted	7,395,400	7,395,400
v. Currency in which amount remitted	EURO	EURO

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

18. Auditors' Remuneration (on accrual basis):

(Rs. in lacs)

(excluding service tax and cess)

	2009-2010	2008-2009
(a) Audit Fees	34.50	34.50
(b) Tax Audit Fees	6.00	6.00
(c) Limited Review	18.75	15.50
(d) Audit of opening Balance Sheet as at June 30, 2008	-	9.00
(e) Corporate Governance	1.50	1.50
(f) Certificates	0.13	0.10
(g) Out of Pocket Expenses	0.53	0.50
Total	61.41	67.10

19. Managerial Remuneration:

(Rs. In lacs)

	2009-2010 Managing Director	2008-2009 Managing Director & Whole-time Directors
Directors' sitting fees	9.80	3.08
Remuneration to Managing Director		
Salaries	34.02	85.58
Perquisites and Allowances*	71.43	48.31
Contribution to Gratuity, Provident Fund, Compensated Absences and Superannuation Fund	4.08	416.34
	109.53	550.23
Commission to Non – Executive Directors	14.40	-

* excludes the payment towards the personal accident insurance as the premium has been paid under the Company's Group Personal Accident Scheme for the Company as a whole.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

(Rs. In lacs)

Particulars	2009-2010	2008-2009
Profit Before Tax	4,315.38	1,768.56
Add:		
Depreciation as per accounts	530.68	560.00
Managerial Remuneration	123.93	550.23
Loss on disposal of Fixed Assets	11.42	147.71
Sundry Debit Balances written off	46.61	-
Provision for Doubtful Debts	1,530.51	794.98
Directors' sitting fees	9.80	3.08
	6,568.33	3,824.56
Less:		
Depreciation under Section 350 of the Companies Act, 1956	473.16	511.77
Profit on Sale of Investments	8.94	-
Credit Balance written off	22.65	22.00
Commission Written Back	91.41	-
Provision written back, no longer required	1,175.52	-
Sales Tax Refund	-	3.19
	1,771.68	536.96
Net Profit as per Section 349 of the Companies Act, 1956	4,796.65	3,287.60

(a) 5% of Net Profit as per Section 198 and 309 of Companies Act, 1956 in respect of Managing Director	Rs. 239.83 lacs
* for June 26, 2008 to March 31, 2009	(2008-2009: Rs.125.65 lacs)*
Actual remuneration paid to the Managing Director	Rs.109.53 lacs (2008-2009: Rs. 66.51 lacs)
Limit of 10% of Net Profit for April 1, 2008 to June 25, 2008 as per Section 198 and 309 of Companies Act, 1956 applicable to Late Mr. T.R. Mehta and Mrs. Nishi T. Mehta	-
i. Actual Remuneration paid	(2008-2009: Rs.77.46 lacs) -
ii. Excess remuneration paid (including gratuity, leave encashment, etc)	(2008-2009: Rs.483.72 lacs) -
	(2008-2009: Rs.406.26 lacs)

[The above excess is subject to approval of the Central Government for waiver of recovery].

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

- (b) 1% of the Net Profit as per Section 309 of the Companies Act, 1956 Rs. 47.97 lacs
(2008-2009: Rs. 32.88 lacs)
- Non - Executive Directors commission recommended by Board subject to approval of Shareholders at General Meeting vide Special Resolution. Rs. 14.40 lacs
(2008-2009: Rs. Nil)

Notes:

- (a) The appointment of the current Managing Director was approved in the Annual General Meeting held on September 19, 2008. An application has been made to the Central Government pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII to the Companies Act, 1956, for which approval is awaited.
- (b) The excess managerial remuneration amounting to Rs. 406.26 lacs paid to two former whole-time directors (one of whom has since deceased) in the previous year was in excess over the limit, specified under the relevant provisions of the Companies Act, 1956 and subject to approval of the Central Government, for waiver of recovery. The required documents have been submitted during the year to the Central Government for the waiver of recovery.
- (c) The Company's three cars have been retained by the two former directors, namely, Late Mr.T.R. Mehta and Mrs. Nishi T. Mehta when they ceased to be the whole-time directors of the Company on June 25, 2008. The book written down value of the cars was Rs.16.02 lacs, whilst this is not an allowable item for managerial remuneration under the Companies Act, 1956, this is subject to approval of the Central Government, for waiver. The required documents have been submitted during the year to the Central Government for the waiver of recovery.

