



25th
Annual Report

CMI FPE LIMITED
Annual Report 2010 - 2011



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Jean-Marc Kohlgruber – *Chairman*
Mr. Raman Madhok – *Managing Director*
Mr. Jean Gourp – *Deputy Managing Director*
Mr. Yves Honhon
Mr. D. J. Balaji Rao
Mr. R. N. Tandon
Mr. Raman M. Madhok
Mr. N. Sundararajan

CHIEF FINANCIAL OFFICER

Mr. Prasad Jahagirdar

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

LEGAL ADVISORS

PDS & Associates
Advocates & Solicitors

BANKERS

Canara Bank
Union Bank of India
ING Vysya Bank
ICICI Bank

25TH ANNUAL GENERAL MEETING

will be held on Saturday, July 30, 2011
at 3.30 p.m. at Mehta House, Plot No.64,
Road No.13, MIDC, Andheri (E),
Mumbai – 400 093

CORE MANAGEMENT TEAM

Mr. Raman Madhok
Mr. Jean Gourp
Mr. Anand Kumar
Mr. Satish Avhad
Mr. K. Anil Kumar
Mr. Vijay Karayi
Mr. Ketan Apte
Mr. Prasad Jahagirdar
Mr. Sunil Kamat
Mr. Anjan Chakraborty

REGISTERED OFFICE

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

WORKSHOPS

(Unit No.I)

A-84/2,3 & A-16, M.I.D.C.,
Taloja Industrial Area,
Taluka: Panvel, Dist: Raigad
Maharashtra – 410 208

(Unit No.II)

Survey No.144/1,2-3, Village Rakholi,
Silvassa Khanvel Road,
Silvassa – 396 230, Union Territory
of Dadra & Nagar Haveli

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex,
2nd Floor, Off Andheri Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri(E) Mumbai - 400 072.



Pre-assembled furnace for Galvanising Line

MESSAGE FROM THE CHAIRMAN'S DESK

Dear Shareholders,

At the outset I would like to thank you all for your unstinted support to the Company as it completed 25 years of its incorporation on May 28, 2011. Many of you have had long association as a shareholder of the Company, as it progressed in its journey and am sure have been satisfied with the rewards reaped as a result thereof.

I am pleased to share with you that the Company post its integration is now getting ready for increasing its capacity by nearly 50% in next twelve months through a major expansion program started in October, 2010 at Taloja Workshop. We have also completed acquisition of a new plant site near Khopoli in Maharashtra for our future needs. We knew we are on the right track for capacity increase as the steel industry is poised to grow in double digits for next several years. This financial year will see steel capacity growing by atleast 15% with an addition of 12 Million tonnes of new capacity out of which nearly 9.5 Million tonnes is in the hot roll coils production. Most of these steel producers are in touch with us for building up the corresponding downstream value added steel manufacturing capacities.



I am also encouraged by the recent report by a foreign bank which predicts that India has the fundamentals to emerge a winner in the super cycle, potentially becoming the world's third largest economy by 2030 growing on an average 9.3% year on year faster than China over the next two decades. It also states that India's nominal GDP could top USD 30 trillion by 2030 against its current level of around USD 1.7 trillion. By 2030, India could be 8 times bigger than it is today, while China is estimated to grow 4 times bigger and EU and USA about two times. I see lot of opportunities for your Company as India prospers backed by the demographic advantage of half its population below the age of 25 years with rising per capita income. This will ensure a strong domestic demand for value added steel for consumer goods, housing, construction and automotive applications that the Indian steel industry will have to produce using equipments designed and manufactured by a company like yours.

However, we need to remain focused on the continuous improvement of our processes and retain our people to further enhance our profits for everyone's prosperity. The successful collaborative efforts with personnel from CMI Group has lead to enhanced satisfaction for our customers through better products and more efficient services.

In the coming years, CMI FPE expects to still strengthen its position as a preferred supplier of equipments to global steel producers in their quest to manufacture value added steel products in a competitive and environment friendly manner.

I am sure you will continue to support us as we strive to maximize stakeholder value. We will continue to hold in high esteem and uphold the trust you have placed in us.

Sincerely,

Jean-Marc Kohlgruber
Chairman



6-Hi-Reversing Cold Rolling Mill

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CMI FPE LIMITED WILL BE HELD AT MEHTA HOUSE, PLOT NO. 64, ROAD NO. 13, MIDC, ANDHERI (E), MUMBAI - 400 093 ON SATURDAY, JULY 30, 2011 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, 2011 and 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 dividend on equity shares for the year 2010 - 11.
3. To appoint a Director in place of Mr. Jean-Marc Kohlgruber, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. J. Balaji Rao, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 224 of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W), the retiring Auditors of the Company, be 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 at a remuneration to be determined by the Board of Directors of the Company, in addition to reimbursement of out-of-pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS

6. APPOINTMENT OF MR. N. SUNDARARAJAN AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), Mr. N. Sundararajan who was appointed as an Additional Director on October 28, 2010, and who ceases to hold office as per the provisions of section 260 of the Act at the ensuing Annual General Meeting, and in respect of whom the Company has received a Notice in writing from a shareholder, proposing his candidature for the office of Director, be appointed a Director of the Company, liable to retire by rotation.”

7. RE-DESIGNATION OF MR. JEAN GOURP AS MANAGING DIRECTOR AND REVISION OF REMUNERATION

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of Resolution No. 8 passed at the Annual General Meeting of the Company held on July 31, 2010 and pursuant to the provisions of sections 198, 269, 309, 310 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 to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to the re-designation of Mr. Jean Gourp as the ‘Managing Director’ of the Company and the revision of remuneration payable to Mr. Jean Gourp as Managing Director with effect from August 24, 2011 for the remaining period of his tenure i.e. up to May 19, 2015, as stipulated herein below:

REMUNERATION

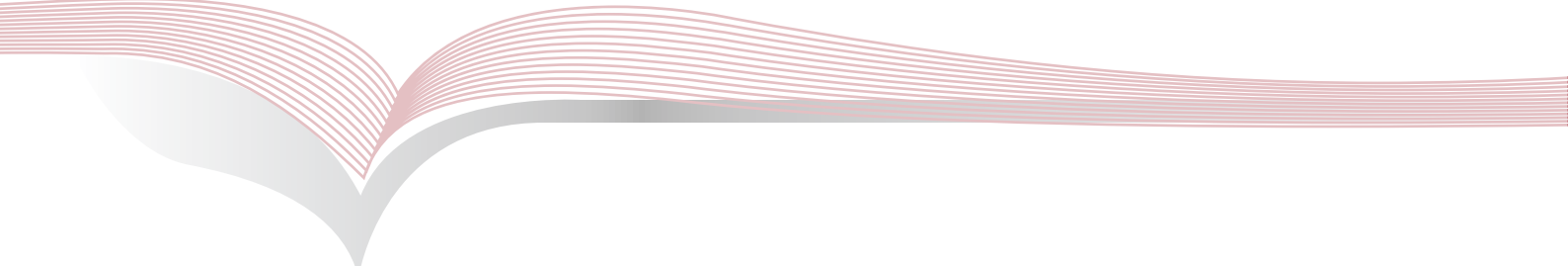
Total Remuneration: Not exceeding an overall ceiling of ₹ 20.00 Lacs per month.

Basic Salary: ₹ 5.00 Lacs per month.

In addition to the salary, the Managing Director shall also be entitled to the following Allowances and Perquisites in accordance with the Rules of the Company:

Allowances and Perquisites:

1. Housing: Furnished rent free accommodation or House rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses, reimbursement of repairs, renovation and maintenance expenses of house, allowance or reimbursement for utilities such as gas, electricity, water, soft furnishing, hard furnishing and repairs, helper allowance and similar other allowances.
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, Mr. Jean Gourp 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, provision of car for his personal use and such other allowances, benefits, amenities and facilities, etc., as per the Company's Rules or as may be agreed to between the Board of Directors and Mr. Jean Gourp.

Subject to the provisions of the Companies Act, 1956, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable, and at cost, in the absence of any such Rule.

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

- (i) Mr. Jean Gourp shall also be entitled to (i) the Company's contribution to Provident Fund not exceeding 12% of the basic salary as per the Company's policy or such other rate as may be prescribed by the Government from time to time, to the extent not taxable under the Income Tax Act, 1961 (ii) Gratuity payable as per the rules of the Company and (iii) Earned leave with full pay or encashment as per rules of the Company.
- (ii) Mr. Jean Gourp shall also be provided for official use a chauffeur driven Company car, telephone, fax, internet connectivity, mobile phone connection with handset and other communication facilities at residence (including payment for local calls and long distance calls).
- (iii) Reimbursement of expenses incurred for the business of the Company.

FURTHER RESOLVED THAT where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites and other allowances and benefits as specified above, subject to the receipt of the requisite approvals, if any.

FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to vary, amend, modify and revise from time to time the amount of and type of remuneration, perquisites and allowances within the overall limit, as may be desired appropriate, in accordance with the general policy of the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **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.**
3. The Register of Members and Share Transfer Books of the Company will be closed from July 16, 2011 to July 30, 2011 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, will be paid on or before August 12, 2011 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on July 16, 2011 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before July 16, 2011.
5. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic), are Sharepro Services (India) Private Limited having their office premises at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072.
6. Any members who would like to ask any questions on the Annual financial statements are 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.

7. Pursuant to the provisions of section 205A of the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF). An amount of ₹ 128,673/- being unclaimed dividend of the Company for the financial year ended March 31, 2003 was transferred to IEPF and no claim lies against the Company in respect thereof.

The final dividend for the financial year ended March 31, 2004 will become due for transfer to Investor Education and Protection Fund ("IEPF") in October, 2011. Members who have not encashed the Dividend Warrants so far for the said period or any subsequent financial years are requested to make their claim to Sharepro Services (India) Private Limited at the above-mentioned address. It may be noted that once the amounts in the Unpaid Dividend Accounts are transferred to Investor Education and Protection Fund, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

8. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. 2B duly filled in to Sharepro Services (India) Private Limited at the abovementioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
9. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from shareholders holding shares in electronic form for deletion of/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 who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
10. The Company has the facility of electronic credit of dividend directly to the respective Bank Accounts of the Members through the Electronic Clearing Service (ECS) of the Reserve Bank of India. Members wishing to avail of this facility are requested to inform the Company's Registrar and Transfer Agents in the prescribed form and with the prescribed details. Shareholders located in places where ECS facility is not available may submit their Bank details. This will enable the Company to incorporate this information on the Dividend Warrants to protect against fraudulent encashment.
11. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agents, for sending/dispatching of various notices, communication and documents by the Company through electronic mode.
12. Members are requested to:
- inform the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited at their above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in demat form;
 - quote their folio numbers/Client ID/DP ID in all correspondence;
 - consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

13. Re-appointment of Directors

The Information to be provided under Clause 49 of the Listing Agreement with the Stock Exchange pertaining to the Directors proposed to be re-appointed at the Annual General Meeting is annexed hereto.

By Order of the Board

Sanjay Kumar Mutha
Company Secretary

Mumbai
May 24, 2011

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

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

ITEM NO. 6

The Board of Directors of the Company ("the Board") at its meeting held on October 28, 2010 appointed Mr. N. Sundararajan as an Additional Director of the Company. Mr. N. Sundararajan holds office up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received a Notice from a Member signifying his intention to propose Mr. N. Sundararajan as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Mr. N. Sundararajan, aged about 61 years, holds a Bachelor's Degree in Commerce and a Post Graduate Diploma in Business Management from XLRI, Jamshedpur. He is also a qualified Company Secretary and a Cost Accountant.

Mr. N. Sundararajan has extensive total work experience of about 37 years—having handled various functions in Finance, Marketing, and General Management, in various companies including Tata Steel, MRF, Nippo Batteries and Sundaram Industries (TVS Group) for 25 years, before joining Ashok Leyland. He last served Ashok Leyland as Executive Director and Company Secretary, heading the Secretarial, Corporate Legal, Insurance and Internal Audit Functions.

He was actively involved in the Dr. J. J. Irani Committee for revamping Indian Company Law. He is also a past President of the Madras Chapter of the Institute of Internal Auditors, Florida, USA and was also member of several all India (IRDA) committees on Insurance. He has been a Senior Assessor, for the Business Excellence awards handled by Confederation of Indian Industry (CII).

Mr. N Sundararajan is a Director on the Board of Lanka Ashok Leyland Plc., Sri Lanka.

He does not hold any Equity Shares in the Company.

It is in the interests of the Company to avail of the services of Mr. N. Sundararajan as a Director of the Company.

Your Directors recommend the Resolution for approval by the Members.

Apart from Mr. N. Sundararajan, none of the other Directors of the Company is concerned or interested in this item of business.

