INDUSTRY
FPE

Ref. : CMIFPE/BSE/2016-17 Fax 22723719/2041/2061/2037/3121
Date : August 2, 2016

To
The Secretary,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: 500147

Dear Sir,

Sub.: Annual Report for the financial year ended March 31, 2016

Please note that the 30th Annual General Meeting of the Company was held on Friday, July 29, 2016 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai – 400093. The shareholders of the Company had approved and adopted the Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2016 at the 30th Annual General Meeting.

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended March 31, 2016.

Kindly take the same on record and acknowledge the receipt.

Thanking you

Yours faithfully,
For CMI FPE Limited

CMIFPE LIMITED

Haresh Vala
Company Secretary

Encl.: A/a

Cockerill Maintenance & Ingénierie

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Mehta House -64,Road No. 13,MIDC,
Andheri (E),Mumbai - 400 093,India
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Village Hedavali,
Tal. Sudhagadh,
Dist. Raigad - 410 205

CMI INDUSTRY
Metals

Leadership Pipeline

Competitive Advantage

Waste Elimination

Corporate Social Responsibility

CMI FPE Limited

Active on all fronts

Annual Report **2015-2016**

Technical Innovation

Audits

CAD/CAM Integration

Benchmarking

State Of Art Facility

Emerging Technologies

Project Management

Valued Customers

International Technical Meet

Business Partner

Risk Mapping

Pulse
A CMI People Survey

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Active on all fronts

Message from Chairman

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

Active on all fronts

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

Judge for yourselves!

Message from Chairman

Dear Shareholders,

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

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

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

CMI FPE has taken several measures to improve its competitiveness in the past year by driving productivity and cost efficiency. Your Company continues to expand its customer relationships through innovation and better solution building. CMI FPE has been putting in place structures that enable it to identify opportunities for innovative and high impact strategic projects and has simplified and improved its processes to become a more responsive and innovative organisation, where accountability and empowerment go hand in hand.

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

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

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

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

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

Yours Sincerely,

Jean Jouet

Corporate Information

Board of Directors

Mr. Jean Jouet – Chairman
Mr. Raman Madhok – Managing Director
Mr. Yves Honhon
Mr. D. J. Balaji Rao
Mr. Raman M. Madhok
Mr. N. Sundararajan
Ms. Roma Balwani
Mr. Fabrice Orban

Chief Financial Officer

Mr. Akash Ohri

Company Secretary

Mr. Haresh Vala

Bankers

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

Auditors

Deloitte Haskins & Sells, Chartered Accountants

Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

Legal Advisors

PDS & Associates, Advocates & Solicitors

Registrar and Share Transfer Agent

Bigshare Services Private Limited

Registered Office

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

Notice

Notice is hereby given that the Thirtieth Annual General Meeting of the Shareholders of CMI FPE Limited will be held at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093 on Friday, July 29, 2016 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Fabrice Orban (DIN 05114495), who retires by rotation and, being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2018 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. **Re-appointment of Mr. Raman Madhok as Managing Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("**the Act**") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government and such other consents, permissions and sanctions of appropriate and / or concerned authorities, if required and subject to such conditions and modifications, as may be prescribed, imposed or suggested by any of such appropriate and / or concerned authorities while granting such approvals, consents, permissions and sanctions and as agreed by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers conferred by this resolution) without any further approval of the members of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Raman Madhok (DIN 00672492) as the Managing Director of the Company for a further period of 3 (three) years commencing from October 9, 2016 on the terms and conditions and remuneration as stipulated herein below :

   Remuneration :

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

   1. Basic Salary : ₹ 20,00,000/- (Rupees Twenty Lacs only) per month.

   2. Housing : Furnished rent free accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses, reimbursement of repairs, renovation and maintenance expenses of house, allowance or reimbursement for utilities such as gas, electricity, water, soft furnishing, hard furnishing and repairs, helper allowance and similar other allowances.

   3. Reimbursement of expenses incurred on entertainment for business development and reimbursement of membership fee for the clubs in India, including admission and life membership fee.

   4. Other Allowances, Perquisites and Incentive: Subject to overall ceiling as aforesaid, the Managing Director shall have liberty to opt for

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

5. The Managing Director will also be a member of the Group Medical and Personal Accident Insurance policies of the Company.

6. The appointment is terminable by giving not less than six months' notice in writing on either party or as may be agreed by the Board.

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

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

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

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

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

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

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

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

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

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

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed by the Board of Directors of the Company, on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company at a remuneration of ₹ 2,00,000/- (Rupees Two Lacs only) plus reimbursement of out-of-pocket expenses for the financial year 2016-17, be and is hereby ratified and confirmed."

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

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

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

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

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

By Order of the Board

Haresh Vala
Company Secretary

Mumbai
June 23, 2016

Registered office:
Mehta House, Plot No. 64,
Road No. 13, MIDC, Andheri (East),
Mumbai - 400 093
Tel. No.: 022-66762727
Fax No.: 022-66762737/38
CIN.: L99999MH1986PLC039921
Email: investors@cmifpe.com
Website: www.cmifpe.com

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.** The instrument appointing the proxy annexed hereto, in order to be effective, must be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting.

   A person can act as proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company. Further a member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

   Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

2. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS 2), in respect of the Special Business to be transacted at the Meeting is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will be closed from July 25, 2016 to July 29, 2016 (both days inclusive).

4. The Company's Registrar and Share Transfer Agent (R & T Agent) for its Share Registry Work (Physical and Electronic), are Bigshare Services Private Limited having their office premises at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400 072.

5. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are in force), the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the information of the unpaid and unclaimed dividends lying with the Company as on the date of last Annual General Meeting held on July 31, 2015, on the website of the IEPF *viz.* www.iepf.gov.in and also on the website of the Company *viz.* www.cmifpe.com.

   The final dividend for the year ended March 31, 2009 will become due for transfer to IEPF in the month of November, 2016. Members who have not encashed the dividend warrants so far for the said financial year or any subsequent financial years are requested to make their claim to the Company's R & T Agent. It may be noted that once the amounts in the Unpaid Dividend Accounts are transferred to IEPF, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

6. The relevant details of Directors proposed to be appointed / re-appointed, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, is annexed hereto.

7. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R & T Agent. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

8. The Securities and Exchange Board of India ("**SEBI**") has mandated the submission of Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are, therefore, requested

to submit their PAN to the Depository Participant with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's R & T Agent.

9. Members are requested to notify immediately any change of address to the Company's R & T Agent or their respective Depository Participant, in case of shares held in electronic form.

10. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate the risks associated with physical shares and for ease in portfolio management. Members can contact the Company's R & T Agent for assistance in this regard.

11. Members are requested to address all correspondence, including dividend matters, to the Company's R & T Agent.

12. Members, desiring any information with regards to Accounts / Reports, are requested to write to the Company at least 10 (ten) days before the Meeting, to enable the management to keep the information ready at the Meeting.

13. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

14. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for FY 2015-16 will also be available on the Company's website - www.cmifpe.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days up to and including the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the members may also send requests to the Company's investor email id: investors@cmifpe.com.

16. A route map showing directions to reach the venue of the meeting is given in the Annual Report.

17. Process and manner for Members opting to vote through electronic means:

    I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the Meeting) to exercise their right to vote at the 30th Annual General Meeting ("**AGM**"). The business may be transacted through e-voting services provided by National Securities Depository Limited (**"NSDL"**):

    The instructions for e-voting are as under:

    A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:

    (i) Open email and open PDF file viz; "CMI FPE e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

    (ii) Open the internet browser and type the following URL: https://www.evoting.nsdl.com

    (iii) Click on Shareholder – Login

    (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password to cast your vote.

(v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits /characters or a combination of both. Please take utmost care to keep your password confidential.

(vi) Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.

(vii) Select "EVEN" (Electronic Voting Event Number) of CMI FPE Limited which is 104154. Now you are ready for e-voting as 'Cast Vote' page opens.

(viii) Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.

(ix) Once you have voted on the resolution, you will not be allowed to modify your vote.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) You can similarly vote in respect of all other resolutions forming part of the Notice of the AGM. During the voting period, members can login any number of times till you have voted on all the resolutions.

(xii) If you wish to log out after voting on few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.

(xiii) Corporate / Institutional shareholders (*i.e.* other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to iqureshiassociates@yahoo.co.in or investors@cmifpe.com with a copy marked to evoting@nsdl.co.in. The scanned image of the above mentioned documents should be in the naming format "CorporateName_EVENNO."

B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

Electronic Voting Event Number (EVEN)	User ID	Password

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in A above, to cast vote.

C. Members holding shares in either physical or dematerialised form as on the Cut-Off date of July, 22 2016, may cast their votes electronically. The e-voting period for the Members who hold shares as on the cut-off date commences on July 25, 2016 (9.00 a.m.) and ends on July 28, 2016 (5.00 p.m.). The e-voting module shall be disabled by NSDL for voting thereafter.

II. In case of any query pertaining to e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Members available at the Downloads section of www.evoting.nsdl.com

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. General instructions / information for members for voting on the resolutions :

a) Facility of voting through poll paper shall be made available at the Meeting. Members attending the Meeting, who have not already casts their vote by remote e-voting shall be able to exercise their right at the Meeting.

b) Members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to vote again at the AGM.

c) The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.

d) Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date *i.e.* July 22, 2016, may obtain login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.

e) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting, in the presence of atleast 2 (two) witnesses not in the employment of the Company and make, not later than 3 (three) days of conclusion of the Meeting, a consolidated Scrutinzer's Report of the total votes cast in favour or against, if any, to the Chairman or the Managing Director, who shall countersign the same.

f) The Chairman or the Managing Director shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The result declared, alongwith the Scrutinizer's Report shall be placed on the Company's website - www.cmifpe.com and on the website of NSDL - www.evoting.nsdl.com immediately. The Company shall simultaneously forward the result to BSE Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Re-appointment of Mr. Fabrice Orban as Director

Mr. Fabrice Orban (DIN 05714495), Non-Executive Director of the Company, retires by rotation and, being eligible, has offered himself for re-appointment.