20. Segment Information:

- (1) Geographical Segments:

The Company has considered geographical segments as the primary segment for disclosure. For the purpose of Segment reporting, the Company has identified two geographical segments which comprises of Overseas and India. The segments have been identified taking into account the differing risks and returns relating to these geographical areas.

- (2) Secondary Segments:

As the Company's business activity falls within a single business segment, i.e., OEM manufacturer and project management company in the steel sector, the disclosure requirement of Accounting Standard (AS-17) for secondary segment reporting is not applicable.

Segmental Reporting:

	Overseas	India	(Rs. in lacs) Total
REVENUE			
External Revenue	10,397.66	28,324.24	38,721.90
	(33,241.03)	(12,153.74)	(45,394.77)
Inter-segment Revenue	-	-	-
	(-)	(-)	(-)
Total Revenue	10,397.66	28,324.24	38,721.90
	(33,241.03)	(12,153.74)	(45,394.77)
SEGMENT RESULT			
	5,315.66	4,700.36	10,016.02
	(14,727.49)	(2,992.08)	(17,719.57)
Unallocated Corporate Expenses (net)	-	-	5,673.39
	-	-	(15,490.09)
Operating Profit	-	-	4,342.63
	-	-	(2,229.48)
Interest Expense	-	-	137.56
	-	-	(522.17)
Other Income	-	-	110.31
	-	-	(61.25)
Income Taxes	-	-	1,586.74
	-	-	(1,500.73)
Profit from Ordinary activities	-	-	2,728.64
	-	-	(267.83)
Extraordinary Items	-	-	-
	-	-	(-)
Net Profit	-	-	2,728.64
	-	-	(267.83)

Previous year's figures have been given in brackets above.

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in lacs)

	Overseas	India	Total
OTHER INFORMATION			
Segment Assets	4,391.26	32,005.63	36,396.89
	(11,035.17)	(24,989.79)	(36,024.96)
Unallocated Corporate Assets	-	-	1,102.36
	-	-	(943.58)
TOTAL ASSETS			37,499.25
	-	-	(36,968.54)
Segment Liabilities	3,884.80	22,116.49	26,001.29
	(6,727.13)	(14,848.09)	(21,575.22)
Unallocated Corporate Liabilities	-	-	717.17
	-	-	(6,765.37)
TOTAL LIABILITIES			26,718.45
	-	-	(28,340.59)
Capital Expenditure	-	-	471.46
	-	-	(275.92)
Depreciation and Amortization	-	-	530.68
	-	-	(560.00)
Non-Cash Expenses other than depreciation	-	-	954.69
	-	-	(2,160.16)

Previous year's figures have been given in brackets above.

21. Earnings Per Share:

(Rs. in lacs)

	2009-2010	2008-2009
(A) Profit after tax available to Equity Shareholders	2,728.64	267.83
(B) Weighted average number of Equity Shares	4,937,813	4,937,813
(C) Basic and Diluted Earnings Per Share (Rs.)	55.26	5.42
(D) Nominal value of Shares (Rs.)	10	10

22. Project expenses include:

Sr. No.	Nature of Expense	(Rs. in lacs)	(Rs. In lacs)
		2009-2010	2008-2009
1.	Design & Engineering Charges	55.06	38.12
2.	Testing & Inspection	16.79	11.36
3.	Transport Charges (Inward)	163.23	102.95
4.	Custom Duty (on Bonded goods)	-	297.16
5.	Crane Hire Charges	38.76	21.61
6.	Clearing & Forwarding Expenses (Import)	49.62	139.35
7.	Technology Fees (including cess) – Lump sum	230.02	-
	Total	553.48	610.55