ITEM NO. 7

The Board of Directors at its meeting held on May 20, 2010, appointed Mr. Jean Gourp as Deputy Managing Director of the Company for a period of five years with effect from May 20, 2010. The members also, at the Annual General Meeting held on July 31, 2010, had approved the above appointment and terms of remuneration of Mr. Jean Gourp as Deputy Managing Director.

In view of the resignation of Mr. Raman Madhok as Managing Director of the Company effective from August 23, 2011, the Board of Directors of the Company, at its Meeting held on May 24, 2011 has, pursuant to the approval of the Remuneration Committee of the Board, and subject to approval of the Members, approved the re-designation of Mr. Jean Gourp as Managing Director of the Company and the revision of remuneration payable to him, with effect from August 24, 2011 for the remaining period of his tenure i.e. up to May 19, 2015, on the terms and conditions including proposed remuneration as set out in the Special resolution at item 7 to the Notice.

Mr. Jean Gourp has been associated with the Company since June, 2008, first as Chief Operating Officer and then as the Deputy Managing Director. Mr. Jean Gourp has come from CMI Stalproekt in Muscov, where he was the Managing Director. He has, over the last twenty years, worked with International engineering companies in China, France, Gabon and India. He holds a Mechanical Engineering degree from I.N.S.A. Toulouse, France. He also went as an exchange student while doing his Engineering to pursue courses in Business Management at University of Surrey, UK.

He does not hold any Equity Shares in the Company.

In compliance with the requirements of section 302 of the Companies Act, 1956, an Abstract of the terms of appointment and the revised remuneration of Mr. Jean Gourp together with the Memorandum of Concern or Interest would be sent to the Members of the Company.

Pursuant to sections 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956, including Schedule XIII, the revision of remuneration payable to Mr. Jean Gourp as Managing Director of the Company is now being placed before the Members in the Annual General Meeting for their approval.

Your Directors recommend this Resolution as a Special Resolution for approval by the Members.

Apart from Mr. Jean Gourp, none of the other Directors of the Company is concerned or interested in this item of business.

The following additional information, as required by Schedule XIII to the Companies Act, 1956 is given below:

I. GENERAL INFORMATION:

(1) Nature of Industry

The Company is, *inter alia*, engaged in the business of designing, manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants, wet flux line and pickling lines for ferrous and non-ferrous industries world wide.

(2) Date of commencement of commercial production

May 28, 1986.

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

Particulars	(₹ in Lacs)				
	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Net Sale	41,749.18	38,721.90	45,394.77	32,779.76	51,110.79
Other Income	2,613.90	1,577.74	1,082.35	108.12	47.19
Total Income	44,363.08	40,299.64	46,477.12	32,887.88	51,157.98
Profit before interest, depreciation and tax	7602.23	4,983.62	2,850.73	2,658.44	3,231.13
Profit after tax	4717.86	2,728.64	267.83	830.30	1,528.64
Equity Capital	493.78	493.78	493.78	493.78	493.78
Rate of dividend per share (%)					
- Ordinary	100%	100%	20%	20%	100%
- Special Silver Jubilee	100%	-	-	-	-

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

Year	(₹ in Lacs)
	Exports
2010-11	12,380.25
2009-10	10,397.66
2008-09	33,241.03

(5) Foreign investments or collaborators, if any

Except the shareholding of its Parent company i.e., Cockerill Maintenance & Ingénierie, SA (CMI) a Belgium based company, which holds 75% of its equity capital, the Company does not have any direct foreign investments or collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Jean Gourp has been associated with the Company since June, 2008, first as Chief Operating Officer and then as the Deputy Managing Director. Mr. Jean Gourp has come from CMI Stalproekt in Moscow, where he was the Managing Director. He has, over the last twenty years, worked with International engineering companies in China, France, Gabon and India. He holds a Mechanical Engineering degree from I.N.S.A. Toulouse, France. He also went as an exchange student while doing his Engineering to pursue courses in Business Management at University of Surrey, UK.

(2) Past remuneration

The total remuneration paid to Mr. Jean Gourp during the year 2010-11 was ₹ 103.01 lakhs.

(3) Recognition or awards: NA

(4) Job profile and his suitability

Mr. Jean Gourp, with major focus on sales and business development, would also be responsible for the overall conduct and management of the business and the affairs of the Company. This includes development of domestic and international business, providing strategic direction to the business of the Company, enhancement of efficiencies and rationalization of costs.

Mr. Jean Gourp with his qualification and vast experience in the areas of Manufacturing, Sales and general Management, is expected to add considerable value to the Company from the position of the Managing Director.

(5) Remuneration proposed

Total remuneration payable to him shall not exceed an overall ceiling of ₹ 20.00 Lacs per month, as computed in accordance with the Company's normal rules.

In case, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the proposed remuneration as the minimum remuneration by way of salary, perquisites and other allowances and benefits as specified above.

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

Taking into consideration the size, complexity and the nature of business of the Company which is substantially driven by specialized knowledge, the profile of the appointee, his responsibilities and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages of similar senior level appointee(s) in other companies in the industry.

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

Besides the present/proposed remuneration, Mr. Jean Gourp does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III OTHER INFORMATION:

- (i) Reasons for loss or inadequate profits: Not applicable
- (ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms : Not Applicable

IV DISCLOSURES:

The proposed remuneration payable to Managing Director is as set out in the Special Resolution under Item No.7 to the notice. The details of remuneration paid to all Directors are set out in the Corporate Governance Report which forms part of the Annual Report.

By Order of the Board

Sanjay Kumar Mutha
Company Secretary

Mumbai
May 24, 2011

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

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Name of the Director	Mr. Jean-Marc Kohlgruber	Mr. D. J. Balaji Rao
Date of Birth	September 11, 1959	December 15, 1939
Date of Appointment	June 25, 2008	October 30, 2009
Expertise in specific functional area	<p>Mr. Jean-Marc Kohlgruber has attended various advance programmes on International Marketing, Advance Project management including change Management at Harvard Business School.</p> <p>Mr. Kohlgruber has more than 28 years of experience in sales and marketing. Mr. Kohlgruber joined the CMI Group, Belgium in 1996 as Vice President-Sales and presently, he is President-CMI Industry.</p>	<p>Mr. D. J. Balaji Rao has attended the Advanced Management Program at European Institute of Business Administration at Fontainbleu, France.</p> <p>He pursued his career as an Industrial Engineer for about 8 years before joining erstwhile ICICI Ltd. (since merged with ICICI Bank Ltd) in 1970. After wide ranging responsibilities in different locations, he reached the position of Dy. Managing Director. He subsequently took over as the Vice Chairman and Managing Director of SCICI Ltd., in August 1996. With the merger of SCICI Ltd. with ICICI Ltd., he moved to Infrastructure Development Finance Co. Ltd. (IDFC), as its first Managing Director, which he served till his superannuation in January, 2000.</p> <p>He has served on the Boards of many leading companies including MICO Ltd., Wipro Ltd. and Bharat Forge Ltd., etc. He is currently the Chairman of 3M India Ltd.</p>
Qualification	Master Degree in Electrical-Mechanical Engineering and Master Degree in Business Administration	BE, Post Graduate Diploma in Industrial Engineering
Directorship in other Public Limited Companies (including foreign companies)	<ul style="list-style-type: none"> • CMI Engineering (Beijing) Co. Ltd., China • CMI Industry Americas Inc., USA • CMI Mantenimiento Ingenieria IBERICA, SL • Garage Liegeois SPRL • Dodeca SPRL • Masteel-CMI International Training Centre, China 	<ul style="list-style-type: none"> • Bajaj Auto Limited • 3M India Limited • Ashok Leyland Limited • Graphite India Limited • Hinduja Foundries Limited • JSW Energy Limited • Bajaj FinServ Limited • Bajaj Holdings and Investment Limited • Bajaj Finance Limited

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Chairmanship/ Membership of Committees in other Public Limited Companies* (C = Chairman) (M = Member)	Nil	Audit Committee <ul style="list-style-type: none"> • Ashok Leyland Limited (M) • Bajaj Auto Limited (M) • Bajaj FinServe Limited (M) • 3M India Limited (M) • JSW Energy Ltd. (M) • Hinduja Foundries Limited (C) Shareholders / Investors' Grievances Committee <ul style="list-style-type: none"> • Bajaj Auto Limited (C) • 3M India Limited (C) • Ashok Leyland Limited (M)
No. of Equity Shares held in the Company	Nil	Nil
Relationship with other Directors	None	None

*only two committees namely Audit Committee, Shareholders/Investors Grievance Committee have been considered.

DIRECTORS' REPORT

To
The Members,
CMI FPE LIMITED

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report together with the audited statements of Accounts for the financial year ended March 31, 2011.

1. FINANCIAL PERFORMANCE

FINANCIAL RESULTS	(₹ in Lacs)	
	Financial Year 2010-2011	Financial Year 2009-2010
Sales and Other Income	44,363.08	40,299.64
Profit before Interest, Depreciation & Tax	7,602.23	4,983.62
Interest	2.77	137.56
Profit before Depreciation & Tax	7,599.46	4,846.06
Depreciation	490.93	530.68
Profit before Tax	7,108.53	4,315.38
Provision for Tax – Current	1,873.00	1,720.00
– Deferred	618.65	(171.92)
– Wealth Tax	0.23	-
Tax relating to earlier year (net)	(101.21)	38.66
Profit after Tax	4,717.86	2,728.64
Balance brought forward from previous year	2,481.83	1,328.98
Profit available for Appropriation	7,199.69	4,057.62
APPROPRIATION:-		
Proposed Dividend		
- Ordinary Dividend	493.78	493.78
- Special Silver Jubilee Dividend	493.78	-
Income Tax on Dividends	160.21	82.01
Transferred to General Reserve	2,626.50	1,000.00
Balance carried forward	3,425.42	2,481.83
	7,199.69	4,057.62

2. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 10 per equity share for the financial year ended March 31, 2011 and also a Special Silver Jubilee Dividend of ₹ 10 per equity share, as the Company completes its twenty five years of existence, aggregating ₹ 20 per equity share of the face value of ₹ 10 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

The total dividend outgo for the Year under review, inclusive of tax on distributed profits would absorb a sum of ₹ 1,147.77 Lacs (as against ₹ 575.79 Lacs comprising the dividend of ₹ 10 per equity share of ₹ 10 each paid for the previous year).

3. OPERATIONS

During the year under review, your Company achieved total Income of ₹ 44,363.08 Lacs as compared to the total Income of ₹ 40,299.64 Lacs in the previous year registering a growth of 10.08%. The total sales include export sales of ₹ 12,380.25 Lacs as compared to the previous year of ₹ 10,397.66 Lacs, registering a growth of 19.07%. The profit after tax for the year is ₹ 4,717.86 Lacs as compared to ₹ 2,728.64 Lacs for the previous year registering a growth of 72.90%.

4. FIXED DEPOSIT

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

5. DIRECTORS

Mr. Jean-Marc Kohlgruber and Mr. D. J. Balaji Rao retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. N. Sundararajan was appointed as an Additional Director on the Board of Directors of the Company on October 28, 2010 and holds office up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received a notice from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Mr. N. Sundararajan as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Mr. Raman Madhok has resigned as Managing Director and Director of the Company, the resignation to be effective from the close of working hours on August 23, 2011.

Mr. Jean Gourp, Deputy Managing Director of the Company has been re-designated as Managing Director of the Company effective from August 24, 2011.

6. 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:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Company has in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently, and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (iii) the Company has 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;
- (iv) the annual accounts have been prepared on a going concern basis.

7. CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Directors' explanation to Auditors' Certificate on Corporate Governance:

As regard the Auditors' observations in para (i), (ii) and (iii) of their Certificate on Corporate Governance, the detailed responses/ explanations are given in items I, III and VII of the Corporate Governance Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of the Annual Report.

9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

10. PARTICULARS OF EMPLOYEES

As required under the provisions of sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of the employees are set out in an Annexure to the Directors' Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the Shareholders of the Company excluding the Statement of particulars of employees. Any Shareholder interested in obtaining a copy of the Statement may write to the Company Secretary of the Company.

11. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting.

The Company has received a certificate from the above Auditors, proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified under the provisions of Section 224(1B) of the Companies Act, 1956.

12. HEALTH AND SAFETY

The Company continues to demonstrate a strong commitment towards safety and occupational health of employees at all locations. Your Company has a well established Safety Health & Environment (SHE) Policy. The employees are encouraged to adopt a healthy, safe and environmentally conscious lifestyle.

13. PERSONNEL

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

14. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, the financial institutions, banks, vendors, customers and shareholders during the year under review.

For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Mumbai
May 24, 2011

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011.