Mr. Fabrice Orban, aged about 42 years, holds a M. Sc. Degree in Engineering and Applied Economics (Commercial Engineer) from University of Leige, Belgium and a Post Graduate degree in International Trade and Finance from the Solvay Business School, University of Brussels.

Mr. Orban joined the CMI group in the year 1998 as a sales engineer within the Processing Lines pole, and later on was appointed as Project Manager. In 2002, he joined McKinsey & Company as part of the leadership of the Global Energy & Materials practice. He served clients around the world in the steel, aluminium, mining, power, oil & gas industries and also Sovereign Funds, Principal Investors and various Government and Public Institutions on various issues.

In the year 2009, he re-joined the CMI Group as President - CMI Industry-Rolling Mills. He is presently designated as Vice President – CMI Industry Metals of CMI SA, the parent Company. He does not hold any directorship in the other Company and is not a member of any Committee.

He does not hold any shares in the Company and is not related to any other Directors of the Company.

Apart from Mr. Orban, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in this resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SS 2:

ITEM NO. 4

Re-appointment of Mr. Raman Madhok as Managing Director

Mr. Raman Madhok (DIN 00672492), was appointed as the Managing Director of the Company *w.e.f.* October 9, 2013 for a period of 3 years. The present term of Mr. Raman Madhok as Managing Director of the Company will expire on October 8, 2016.

In view of his significant and valuable contribution to the Company and as the Company is contemplating further growth, it is imperative that the Company should continue to benefit from his stewardship so as to achieve the growth plans so contemplated. Keeping the above in mind, as recommended by the Nomination and Remuneration Committee, the Board of Directors at the meeting held on May 19, 2016 have recommended the re-appointment of Mr. Raman Madhok, as Managing Director of the Company, for a further period of 3 (three) years commencing from October 9, 2016 on the terms and conditions including the proposed remuneration as set out in the resolution at Item No. 4 of the accompanying Notice.

The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Mr. Madhok received his M. S. Degree from the Indian Institute of Technology, Delhi and a Post Graduate Diploma in Management from XLRI, Jamshedpur. He also holds Diploma in Training and Development from the Indian Society for Training & Development. He has also attended a senior executive course at Manchester Business School, UK as a Chevening Scholar, and was awarded the prestigious Eisenhower Fellowship of the USA.

Prior to re-joining CMI FPE Limited in October 2013, he was Group Director (Human Resources) at JSW Group. Before this, he was a Managing Director of Blue River Advisors Private Limited. Mr. Madhok was also the CEO of Tradeline L.L.C., Dubai, U.A.E. Mr. Madhok had worked for ten years at JSW Group, his last role being as Joint Managing Director and CEO of JSW Steel. He has vast experience in Human Resources, Marketing, Information Technology and General Management. Mr. Madhok's industry experience spans across Processes, Engineering, Pharmaceuticals, FMCG and Hotels. Mr. Madhok has also worked at Voltas, Taj Group of Hotels, Pfizer, Warner Lambert (formerly Parke Davis) and Wyeth Lederle.

Mr. Madhok was associated with the Company in various roles since year 2007 and his last assignment with the Company was as the Managing Director till August 23, 2011.

He holds other directorships in Arm Perspective & Solutions Private Limited, Qi Health and Education Consultants Private Limited, Open Spaces Consulting Private Limited, CMI India Engineering Private Limited and Indo-Belgian Luxembourg Chamber of Commerce and Industry (IBLCC). He is currently President of IBLCC. He is also member of the Executive Committee and Ex-President of Association of British Scholars – Mumbai and member of Steering Committee – South Asia of Eisenhower Fellowship Global Network Council, Philadelphia, USA. Mr. Madhok is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Chairman of Borrowings Committee and Banking Operations Committee of the Company.

He does not hold any shares in the Company and is not related to any other Directors of the Company.

Mr. Madhok satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 ("**the Act**") and is eligible for re-appointment.

As required under the provisions of the Act, approval of the members is being sought for the re-appointment of and the remuneration payable to Mr. Raman Madhok as Managing Director of the Company.

In terms of Rule 7(2) and 7(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being listed, shall obtain the approval of Central Government, Ministry of Corporate Affairs, if the remuneration paid / payable to the Managing Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Act.

The additional detailed information as per Section II of Part II of Schedule V of the Act is given below:

I.	**General Information**		
	1.	Nature of Industry	The Company is 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 lines and pickling lines for ferrous and non-ferrous industries worldwide.
	2.	Date or expected date of commencement of commercial production	May 28, 1986
	3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
	4.	Financial performance based on given indicators (₹ in lacs)	See table below
	5.	Foreign investments or collaborations, if any	Except the shareholding of Cockerill Maintenance and Ingenierie, SA, parent Company, which holds 75% of the Company's equity capital, the Company does not have any foreign direct investment or collaboration.
II.	**Information about the Appointee :**		
	1.	Background details	A brief profile of Mr. Raman Madhok is given herein above.
	2.	Past remuneration	The remuneration drawn by Mr. Raman Madhok during the past 2 (two) years is as follows
	3.	Recognition or awards	Mr. Madhok was awarded the prestigious Eisennhower Fellowship of the USA and Chevening Scholarship by the Government of UK.
	4.	Job profile and his suitability	Mr. Madhok, with major focus on business development (domestic and international), cost optimisation and profitability, sales and marketing, value engineering and product developments, would be responsible for the overall conduct and management of the business and the affairs of the Company and also providing strategic direction to the business of the Company. Mr. Madhok with his qualification and vast experience in the field of Human Resources, business development, sales and marketing, engineering, manufacturing and general management is expected to add considerable value to the Company from the position of the Managing Director.
	5.	Remuneration proposed	The remuneration proposed is set out in the resolution at Item No. 4.
	6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	While deciding the remuneration payable to Mr. Madhok, the Nomination and Remuneration Committee and the Board *inter alia* considered the compensations levels for similar positions in the Engineering industry and comparable organisations and have considered the proposed levels as appropriate and reasonable.

I.4 Financial performance based on given indicators (₹ in lacs)

Particulars	**2015-16**	**2014-15**	**2013-14**
Revenue from Operations (Net)	20537.81	21933.39	44283.27
Other Income	911.26	2159.39	1553.12
Total Revenue	21449.07	24092.78	45836.39
Profit / (Loss) before depreciation, finance cost, exceptional item and tax	1341.92	1316.09	(1095.15)
Profit / (Loss) after tax	1312.28	947.27	(2231.22)

II.2 Past remuneration

Year	**₹ in lacs**
2014-15	331.86
2015-16	450.72

7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Besides the present / proposed remuneration, Mr. Raman Madhok does not have any other pecuniary relationship with the Company or relationship with any of the managerial personnel.
III.	**Other Information**	
1.	Reasons of loss or inadequate profits	– Economic slowdown in Indian and global market – Falling prices in steel industry – Lower margins on projects under execution due to highly competitive environment – Slower growth in the order entries due to volatile business environment.
2.	Steps taken or proposed to be taken for improvement	All efforts are now being focused on to improve order book by sourcing new orders from domestic as well as overseas customers and improving operational efficiency. The manufacturing facilities have been restructured for better productivity and cost-savings. Greater emphasis is placed on optimisation of various processes to improve operational efficiency across the Company. These proactive steps are aimed at improving profitability in the face of a challenging environment in the steel industry.
3.	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in the current year.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re-appointment

Mr. Raman Madhok

Age	58 years
Qualifications	Degree in M.S. from Indian Institute of Technology, Delhi Post Graduate Diploma in Management from XLRI, Jamshedpur Diploma in Training & Development from the Indian Society for Training & Development Attended a senior executive course at Manchester Business School, UK as a Chevening Scholar.
Experience	35 Years
Terms and conditions of re-appointment	Tenure of the re-appointment of Mr. Raman Madhok as Managing Director shall be 3 (three) years *w.e.f.* October 9, 2016. The Managing Director will be employed on whole time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the permission of the Board. The Managing Director shall be entitled to such other privileges, allowances, facilities and amenities in accordance with the rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act.
	He will cease to be a Director on cessation of his employment with the Company. The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Act and Rules made thereunder. The separation from this engagement could be effected by either side by giving 6 month's notice.

Last drawn remuneration	₹ 450.72 lacs
Date of first appointment on the Board	July 16, 2010
No. of shares held	Nil
Relationship with Directors, Managers & Key Managerial Personnels	Not Related
Number of Board Meetings attended during FY 2015-16	4 (four)
Other Directorships	1. Arm Perspectives & Solutions Private Limited 2. Qi Health and Education Consultants Private Limited 3. Open Spaces Consulting Private Limited 4. CMI India Engineering Private Limited 5. Indo-Belgian Luxembourg Chamber of Commerce and Industry
Chairman / Member of the Committees of Board of other companies	Nil

Your Directors recommend Resolution No. 4 as a Special Resolution for approval by the Members.