23. Prior period adjustments:

	(Rs. in lacs) 2009-2010	(Rs. in lacs) 2008-2009
Prior Period Expenses:		
• Excess Sales Tax refund pertaining to financial year 2007-2008 reversed in the financial year 2008-2009	-	40.88
• Central excise duty paid under rebate claim scheme rejected by Excise department. Hence charged to profit and loss account in the financial year 2008-2009	-	25.79
• Purchase bills pertaining to financial year 2008-2009 charged in current year 2009-2010	16.53	-
• Employee contribution for training wrongly adjusted against training expenses in financial year 2008-2009 rectified in current year 2009-2010	4.50	-
• Project sales wrongly considered as spares sales in financial year 2008-2009 rectified in current year 2009-2010	57.07	-
Prior Period Income:		
• Sales tax refund received accounted for in the current year	-	(3.19)
• Commission on sales – excess expense provided in the previous year, now reversed	-	(28.22)

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Prior Period Income:	(Rs. in lacs) 2009-2010	(Rs. in lacs) 2008-2009
• Service Tax reimbursement received against clearing charges paid and accounted for in financial year 2008-2009	(5.57)	-
• Excise duty charged to profit and loss account in the financial year 2008-2009 because of non receipt of material sent on processing reversed in the current year 2009-2010 after receipt of processed material from processor	(20.33)	-
• Credit Notes for free issue material wrongly omitted for booking in financial year 2008-2009, now accounted for	(11.00)	-
• Purchases booked twice in system, now rectified	(0.95)	-
• Reimbursement of expenses—expenses incurred on behalf of Holding Company wrongly charged to profit and loss account in the financial year 2008-2009 reversed during the year after reimbursement of expenses	(4.04)	-
• Material rejected in previous year accounted in the current year.	(3.53)	-
• Deposit wrongly expensed out in the financial year 2008-2009 reversed after refund of deposit in the current year 2009-2010	(0.33)	-
Total	32.35	35.26

24. Capital Commitments:

Particulars	(Rs. in lacs) 2009-2010	(Rs. in lacs) 2008-2009
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	111.26	46.36

25. Derivative Instruments:

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecasted transactions. The information on Derivative Instruments is as follows:

Details of Forward contracts outstanding in respect of recognized assets, firm commitments and highly probable forecasted transactions are as below:

	2009-2010		2008-2009		Purpose
	FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs	
Sell					
EURO	152.65	9,766.65	-	-	Hedge of receivables and expected future sales
USD	96.91	4,541.17	-	-	Hedge of receivables and expected future sales
Buy					
USD	32.06	1,510.63	-	-	Hedge of expected future purchases

Details of Unhedged foreign currency exposure as at balance sheet date

A	Payables	2009-2010		2008-2009	
		FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs
1	USD	6.86	311.61	8.31	393.68
2	EURO	6.03	367.27	2.36	151.90
3	CAD	0.68	30.58	0.68	30.87
B	Receivables	2009-2010		2008-2009	
		FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs
1	USD	18.20	817.42	105.47	5,036.12
2	EURO	9.92	595.08	69.31	4,495.16
C	Advance to suppliers	2009-2010		2008-2009	
		FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs
1	EURO	0.43	26.22	-	-
2	JPY	8.26	4.02	-	-
3	USD	2.17	98.39	-	-
4	GBP	-	-	0.03	2.31
D	Advance from Customers	2009-2010		2008-2009	
		FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs
1	EURO	19.44	1,166.57	35.04	2,242.62
2	USD	21.93	985.19	8.73	412.20
E	EEFC Bank Accounts	2009-2010		2008-2009	
		FC in lacs	Rs. in lacs	FC in lacs	Rs. in lacs
1	USD	6.36	285.91	6.74	343.20
2	EURO	6.79	407.19	2.81	181.05

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

26. Operating Leases:

The Company has taken residential premises/godowns (including furniture and fittings therein as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and licence. Amount debited to rent account under "Manufacturing and Other Expenses" amount to Rs.118.41 lacs (2008-2009: Rs.53.55 lacs). Future minimum lease obligations for aforesaid leave and licence covenants are detailed below:

Sr. No.	Particulars	(Rs in lacs) 2009-2010	(Rs in lacs) 2008-2009
i	Not later than one year	74.25	120.00
ii	Later than one year and not later than five years	66.60	
iii	Later than five years	-	-

There are no contingent rents and any purchase option; however, there are clauses on renewal and escalation.