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) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - The above measures have resulted in reduction of Energy consumption.
- d) Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Annexure to the Rules is as follows:

Disclosure of particulars with respect to conservation of energy

Power and Fuel consumption	2010-2011	2009-2010
i. Electricity:		
a. Purchased		
Units (Total) - KWH	1700346	1810888
Total Amount (₹ in Lacs)	87.05	91.50
Rate / Unit (₹)	5.12	5.05
Consumption per unit of production	N.A.	N.A.
b. Own generation (DG set)		
Units (Total) – KWH	37934	33700
Total Amount (₹ in Lacs)	7.00	5.21
Rate / Unit (₹)	18.45	15.45
Consumption per unit of production	N.A.	N.A.
ii. Coal:	N.A.	N.A.
iii. Furnance Oil / H.S.D.:		
a. Purchased		
Units (Total) – Litres	20470	14600
Total Amount (₹ in Lacs)	8.31	5.21
Rate / Unit (₹)	40.58	35.90
Consumption per unit of production	N.A.	N.A.
iv. Others:	NIL	NIL

B. TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D):

1. 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.
2. 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
3. Future Plan of Action:
 - Introduction of new products and processes
 - Further improvement in the existing products and processes in various areas in which the Company is operating
 - Strengthening infrastructure for R &D
4. Expenditure on R & D: Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
 - 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.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, saving in foreign exchange, etc.
 - The above measures helped in introduction of new products and processes and further improvement in the existing products.
3. Information regarding technology imported during the last 5 years:

Technology Imported	Year of Import	Status
Certain Acid Re-generation Plant Technology	2009-2010	Absorbed
Certain Color Coating Technology	2009-2010	Absorbed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with regard to Foreign Exchange Earnings and Outgo are given in the Notes on Accounts.

Activities relating to exports and export plans:

The Company makes continuous efforts to explore new foreign markets for products and services and makes its presence felt in the unexplored global markets through the assistance of its parent Company.

For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Mumbai
May 24, 2011

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance practices. Your Company's philosophy on Corporate Governance is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavour to attain excellent performance in terms of stakeholder value creation and business objectives.

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

I. BOARD OF DIRECTORS

(i) Composition of the Board

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Non-Executive Chairman of the Company represents the Promoters, and the number of Independent Directors is 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.

During the year under review, consequent to the appointment of Mr. Jean Gourp, Deputy Managing Director, to the Board on May 20, 2010, the number of Independent Directors fell one short of one half of the strength of the Board. The Company had already commenced the process of identifying an additional independent director, but there was a delay. The Company reported the same to the Bombay Stock Exchange Limited (BSE) in the Compliance Report on Corporate Governance for the quarter ended September 30, 2010 and clarified in the report that the composition of the Board was altered due to appointment of Mr. Jean Gourp as Deputy Managing Director w.e.f. May 20, 2010 and the Company was in the process of appointing an Independent Director. On October 28, 2010, Mr. N. Sundararajan was appointed as an Independent Director and the BSE was informed accordingly. Further, in response to BSE's letter dated November 30, 2010, the Company vide its letter dated December 13, 2010, has confirmed the compliances. The Company continues to be in compliance with Clause 49[I A (ii)].

The day-to-day management of the Company is conducted by Mr. Raman Madhok, Managing Director along with Mr. Jean Gourp, Deputy Managing Director subject to the supervision and control of the Board of Directors. The Board of Directors of the Company represents an optimum combination of experience, knowledge and professionalism.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for these Directors as entitled under the Companies Act, 1956 as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates, which in their judgment would affect their independence. None of the Directors of the Company is inter-se related to each other.

The Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

The current Board of Directors of the Company comprises of eight Directors. None of the Directors held Directorships in more than 15 Public Limited Companies. None of the Directors on the Board is a Member of more than 10 Committees and/or Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director.

The information on composition of the Board, category and their Directorships / Committee Membership across all the companies in which they are Directors as on March 31, 2011 is as under:

Name of Director	Category / Position	Total Number of Committee Memberships, Chairmanships and Directorships of public companies* as on March 31, 2011		
		Directorships #	Committee Memberships \$	Committee Chairmanships \$
Non-Executive				
Mr. Jean-Marc Kohlgruber (Chairman)	Promoter Group	1	-	-
Mr. Yves Honhon	Promoter Group	1	1	-
Mr. R. N. Tandon	Independent	1	2	1
Mr. D. J. Balaji Rao	Independent	10	10	4
Mr. Raman M. Madhok	Independent	2	1	-
Mr. N. Sundararajan	Independent	1	-	-
Executive				
Mr. Raman Madhok (Managing Director)	Non-Independent	1	1	-
Mr. Jean Gourp (Deputy Managing Director)	Non-Independent	1	1	-

* Excludes private limited companies, foreign companies, companies registered under section 25 of the Companies Act, 1956 and government bodies.

excludes Alternate Directorships but includes Additional Directorships and Directorship in the Company.

\$ Committees considered are Audit Committee and Shareholders/Investors Grievance Committee, including that of the Company.

(ii) Board Procedure

The detailed Agenda and background Notes/papers are sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by presentations by the Chief Financial Officer. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, review of legal issues, adoption of quarterly/half-yearly/annual results, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Chief Financial Officer and Company Secretary and Compliance Officer.

(iii) Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting

During the year under review, four meetings of the Board of Directors were held on the following dates - May 20, 2010, July 30, 2010, October 28, 2010 and February 12, 2011. The gap between two Meetings did not exceed four months. These Meetings were well attended. The Twenty-Fourth Annual General Meeting (AGM) of the Company was held on July 31, 2010.

The attendance of Directors at the meetings of the Board of Directors held during the year ended March 31, 2011 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	4	Yes
Mr. Rob Johnson*	1	NA
Mr. Yves Honhon	3	Yes
Mr. R. N. Tandon	4	Yes
Mr. D. J. Balaji Rao	4	Yes
Mr. Raman M. Madhok	4	Yes
Mr. Raman Madhok**	3	Yes
Mr. Jean Gourp***	3	Yes
Mr. N. Sundararajan ****	1	NA

* Resigned w. e. f. July 15, 2010

** Appointed w.e.f. July 16, 2010

*** Appointed w.e.f. May 20, 2010

**** Appointed w.e.f. October 28, 2010

(iv) Directors seeking appointment/re-appointment

Mr. Jean-Marc Kohlgruber and Mr. D. J. Balaji Rao retire by rotation and, being eligible, have offered themselves for re-appointment. Mr. N. Sundararajan was appointed as an Additional Director of the Company with effect from October 28, 2010 and will hold office upto the next Annual General Meeting of the Company.

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Annual General Meeting of the Shareholders.

(v) Code of Conduct

The Board has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel of the Company. This Code has been posted on the Company's website <http://www.cmifpe.com>. All Board Members and Senior Management Personnel have affirmed compliance with this code. A declaration signed by the Managing Director to this effect is attached at the end of this Report.

(vi) CEO/CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchange, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2011.

II. REMUNERATION TO DIRECTORS

(i) Remuneration Policy

While deciding on the remuneration for Directors, the Board and the Remuneration Committee ("Committee") consider the performance of the Company, the current trends in the industry, the qualifications of the incumbents/appointee(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries.

(ii) Remuneration to Non-Executive Directors for the year ended March 31, 2011

The eligible Non-Executive Directors are paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose.

The criteria of making payments to Non-Executive Directors covers, inter alia, the number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management and contribution at the Board/Committee(s) levels.

A commission of ₹ 23.80 Lacs has been provided as payable to the eligible Non-Executive Directors in the accounts of the year under review as under:

		(₹ in Lacs)
Directors	Commission provided in the accounts for the year ended March 31, 2011	
Mr. D. J. Balaji Rao	8.20	
Mr. R. N. Tandon	4.40	
Mr. Raman M. Madhok	8.20	
Mr. N. Sundararajan	3.00	

Non-Executive Directors are also paid sitting fees of ₹ 20,000 for every Meeting of the Board or Committee attended. The sitting fees paid to Non-Executive Directors for the year ended March 31, 2011, and their shareholdings in the Company are as under:

Directors	Sitting Fees for the Board and Committee Meetings paid during the year ended March 31, 2011 (₹ in Lacs)	No. of Equity Shares held as on March 31, 2011
Mr. Jean-Marc Kohlgruber*	Nil	Nil
Mr. Yves Honhon*	Nil	Nil
Mr. D. J. Balaji Rao	1.80	Nil
Mr. R. N. Tandon	2.60	Nil
Mr. Raman M. Madhok	1.80	Nil
Mr. N. Sundararajan	0.20	Nil

* They have voluntarily waived the acceptance of sitting fees.

(iii) Remuneration paid/payable to Managing/Deputy Managing Director for the year ended March 31, 2011:

Remuneration to Managing Director and Deputy Managing Director have been fixed by the Remuneration Committee, and has subsequently been approved by the Board of Directors and the Shareholders at a General Meeting.

Following is the remuneration paid/payable to the Executive Directors for the year ended March 31, 2011:

							(₹ in Lacs)
Directors	Salary	Performance incentive	Company's Contribution to Funds	Perquisites and allowances	Total	Contract Period	
Mr. Rob Johnson*	9.88	-	1.18	25.61	36.67	June 25, 2008 to June 24, 2011*	
Mr. Raman Madhok (Managing Director)	136.26	55.00	16.35	34.96	242.57	July 16, 2010 to July 15, 2015	
Mr. Jean Gourp (Deputy Managing Director)	38.28	15.00	4.60	60.13	118.01	May 20, 2010 to May 19, 2015	

* Resigned as Managing Director w.e.f. July 15, 2010.

Notes:

- (1) All the above components of remuneration, except performance incentive, are fixed in nature. The payment of performance incentive is considered and approved by the Remuneration Committee 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.

III. RISK MANAGEMENT

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report. The Board of Directors oversees all risks assumed by the Company. Statutory compliances are being monitored by the Board at every meeting.

The Board has constituted a Commitment Committee of senior executives of the Company, and has also approved the procedure for its conduct.

The Company is basically a project management company. The Commitment Committee examines in detail the various sources of risks and adopts risk mitigation strategies prior to and also after finalization of contracts with prospective customers. Business risk, financial risk, liquidity risk and market risks are the key risks reviewed by the Commitment 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/quarterly basis by the Company's Management Committee and emergent actions are taken.

The Board has now taken further steps for a more formal and more comprehensive assessment and mitigation of all risks, and its periodic monitoring by the Board.

IV. COMMITTEES OF THE BOARD

(i) Audit Committee:

Composition of the Committee

The Audit Committee of the Company comprises of three Non-Executive Directors of whom two are Independent Directors. Mr. D. J. Balaji Rao is the Chairman of the Committee and Mr. Yves Honhon and Mr. R. N. Tandon are other Members of the Committee. All the Members of the Committee possess accounting and financial management knowledge. Mr. D. J. Balaji Rao was present at the 24th Annual General Meeting of the Company held on July 31, 2010.

The Company Secretary functions as Secretary to the Committee.

Meetings and attendance:

Four meetings of the Committee were held during the year ended March 31, 2011. These meetings were held on May 20, 2010, July 30, 2010, October 28, 2010 and February 12, 2011. The gap between two Meetings did not exceed four months.

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	4
Mr. Yves Honhon	Member	Non-Executive Director	3
Mr. R. N. Tandon	Member	Non-Executive & Independent Director	4

Terms of Reference:

The Terms of Reference have been reviewed from time to time and the Committee has been mandated to comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange and also to conform to the provisions of Section 292A of the Companies Act, 1956.

The role of the Audit Committee inter-alia includes the following:

- a. 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.
- b. Recommending to the Board the appointment/re-appointment and removal of statutory auditors, fixation of their audit fee and also approval for payment for any other services.
- c. Reviewing with management the financial statements before submission to the Board.
- d. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems.

- e. Reviewing the adequacy of internal audit function.
- f. Discussion with internal auditors on any significant findings and follow-up thereon.
- g. 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.
- h. Discussions with statutory Auditors before the audit commences, the nature and the scope of Audit, as well as holding post-audit discussions.
- i. Reviewing the Company's financial and risk management policies.

(ii) Remuneration Committee

Composition of the Committee, Meeting and attendance

The Remuneration Committee 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 are the other Members of the Committee. Majority of the Members of the Committee are Non-Executive Independent Directors. One meeting was held on May 20, 2010 during the year under review and all Members of the Committee attended the same.

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 organisations and thereafter makes its recommendations to the Board. It also reviews the performance of the Executive Directors and recommends to the Board the quantum of annual increments / commissions.

(iii) Shareholders'/ Investors' Grievance Committee

Composition of the Committee, Meetings and attendance

The Company's Shareholders/Investors' Grievance Committee was re-constituted w.e.f. July 16, 2010 in view of the resignation of Mr. Rob Johnson as Managing Director of the Company w.e.f. July 15, 2010.

The Committee presently comprises of Mr. R. N. Tandon (Chairman of the Committee), Mr. Raman M. Madhok, Mr. Raman Madhok and Mr. Jean Gourp.