Except Mr. Raman Madhok, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5

Maintaining of records at the office of Registrar and Share Transfer Agent of the Company

The Company had appointed Sharepro Services (India) Private Limited (hereinafter referred to as **"Sharepro"**) as its Registrar and Share Transfer Agent (hereinafter referred to as **"R & T"**). Certain irregularities were discovered at Sharepro with respect to share transfer and dividend payment related activities. Further operations of Sharepro are currently being investigated by statutory authorities over alleged misappropriation of dividends and securities of its client companies.

Securities and Exchange Board of India (**"SEBI"**) had passed an interim order dated March 22, 2016, wherein it had asked the companies to shift their Registrar and Transfer activities from Sharepro. In accordance with the directions of SEBI and in order to protect the interest of the shareholders, the Board of Directors, through a circular resolution dated April 15, 2016, had approved the appointment of M/s. Bigshare Services Private Limited having office at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400072 as the R & T of the Company with effect from May 1, 2016.

In accordance with the provisions of Section 94 and other applicable provisions of the Companies Act, 2013 (**"the Act"**) read with the Companies (Management and Administration) Rules, 2014, the Register and Index of Members maintained under Section 88 of the Act and copies of Annual Returns maintained under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed by the members of the Company at a General Meeting authorising the Company to keep the Register and Index of Members and the copies of Annual Returns at any other place in India where more than one-tenth of the total number of members reside.

The Company proposes to shift its Register and Index of Members and copies of Annual Returns to the office of Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400072.

Your Directors recommend Resolution No. 5 as a Special Resolution for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM NO. 6

Ratification of remuneration payable to the Cost Auditor

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board at its meeting held on May 19, 2016, based on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as Cost Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2016-17.

The Board, subject to ratification by the members, also approved remuneration of ₹ 2 lacs (previous year ₹ 1.40 lacs) plus reimbursement of out-of-pocket expenses, for conducting the cost audit for the financial year 2016-17.

Your Directors recommend Resolution No. 6 as an Ordinary Resolution for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM NO. 7

Omnibus prior approval for Material Related Party Transactions

As a part of the global expansion strategy of the Metal business of CMI Group and to increase its reach of business in different geographies, CMI SA (**"the Parent Company"**) and CMI FPE Limited (**"the Company"**) propose to enter into contracts on joint basis. In order to take advantage of the expertise and knowledge of the Parent Company, the Company and the Parent Company will enter into contracts with each other for the sale and purchase of goods and supply of services for the various third party orders that will be received by CMI SA on its own or in collaboration with the Company in geographies in which, in the absence of its reach or lack of knowledge of local language, technology, culture or contacts, the Company has hitherto not been able to do any business, *eg.* Mexico, Spain, Russia, etc.

The projects with CMI SA will help the Company to establish itself in some of the countries which are viewed as having high potential for growth of steel projects and where the Company has not done business in the past. Also, some of the projects will enable the Company to enter into competitors' territories which were hitherto not explored by the Group and establish new references which will also help grow its business in traditional markets where it operates like India, Africa and South East Asia.

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"the Listing Regulations"**) also prescribes seeking approval of members for material related party transactions. The proviso to Section 188 also states that nothing in Section 188(1) applies to any transaction entered into by the Company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in the ordinary course of business and at arm's length. Since the transactions are repetitive in nature and considering the anticipated large volume of the transactions, pursuant to the requirements of Regulation 23 of the Listing Regulations, the following contracts / arrangements / transactions will be material in nature and hence requires the approval of the members of the Company by way of an ordinary resolution.

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 2 to 3 years for orders to be received	Nature and material terms / particulars of the contract or arrangement
1.	CMI SA	Holding Company	₹ 500 crores	The Company will enter into contracts with CMI SA for sale and purchase of goods and supply of services for the joint projects under the leadership of CMI SA. The projects will be spread over a period of 2 to 3 years and will allow the Company to establish its competitiveness in markets where due to language or reference, the Company has no reach. The Company and CMI SA have entered into Brand Fee Agreement and Technology Agreement for the new technology to be provided by CMI SA for equipment manufacturing by the Company.

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 2 to 3 years for orders to be received	Nature and material terms / particulars of the contract or arrangement
2	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 25 crores	Sale and purchase of goods and supply of services.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto are furnished below :

Name of the Related Party	As per table above
Name of the Director of Key Managerial Personnel who is related, if any	Mr. Jean Jouet, Mr. Yves Honhon and Mr. Fabrice Orban are deemed to be concerned or interested in their capacity as employees of CMI SA.
Nature of Relationship	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	All the above transactions are proposed to be carried out based on the business requirements of the Company and shall be in the ordinary course of business and at arm's length. All the transactions are for sale and purchase of goods and supply of services within CMI Group, details of value and material terms are given in the table above.
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above contracts / arrangements / transactions were approved by the Audit Committee through circular resolution on June 21, 2016 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval. The Audit Committee will be updated regularly on the status of the contracts *vis-a-vis* approval taken, along with the details of the transactions with respect to each contract, as soon as the same is finalised.

After the approval of the shareholders, the Company will inform the shareholders, in due course, with the status of the individual contracts signed by the Company with CMI SA, together with the value and the terms of the contract, periodically.

As per Regulation 23 of the Listing Regulations, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on the resolution wherein approval of material Related Party Transactions is sought from the members. Accordingly, all related parties of the Company, including, among others CMI SA and CMI Industry Automation Private Limited and the Directors and Key Managerial Personnel of the Company will not vote on this resolution.

Your Directors recommend Resolution No. 7 as an Ordinary Resolution for approval by the unrelated members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. However, Mr. Jean Jouet, Mr. Yves Honhon and Mr. Fabrice Orban may be deemed to be concerned in their capacity as employees of CMI SA.

By Order of the Board

Haresh Vala
Company Secretary

Mumbai
June 23, 2016

Registered office:
Mehta House, Plot No. 64,
Road No. 13, MIDC, Andheri (East),
Mumbai - 400 093
Tel. No.: 022-66762727
Fax No.: 022-66762737/38
CIN.: L99999MH1986PLC039921
Email: investors@cmifpe.com
Website: www.cmifpe.com

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company on the business and operations of the Company, together with the audited financial statements for the financial year ended March 31, 2016.

FINANCIAL PERFORMANCE

(₹ in lacs)

Particulars	Financial Year 2015-2016	Financial Year 2014-2015
Total Revenue	**21,449.07**	24,092.78
Profit before provision for doubtful trade receivables, depreciation and amortisation expense, finance costs and tax expense	**2,134.36**	1,319.27
Less:		
Depreciation and amortisation expense	**579.19**	650.13
Finance costs	**237.45**	429.57
Provision for doubtful trade receivables	**792.44**	3.18
Profit / (Loss) before Exceptional Item and Tax	**525.28**	236.39
Add : Exceptional Item	**1,433.93**	556.48
Less : Tax expense:		
Net current tax expense	**23.00**	150.00
Deferred tax	**623.93**	(304.40)
Profit / (Loss) for the year	**1,312.28**	947.27
Balance brought forward from previous year	**2,741.68**	1,794.41
Balance carried forward	**4,053.96**	2,741.68

DIVIDEND

In order to conserve resources for the operating business, your Directors do not recommend any dividend for the financial year 2015-16.

During the year, the unclaimed dividend pertaining to the final dividend for the year ended March 31, 2008 was transferred to the Investor Education and Protection Fund.

OPERATIONS

The year under review marked the deflation of commodity prices globally reducing the steel prices. The growth in the demand for Indian steel lagged much behind the expectations. The net revenue from operations of the Company dropped by almost 6.4% because of the uncertain business environment. However, the profitability of the Company increased because of other income and measures taken by the Company to increase the efficiency. The combination of predatory prices and import has jeopardized the loans raised by the domestic steel industry for capacity expansion.

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT

The government's focus on 'Make in India' and infrastructure looks to take off and translate into sustained demand for steel in the next couple of years. India is likely to be among the few countries worldwide where steel demand will see an upswing. The Company through its experience and proven process in cold rolling and metal processing industry, continuous innovation, value engineering and cost effective solution, will stand above its competitors.

As informed earlier, the operations of the Company at Silvassa plant was discontinued and the plant at Taloja was realigned with new infrastructure and machines.

During the year under review, the Company had disposed off the related assets at Silvassa including the land and buildings on January 19, 2016.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2016 was ₹ 493.78 lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares. As on March 31, 2016, none of the Directors of the Company holds shares of the Company.

NEW LISTING AGREEMENT

The Company has entered into new Listing Agreement with BSE Limited, in compliance with Regulation 109 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT

Securities and Exchange Board of India (**"SEBI"**) vide its order No. WTM/RKA/MIRSD2/41/2016 dated March 22, 2016 had, *inter alia*, advised the Companies who were clients of Sharepro Services (India) Private Limited **("Sharepro")** to conduct an audit of the records and systems of Sharepro with respect to dividends paid and transfer of securities to determine whether the dividends have been paid to actual / beneficiary holders and whether securities have been transferred as per the provisions of the law. The order also advised the Companies to switch over the activities of Registrar and Share Transfer Agent from Sharepro to another Registrar and Transfer Agent registered with SEBI.

In view of the above, the Company had assigned the task of audit to M/s. VKM & Associates, Practising Company Secretary and they have issued a report mentioning that there are no areas of default or concern relating to your Company.