27. The Company has received an order dated April 23, 2010 from Company Law Board, Mumbai Bench mentioning that a petition filed against the Company and its officers, by a set of minority shareholders under Sections 397 and 398 of the Companies Act, 1956 has been withdrawn and Company Law Board has passed order in favour of the Company.

28. Details of provision written back (no longer required):

Sr. No.	Nature of Expense	(Rs. in lacs) 2009-2010	(Rs. in lacs) 2008-2009
1.	Reversal of provision of custom duty on bonded goods (including interest)	260.35	-
2.	Reversal of provision for employee benefits	35.72	-
3.	Reversal of provision for doubtful debts	557.50	-
4.	Reversal of provision for warranty	321.94	-
5.	Reversal of provision for diminution in value of long term investments	0.01	-
Total		1,175.52	-

29. The Sales tax department conducted a survey u/s 64 of Maharashtra Value Added Tax Act, 2002 on January 4, 2010 for the matter relating to accounting years 2006-2007 and 2007-2008. As a result, the Company has revised its Sales Tax returns for these two years and paid interest and penal interest amounting to Rs. 13.13 lacs and 48.13 lacs respectively for these two years and the same has been charged to the Profit and Loss Account for the year.

30. The figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Rob Johnson
Managing Director

Yves Honhon
Director

Kunal Trivedi
Company Secretary

Prasad Jahagirdar
Sr. Vice President - Finance & CFO

Place : Mumbai
Date : May 20, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

		(Rs. In Lacs)	
		2009-2010	2008-2009
A	Cash flow from operating activities :		
	Net Profit before tax	4,315.38	1,768.56
	Adjustments for :		
	Depreciation / Amortization	530.68	560.00
	Provision for Doubtful Debts	871.15	794.98
	Provision for Warranties	(128.53)	975.37
	Provision for Loss on Contracts	63.95	125.40
	Provision for Custom Duty on Bonded Goods	(238.58)	297.16
	Provision for Employee Benefits	38.97	252.65
	Provision for Bonus	18.28	105.44
	Diminution in Value of Long Term Investments	(0.01)	51.03
	Interest Expense	137.56	522.17
	Interest Income	(101.32)	(60.80)
	Dividend Income	(0.05)	(0.45)
	Unrealised Foreign Exchange Gain / (Loss)	329.46	(441.87)
	Profit on Sale of Investments	(8.94)	-
	Loss on Sale/Scrap of Assets / Written off (Net)	11.42	173.54
	Operating profit before working capital changes	5,839.42	5,123.18
	Adjustments for :		
	Trade and other receivables	(366.34)	(11,519.56)
	Inventories	(268.86)	6,466.80
	Trade and other payables	4,696.85	8,896.23
	Cash generated from operations	9,901.07	8,966.65
	Direct taxes paid (including fringe benefit tax) [Net of Refunds]	(2,691.46)	(1,551.56)
	Net cash from operating activities	7,209.61	7,415.09
B	Cash flow from investing activities :		
	Purchase of fixed assets	(473.68)	(273.07)
	Interest Received	36.53	64.85
	Dividend Received	0.05	0.45
	Sale of Investments	20.54	-
	Sale of fixed assets	0.92	23.55
	Net cash used in investing activities	(415.64)	(184.22)
C	Cash flow from financing activities :		
	Proceeds from long term borrowings	-	8.06
	Repayment of long term borrowings	(33.98)	(96.43)
	Proceeds from short term borrowings	-	5,183.05
	Repayment of short term borrowings	(5,540.12)	(10,094.26)
	Interest Paid	(142.07)	(517.65)
	Dividend and dividend tax paid (Including changes in unpaid Dividend)	(115.80)	(116.34)
	Net cash used in financing activities	(5,831.97)	(5,633.57)
	Net increase in cash and cash equivalents	962.00	1,597.30
	Cash and cash equivalents as at the beginning of the year	3,542.04	1,944.74
	Cash and cash equivalents as at the end of the year	4,504.04	3,542.04
Notes :			
1	Cash and cash equivalents comprise of the following:		
	Cash on Hand	3.33	3.74
	Bank Balances	1,356.69	3,107.86
	Deposits	3,141.78	559.78
		4,501.80	3,671.38
	Unrealised Foreign Exchange Loss / (Gain)	2.24	(129.34)
		4,504.04	3,542.04
2	Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statement" as notified under the Companies (Accounting Standard) Rules, 2006.		
3	Previous year's figures have been recast / restated wherever necessary.		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. S. Varma
Partner