The Company Secretary is the Compliance Officer of the Company, except for the period from February 13, 2011 to May 23, 2011, during which period there were no Company Secretary.

The Committee met three times during the year and all Members of the Committee attended the same. During the year under review, 14 complaints were received from the Shareholders, all of which have been attended to/resolved promptly. As of date, there are no pending share transfers pertaining to the year under review.

The Committee meets as and when required, to deal with, inter-alia, matters relating to transfer of shares and to monitor redressal of complaints from Shareholders relating to transfers, non-receipt of Annual Report, non-receipt of dividends declared, etc. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company.

V. DISCLOSURES

(i) Disclosure of transactions with Related Parties

During the financial year 2010-11, there were no materially significant transactions entered into between the Company and its promoters, Directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The details of related party transactions are presented in Note No. "7" in Schedule "J" to the Annual Accounts, in the Annual Report.

(ii) Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

(iii) Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

VI. SHAREHOLDER INFORMATION

a. 25th Annual General Meeting

Date	: July 30, 2011
Time	: 3.30 p.m.
Venue	: Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093

b. Date of Book Closure:

Dates of Book Closure for Dividend will be from July 16, 2011 to July 30, 2011 (both days inclusive).

c. Dividend Payment Date

Date of payment of Dividend would be on or before August 12, 2011.

d. Financial year of the Company

The financial year covers the period from April 1 to March 31 .

Financial Reporting for:

First Quarter ending June 30, 2011	-	before the end of July, 2011
Half-year ending September 30, 2011	-	before the end of October, 2011
Third Quarter ending December 31, 2011	-	before the end of January, 2012
Year ending March 31, 2012	-	before the end of May, 2012

The above dates are indicative.

e. Listing on Stock Exchanges

The Company's Shares are listed on Bombay Stock Exchange Limited (BSE)

The Company has paid the annual listing fees for the period April 1, 2011 to March 31, 2012.

The Shareholders of the Company, at their meeting held on September 19, 2008, accorded their approval for delisting of equity shares of the Company from The Ahmedabad Stock Exchange Limited and The Delhi Stock Exchange Limited. The Company has complied with the necessary formalities for delisting of its shares from the abovementioned Stock Exchanges. The equity shares of the Company shall continue to be listed only on Bombay Stock Exchange Limited (BSE).

f. Stock Code

Bombay Stock Exchange Limited

Scrip Code	: 500147	Scrip Name	: CMIFPE
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g. ISIN

The ISIN no. for dematerialization of the Company's shares with NSDL and CDSL is INE515A01019.

h. Corporate Identification Number (CIN)

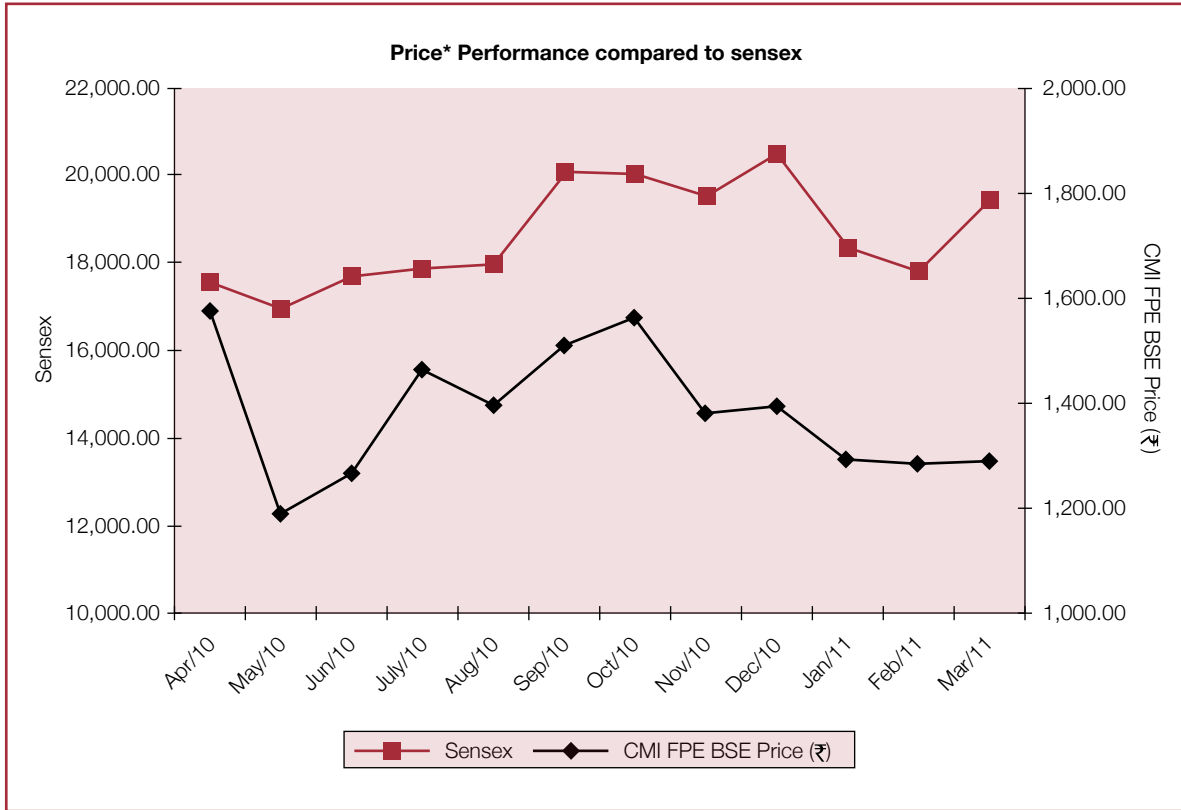
The Company's CIN, allotted by the Ministry of Corporate Affairs, is L99999MH1986PLC039921.

i. Market Price Data

The high and low prices of the Company's equity shares (face value of ₹ 10 each) on Bombay Stock Exchange Limited (BSE) during the financial year 2010-11 were as under:

Month	High (₹)	Low (₹)
April, 2010	1,790.00	1,346.00
May, 2010	1,985.00	1,131.00
June, 2010	1,370.00	1,145.00
July, 2010	1,550.00	1,260.00
August, 2010	1,540.00	1,357.00
September, 2010	1,554.00	1,370.00
October, 2010	1,632.00	1,512.00
November, 2010	1,590.00	1,355.00
December, 2010	1,460.00	1,200.00
January, 2011	1,425.00	1,180.00
February, 2011	1,355.00	1,263.00
March, 2011	1,320.00	1,253.00

j. Performance of the Company's shares in comparison to BSE Sensex is given in the chart below:



*based on closing price on last trading day of the month

k. Registrar and Transfer Agents

Sharepro Services (India) Private Limited
 Unit: CMI FPE Limited
 13AB, Samhita Warehousing Complex,
 2nd Floor, Off Andheri Kurla Road,
 Sakinaka Telephone Exchange Lane,
 Sakinaka, Andheri (E),
 Mumbai - 400 072.
 Telephone Nos.: +91-22-67720400/67720300
 Fax: +91-22-28591568
 email: sharepro@shareproservices.com

The Registrar and Transfer Agents also have an office at:
 Sharepro Services (India) Private Limited
 912, Raheja Centre,
 Free Press Journal Road,
 Nariman Point,
 Mumbai - 400 021.
 Telephone Nos.: +91-22-22881568/69
 Fax: +91-22-22825484

I. Distribution of Shareholding as on March 31, 2011

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
Upto 500	3426	94.147	299200	6.059
501 – 1000	100	2.748	78127	1.582
1001 – 2000	47	1.292	68761	1.393
2001 – 3000	20	0.550	49467	1.002
3001 – 4000	8	0.220	28197	0.571
4001 – 5000	10	0.275	46398	0.940
5001 – 10000	12	0.330	775522	1.570
10001 and above	16	0.440	4290141	86.883
Total	3639	100.000	4937813	100.000

m. Shareholding pattern

Shareholding pattern as on March 31, 2011 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	1,650	0.03%
NRIs	36,177	0.73%
Domestic Companies	76,875	1.56%
Resident individuals	11,19,711	22.68%
Total	49,37,813	100.00%

n. Dematerialization of shares

Category	No. of shares	% of shares	No. of shareholders	% of shareholders
Electronic Form	48,66,100	98.55%	3,134	86.12%
Physical Form	71,713	1.45%	505	13.88%
Total	49,37,813	100.00%	3,639	100.00%

o. Share Transfer System

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form.

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company. The Share Transfer and Shareholders/Investors Grievance Committee meets as and when required to consider the other transfer proposals and attend to Shareholder grievances.

p. 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.

q. Plant Locations

Unit No. I

A-84, 2/3 MIDC,
Taloja Industrial Area,
Dist Raigad - 410208
Maharashtra.

Unit No. II

Sr. No. 144/1/3,
Silvassa Khanvel Road,
Village Rakholi, Silvassa – 396230
Union Territory of Dadra & Nagar Haveli.

r. Address for correspondence:

Shareholders may correspond with the Registrar and Transfer Agents at:

Sharepro Services (India) Private Limited

Unit: CMI FPE Limited

13AB, Samhita Warehousing Complex,

2nd Floor, Off Andheri Kurla Road,

Sakinaka Telephone Exchange Lane,

Sakinaka, Andheri (E),

Mumbai - 400 072.

Telephone Nos.: +91-22-67720400/67720300

Fax: +91-22-28591568

Email: sharepro@shareproservices.com

on all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

The Company has also designated investors@cmifpe.com as an exclusive email ID for Investors for the purpose of registering complaints, and the same email ID has been displayed on the Company's website.

Shareholders would have to correspond with the respective Depository Participants for Shares held in dematerialised form.

For all investor related matters, the Company Secretary & Compliance Officer can be contacted at:

"Mehta House",

Plot No. 64, Road No. 13,

MIDC, Andheri (E),

Mumbai - 400 093.

Tel. No.022 66762727

Fax No.022 66762737 / 38

Email.: investors@cmifpe.com

VII. OTHER DISCLOSURES

Details of General Meetings and Special Resolutions passed:

The information relating to Annual General Meetings held during the past three years and the Special Resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any Special Resolution passed
2007-2008	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093	September 19, 2008	3.30 p.m.	1. Change of name of the Company from Flat Products Equipments (India) Limited to CMI FPE Limited 2. Appointment of Mr. Rob Johnson as Managing Director 3. Delisting of Equity Shares of the Company from The Delhi Stock Exchange Association Limited and The Ahmedabad Stock Exchange Association Limited
2008-2009	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093	September 11, 2009	3.30 p.m.	Change in place of keeping Registers and Index of Members and copies of Annual Returns, etc.
2009-2010	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093	July 31, 2010	3.30 p.m.	1.Appointment of Mr. Raman Madhok as Managing Director 2.Appointment of Mr. Jean Gourp as Deputy Managing Director 3.Commission to Non-Executive Directors

The Company has neither passed any Special Resolution through postal ballot during the financial year 2010-11 nor proposes to pass any Special Resolution through postal ballot during the current year.

Details of non-compliance etc.

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.



The Compliance report on corporate governance for the quarter ended March 31, 2011 was signed by the Chief Financial Officer (CFO) and was filed with Bombay Stock Exchange Limited on April 25, 2011, involving a delay of 10 days. This delay occurred as the Company Secretary and the designated Compliance Officer, left the employment of the Company on February 13, 2011. The CFO being the concerned officer in the area of Corporate Governance during that time, had signed the said report. A new Company Secretary has been appointed and is the Compliance Officer since May 24, 2011.

Means of Communication

The Company regularly informs 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 dailies. The Company's results and official news releases are displayed on the Company's website www.cmifpe.com.

The Company's Presentations to institutional investors and analysts are also put up on the website of the Company.

Management Discussion and Analysis

A Management Discussion and Analysis (MDA) has been attached to the Directors' Report, and forms part of this Annual Report.

Non-Mandatory Requirements

The Board of Directors

The present Chairman is a foreign national and a Non-Executive Director. All Independent Directors significantly contribute to the deliberation 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 appropriate by the Board of the Company. The Board takes into account the qualifications and experience of every Independent Director, which would be of use to the Company and which would enable him to contribute to the Company in his capacity as an Independent Director.

Remuneration Committee

The Company has constituted a Remuneration Committee comprising of five Non Executive Directors, of whom three are Independent Directors. This committee determines the remuneration payable to the Executive Directors of the Company.

Audit qualifications

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure a track record of unqualified financial statements.

Whistle Blower Policy

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

Compliance with the Corporate Governance – Voluntary Guidelines, 2009

Many of the clauses of Corporate Governance Voluntary Guidelines, 2009 issued by Ministry of Corporate Affairs are being followed by your Company. It will always be the Company's endeavour to adhere to the best practices in Corporate Governance.

DECLARATION

To
The Members of CMI FPE Limited

I Raman Madhok, Managing Director, declare that the Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, for the year ended March 31, 2011.