The Board, through a circular resolution dated April 15, 2016 had approved the appointment of M/s. Bigshare Services Private Limited **("Bigshare")** as the Registrar and Share Transfer Agent of the Company, in place of Sharepro, with effect from May 1, 2016. The Company has made necessary disclosures and communication to BSE Limited as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEPOSITS

Your Company has not accepted any deposits from the public falling within the ambit of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS

Retire by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Fabrice Orban retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

Re-appointment of Managing Director

The current term of Mr. Raman Madhok as the Managing Director of the Company expires on October 8, 2016. At the meeting held on May 19, 2016, the Board of Directors, acting on the recommendation of the Nomination and Remuneration Committee, have approved his re-appointment for a further period of 3 (three) years, terms of remuneration, etc., subject to the approval of the members of the Company and Central Government, if required. The necessary resolution for his re-appointment is being placed before the members for approval.

Independent Directors' Declaration

All Independent Directors have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

During the year under review, there is no change in the Board of Directors of the Company.

Brief profile of the Directors proposed to be appointed / re-appointed and other information as stipulated under Listing Regulations and Secretarial Standard 2 are part of the Notice attached to this Report.

KEY MANAGERIAL PERSONNEL

During the year under review, the Board had appointed Mr. Haresh Vala as the Company Secretary of the Company, being Key Managerial Personnel of the Company. As on date, Mr. Raman Madhok, Managing Director, Mr. Akash Ohri, Chief Financial Officer and Mr. Haresh Vala, Company Secretary are the Key Managerial Personnel of the Company.

BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 17 of the Listing Regulations, the Board, with the assistance of the reputed consulting firm, Aon Services India Private Limited *(erstwhile Hewitt Associates (India) Private Limited)*, had carried out an annual performance evaluation of its own performance, of the directors individually as well as an evaluation of the working of the Committees. Significant highlights, learning and action points with respect to the evaluation were presented to the Board. The Board of Directors expressed their satisfaction with the evaluation process and with the findings. The Chairman discussed with each Director individually regarding the findings of the evaluation.

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of Companies Act, 2013 and the Listing Regulations. The policy lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations are given in the notes to the Financial Statements.

MEETINGS

During the year under review, 4 (four) Board Meetings and 4 (four) Audit Committee Meetings were convened and held, the details of the meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the provisions of Section 134(3)(c) of the Companies Act, 2013 that :

a. in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. such accounting policies as mentioned in the Notes to the financial statements have been selected and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

c. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual financial statements have been prepared on a 'going concern' basis;

e. proper internal financial controls have been laid down and are being followed and that such internal financial controls are adequate and are operating effectively; and

f. proper systems were in place to ensure compliance with the provisions of all applicable laws, and these were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchange). There were no materially significant Related Party Transactions made by the Company during the year that would have required members approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are foreseen and are repetitive in nature. A statement of all related party transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at http://cmifpe.com/financialreport.aspx?Subcat=RPT Policy as per LODR&InvestorType=Policies.

Details of transactions with Related Parties are given in the Notes to the Financial Statements in accordance with the Accounting Standards. There were no transactions during the year which would require to be reported in Form AOC 2.

None of the Directors has any pecuniary relationships or transactions *vis-à-vis* the Company.

AUDITORS

a. Statutory Auditors

The Company's Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as per Section 139 of the Companies Act, 2013.

M/s. Deloitte Haskins & Sells have expressed their willingness to get appointed as the Statutory Auditors of the Company and have furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board, based on the recommendation of the Audit Committee, has recommended their appointment as Auditors of the Company till the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2018, subject to ratification at every Annual General Meeting.

The members are requested to consider the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting in the year 2018 subject to ratification at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report.

b. Cost Auditor

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to audit its Cost Accounting records for the financial year 2016-17. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Kishore Bhatia & Associates, Cost Accountants to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of ₹ 2 lacs. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

c. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. VKM & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Auditor Report is annexed as Annexure A and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

CORPORATE GOVERNANCE

As required under Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Statutory Auditors of the Company confirming the compliance forms an integral part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as stipulated under the Listing Regulations forms part of the Annual Report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. An Internal Complaints Committee has been constituted to inquire into complaints of sexual harassment and recommend appropriate action.

During the year under review, the Internal Complaints Committee has not received any complaint of sexual harassment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as Annexure B and forms an integral part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return is annexed as Annexure C and forms an integral part of this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of internal controls and risk-mitigation system, which are constantly assessed and strengthened with the new / revised standard operating procedures. These are commensurate with the size, scale and complexities of its operations. The Internal Audit (IA) function is entrusted to KPMG. To maintain objectivity and independence, the Internal Auditor reports to the Audit Committee.

During the year under review, the Risk Management Committee of the Company had reviewed the new requirement of Internal Control over Financial Reporting (**"ICOFR"**) and finalized the detailed analysis of 10 key processes, and these were presented for review by the Statutory Auditors. The control mechanism and the process of testing of controls were discussed with the Statutory Auditors. The Statutory Auditors have submitted their report on the Internal Financial Controls which forms an integral part of this Report.

The Internal Auditor evaluates the adequacy of the internal control system in the Company on the basis of Standard Operating Procedures, instruction manuals, accounting policy and procedures.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to deal with any instances of fraud and mismanagement in the Company. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail themselves of the mechanism. The Whistle Blower Policy is available on the website of the Company – www.cmifpe.com. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

AUDIT COMMITTEE

The Audit Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, the Board has constituted a Corporate Social Responsibility ("**CSR**") Committee and the Company has adopted a policy for CSR. The text of this Policy is available on the Company's website - www.cmifpe.com. For the year under review, the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 are not applicable to the Company. However, the Company had spent an amount of ₹ 1.10 lac on CSR activities by donating computer to the Raigad Zilla Parishad Prathamik School and internal repairs conducted at Anandham Ashram, an old age home.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure D and forms an integral part of this Report.

The information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules will be provided upon request. In terms of first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members and other entitled thereto, excluding the information on employees' particulars, which is available for inspection by the members at the Registered Office of the Company during the business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary.

None of the employees listed in the said Annexure is related to any Director of the Company. None of the employees hold (by himself or along with his / her spouse and dependent children) more than 2% of the equity shares of the Company.

BUSINESS RISK MANAGEMENT

The Board of Directors has constituted a Risk Management Committee. The Committee oversees the risk management process including risk identification, impact and control assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with regard to business risk management.

The details and the process of Risk Management as implemented by the Company are provided as part of the Management Discussion and Analysis which forms part of this Report.

HEALTH AND SAFETY

The details on Health and Safety are provided in the Management Discussion and Analysis which forms part of this Report.

PERSONNEL

The industrial relations continued to be cordial at all levels throughout the year. Your Directors wish to thank all the Employees and Workmen of the Company for their contribution, support and continued co-operation throughout the year.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Jean Jouet
Chairman

Mumbai
May 19, 2016

ANNEXURE TO THE DIRECTORS' REPORT

Annexure A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CMI FPE LIMITED
Mehta House, Plot No. 64,
Road No.13, MIDC,
Andheri (East), Mumbai - 400 093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "CMI FPE LIMITED" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'):
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
    (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable to the Company during the audit period;
    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfers Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period; and
    (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period.
6. Other Laws applicable to the Company:
    i. Industrial Disputes Act, 1947
    ii. The Payment of Wages Act, 1936
    iii. The Minimum Wages Act, 1948
    iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
    v. The Payment of Bonus Act, 1965
    vi. The Payment of Gratuity Act, 1972
    vii. The Contract Labour (Regulation and Abolition) Act, 1970
    viii. The Maternity Benefits Act, 1961
    ix. Competition Act, 2002
    x. Shops and Establishments Act, 1948

We have also examined compliance with the applicable clauses of the following :

I. Secretarial Standards issue by the Institute of Company Secretaries of India.

II. The Listing Agreement entered into by the Company with BSE Limited.

III. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is being given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For VKM & Associates
Practising Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No. 4279

Place : Mumbai
Date : 19/05/2016

Note: *This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

ANNEXURE "A"

To,
The Members,
CMI FPE LIMITED
Mehta House, Plot No. 64,
Road No.13, MIDC,
Andheri (East), Mumbai - 400093

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events, etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VKM & Associates
Practising Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No. 4279

Place : Mumbai
Date : 19/05/2016

ANNEXURE TO THE DIRECTORS' REPORT

Annexure B

Particulars as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

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:

- Energy conservation by adopting new technology with more focus on continuous improvement of processes, through improved maintenance practices.
- Power consumption saving by use of LED lights for machine works areas, overhead lights in some shop floor areas and office.
- Rationalisation of lighting and cooling in offices / plants.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting power.
- Conducting awareness campaign in the campuses for reduction of the electricity usage.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Action on Power factor improvement at Head office electrical substation is taken and the work has been started in the direction.
- Areas of energy savings at Head office (Andheri) have been identified and the proposals will be submitted before end of first quarter.
- Proposals are being studied for its benefits for installing Solar Power at Taloja.

(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 and power expenses.

New machines got added in the year 2014-15 as compared to the year 2013-14 and these machines were received from Silvassa and Ghodbunder plants. Also, new offices for Assembly and Design were made at Taloja works.

Though the above activities have added the total connected load of the plant, the actual consumption of KWH is less in comparison with that of year 2014-15.