Jean-Marc Kohlgruber
Chairman

Rob Johnson
Managing Director

Yves Honhon
Director

Kunal Trivedi
Company Secretary

Prasad Jahagirdar
Sr. Vice President - Finance & CFO

Place : Mumbai
 Date : May 20, 2010

Place : Mumbai
 Date : May 20, 2010

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue Bonus Issue

Right Issue Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses Deferred Tax Asset (Net)

IV PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover Total Expenditure

Profit/(Loss) before Tax Profit/(Loss) after Tax

Earning Per Share (Rs.) Dividend Rate %

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

Product Description Metal Cold Rolling Mill

Item Code No. (ITC Code)

Product Description Galvanising Line

Item Code No. (ITC Code)

Product Description Metal Processing Line

ELECTRONIC CLEARING FACILITY

Dear Shareholder,

Sub: Payment of dividend through Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS)

You would be aware of Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) being offered by the Reserve Bank of India. ECS / NECS facilitates automatic credit payment of dividend to one's Bank account and eliminates the risk of fraudulent encashment and also the risk of loss of warrants in transit.

Under this arrangement, the payment instruction would be issued electronically through our Bank to the clearing Authority who shall give credit reports to the Bank with whom you maintain the specified account. Your Bank will credit your account and indicate the credit entry as 'ECS / NECS' in your passbook/statement of account. If you wish to avail this facility, please fill up the mandate form overleaf and send the same along with photocopy of your cheque pertaining to that Bank account where you would like the amount to be credited. The said documents should be sent to our Registrar and Share Transfer Agent, i.e., "Sharepro Services (India) Private Limited, Unit: CME FPE Limited, 13 AB Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Sakinaka, Mumbai 400072" as early as possible.

Shareholders in places where ECS / NECS facility is not available may also send the details of their bankers like Name and Address, Bank Account Number (CBS). These details will be printed on the face of the dividend warrant to avoid fraudulent encashment and the dividend warrant shall be sent to their address registered with us or to their bankers directly as per the instruction.

If you hold the shares in dematerialized form, you may kindly inform your depository participants about your ECS/NECS particulars/ changes in the Bank account Number and or old number (CBS) and the nine digit MICR code of your bankers as appearing at the bottom of your cheque, who will in turn update these details in NSDL/CDSL system. The updated details in the NSDL/CDSL system will be used by us for remitting the dividend to you.

Thanking you,

Yours faithfully

For CMI FPE LIMITED

Kunal Trivedi

Company Secretary

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT FOR PAYMENT OF DIVIDEND

To
 Sharepro Services (I) Private Limited
 Unit: **CMI FPE Limited**
 13 AB, Samhita Warehousing Complex,
 Sakinaka Telephone Exchange Lane,
 Off Andheri Kurla Road, Sakinaka,
 Mumbai – 400 072

Dear Sirs,

(Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY)

ECS Ref. No	-----For Office use Only-----

I/We hereby give my/our mandate to credit my/our Dividend on the equity shares held by me/us to my/our bank account through the National Electronic Clearing Services (NECS). The details of the Bank account are given below.