For CMI FPE Limited

Raman Madhok
Managing Director

Mumbai
May 24, 2011

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, 2011, 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, subject to the exceptions detailed below:

- (i) With reference to Clause 49 [I (A) (ii)] of the listing agreement, during the period from May 20, 2010 to October 27, 2010, the number of independent directors was one short of one half of the Board of the Company. This was made good by the appointment of an independent director with effect from October 28, 2010. See Item I in the Corporate Governance Report;
- (ii) With reference to Clause 49 [IV (c)] of the listing agreement, the Company has laid down procedures to inform the Board of Directors about the risk assessment and minimisation procedures, only at their meeting held on May 24, 2011. See Item III in the Corporate Governance Report;
- (iii) With reference to Clause 49 [VI (ii)] of the listing agreement, for the quarter ended March 31, 2011, the Company has submitted quarterly compliance report to the stock exchanges after a delay of 10 days, (submitted on April 25, 2011); the same was signed by Chief Financial Officer who was neither the Compliance Officer nor the Chief Executive Officer of the Company. See Item VII in the Corporate Governance Report;

we certify that the Company has 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 24, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of CMI FPE Limited presents below its analysis on performance of the Company for the year 2010-11 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 and Developments:

The Indian economy has emerged successfully from the slowdown caused by the global financial crisis. With the growth in 2009-10 estimated at 8%, the turnaround has been quite fast. Growth has been strong in 2010-11 with the rebound in agriculture and continued momentum in the manufacturing sector. The medium to long-term prospect of the economy, including the industrial sector, continues to be positive.

The financial situation remained orderly with a pickup in credit growth, vibrant equity market and stable foreign exchange market, barring short term aberrations caused by specific events with economic impact. The moderation in the current account of balance of payments position is likely with deceleration in imports and acceleration in exports as per the latest merchandise trade data. Although downside risks of global events, particularly movement in prices of commodities like crude oil (marked by the current political turmoil in the North African and Middle East economies) remain, the Indian economy is poised to further strengthen.

The challenge of maintaining the growth momentum in the economy with price stability is going to remain a key focus area for monetary policy and macroeconomic management.

India's wholesale price index based inflation was at 8.23% in December, 2010, reflecting price shocks in essential commodities. Food inflation stood at 11.49 % in the second week of February, 2011.

The Reserve Bank of India has revised policy rates seven times in 2009-10, making borrowings costlier.

India's fiscal deficit is likely to be 4.8% for 2010-2011, lower than the 5.5% projected in the last Union Budget, primarily due to buoyancy in revenues.

Global investors' perception about the Indian recovery encouraged a revival in capital inflows in 2009-10, primarily through FII inflows.

To conclude, it is expected that the Indian economy will breach the 9% mark in 2011-2012 (real GDP growth).

Notwithstanding the tightening money markets and moderate growth in deposits, there has been a pickup in credit growth, higher equity market volumes and stable foreign exchange market, by and large. A moderation in BoP position is likely with deceleration in imports and acceleration in exports.

Despite downside risks, particularly through movement in prices of commodities like crude oil, the Indian economy is poised to further improve and consolidate in terms of key macroeconomic indicators.

In terms of the global landscape, the global economy has in fact turned into a multi polar world in which China, India, Brazil and the Middle East have joined the traditional players of North America, Europe and Japan as both the destinations and sources of global investments. Capital is now clearly flowing in multiple directions. New corporate giants are emerging to compete. Opportunities and challenges have grown as a consequence. Old assumptions have been found wanting but the new rules of competitive success have yet to be established.

Outlook:

Keeping in view the economic environment in India and the Company's primary markets overseas, the strategy going forward would be to facilitate proactive identification of additional needs by existing customers and servicing these in an effective manner. We would also be on the lookout to forge strategic relationships with existing, new customers in new products where we see significant potential, both in terms of business volumes and profitability.

To service the aforesaid objectives, we have already established a separate department i.e. "Business Innovation" which works on potential new products, product lines on a dedicated basis to ensure tangible results in the short to medium term. It is envisaged that the Business Innovation Cell at Business Unit level would work closely with similar resources at CMI Group level to ensure coherence of initiatives taken at Business Unit level in India with Group level, particularly from a technical perspective.

That having been said, optimisation of all project costs, effective management of foreign exchange risk, creating all around operational efficiencies at our Workshops, cost austerity with respect to Sales and General Administration cost will continue to be primary drivers in the months ahead. In addition to optimising working capital through improved inventory and receivables management, close monitoring of project cash flows will continue to be of significant importance.

As is well known, the per capita consumption of steel in India is significantly below international levels. The economic policy initiatives, particularly those towards infrastructure development are expected to have a favourable impact on the Company's operations, going forward.

On an overall basis, the Company would focus on meeting the complete spectrum of customer needs, thereby differentiating itself from the competition.



Review of Operations:

During the year 2010-11, the total income at ₹ 44363.08 Lacs registered a growth of 10.08% over the previous year. The profit before tax at ₹ 7108.53 Lacs increased by 64.73 % over the previous year, also profit after tax at ₹ 4717.86 Lacs increased by 72.90% over the previous year. The earnings per equity share of ₹ 10 was ₹ 95.55 as against ₹ 55.26 in the previous year. As on March 31, 2011, your Company was a debt free company.

Opportunities and Threats:

The Company, over the last 24 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.

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.

In the coming months, the Company sees significant business opportunities in these markets. The Management has scripted an action plan to leverage the Company's leadership position in its principal product lines and markets.

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

The Company believes that it is extremely important that it ramps up its existing workshop facilities to cater to the increased demand from its principal customers on the back of economic policy initiatives to boost infrastructure development in India. The Company has therefore set up a separate "Industrial Strategy Cell" to pursue two primary objectives. The first is to set up a new "office block" at its Talaja Workshop and the second is to set up a "new workshop facility" at Khapoli, near Mumbai. Considering that the Company does not have any long term debt on its Balance Sheet, and its exemplary performance in terms of profitability, it is expected that it would be able to source funds for the aforesaid expansion at very attractive rates.

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 focussed oversight of various risks.

The Company has in place an Commitment 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 Commitment 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 reviews.

Industrial Relations & Human Resources Management:

The Industrial relations remained cordial at all locations. In the year under review, significant efforts were made to involve the entire workforce in continuous improvement initiatives which has actually taken the Company to the next level in terms of its "quality focus".

The Company also rolled out a variety of training programmes, both by internal and external faculty, based on needs identified during the employee appraisal process. The programs covered diverse areas which ranged from honing leadership skills of middle and senior management to improving the productivity of our draftsmen and engineers on state-of-the-art CAD/CAM software.

A major initiative was a training onsite at our Workshops by eminent external faculty to find ways and means to improve our methods and processes (at our Mechanical Workshops) in line with global benchmarks. The permanent employee strength of the Company as on March 31, 2011 was 481.

Information Technology:

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.

Training programmes, facilitated by internal and external faculty, were rolled out for users of the Company's ERP system as well as the Company's design and drafting system to optimise productivity in the use of these applications. The Company has also deployed a reliable infrastructure for offline backups which are stored both onsite and offsite.



Internal Control Systems:

The Company has engaged Internal Auditors 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 are discussed at the Audit Committee meetings.

The focus of the Internal Audit team is on identifying improvements in business processes and design of controls, with substantive testing being carried out as needed. In the year under review, various recommendations were made towards process improvement, many of which have been calibrated and deployed on the Company's ERP system.

Cautionary Statement:

The Statements made in this report are forward-looking and are made on the 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 are 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

Dear Sirs,

We have reviewed the financial statements read with cash flow statement of CMI FPE Limited for the year ended March 31, 2011 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (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

Raman Madhok
Managing Director

Prasad Jahagirdar
Chief Financial Officer

Mumbai
May 14, 2011

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, 2011, 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. 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) 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, 2011;
 - (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.
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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 24, 2011

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 (vi), (x), (xii), (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, no material discrepancies between the book records and physical inventory have been noticed in respect of the assets physically verified during the year.
 - (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 11 of Schedule J 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 many of the items 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 ₹ 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) 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.
- (viii) 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.
- (ix) 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 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 in arrears as at March 31, 2011 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, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
The Central Excise Act, 1944	Service tax – Cenvat credit (including interest and penalty)	Central Excise and Service Tax Appellate Tribunal	2007-08	337.19

- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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 24, 2011

BALANCE SHEET AS AT MARCH 31, 2011

		(₹ in Lacs)	
	SCHEDULE	As at March 31, 2011	As at March 31, 2010
I Sources of Funds :			
(1) Shareholders' Funds			
(a) Share Capital	A	493.78	493.78
(b) Reserves and Surplus	B	13,857.11	10,287.02
		14,350.89	10,780.80
(2) Loan Funds			
Secured Loans	C	-	-
		-	-
Total		14,350.89	10,780.80
II Application of Funds :			
(1) Fixed Assets			
(a) Gross Block	D	7,560.22	7,392.48
(b) Less : Depreciation / Amortisation		4,971.85	4,568.80
(c) Net Block		2,588.37	2,823.68
(d) Capital Work In Progress [including capital advances ₹ 6.80 Lacs (Previous Year - ₹ Nil)]		49.91	8.83
		2,638.28	2,832.51
(2) Investments	E	0.01	0.01
(3) Deferred Tax Asset [Refer Note 5 of Schedule J]		483.70	1,102.35
(4) Current Assets, Loans and Advances :			
(a) Inventories	F	1,718.41	1,991.85
(b) Sundry Debtors		26,103.01	21,446.59
(c) Cash and Bank Balances		8,657.44	4,501.80
(d) Other Current Assets		156.78	113.99
(e) Loans and Advances		4,042.74	5,510.15
		40,678.38	33,564.38
Less :			
Current Liabilities and Provisions :			
(a) Liabilities	G	25,553.51	24,229.89
(b) Provisions		3,895.97	2,488.56
		29,449.48	26,718.45
Net Current Assets		11,228.90	6,845.93
Total		14,350.89	10,780.80
Significant Accounting Policies and Notes to the Accounts	J		

Schedules A to J 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

A. S. Varma

Partner

Jean-Marc Kohlgruber

Chairman

Sanjay Kumar Mutha

Company Secretary

For and on behalf of the Board

Raman Madhok

Managing Director

Prasad Jahagirdar

Chief Financial Officer

Yves Honhon

Director

Place : Mumbai

Date : May 24, 2011

Place : Mumbai

Date : May 24, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

		(₹ in Lacs)	
	SCHEDULE	For the Year ended March 31, 2011	For the Year ended March 31, 2010
I Income :			
Gross Sales and Services		43,623.59	40,020.04
Less : Excise Duty		1,874.41	1,298.14
Net Sales and Services		41,749.18	38,721.90
Other Income	H	2,613.90	1,577.74
Total		44,363.08	40,299.64
II Expenditure :			
Manufacturing, Erection and Other Expenses	I	36,760.85	35,316.02
Interest		2.77	137.56
Depreciation / Amortisation		490.93	530.68
		37,254.55	35,984.26
III Profit Before Tax			
Provision for Taxation			
(a) Current Tax [Including Interest ₹ 10.96 Lacs (Previous Year - ₹ 29.45 Lacs)]		1,873.00	1,720.00
(b) Deferred Tax Expense / (Income)		618.65	(171.92)
(c) Wealth Tax		0.23	-
(d) Tax Relating to Earlier Years (Net) [Refer Note 6 of Schedule J]		(101.21)	38.66
IV Profit After Taxation			
		4,717.86	2,728.64
Add : Balance Brought forward From Previous Year		2,481.83	1,328.98
V Balance Available for Appropriation			
		7,199.69	4,057.62
VI Appropriation :			
Proposed Dividend			
- Ordinary Dividend		493.78	493.78
- Special Silver Jubilee Dividend		493.78	-
Provision for Taxation on Proposed Dividend		160.21	82.01
Transferred to General Reserves		2,626.50	1,000.00
Balance Carried to Balance Sheet		3,425.42	2,481.83
VII Earnings per share (EPS) [Refer Note 20 of Schedule J]			
Basic and Diluted Earnings per Share		95.55	55.26
Equity share, face value of ₹10/- each			
Significant Accounting Policies and Notes to the Accounts	J		

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

In terms of our report attached

For Deloitte Haskins & Sells

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A. S. Varma

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Managing Director

Prasad Jahagirdar

Chief Financial Officer

Yves Honhon

Director

Place : Mumbai

Date : May 24, 2011

Place : Mumbai

Date : May 24, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule A : Share Capital		(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010	
Authorised			
8,000,000 Equity Shares of ₹10/- each	800.00	800.00	
200,000 Preference Shares of ₹100/- each	200.00	200.00	
	1,000.00	1,000.00	
Issued, Subscribed and Paid-Up			
4,937,813 Equity Shares of ₹10/- each fully paid-up [Of the above, 3,697,700 (Previous Year - 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	493.78	493.78	

Schedule B : Reserves and Surplus		(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010	
(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	6,338.92	5,338.92	
Add : Transferred From Profit & Loss Account	2,626.50	1,000.00	
	8,965.42	6,338.92	
(c) Profit and Loss Account			
	3,425.42	2,481.83	
Total	13,857.11	10,287.02	

Schedule C : Secured Loans		(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010	
Loans and advances from Banks	-	-	
Total	-	-	

Note:

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.