(d) Total Energy Consumption and Energy Consumption per unit of production is as follows:

	Power and Fuel consumption	2015-2016	2014-2015
i.	**Electricity:**		
a.	Purchased		
	Units (Total) - KWH	**15,42,458**	16,34,684
	Total Amount (₹ in lacs)	**121.80**	120.03
	Rate / Unit (₹)	**7.90**	7.34
	Consumption per unit of production	**Not Applicable**	Not Applicable
b.	Own generation (DG set)		
	Units (Total) – KWH	**33,589**	42,734
	Total Amount (₹ in lacs)	**5.51**	10.97
	Rate / Unit (₹)	**16.41**	25.66
	Consumption per unit of production	**Not Applicable**	Not Applicable
ii.	**Coal:**	**Not Applicable**	Not Applicable
iii.	**Furnace Oil / H.S.D.:**		
	Purchased – Diesel		
	Units (Total) – Litres	**10,420**	**18,016**
	Total Amount (₹ in lacs)	**5.51**	**10.97**
	Rate / Unit (₹)	**52.91**	**60.87**
	Consumption per unit of production	**Not Applicable**	Not Applicable
iv.	**Others:**	**NIL**	NIL

B. TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R & D carried out by the Company:

- Various value engineering projects were undertaken on existing products, components and processes including standardizing / optimizing of sub-components / processes to reduce weights and optimize on sizes.
- Development of small to medium Acid Regeneration Plant and offering both Fluidized Bed and Spray Roaster Technology.

  The following projects are undertaken for value engineering :

  a. Pyramid Shaft Spline cutting (done in house for the first time with significant cost saving).

  b. CAD CAM integration for 14 CNC Machines.

  c. Introduction of Induction type Bearing / Coupling Heaters.

d. Pneumatic Hose reel drum for Assembly Stations.

e. Fixtures for Work Roll chocks and Backup Chocks.

f. Grinding Attachment for Poreba 2 Lathe machine.

g. Milling head attachment introduced in Ingersol Machine.

- Extensive use of ‘3D’design software like Inventor, Solid Works for drafting and analysis.
- Development of new product design, processes, materials and tooling and improvement in existing products / processes in related areas.

a. Development of Fixtures in Machine Shop.

b. Special type drill developed for Stitcher Dia 30 x Length 2100 mm.

c. Piping flushing to maintain NAS value 4 for Stitcher.

d. Weekly design issues feedback to the Design department from Plant to correct / modify the design.

e. Institution of detailed processes for certain critical components and Assemblies.

f. Manufacture of Mandrel “In house”.

2. Benefits derived as a result of above R&D:

- Optimization of weights for various equipments with improved technological parameters and performances.

3. Future Plan of Action:

- Introduction of new products and processes.

a. Orbital welding for Pipes.

b. Pipe bending Machines with Flaring, cutting and deburring operations.

- Ongoing value engineering and development in the existing products and processes in various areas in which the Company is operating.

a. Fixture in Machine shop and Assembly area.

b. Upgradation of critical assemblies such as ‘air knife’ / trimmer – chopper / rotary shears, etc.

4. Expenditure on R&D:

- Capital : Nil
- Recurring : Expenses incurred are charged to normal heads and not allocated separately.
- Total : Not determinable
- Total R&D expenditure as a percentage of total turnover: Not determinable

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- Participating in national / international conferences, seminars and exhibitions.
- Imparting training to personnel by foreign technicians, mostly from CMI Group, in various manufacturing techniques, manufacturing technologies, latest products / designs and assembly practices.

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 offering light-weight equipments with improved technology and performance and introduction of new products and processes.

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 forming part of the Financial Statements.

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 global markets through the assistance of its parent Company, as needed.

ANNEXURE TO THE DIRECTORS' REPORT

Annexure C

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L99999MH1986PLC039921
ii.	Registration Date	March 28, 1986
iii.	Name of the Company	CMI FPE Limited
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093 Tel : 022 66762727 Fax : 022 66762737
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400 072 Tel : 022 40430200 Fax : 022 28475207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Manufacturer of Cold Rolling & Processing Equipments	2923	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Cockerill Maintenance and Ingènierie S.A. Avenue Greiner 1, 4100 Seraing, Belgium	NA	Holding Company	74.89%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters & Promoter Group									
(1) Indian									
Individual / HUF	–	–	–	–	–	–	–	–	
Central Govt.	–	–	–	–	–	–	–	–	
State Govt.(s)	–	–	–	–	–	–	–	–	
Bodies Corp.	5500	0	5500	0.11	5500	0	5500	0.11	0.00
Banks / FI	–	–	–	–	–	–	–	–	
Any Other	–	–	–	–	–	–	–	–	
Sub-total (A) (1)	**5500**	**0**	**5500**	**0.11**	**5500**	**0**	**5500**	**0.11**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	
b) Other – Individuals	–	–	–	–	–	–	–	–	
Bodies Corp.	3697700	0	3697700	74.89	3697700	0	3697700	74.89	0.00
Banks / FI	–	–	–	–	–	–	–	–	
Any Other	–	–	–	–	–	–	–	–	
Sub-total (A) (2)	**3697700**	**0**	**3697700**	**74.89**	**3697700**	**0**	**3697700**	**74.89**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**3703200**	**0**	**3703200**	**75.00**	**3703200**	**0**	**3703200**	**75.00**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	200	200	0.00	0	200	200	0.00	0.00
b) Banks / FI	–	–	–	–	–	–	–	–	
c) Central Govt.	4	0	4	0.00	4	0	4	0.00	0.00
d) State Govt.(s)	–	–	–	–	–	–	–	–	
e) Venture Capital Funds	–	–	–	–	–	–	–	–	
f) Insurance Companies	–	–	–	–	–	–	–	–	
g) FIIs	100	1250	1350	0.03	100	1250	1350	0.03	0.00
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	
i) Others - Qualified Foreign Investor	–	–	–	–	–	–	–	–	
Sub-total (B) (1)	**104**	**1450**	**1554**	**0.03**	**104**	**1450**	**1554**	**0.03**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	136605	2900	139505	2.83	130677	2900	133577	2.71	(0.12)
ii) Overseas	–	–	–	–	–	–	–	–	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lac	467563	54585	522148	10.57	380819	53826	434645	8.80	(1.77)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	554700	0	554700	11.23	648561	–	648561	13.13	1.90
c) Others (specify)									
Non-Resident Individuals	14506	2200	16706	0.34	14076	2200	16276	0.33	(0.01)
Clearing Members	–	–	–	–	–	–	–	–	
Trust	–	–	–	–	–	–	–	–	
Sub-total (B)(2)	**1173374**	**59685**	**1233059**	**24.97**	**1174133**	**58926**	**1233059**	**24.97**	**0.00**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1173478**	**61135**	**1234613**	**25.00**	**1174237**	**60376**	**1234613**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	
Grand Total (A+B+C)	**4876678**	**61135**	**4937813**	**100.00**	**4877437**	**60376**	**4937813**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	CMI Industry Automation Private Limited	5500	0.11	0.00	5500	0.11	0.00	0.00
2.	Cockerill Maintenance and Ingènierie S.A.	3697700	74.89	0.00	3697700	74.89	0.00	0.00
	TOTAL	**3703200**	**75.00**	**0.00**	**3703200**	**75.00**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	Not Applicable				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Jay Mahendra Shah [H.U.F.]	114188	2.31	114188	2.31
2	Nishi Tilakraj Mehta	97086	1.97	97086	1.97
3	Dipa Jay Shah	49802	1.01	52144	1.06
4	Anand Mahendra Shah (HUF)	48256	0.98	49016	0.99
5	Suchita Anand Shah	48302	0.98	48302	0.98
6	Datta Mahendra Shah	43018	0.87	44108	0.89
7	Metwork Consultants Pvt Ltd	41250	0.83	41250	0.83
8	Mahendra H. Shah (HUF)	38959	0.79	38258	0.77
9	Jay Mahendra Shah	27302	0.55	28347	0.57
10	Biswanath Prasad Agarwal	28500	0.58	40300	0.82

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Jean Jouet – Chairman				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00

Sl. No.	For each of the directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	Mr. Yves Honhon - Non Executive Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
3.	Mr. Fabrice Orban - Non Executive Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
4.	Mr. Raman Madhok – Managing Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
5.	Mr. D. J. Balaji Rao – Independent Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
6.	Mr. Raman M. Madhok – Independent Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
7.	Mr. N. Sundararajan – Independent Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
8.	Ms. Roma Balwani – Independent Director				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
9.	Mr. Akash Ohri – Chief Financial Officer				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
10.	Mr. Haresh Vala – Company Secretary (Appointed w.e.f. April 21, 2015)				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (*e.g.* allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,534.37	–	–	2,534.37
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	21.51	–	–	21.51
Total (i+ii+iii)	**2,555.88**	**–**	**–**	**2,555.88**
Change in Indebtedness during the financial year				
Addition	1,067.00	–	–	1,067.00
Reduction	3,622.88	–	–	3,622.88
Net Change	2,555.88	–	–	2,555.88
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**–**	**–**	**–**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Managing Director Mr. Raman Madhok	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	411.33	411.33
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	10.59	10.59
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission	–	–
	– as % of profit	–	–
	– others, specify…		
5.	Others	28.80	28.80
	Total (A)	**450.72**	**450.72**
	Ceiling as per the Act	Not Applicable	Not Applicable

As per the General Circular No. 07/2015 dated April 10, 2015 issued by the Ministry of Corporate Affairs, it is clarified that in respect of the managerial remuneration paid to Mr. Raman Madhok in terms of sub-para (C), Section II, Part II of Schedule XIII of the Companies Act, 1956, he may continue to receive remuneration for his remaining term in accordance with the terms and conditions approved by the Company as per the relevant provisions of Schedule XIII of the Companies Act, 1956 even if the part of his tenure falls after April 1, 2014. In view of the same, the approval of the Central Government is not required for the remuneration paid / payable to Mr. Raman Madhok as the Managing Director for the remaining tenure.