ECS MANDATE FORM

1. Name of the Shareholder:
2. Folio Number:
3. No. of Shares held:
4. Bank Name:
5. Branch Name:
6. Account Number (CBS):
(as appearing on Cheque Book)

7. Account Type (Please tick (✓) the proper box)	SB	Current	Other, Please specify

8. Nine-Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank (Please attach photocopy of Cheque or a blank cancelled Cheque issued by your Bank relating to your above Account for verifying the accuracy of the code number)

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9. E-mail ID, if any:
10. I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company or its Registrar responsible. I/We undertake to inform any subsequent changes in the above particulars before the relevant Book Closure Date(s).

Place: _____

Date: _____

Signature of the First/Sole Shareholder
(as per specimen signatures registered with the Company)

Instructions:

1. Please send the duly completed and signed form.
2. For any change of ECS/NECS mandate fresh form needs to be submitted in the same format.
3. Please note that any changes in ECS/NECS mandate revokes previous ECS mandate.
4. Fax/Scanned copy of the signed forms shall not be accepted.

CMI FPE LIMITED

Regd. Office: Mehta House – 64, Road No.13, MIDC, Andheri (E), Mumbai – 400 093

PROXY FORM

DP ID No.:

LF No. / CL ID No.:

I/We _____ of _____
being a member(s) of CMI FPE Limited hereby appoint _____ of
_____ or failing him/her _____ of
_____ as my/our proxy to attend & vote for me/us and on my/our behalf at the 24th ANNUAL GENERAL
MEETING of the Company to be held at on July 31, 2010 at 3.30 p.m. at Mehta House- 64, Road No. 13, MIDC, Andheri (East), Mumbai
400 093 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2010.

[(Signature of the Shareholder(s))]

Affix
Re. 1/-
Revenue
Stamp

No. of Shares held: _____

Notes:

1. The Proxy Form must be duly filled & signed by the register shareholder and must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time scheduled for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.

CMI FPE LIMITED

Regd. Office: Mehta House – 64, Road No.13, MIDC, Andheri (E), Mumbai – 400 093

ATTENDANCE SLIP

DP ID No.:

LF No. / CL ID No.:

I/ we hereby record my/our presence at the 24th ANNUAL GENERAL MEETING of the Company on July 31, 2010 at 3.30 p.m. at Mehta House- 64, Road No. 13, MIDC, Andheri (East), Mumbai 400 093.

NAME & ADDRESS OF THE SHAREHOLDER(S): _____

SIGNATURE OF THE SHAREHOLDER(S) OR THE PROXY ATTENDING THE MEETING:

If Shareholder, please sign here	If Proxy, please sign here

Notes:

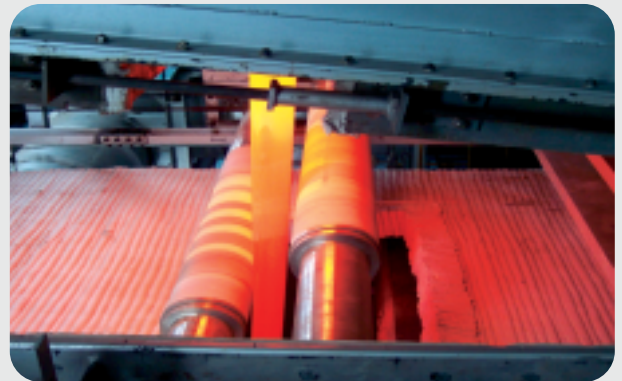
1. A shareholder/Proxy holder wishing to attend the meeting must bring the duly filled & signed Attendance Slip to the Meeting and hand over the same at entrance of the meeting hall.
2. A shareholder/proxy holder attending the meeting should bring his/her copy of Annual Report for reference at the meeting.



The Communication Department would like to thank all those who contributed to the making of this Annual Report.



« CMI FPE, for ever more reliable,
efficient and sustainable equipment.



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Mumbai - 400093.
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Fax.: +91 22 (0) 2741 0664

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Village Rakhoi, Silvassa Khanvel Road,
Silvassa - 396 230.
Tel.: +91 0260 645 1263/1264/1131