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule D : Fixed Assets

(₹ in Lacs)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As at March 31, 2010	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2011	Up to March 31, 2010	For the year	Deductions / Adjustments	Up to March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Freehold Land	103.99	-	-	103.99	-	-	-	-	103.99	103.99
Leasehold Lands	353.85	-	-	353.85	11.32	5.66	-	16.98	336.87	342.53
Flats	10.82	-	-	10.82	0.50	0.25	-	0.75	10.07	10.32
Factory Roads	69.20	7.04	-	76.24	11.74	2.93	-	14.67	61.57	57.46
Factory Buildings	1,843.28	19.46	2.14	1,860.60	1,044.36	80.66	0.57	1,124.45	736.15	798.92
Office Building	501.57	-	-	501.57	197.08	15.22	-	212.30	289.27	304.49
Plant & Machinery	2,625.36	49.14	-	2,674.50	1,956.61	151.24	-	2,107.85	566.65	668.75
Electrical Installations	98.91	-	-	98.91	67.06	4.43	-	71.49	27.42	31.85
Quality Control Equipments	27.43	1.15	0.91	27.67	23.84	0.63	0.84	23.63	4.04	3.59
Office Equipments	194.60	11.95	11.94	194.61	104.02	13.26	6.24	111.04	83.57	90.58
Computers	469.22	76.88	84.51	461.59	272.45	98.88	79.47	291.86	169.73	196.77
Furniture	100.97	22.48	0.96	122.49	66.26	9.53	0.76	75.03	47.46	34.71
Motor Car	10.81	56.46	-	67.27	4.02	10.57	-	14.59	52.68	6.79
Intangible Assets										
Software - Acquired	514.37	23.64	-	538.01	341.44	97.67	-	439.11	98.90	172.93
Designs & Drawings - Acquired	468.10	-	-	468.10	468.10	-	-	468.10	-	-
Total	7,392.48	268.20	100.46	7,560.22	4,568.80	490.93	87.88	4,971.85	2,588.37	2,823.68
Previous Year	6,974.04	484.28	65.84	7,392.48	4,070.27	530.68	32.15	4,568.80	2,823.68	
Capital Work In Progress [including capital advances ₹ 6.80 Lacs (Previous Year - ₹ Nil)]									49.91	8.83
								Total	2,638.28	2,832.51

Schedule E : Investments

(₹ in Lacs)

	No. of Equity Shares @	As at March 31, 2011	As at March 31, 2010
Long Term Investments (At Cost Less Diminution In The Value, Other Than Temporary) - Non-trade - Unquoted			
Elbee Services Limited (Face value ₹ 10/- each, Book Value ₹ 1/-)	4,000 (4,000)	0.00*	0.00*
Essem Coated Steels Limited (Face value ₹ 10/- each, Book Value ₹ 1/-)	34,000 (34,000)	0.00*	0.00*
Elbee Airline Limited (Face value ₹ 10/- each, Book Value ₹ 1/-)	1,00,000 (1,00,000)	0.00*	0.00*
Highland Park Co Op Hsg. Society Ltd (Face value ₹ 50/- each)	10 (10)	0.01	0.01
Total		0.01	0.01

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

@ Previous year's figures are in brackets.

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule F : Current Assets, Loans and Advances	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
(a) Inventories :		
(Valued at lower of cost and net realisable value)		
Raw Materials	1,213.56	1,425.96
Stores and Spares	212.49	214.95
Work In Progress	18.62	16.32
Finished Goods (Including Excise Duty)	273.74	334.62
	1,718.41	1,991.85
(b) Sundry Debtors :		
(Unsecured)		
More than six months :		
Considered good	7,466.53	4,330.43
Considered doubtful	568.48	1,666.13
	8,035.01	5,996.56
Other debts :		
Considered good	6,725.49	10,826.76
Due From Customer on Construction Contracts :		
Considered good	11,910.99	6,289.40
	* 26,671.49	23,112.72
Less : Provision for Doubtful Debts	(568.48)	(1,666.13)
	26,103.01	21,446.59
* Debtors includes retention monies of ₹ 9,716.61 Lacs (Previous Year - ₹ 7,985.96 Lacs) which would become due on completion of contracts / final acceptance by the customers.		
(c) Cash and Bank Balances :		
Cash on Hand	4.82	3.33
Balance With Scheduled Banks :		
In Current Accounts	1,400.19	1,356.69
In Fixed Deposit Accounts*	7,252.43	3,141.78
	8,657.44	4,501.80
*Includes Fixed Deposits ₹ 952.43 Lacs (Previous Year - ₹ 843.53 Lacs) under Banks' lien.		
(d) Other Current Assets :		
Interest Accrued but not due on fixed deposit with banks	67.64	82.74
Security Deposits	89.14	31.25
	156.78	113.99
(e) Loans and Advances :		
(Unsecured and Considered Good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,477.76	1,380.74
Loans to Employees	9.76	17.98
Balances with Customs, Port trust, Excise etc.	506.40	1,056.68
Advances Paid to Suppliers	2,008.88	3,054.75
Advance Income Tax and T.D.S. (Net of Provisions)	39.94	-
	4,042.74	5,510.15
Total	40,678.38	33,564.38

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule G : Current Liabilities and Provisions		(₹ in Lacs)
	As at March 31, 2011	As at March 31, 2010
(a) Liabilities :		
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises [Refer Note 10 of Schedule J]	357.36	306.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,880.55	6,793.11
Unpaid Dividend [there are no amounts due and payable to Investor Education and Protection Fund]	13.87	12.79
Other Liabilities	944.80	1,038.84
Due to Customer on Construction Contracts	4,188.90	3,533.43
Advance Received From Customers	13,168.03	12,545.29
	25,553.51	24,229.89
(b) Provisions :		
Proposed Dividend	987.56	493.78
Provision for Tax on Proposed Dividend	160.21	82.01
Provision for Estimated Loss on Contracts	996.02	189.35
Provision for Custom Duty on Bonded Goods	20.60	58.58
Provision for Warranties	895.69	846.84
Provision for Employee Benefits	532.02	552.91
Provision for Bonus	198.75	123.72
Provision for Wealth Tax	0.23	-
Provision for Taxation (Net of Payments)	104.89	141.37
	3,895.97	2,488.56
Total	29,449.48	26,718.45

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule H : Other Income	(₹ in Lacs)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Other Income :		
Interest on Fixed Deposits and others [Including TDS: ₹ 23.58 Lacs (Previous Year - ₹ 11.23 Lacs)]	301.83	101.32
Dividend on non-trade and long-term investment	-	0.05
Profit on sale of non-trade and long-term investments	-	8.94
Scrap Sales	52.78	99.77
Provision Written Back (No Longer Required) [Refer Note 25 of Schedule J]	893.14	1,175.52
Commission Written Back	-	91.41
Liquidated Damages Received	9.24	18.53
Exchange Rate Gain (Net)	1,196.35	-
Shared Services Income	29.33	-
Other Miscellaneous Income	131.23	82.20
Total	2,613.90	1,577.74

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule I : Manufacturing, Erection and Other Expenses	(₹ in Lacs)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
(i) Raw Materials and Bought-Out Components Consumed	25,051.24	24,627.61
(ii) (Increase) / Decrease In Stock-In-Trade		
Opening Stocks :		
Work-In-Progress	16.32	20.19
Finished Goods (Including Excise Duty)	334.62	292.63
	350.94	312.82
Excise Duty on Finished Goods (Opening)	(142.58)	(110.68)
Excise Duty on Finished Goods (Closing)	71.21	142.58
	(71.37)	31.90
	279.57	344.72
Less : Closing Stock:		
Work-In-Progress	18.62	16.32
Finished Goods (Including Excise Duty)	273.74	334.62
	292.36	350.94
	(12.79)	(6.22)
(iii) Project Related expenses [Refer Note 21 of Schedule J]	401.91	553.48
(iv) Labour and Processing Charges	1,172.61	1,043.20
(v) Erection Expenses	814.10	297.11
(vi) Payment to and Provisions for Employees :		
Wages, Salaries and Bonus	3,000.99	2,253.76
Contribution to Provident Fund and other funds	257.45	184.72
Staff welfare expenses	174.91	204.23
	3,433.35	2,642.71
(vii) Manufacturing, Administrative and Selling Expenses:		
Stores and Spares consumed	465.06	404.52
Power and Fuel	127.34	130.16
Repairs :		
- Building	40.08	45.33
- Plant & Machinery	14.38	21.22
- Others	116.15	98.56
Rent	109.76	118.41
Rates and Taxes	298.41	366.58
Insurance	65.10	49.09
Commission on Sales	763.50	0.46
Loss on Sale / Scrap of Assets / Written off (Net)	11.94	11.42
Loss on Exchange Fluctuation (Net)	-	475.53
Provision for Doubtful Debts	161.30	1,530.51
Brand Fees	250.24	72.50
Warranties	408.11	325.24
Liquidated Damages	141.03	-
Estimated Loss on Contracts	806.67	63.95
Packing and forwarding Expenses	517.64	628.99
Travelling and Conveyance	498.11	497.73
Postage, Telex and Telephone Expenses	48.71	49.03
Legal and Professional Fees	215.62	478.00
Bank Charges	343.94	248.05
Provision for Doubtful Debts set up in earlier year	719.08	101.86
Less : Provision utilised for Bad Debts [Refer Note 22 of Schedule J]	(719.08)	(101.86)
	-	-
Auditors' Remuneration [Refer Note 17 of Schedule J]	63.51	61.41
Miscellaneous Expenses	433.83	481.44
	5,900.43	6,158.13
Total	36,760.85	35,316.02

SCHEDULE FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

Schedule J:

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, wet flux line 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/Amortisation:

Depreciation/Amortisation is provided on written down value method in accordance with Schedule XIV to the Companies Act, 1956, other than described below.

Depreciation/Amortisation 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/amortisation 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 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. 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.

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 realised.

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 realised.

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 good 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:

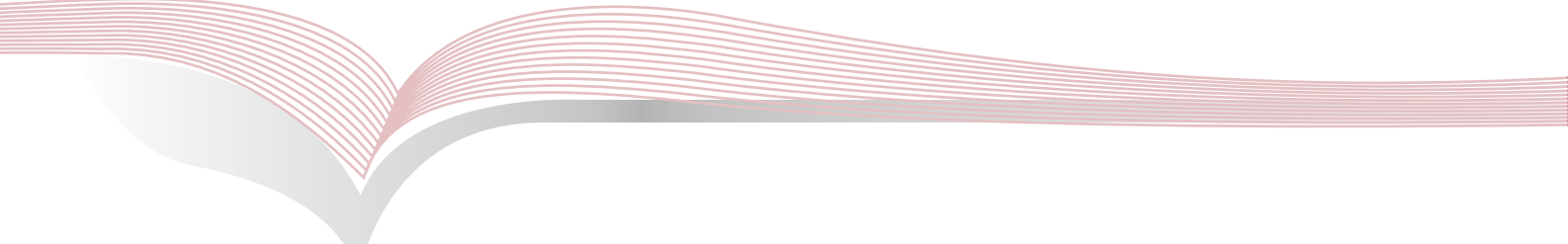
Excise duty liability is accounted for as and when goods are produced as per consistent practice, in pursuance to the accepted practice of excise authorities.

(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 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 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 ₹ 11,910.99 lacs (2009-2010: ₹ 6,289.40 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 ₹ 4,188.90 lacs (2009-2010: ₹ 3,533.43 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.

Eligible export benefits, if any, 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 / utilisation is established in respect of exports made / to be 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.

(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 and 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 or 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:

		(₹ in Lacs)	
Sr. No.	Particulars	2010-2011	2009-2010
1.	Bank Guarantees	3,803.39	10,035.85
2.	Letter of Credit to suppliers	1,870.45	1,115.38
3.	Advance Licence – customs duty element	246.67	49.16
4.	Claims against the Company not acknowledged as debts		
	(a) Excise duty (including interest and penalty)	-	193.17
	(b) Service Tax*	337.19	280.84
	(c) Income Tax	-	33.67
	(d) Labour Matter	5.00	5.00

* 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 ₹ 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 upheld the service tax liability of ₹ 196.76 lacs including interest of ₹ 56.35 lacs with additional penalty of ₹ 140.43 lacs. An appeal has been filed by the company before CESTAT, Ahmedabad vide appeal No.STS/326/2010. The Honorable CESTAT, Ahmedabad, has passed a stay order in favour of the company and dispensed with the condition of pre-deposit of the duty and penalty amount to the tune of ₹ 337.19 lacs vide order No. 5/570/WZB/AHD/2011 dated 05-04-2011.