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
1.	**Independent Directors**	**Mr. D. J. Balaji Rao**	**Mr. Raman M. Madhok**	**Mr. N. Sundararajan**	**Ms. Roma Balwani**	
	Fee for attending board / committee meetings	9.20	5.20	9.50	5.50	29.40
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**9.20**	**5.20**	**9.50**	**5.50**	**29.40**
2.	**Other Non-Executive Directors**					
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**9.20**	**5.20**	**9.50**	**5.50**	**29.40**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer (Mr. Akash Ohri)	**Company Secretary (Mr. Haresh Vala) ***	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36.66	15.63	52.29
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.99	0.65	1.64
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify…			–
5.	Others, please specify		–	–
	Total	**37.65**	**16.29**	**53.94**

* Appointed w.e.f. April 21, 2015

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NOT APPLICABLE

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A.	**COMPANY**					
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None
B.	**DIRECTORS**					
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None

ANNEXURE TO THE DIRECTORS' REPORT

Annexure D

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<table>
<tr><th>Sr. No.</th><th>Requirement</th><th colspan="2">Information</th><th>Ratio</th></tr>
<tr><td rowspan="2">(i)</td><td rowspan="2">The ratio of the remuneration of Executive Director to the median remuneration of the employees of the Company for the financial year.</td><td colspan="2">Director</td><td></td></tr>
<tr><td colspan="2">Mr. Raman Madhok, Managing Director</td><td>70 : 1</td></tr>
<tr><td rowspan="5">(ii)</td><td rowspan="4">The percentage increase in remuneration of Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.</td><td colspan="2">Executive Director</td><td></td></tr>
<tr><td colspan="2">Mr. Raman Madhok, Managing Director</td><td>6%</td></tr>
<tr><td colspan="2">Mr. Akash Ohri, Chief Financial Officer</td><td>5.13%</td></tr>
<tr><td colspan="2">Mr. Haresh Vala, Company Secretary</td><td>N.A.</td></tr>
<tr><td colspan="4">Note :
1. The Independent Directors are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. As a policy, the Non Executive Non Independent Directors are neither paid sitting fees nor paid any commission. The details of remuneration of Non Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non Executive Directors remuneration is therefore not considered for the above purpose.
2. The percentage of increase in remuneration is effective from April 1 of every year.
3. Mr. Haresh Vala joined the Company w.e.f. April 21, 2015. Hence the percentage increase in remuneration is not applicable.</td></tr>
<tr><td>(iii)</td><td>The percentage increase in the median remuneration of employees in the financial year.</td><td colspan="3">5.43%</td></tr>
<tr><td>(iv)</td><td>The number of permanent employees on the rolls of the Company as on March 31, 2016</td><td colspan="3">470 employees</td></tr>
<tr><td rowspan="4">(v)</td><td rowspan="4">The explanation on the relationship between average increase in remuneration and company performance</td><td></td><td>2014-15</td><td>2015-16</td></tr>
<tr><td>Percentage increase in the average remuneration of all employees</td><td>11.76%</td><td>5.65%</td></tr>
<tr><td>Percentage increase in the median remuneration of all employees</td><td>9.78%</td><td>5.43%</td></tr>
<tr><td colspan="3">The remuneration payable to Managing Director, Senior Management personnel including KMP's are structured as fixed and variable components. The fixed remuneration comprises salaries, perquisites and retirement benefits and the variable component comprises annual performance bonus which is linked to the achievement of the parameters by the Company fixed at the beginning of the year.</td></tr>
</table>

Sr. No.	Requirement	Information	Ratio
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Remuneration to Key Managerial Personnel (KMP) for the year ended March 31, 2016 (₹ in lacs) 504.66 Income from operations (₹ in lacs) 20,537.81 Total Remuneration of KMP as % to Revenue 2.46% Profit before Tax (PBT) (₹ in lacs) 1,959.21 Total Remuneration of KMP as % to PBT 25.76%	
(vii)	Variations in the market capitalization of the Company, Price Earnings Ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	The market capitalisation as on March 31, 2016 was ₹ 201.51 crores (₹ 196.52 crores as on March 31, 2015). Variation by 2.54% Price Earnings ratio of the Company was 15.36 as at March 31, 2016 and was 20.75 as at March 31, 2015. Variation by 5.39. The Company had came out with initial public offer (IPO) in the year 1994 at a price of ₹ 40/- per share of ₹ 10/- each. The closing price of the equity shares of the Company at BSE on March 31, 2016 was ₹ 408.10 and has grown 10.20 times since the IPO.	
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year was 5.43% while the increase in remuneration of managerial personnel was 6%. The salary increases during this year reflects the Company's reward philosophy as well as the results of the benchmarking exercise.	
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	**Key Managerial Personnel**	**Remarks**
		Remuneration of Managing Director as a % of PBT for FY 2016	23.01%
		Remuneration of Chief Financial Officer as a % of PBT for FY 2016	1.92%
		Remuneration of Company Secretary as a % of PBT for the FY 2016	0.83%
(x)	The key parameters for any variable component of remuneration availed by the Directors	Variable component is a critical element of total remuneration package of all employees and delivers value for employees who deliver tangible results for the business against agreed targets. The Annual Bonus is directly linked to the individual performance rating and performance of the Company.	
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable	
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Affirmed	

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continuously strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company is also guided by the principles laid down by the principal shareholders, CMI Group in the conduct of its business, which aim to generate sustainable industrial progress for the benefit of its customers, employees, stakeholders and the communities. This determination constitutes the backdrop of all the CMI Group's decisions based on the six cornerstones of its commitment.

1. Provide quality jobs.
2. Reinforce governance and promote responsible behaviour.
3. Encourage the development and production of "green" technologies.
4. Reduce the Group's own environmental footprint.
5. Support local developments in communities where CMI is established.
6. Guarantee the Group's growth and viability in the long term.

Corporate Safety Policy

The CMI Group firmly believes that safety of its employees and all the stakeholders associated with our project sites and manufacturing facilities is of utmost importance. Safety is an essential and integral part of all our work activities. Your Company had achieved 1000 continuous accident free days at its workshop situated at Taloja on April 18, 2016.

Safety awareness programs were regularly conducted for all the stakeholders to ensure a safe and accident-free work place.

I. BOARD OF DIRECTORS

(i) Composition of the Board

The Company has a very balanced and diverse Board of Directors (**"Board"**), which primarily takes care of the business needs and stakeholders' interest. The Non Executive Directors including the Independent Directors on the Board are experienced, competent and highly renowned persons from various fields. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues, enhancing transparency and adding value to the decision-making process of the Board.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**). Throughout the financial year, the Board of the Company comprised of 8 (eight) directors. 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 one-half of the total number of Directors.

Presently, the day–to–day management of the Company is handled by Mr. Raman Madhok, Managing Director, under the supervision and control of the Board.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Independent Directors as entitled under the Companies Act, 2013, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

All the Independent Directors of the Company furnish declarations annually that they satisfy the conditions of their being independent. All such declarations are placed before the Board. Further, pursuant to Section 164(2) of Companies Act, 2013, all the Directors have provided declarations annually in Form DIR-8 that they have not been disqualified to act as Director. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

All members of 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 any potential conflict of interest with the Company at large.

None of the Directors held Directorships in more than 10 public limited companies. All Directors are also in compliance of the limit on

Independent Directorships of listed companies as prescribed in Regulation 25(1) of the Listing Regulations. Further, none of the Directors on the Board is a Member of more than 10 Committees and / or Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the Listing Regulations) across all the Companies in which he / she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Familiarisation Program

At the time of appointing a Director, a formal letter of appointment is given to the Director, which *inter alia* explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. New Directors are encouraged to peruse earlier Annual Reports of the Company, earlier Minutes of the Board of Directors Meetings, Audit Committee Meetings with a view to get familiar with the Company's operations, organizational structure of the Company, the functioning of various divisions / departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

The details of familarisation program for Independent Directors are posted on the website of the Company and can be accessed at http://www.cmifpe.com/financialreport.aspx?Subcat=CMIFPEfamiliarisationprogram.

The information on composition of the Board, category and their Directorship(s) / Committee Membership(s) across all the Companies in which they are Directors, as on March 31, 2016 is as under:

Name of Director	Category / Position	No. of Directorships#	No. of Memberships / Chairmanships of Committees in various companies*	
	Non-Executive		**Memberships$**	**Chairmanships$**
Mr. Jean Jouet	Promoter Group (Chairman)	1	–	–
Mr. Yves Honhon	Promoter Group	1	1	–
Mr. Fabrice Orban	Promoter Group	1	-	–
Mr. D. J. Balaji Rao	Independent	7	4	3
Mr. Raman M. Madhok	Independent	2	1	2
Mr. N. Sundararajan	Independent	2	2	–
Ms. Roma Balwani	Independent Woman	1	1	–
	Executive			
Mr. Raman Madhok	Non-Independent (Managing Director)	1	1	–

* Excludes private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Government bodies.

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

$ Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for Committee position.

(ii) Board Procedure

All meetings are conducted as per well designed and structured agenda circulated well in advance to the Board members. All the agenda items are backed by comprehensive background information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to arrive at appropriate decisions. The information as required under Regulation 17 read with Part A of Schedule II of the Listing Regulations is made available to the Board. The Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by presentations by the Chief Operating Officer and the Chief Financial Officer and, as necessary, by the other heads of departments.

The Board also *inter-alia* reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all applicable laws, 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 & Compliance Officer.

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Board.

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

During the year under review, 4 (four) meetings of the Board of Directors were held on the following dates – May 29, 2015, July 30, 2015, October 30, 2015 and January 22, 2016.

The interval between two Meetings did not exceed four months. These Meetings were well attended. The Twenty-Ninth Annual General Meeting (AGM) of the Company was held on July 31, 2015.