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

		(₹ in Lacs)	
Sr. No.	Particulars	2010-2011	2009-2010
1.	Contract Revenue recognised during the year (Net of excise)	40,541.03	35,830.21
2.	Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	39,734.36	35,766.26
3.	Customer advances outstanding for contracts in progress	13,168.03	12,545.29
4.	Retention money due from customers for contracts in progress	9,716.61	7,985.96
5.	Amount due from customers	11,910.99	6,289.40
6.	Amount due to customers	4,188.90	3,533.43

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

		(₹ in Lacs)	
ITEMS		2010-2011	2009-2010
Timing differences in accounting and tax depreciation		23.81	23.38
Provision for Doubtful debts		184.44	553.45
Provision for Warranties		89.18	281.30
Provision for Leave encashment		59.37	87.92
Provision for Sick leave encashment		3.97	7.41
Provision for Earned leave		58.97	53.34
Provision for Bonus		-	41.10
Provision for Expenses (custom duty on bonded goods)		8.53	19.46
Provision for Excise Duty on FG		5.13	-
Provision for Gratuity		50.30	34.99
Total Deferred Tax Asset		483.70	1,102.35

6. Tax relating to earlier years (net credit) ₹ 101.21 lacs [2009-2010: (net debit) ₹ 38.66 lacs] as disclosed in the Profit and Loss Account, is after adjusting ₹ 9.34 lacs - debit (2009-2010: ₹ 7.05 lacs - credit) 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, as the case may be.

7. 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
2. CMI Industry Americas (formerly CMI EFCO Inc.)
3. CMI UVK GmbH
4. CMI Engineering (Beijing) Co.
5. CMI India Engineering Private Limited

(b) Key Managerial Personnel:

1. Mr. Rob Johnson – Managing Director (up to July 15, 2010)
2. Mr. Raman Madhok – Managing Director (w.e.f. July 16, 2010)
3. Mr. Jean Gourp – Deputy Managing Director (w.e.f. May 20, 2010)

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

Nature of transactions during the year	(₹ in Lacs)		
	Enterprise controlling the Company	Fellow Subsidiaries	Key Managerial Personnel
Purchase of goods	- (35.87)	2,322.93 (2,813.58)	- (-)
Receiving of services	- (-)	26.85 (0.16)	- (-)
Sale of goods	- (1,333.38)	19.96 (295.28)	- (-)
Rendering of services	2.64 (-)	2.54 (2.37)	- (-)
Shared services income	- (-)	32.36 (-)	- (-)
Remuneration	- (-)	- (-)	397.25 (109.53)
Dividend paid	369.77 (73.95)	0.55 (0.11)	- (-)
Brand and technology fees	253.30 (286.96)	- (-)	- (-)
Expenses reimbursement received	72.04 (-)	- (10.63)	- (-)
Expenses reimbursement paid	58.68 (0.81)	4.73 (39.30)	- (-)
Receivables	2.64 (79.74)	804.26 (1,296.01)	- (-)
Payables	57.47 (287.74)	1.16 (88.28)	- (-)

Note: All above figures are inclusive of taxes. Previous year's figures have been given in brackets.

The significant related party transactions are as under:

				(₹ in Lacs)
Nature of transactions	Fellow Subsidiaries	Amount	Key Managerial Personnel	Amount
Purchase of goods	CMI Industry Automation Private Limited	2,305.87 (2,810.80)		
Receiving of services	CMI Industry Automation Private Limited	24.33 (0.16)		
Sale of goods	CMI Industry Americas	- (294.79)		
	CMI Industry Automation Private Limited	19.96 (0.49)		
Rendering of services	CMI India Engineering Private Limited	- (2.37)		
	CMI Industry Automation Private Limited	2.54 (-)		
Shared services income	CMI Industry Automation Private Limited	32.36 (-)		
Remuneration			Rob Johnson	36.67 (109.53)
			Raman Madhok	242.57 (-)
			Jean Gourp	118.01 (-)
Dividend paid	CMI Industry Automation Private Limited	0.55 (0.11)		
Expenses reimbursement received	CMI India Engineering Private Limited	- (10.63)		
Expenses reimbursement paid	CMI Engineering Beijing Co.	1.52 (0.30)		
	CMI India Engineering Private Limited	- (39.00)		
Receivables	CMI Industry Automation Private Limited	804.26 (1,076.65)		
	CMI Industry Americas	- (206.36)		
Payables	CMI Industry Automation Private Limited	- (85.20)		
	CMI Engineering Beijing Co.	1.16 (0.30)		

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

8. Provisions:

							(₹ in Lacs)
Sr. No.	Nature	Opening balance as on 01.04.2010	Provision created during the year	Provision utilized during the year	Provision reversed during the year	Closing balance as on 31.03.2011	
1	Provision for Warranties	846.84 (975.37)	408.11 (325.24)	125.44 (131.83)	233.82 (321.94)	895.69 (846.84)	
2	Provision for Estimated Loss on contracts	189.35 (125.40)	806.67 (63.95)	- (-)	- (-)	996.02 (189.35)	
3	Provision for Custom duty on bonded goods	58.58 (297.16)	- (-)	23.53 (1.71)	14.45 (236.87)	20.60 (58.58)	
4	Provision for doubtful debts	1,666.13 (794.98)	161.30 (1,530.51)	719.08 (101.86)	539.87 (557.50)	568.48 (1,666.13)	
5	Provision for Bonus	123.72 (105.44)	200.35 (127.93)	125.32 (109.65)	- (-)	198.75 (123.72)	
6	Provision for leave benefit	447.55 (403.98)	31.20 (128.82)	87.21 (49.53)	14.55 (35.72)	376.99 (447.55)	

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

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

- Expected timing of any resulting outflow of economic benefits – over the next 2-3 years.
- 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.
- There is no amount of any expected reimbursement in respect of these provisions.

9. Employee Benefits:

Staff Costs include the following:

Defined Contribution Schemes		(₹ in Lacs)	
		2010-2011	2009-2010
Company's contribution to Provident Fund		138.31	107.55
Company's contribution to Management Superannuation		38.34	37.80
Defined Benefit Schemes - Gratuity			
a) Liability Recognised in the Balance Sheet			
i) Present Value of Funded Obligation			
As at the beginning of the year		257.51	235.30
Service cost		31.98	29.65
Interest cost		23.71	20.59
Actuarial loss / (gain) on obligations		26.56	(0.85)
Benefits paid		(16.98)	(27.18)
As at the end of the year		322.78	257.51
Less:			
ii) Fair Value of Plan Assets			
As at the beginning of the year		152.15	125.33
Expected Return on Plan assets less loss on investments		13.00	9.33
Actuarial (loss) / gain on Plan Assets		(11.55)	0.69
Employer's Contribution		31.13	43.98
Benefits paid		(16.98)	(27.18)
As at the end of the year		167.75	152.15
Liability Recognised in the Balance Sheet		155.03	105.36

	(₹ in Lacs)	
	2010-2011	2009-2010
b) Expense during the year		
Service cost	31.98	29.65
Interest cost	23.71	20.59
Expected Return on Plan assets	(13.00)	(9.33)
Actuarial loss / (gain)	38.11	(1.54)
	80.80	39.37
c) Actual Return on plan assets	1.44	10.02
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	8.20%	8.30%
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%

Experience adjustment :	(₹ in Lacs)			
	2010-2011	2009-2010	2009-2008	2008-2007
Defined Benefit Obligation	322.78	257.51	235.30	153.70
Plan Assets	167.75	152.15	125.33	139.00
Surplus / (deficit)	(155.03)	(105.36)	(109.97)	(14.70)
Experience Adjustment on Plan Liabilities	22.82	10.55	80.64	-
Experience Adjustment on Plan Assets	(11.55)	0.69	11.18	-

The Company expects to contribute ₹ 50.00 lacs (2009-2010: ₹ 50.00 lacs) to its Gratuity plan.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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.

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

		(₹ in Lacs)	
Sr. No.	Particulars	2010-2011	2009-2010
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier:		
	Principal Amount	-	109.68
	Interest thereon	-	-
(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
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	0.44
(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 regarding the status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

11. 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):		(₹ in Lacs)	
Description	Turnover of Goods		
	2010-2011	2009-2010	
Cold Rolling Mill	22,810.65	18,168.11	
Continuous Galvanizing Lines	9,839.44	7,071.80	
Acid regeneration Plant	221.15	1,044.47	
Tension Levelling Line	266.00	1,218.14	
ECL	730.10	2,612.49	
Pickling Line	1,504.00	2,572.86	
Colour Coating Line	3,574.55	1,621.47	
Wet Flux Line	935.60	147.33	
Inline skin pass mill	-	14.62	
Other sales*	1,867.69	4,250.61	
Total	41,749.18	38,721.90	

*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.

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

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
Service receipt-supervision charges	159.67	313.05
Service receipt-erection charges	1,057.70	355.35

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

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
Raw materials, components, stores and spares	4,664.67	4,798.63
Capital Goods	18.58	1.37

Note: Company's records do not distinguish between raw materials, components and stores and spares. Therefore, separate figures for each category of imported items have not been given. The above amounts have been computed based on the purchase bills to the extent identified by the Company, for imported items.

13. Value of imported Raw materials, spare parts and components Consumed:

Particulars	% of Total consumption		(₹ in Lacs)	
	2010-2011	2009-2010	2010-2011	2009-2010
Imported	18.25%	19.14%	4,656.63	4,790.94
Indigenous	81.75%	80.86%	20,859.67	20,241.19
Total Consumption	100.00%	100.00%	25,516.30	25,032.13

Note: Amount of indigenous consumption is balancing figure. See Note in 12 above.

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

Sr.No. Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
1. Commission on sales, Supervision & erection expenses, Design & engineering services and Consultancy charges	311.99	36.71
2. Travelling expenses	124.74	253.35
3. Brand and Technology Fees [net of Income tax ₹ 25.33 lacs (2009-2010: ₹ 39.17 lacs)]	227.97	247.79
4. Others	0.09	7.33

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

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
Export of Goods on F.O.B Basis	3,920.10	7,135.61
Export of Services	74.22	282.83

Note: The total export sales (made under long term contracts) of ₹ 11,779.02 lacs (2009-2010: ₹ 8,420.40 lacs) comprises of sale of goods amounting to ₹ 3,920.10 lacs (2009-2010: ₹ 7,135.61 lacs) on F.O.B basis, to the extent identified from the records maintained in the ordinary course of business as above and balance sales on CFR/CIF basis.

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

Dividend remittance	2010-2011	2009-2010
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	2009-2010	2008-2009
iv. Amount Remitted (₹)	36,977,000	7,395,400
v. Currency in which amount remitted	EURO	EURO

**17. Auditors' Remuneration (on accrual basis):
(excluding service tax and cess)**

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
(a) Audit Fees	34.50	34.50
(b) Tax Audit Fees	6.00	6.00
(c) Limited Review	18.75	18.75
(d) Corporate Governance	1.50	1.50
(e) Certificates	0.30	0.13
(f) Taxation Matters	2.20	-
(g) Out of Pocket Expenses	0.26	0.53
Total	63.51	61.41

18. Managerial Remuneration:

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
Directors' sitting fees	6.40	9.80
Remuneration to Managing Directors and Deputy Managing Director*		
Salaries	184.42	34.02
Perquisites and Allowances	120.70	71.43
Performance incentives	70.00	-
Contribution to Provident fund	22.13	4.08
	397.25	109.53
Commission to Non – Executive Directors	23.80	14.40

* excludes provision for leave encashment and gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and also 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

Particulars	(₹ in Lacs)	
	2010-2011	2009-2010
Profit Before Tax	7,108.53	4,315.38
Add:		
Depreciation as per accounts	490.93	530.68
Managerial Remuneration	421.05	123.93
Provision for Doubtful Debts	161.30	1,530.51
Directors' sitting fees	6.40	9.80
	8,188.21	6,510.30
Less:		
Depreciation under Section 350 of the Companies Act, 1956	445.78	473.16
Profit on Sale of Investments	-	8.94
Commission Written Back	-	91.41
Bad debts written off	719.08	101.86
Provision written back, no longer required	893.14	1,175.52
Wealth tax	0.23	-
Sales Tax Refund	7.42	-
	2,065.65	1,850.89
Net Profit as per Section 349 of the Companies Act, 1956	6,122.56	4,659.41

	(₹ in Lacs)	
	2010-2011	2009-2010
(a) 10% (2009-2010: 5%) of Net Profit as per Section 198 and 309 of the Companies Act, 1956 in respect of Managing Directors and Deputy Managing Director	612.26	232.97
Eligible amount of Net Profit as per Section 198 and 309 of the Companies Act, 1956 in respect of the respective Managing Directors and Deputy Managing Director - for pro-rata period	*571.16	232.97
Actual remuneration paid to the respective Managing Directors and Deputy Managing Director*	397.25	109.53
(b) 1% of the Net Profit as per Section 309 of the Companies Act, 1956	61.23	46.59
Non - Executive Directors commission recommended By Board as approved by the shareholders vide special resolution at Annual General Meeting held on July 31, 2010	23.80	14.40

*	Eligible Amount	Paid Amount
i. Limit @5% of Net profit as per Section 198 and 309 of the Companies Act, 1956 for the period April 1, 2010 to May 19, 2010	41.10	16.95
ii. Limit @10% of Net profit as per Section 198 and 309 of the Companies Act, 1956 for the period May 20, 2010 to March 31, 2011	530.06	380.30
Total	571.16	397.25

Notes:

- (a) The appointments of the current Managing Director and Deputy Managing Director were approved in the Annual General Meeting held on July 31, 2010.
- (b) The excess managerial remuneration amounting to ₹ 406.26 lacs paid to two former whole-time directors (one of whom has since deceased) in an earlier year was in excess over the limit, specified under the relevant provisions of the Companies Act, 1956.
- (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 ₹ 16.02 lacs, whilst this is not an allowable item for managerial remuneration under the Companies Act, 1956.
- (d) The approvals for waiver from the Central Government have been received on May 16, 2011.

19. 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:	(₹ in Lacs)		
	Overseas	India	Total
REVENUE			
External Revenue	12,380.25	29,368.93	41,749.18
	(10,397.66)	(28,324.24)	(38,721.90)
Inter-segment Revenues	-	-	-
	(-)	(-)	(-)
Total Revenue	12,380.25	29,368.93	41,749.18
	(10,397.66)	(28,324.24)	(38,721.90)
Segment Result	2,577.40	7,906.88	10,484.28
	(5,315.66)	(4,700.36)	(10,016.02)
Unallocated Corporate Expenses (net)	-	-	3,674.81
	(-)	(-)	(5,673.39)
Operating Profit	-	-	6,809.47
	(-)	(-)	(4,342.63)
Interest Expense	-	-	2.77
	(-)	(-)	(137.56)
Other Income	-	-	301.83
	(-)	(-)	(110.31)
Income Taxes (includes Wealth Tax)	-	-	2,390.67
	(-)	(-)	(1,586.74)
Profit from Ordinary activities	-	-	4,717.86
	(-)	(-)	(2,728.64)
Extra Ordinary Items	-	-	-
	(-)	(-)	(-)
Net Profit	-	(-)	4,717.86
	(-)	(-)	(2,728.64)

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

	(₹ in Lacs)		
	Overseas	India	Total
OTHER INFORMATION			
Segment Assets	5,080.39	29,471.25	34,551.64
	(4,391.26)	(27,503.83)	(31,895.09)
Unallocated Corporate Assets	-	-	9,248.73
	(-)	(-)	(5,604.16)
Total Assets	-	-	43,800.37
	(-)	(-)	(37,499.25)
Segment Liabilities	4,097.89	24,098.70	28,196.59
	(3,884.80)	(22,116.49)	(26,001.29)
Unallocated Corporate Liabilities	-	-	1,252.89
	(-)	(-)	(717.16)
Total Liabilities	-	-	29,449.48
	(-)	(-)	(26,718.45)
Capital Expenditure	-	-	309.28
	(-)	(-)	(471.46)
Depreciation and Amortization	-	-	490.93
	(-)	(-)	(530.68)
Non-Cash Expenses other than depreciation (net)	-	-	(194.96)*
	(-)	(-)	(954.69)

*Represents Non-cash Income (net)

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

20. Earnings Per Share:

Particulars	2010-2011	2009-2010
(A) Profit after tax available to Equity shareholders (₹ in lacs)	4,717.86	2,728.64
(B) Weighted average number of Equity Shares	4,937,813	4,937,813
(C) Basic and Diluted Earnings Per Share (₹)	95.55	55.26
(D) Nominal value of Shares (₹)	10	10

21. Project Related expenses include:

		(₹ in Lacs)	
Sr.No.	Nature of Expense	2010-2011	2009-2010
1.	Design & Engineering Charges	20.70	55.06
2.	Testing & Inspection	21.57	16.79
3.	Transport Charges (Inward)	212.92	163.23
4.	Service Charges	4.79	-
5.	Crane Hire Charges	53.34	38.76
6.	Clearing & Forwarding Expenses (Import)	85.38	49.62
7.	Technology Fees (including cess)	3.21	230.02
Total		401.91	553.48

22. In respect of Bad debts written off ₹ 719.08 lacs (2009-2010: ₹ 101.86 lacs) against foreign currency receivables, applications for write off have been submitted on May 20, 2011 to respective authorised dealer banks.

23. Capital Commitments:

		(₹ in Lacs)	
Particulars	2010-2011	2009-2010	
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	76.40	111.26	

24. 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:

	2010-2011		2009-2010		Purpose
	FC in lacs	₹ in lacs	FC in lacs	₹ in lacs	
Sell					
EURO	54.97	3,475.93	152.65	9,766.65	Hedge of receivables and expected future sales
USD	165.71	7,838.00	96.91	4,541.17	Hedge of receivables and expected future sales
Buy					
USD	47.08	2,185.17	32.06	1,510.63	Hedge of expected future purchases
EURO	4.94	316.26	-	-	Hedge of expected future purchases

Details of Unhedged foreign currency exposure as at balance sheet date

	2010-2011		2009-2010	
	FC in lacs	₹ in lacs	FC in lacs	₹ in lacs
A Payables				
1 USD	22.36	1,005.46	6.86	311.61
2 EURO	2.22	141.29	6.03	367.27
3 CAD	-	-	0.68	30.58
B Receivables				
1 USD	21.00	931.66	18.20	817.42
2 EURO	21.51	1,346.91	9.92	595.08
C Advance to suppliers				
1 EURO	2.10	133.65	0.43	26.22
2 JPY	-	-	8.26	4.02
3 USD	0.94	42.33	2.17	98.39
4 GBP	0.03	2.01	-	-
D Advance from Customers				
1 EURO	15.09	944.53	19.44	1,166.57
2 USD	40.80	1,809.90	21.93	985.19
E EEFC Bank Accounts				
1 USD	1.24	54.93	6.36	285.91
2 EURO	0.59	36.67	6.79	407.19

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

Sr. No.	Nature of Expense	(₹ in Lacs)	
		2010-2011	2009-2010
1.	Reversal of provision of custom duty on bonded goods (including interest)	14.45	260.35
2.	Reversal of provision for employee benefits	14.55	35.72
3.	Reversal of provision for doubtful debts	539.87	557.50
4.	Reversal of provision for warranty	233.82	321.94
5.	Reversal of provision for diminution in value of long term investments	-	0.01
6.	Expense provision reversal	90.45	-
	Total	893.14	1,175.52

26. During the previous 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.

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 5 years.

Sr.No.	Particulars	(₹ in Lacs)	
		2010-2011	2009-2010
1.	Technology Fees	3.06	214.46
2.	Brand Fees	250.24	72.50

27. Operating Leases:

The Company has taken residential premises/godowns (including furniture and fittings therein as applicable) under operating lease or leave and license agreements. These are generally non-cancellable and range between 11 months and 3 years under leave and license. Amount debited to rent account under "Manufacturing and Other Expenses" amount to ₹ 109.60 lacs (2009-10: ₹ 118.41 lacs). Future minimum lease obligations for aforesaid leave and license covenants are detailed below:

		(₹ in Lacs)	
Sr.No.	Particulars	2010-2011	2009-2010
i.	Not later than one year	69.08	74.25
ii.	Later than one year and not later than five years	70.00	66.60
iii.	Later than five years	-	-

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

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

Signatures to Schedules A to J
For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Raman Madhok
Managing Director

Yves Honhon
Director

Sanjay Kumar Mutha
Company Secretary

Prasad Jahagirdar
Chief Financial Officer

Place : Mumbai
Date : May 24, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	(₹ in Lacs)	
	2010-2011	2009-2010
A Cash flow from operating activities :		
Net Profit before tax	7,108.53	4,315.38
Adjustments for (net) :		
Depreciation / Amortization	490.93	530.68
Provision for Doubtful Debts	(1,097.65)	871.15
Provision for Warranties	48.85	(128.53)
Provision for Estimated Loss on Contracts	806.67	63.95
Provision for Custom Duty on Bonded Goods	(37.98)	(238.58)
Provision for Employee Benefits	(20.89)	38.97
Provision for Bonus	75.03	18.28
Diminution in Value of Long Term Investments	-	(0.01)
Interest Expense	2.77	137.56
Interest Income	(301.83)	(101.32)
Dividend Income	-	(0.05)
Unrealised Foreign Exchange Loss	31.01	329.46
Profit on Sale of Investments	-	(8.94)
Loss on Sale / Scrap of Assets / Written off	11.94	11.42
Operating profit before working capital changes	7,117.38	5,839.42
Adjustments for :		
Trade and other receivables	(2,167.29)	(366.34)
Inventories	273.44	(268.86)
Trade and other payables	1,342.92	4,696.85
Cash generated from operations	6,566.45	9,901.07
Direct taxes paid [Net of Refunds]	(1,848.21)	(2,691.46)
Net cash from operating activities	4,718.24	7,209.61
B Cash flow from investing activities :		
Purchase of fixed assets	(307.07)	(473.68)
Interest Received	316.93	36.53
Dividend Received	-	0.05
Sale of Investments	-	20.54
Sale of fixed assets	0.64	0.92
Net cash from / (used in) investing activities	10.50	(415.64)
C Cash flow from financing activities :		
Repayment of long term borrowings	-	(33.98)
Repayment of short term borrowings	-	(5,540.12)
Interest Paid	(2.77)	(142.07)
Dividend and dividend tax paid (Including changes in unpaid Dividend)	(574.71)	(115.80)
Net cash used in financing activities	(577.48)	(5,831.97)
Net increase in cash and cash equivalents	4,151.26	962.00
Cash and cash equivalents as at the beginning of the year	4,504.04	3,542.04
Cash and cash equivalents as at the end of the year	8,655.30	4,504.04
Notes:		
1 Cash and cash equivalents comprise of the following:		
Cash on Hand	4.82	3.33
Bank Balances	1,400.19	1,356.69
Fixed Deposits*	7,252.43	3,141.78
*Includes Fixed Deposits ₹ 952.43 Lacs (Previous Year - ₹ 843.53 Lacs) under Banks' lien.		
	8,657.44	4,501.80
Unrealised Foreign Exchange (Gain) / Loss	(2.14)	2.24
	8,655.30	4,504.04

- 2 Cash and cash equivalents includes unclaimed dividend of ₹ 13.97 Lacs (Previous Year - ₹ 12.89 Lacs).
- 3 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.
- 4 Previous year's figures have been recast / restated wherever necessary.

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

A. S. Varma
Partner

Jean-Marc Kohlgruber
Chairman

Sanjay Kumar Mutha
Company Secretary

Place : Mumbai
Date : May 24, 2011

Place : Mumbai
Date : May 24, 2011

For and on behalf of the Board

Raman Madhok
Managing Director

Yves Honhon
Director

Prasad Jahagirdar
Chief Financial Officer

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 ₹ IN THOUSANDS)

Public Issue Bonus Issue

Right Issue Private Placement

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

Turnover (including other income) Total Expenditure

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

Earning Per Share (₹) 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

CMI FPE LTD.

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

PROXY FORM

TWENTY-FIFTH ANNUAL GENERAL MEETING – JULY 30, 2011

Regd. Folio No.:

DP ID No.:

Client ID No.:

I/We _____ of _____ being a member(s) of the Company hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held on July 30, 2011 at 3.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011.

Affix
₹ 1/-
Revenue
Stamp

No. of Shares held: _____

[(Signature of the Shareholder(s))]

Notes:

1. This Proxy form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, no later than 48 hours before the time scheduled for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.

CMI FPE LTD.

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

ATTENDANCE SLIP

TWENTY-FIFTH ANNUAL GENERAL MEETING – JULY 30, 2011

Regd. Folio No.:

DP ID No.:

Client ID No.:

I/ we hereby record my/our presence at the 25th ANNUAL GENERAL MEETING of the Company held on Saturday, July 30, 2011 at 3.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093.

NAME OF THE SHAREHOLDER(S): _____

No. of Share(s) held : _____

Signature _____

NAME OF THE PROXY HOLDER/AUTHORISED REPRESENTATIVE: _____

Signature _____

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.

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- Training and know-how transfer

CMI FPE Ltd.

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