The Board is very happy to state that all the Directors attended all the meetings of the Board and also the AGM during the year under review. The attendance details of Directors at the Board Meetings and at the last AGM are as under:

Name of Director	No. of Board meetings		At the last AGM
	Held	Attended	
Mr. Jean Jouet	4	4	Yes
Mr. Yves Honhon	4	4	Yes
Mr. Fabrice Orban	4	4	Yes
Mr. D. J. Balaji Rao	4	4	Yes
Mr. Raman M. Madhok	4	4	Yes
Mr. N. Sundararajan	4	4	Yes
Ms. Roma Balwani	4	4	Yes
Mr. Raman Madhok	4	4	Yes

(iv) Directors seeking appointment / re-appointment

Mr. Fabrice Orban retires by rotation and, being eligible, has offered himself for re-appointment.

The term of Mr. Raman Madhok as the Managing Director of the Company expires on October 8, 2016. The Board of Directors at its meeting held on May 19, 2016, on the recommendation of the Nomination and Remuneration Committee, had approved the re-appointment of Mr. Raman Madhok as Managing Director of the Company for a period of 3 (three) years w.e.f. October 9, 2016 subject to the approval of the shareholders of the Company and Central Government, if required.

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

(v) Separate Meeting of Independent Directors

As required under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 20, 2016 to review the performance of non-independent directors, Board as a whole, the performance of the Chairman of the Company (taking into account the views of executive and non-executive directors) as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. All the Independent Directors attended this meeting.

(vi) CEO / CFO Certification

The Managing Director and the Chief Financial Officer of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and that these statements represent a true and fair view of the Company's affairs.

(vii) Code of Conduct

The Company had adopted a Code of Conduct **("Code")** for the Board Members and Senior Management Personnel of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the 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. This Code has also been posted on the Company's website - www.cmifpe.com.

II. REMUNERATION TO DIRECTORS

(i) Remuneration Policy

While deciding on the remuneration for Directors, the Board and the Nomination and 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 takes into account 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, 2016

The eligible Non-Executive Directors may be 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 cover, *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.

The sitting fees paid to Non-Executive Directors during the year ended March 31, 2016, and their shareholdings in the Company as of that date are as under:

Directors	Sitting Fee paid (₹ in lacs)	No. of Equity Shares held
Mr. Jean Jouet*	Nil	Nil
Mr. Yves Honhon *	Nil	Nil
Mr. Fabrice Orban*	Nil	Nil
Mr. D. J. Balaji Rao	9.20	Nil
Mr. Raman M. Madhok	5.20	Nil
Mr. N. Sundararajan	9.50	Nil
Ms. Roma Balwani	5.50	Nil

* They have voluntarily waived the acceptance of sitting fees.

(iii) Remuneration paid / payable to Managing Director for the year ended March 31, 2016

Remuneration to Managing Director is fixed by the Nomination and Remuneration Committee, and subsequently approved by the Board of Directors and the Shareholders at a General Meeting. The remuneration paid / payable to the Managing Director for the year ended March 31, 2016 is as under:

Name of Managing Director / Executive Director	(₹ in lacs)					Total Contract Period	Notice period in months
	Salary	Performance incentive	Company's Contribution to Funds	Perquisites and allowances	Total		
Mr. Raman Madhok	411.33	–	28.80	10.59	450.72	October 9, 2013 to October 8, 2016	6

Notes:

(1) All the above components of remuneration, except performance incentive, are fixed in nature.

(2) The Company does not have any stock option scheme.

(3) As per the General Circular No. 07/2015 dated April 10, 2015 issued by the Ministry of Corporate Affairs, it is clarified that in respect of the managerial remuneration paid to Mr. Raman Madhok in terms of sub-para (C), Section II, Part II of Schedule XIII of the Companies Act, 1956, he may continue to receive remuneration for his remaining term in accordance with the terms and conditions approved by the Company as per the relevant provisions of Schedule XIII of Companies Act, 1956 even if the part of his tenure falls after April 1, 2014. In view of the same, the approval of the Central Government is not required for the remuneration paid to Mr. Raman Madhok as the Managing Director for the remaining tenure.

III. RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company. The Audit Committee reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

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.

IV. COMMITTEES OF THE BOARD

(i) Audit Committee

Composition of the Committee, Meetings and attendance:

The Audit Committee of the Company comprises of Non-Executive Directors with majority of them, including the Chairman, being Independent Directors. Mr. D. J. Balaji Rao is the Chairman of the Committee and Mr. Yves Honhon and Mr. N. Sundararajan are the other Members of the Committee. The composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All the Members of the Committee possess accounting and financial management knowledge. Mr. D. J. Balaji Rao was present at the last Annual General Meeting of the Company held on July 31, 2015.

The Company Secretary functions as Secretary to the Committee.

The Statutory Auditors are always invited to attend meetings of the Committee. The Committee also invites such of the executives, *viz.* Managing Director and Chief Financial Officer and also Internal Auditors, Cost Auditors and consulting firms as it considers appropriate, to be present at the meetings of the Committee, but on occasions it also meets without the presence of any executives of the Company.

4 (four) meetings of the Committee were held during the year ended March 31, 2016. These meetings were held on May 29, 2015, July 30, 2015, October 29, 2015 and January 22, 2016. The gap between two Meetings did not exceed four months.

The attendance of the members at the above meetings is as under:

Name	No. of meetings	
	Held	Attended
Mr. D. J. Balaji Rao	4	4
Mr. Yves Honhon	4	4
Mr. N. Sundararajan	4	4

Terms of Reference:

The terms of reference of the Audit Committee conform to the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. The Committee acts as a link between the Statutory and Internal Auditors and the Board. The responsibilities of the Audit Committee include overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Internal Auditors, Cost Auditors, review of the adequacy of internal control systems and the internal audit function.

The Audit Committee functions in accordance with the terms of reference, which *inter-alia* includes :

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company (Statutory Auditors, Internal Auditors and Cost Auditors);

(ii) review and monitoring of the auditor's independence and performance, and effectiveness of audit process;

(iii) examination of the financial statements and the auditor's report thereon;

(iv) approval or any subsequent modification of transactions of the Company with related parties;

(v) scrutiny of inter-corporate loans and investments;

(vi) valuation of undertakings or assets of the Company, wherever it is necessary;

(vii) evaluation of its internal financial controls and risk management systems;

(viii) monitoring the end use of funds raised through public offers and related matters.

(ii) Nomination and Remuneration Committee

Composition of the Committee, Meeting and attendance:

The Nomination and Remuneration Committee comprises of Mr. Raman M. Madhok as the Chairman of the Committee. Mr. Jean Jouet, Mr. Yves Honhon and Mr. D. J. Balaji Rao are the other Members of the Committee. One half of the Members of the Committee are Non-Executive Independent Directors. One meeting was held on May 28, 2015, during the year under review.

The attendance of the members at the above meeting is as under:

Name	No. of meetings	
	Held	Attended
Mr. Raman M. Madhok	1	1
Mr. Jean Jouet	1	1
Mr. Yves Honhon	1	1
Mr. D. J. Balaji Rao	1	1

Terms of reference:

The terms of reference of the Committee is in line with the provisions of Companies Act, 2013 and Regulation 19 of the Listing Regulations and as may be specified by the Board from time to time, and *inter alia* includes :

(i) to identify persons who are qualified to become directors and to be appointed in senior management positions, (directly reporting to the Managing Director) and recommend to the Board their appointment and removal;

(ii) to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policy relating to the determination of remuneration for the directors, and key managerial personnel;

(iii) to formulate the criteria for evaluation of Independent Directors and Board; and

(iv) to devise a policy on Board diversity.

In determining the remuneration package of the Managing Director, it evaluates the remuneration paid by comparable organisations and thereafter makes its recommendations to the Board. It also reviews the performance of the Managing Director and recommends to the Board the quantum of performance incentives, annual increments / commissions.

(iii) Stakeholders Relationship Committee

The Committee presently comprises of Mr. Raman M. Madhok (Chairman of the Committee), and Ms. Roma Balwani, Director and Mr. Raman Madhok, Managing Director of the Company, as the other members.

Mr. Haresh Vala, Company Secretary is the Compliance Officer of the Company.

The Committee functions in accordance with the terms of reference as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations and as may be specified by the Board from time to time, which *inter alia* includes to consider and resolve the grievances of the shareholders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

During the year under review, 2 (two) complaints were received from the Shareholders, both 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 / transmission of shares, issue of duplicate share certificates 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. The Share Transfer Committee meets on a fortnightly basis to attend to the share transfer formalities.

Securities and Exchange Board of India vide its order No. WTM/RKA/MIRSD2/41/2016 dated March 22, 2016 had, *inter alia*, advised the Companies who were clients of Sharepro Services (India) Private Limited (**"Sharepro"**) to conduct an audit of the records and systems of Sharepro with respect to dividends paid and transfer of securities to determine whether the dividends have been paid to actual / beneficiary holders and whether securities have been transferred as per the provisions of the law. In view of the same, the Company had assigned the task of audit to M/s. VKM & Associates, Practising Company Secretary and they had issued a report mentioning there are no areas of default or concern relating to your Company. The Stakeholders Relationship Committee at its meeting held on May 18, 2016 reviewed the report of M/s. VKM & Associates.

(iv) Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility (**"CSR"**) Committee in line with the requirements of the provisions of Section 135 of the Companies Act, 2013. The Committee comprises of Ms. Roma Balwani as the Chairperson, and Mr. Yves Honhon and Mr. Raman Madhok as the other members.

The Corporate Social Responsibility Committee functions in accordance with the terms of reference, which *inter alia* includes :

(a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

(b) to recommend the amount of expenditure to be incurred on the CSR activities; and

(c) to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Committee met 2 (two) times during the year on May 28, 2015 and January 22, 2016. All the members of the Committee attended both the meetings.

(v) Risk Management Committee

In compliance with the provisions of the Listing Regulations and the Companies Act, 2013, the Company has constituted a Risk Management Committee. The Committee comprises of Mr. N. Sundararajan as the Chairman and Mr. Raman Madhok as member of the Committee. Mr. Vijay Karayi acts as the Secretary to the Committee.

The Risk Management Committee monitors and reviews the risk management processes or such other functions as may be specified by the Board from time to time.

During the year under review, the Committee had 2 (two) meetings on September 23, 2015 and January 20, 2016. All the members of the Committee attended both the meetings. The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was confirmed by the Committee that the mitigation plans are finalized and upto date, owners are identified and the progress of mitigation actions are monitored.

(vi) Borrowings Committee

The Borrowings Committee presently comprises of Mr. Raman Madhok, Managing Director (Chairman of the Committee), Mr. D. J. Balaji Rao, Director and Mr. Akash Ohri, Chief Financial Officer, as the other members. This Committee reviews, considers and approves borrowing of moneys within the overall limits and guidelines approved by the Board from time to time.

(vii) Banking Operations Committee

The Banking Operations Committee presently comprises of Mr. Raman Madhok, Managing Director (Chairman of the Committee) and Mr. Akash Ohri, Chief Financial Officer, as the other member. This Committee approves from time to time, the availing of specific banking services with the Banks and nominates / amends the list of signatories for operating of bank accounts, on behalf of the Company.

V. DISCLOSURES

(i) Disclosure of transactions with Related Parties

The Company follows the following system in disclosing the related party transactions to the Audit Committee.

A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

Details of material individual transactions with related parties, which are not in the normal course of business, if any, are placed before the Audit Committee.

Details of material individual transactions with related parties or others, which are not on an arm's length basis, if any, are placed before the Audit Committee, together with management's justification for the same.

The details of related party transactions are presented in Note No. 29.5 in Notes forming part of the Financial Statements for the year ended March 31, 2016.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and at arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year.

As required under Regulation 23 of the Listing Regulations, the Board has approved a policy for related party transactions which has been uploaded on the Company's website and can be accessed through the following link : http://cmifpe.com/financialreport.aspx?Subcat=RPT Policy as per LODR&InvestorType=Policies.

(vii) Management Discussion and Analysis

A Management Discussion and Analysis (MDA) has been attached and forms part of this Annual Report.

VI. 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 by the Board. These are published in leading English and Marathi dailies, *viz.* The Economic Times and Maharashtra Times. The Company's results and official news releases are simultaneously posted on the Company's website www.cmifpe.com. The Company's presentations to institutional investors and analysts, if made, would be put up on the website of the Company. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's Listing Centre.

VII. GENERAL SHAREHOLDER INFORMATION

(a) 30th Annual General Meeting

Date: July 29, 2016

Time: 2.30 p.m.

Venue: Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093

(b) Date of Book Closure

Dates of Book Closure will be from July 25, 2016 to July 29, 2016 (both days inclusive).

(c) Last date of receipt of Proxy Forms

Wednesday, July 27, 2016 before 2.30 p.m. at the Registered Office of the Company.

(d) Financial year of the Company

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

Financial Reporting for:

First Quarter ending June 30, 2016 on or before August 14, 2016

Half-year ending September 30, 2016 on or before November 14, 2016

Third Quarter ending December 31, 2016 on or before February 14, 2017

Year ending March 31, 2017 before the end of May, 2017

The above dates are indicative.

(e) Listing on Stock Exchange

The Company's Shares are listed on BSE Limited (BSE).

The Company has paid the annual listing fees for the financial year 2016-2017.

(f) Stock Code

BSE Limited

Scrip Code: 500147 Scrip Name: CMIFPE

(g) ISIN

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

(h) Corporate Identification Number (CIN)

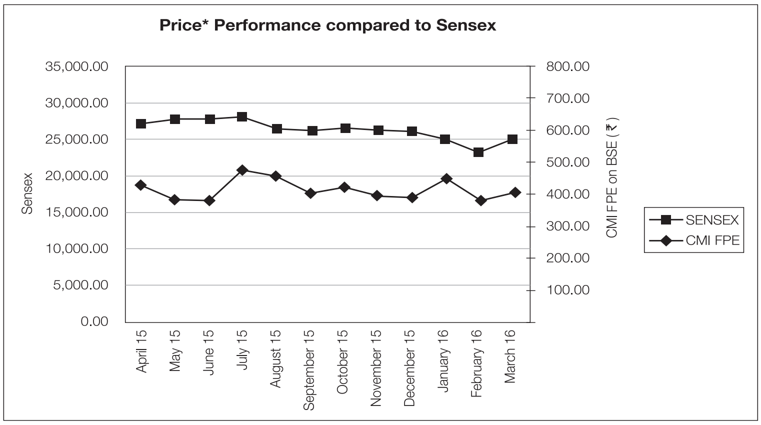
The Company's CIN as allotted by the Ministry of Corporate Affairs is L99999MH1986PLC039921.

(i) Market Price Data

The high and low prices of the Company's equity shares (face value of ₹ 10/- each) on BSE during the financial year 2015-16 were as under:

Month	High (₹)	Low (₹)	Sensex (closing)
April, 2015	557.00	340.00	27,011.31
May, 2015	454.00	360.10	27,828.44
June, 2015	399.00	355.00	27,780.83
July, 2015	535.00	392.00	28,114.56
August, 2015	549.00	415.00	26,283.09
September, 2015	450.00	385.00	26,154.83
October, 2015	449.00	395.00	26,656.83
November, 2015	407.00	340.00	26,145.67
December, 2015	456.00	370.00	26,117.54
January, 2016	484.90	345.20	24,870.69
February, 2016	460.00	353.10	23,002.00
March, 2016	428.00	370.00	25,341.86

(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 Share Transfer Agent

Bigshare Services Private Limited

Unit: CMI FPE Limited

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072

Tel. No.: 022-40430200

Fax No.: 022-28475207

Email: investor@bigshareonline.com

Note: Pursuant to the SEBI Order dated March 22, 2016, we wish to inform you that the Company had terminated the agreement with M/s. Sharepro Services (India) Private Limited (**"Sharepro"**) as Registrar and Share Transfer Agent of the Company effective from the closing hours of April 30, 2016. The Board vide circular resolution, had approved the appointment of M/s. Bigshare Services Private Limited (**"Bigshare"**) as the new Registrar and Share Transfer Agent in place of Sharepro effective from May 1, 2016.

(l) Distribution of Shareholding as on March 31, 2016

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of share capital
Upto 500	3,310	94.27	3,04,265	6.16
501 – 1000	94	2.68	70,526	1.43
1001 – 2000	55	1.57	77,235	1.56
2001 – 3000	15	0.43	35,717	0.72
3001 – 4000	7	0.20	25,529	0.52
4001 – 5000	5	0.14	22,616	0.46
5001 – 10000	8	0.23	55,664	1.13
10001 and above	17	0.48	43,46,261	88.02
Total	**3,511**	**100.00**	**49,37,813**	**100.00**

(m) Shareholding pattern as on March 31, 2016

Category	No. of shares	% of share capital
Promoters & Promoter Group	37,03,200	75.00
Government Companies, Mutual Funds & Banks	204	0.00
Foreign Institutional Investors (FII's) / OCB	1,350	0.03
Non Resident Indians	16,276	0.33
Domestic Companies	1,33,577	2.70
Resident individuals	10,83,206	21.94
Total	**49,37,813**	**100.00**

(n) Dematerialization of shares as on March 31, 2016

Category	No. of equity shares	% of share capital	No. of shareholders	% of shareholders
Electronic Form	48,77,437	98.78	3,070	87.44
Physical Form	60,376	1.22	441	12.56
Total	**49,37,813**	**100.00**	**3,511**	**100.00**

(o) Share Transfer System

Trading in Equity Shares of the Company through recognized Stock Exchange is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen 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 Committee and Stakeholders Relationship Committee meet as and when required to consider the transfer proposals and attend to Investors' 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, District Raigad - 410208, Maharashtra

Unit No. II

Gat No. 21,41 and 61, Village Hedavali, Khopoli-Pali Road, Taluka Sudhagad, District Raigad– 410205, Maharashtra

(r) **Address for correspondence:**

Shareholders may correspond with the Registrar and Share Transfer Agent on all matters relating to transfer / dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company at:

Bigshare Services Private Limited
Unit: CMI FPE Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road
Saki Naka, Andheri (East), Mumbai - 400 072
Tel. No.: 022-40430200
Fax No.: 022-28475207
Email: investor@bigshareonline.com

The Company has 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 demateralised 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 (East),

Mumbai - 400 093

Tel. No.:022-66762727

Fax No.:022-66762737/38

Email: investors@cmifpe.com

Shareholders are requested to quote their folio nos. / DP ID & Client ID, Email address, telephone numbers and full address while corresponding with the Company and its Registrar and Share Transfer Agent.

VIII. GENERAL BODY MEETINGS

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
2012-2013	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093	July 31, 2013	2.30 p.m.	Appointment of Mr. Sanjoy Kumar Das as Managing Director
2013-2014	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093	July 30, 2014	2.30 p.m.	• Appointment of Mr. Raman Madhok as Managing Director • Approval of borrowing limits of the Company • Creation of charges on the assets of the Company
2014-2015	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093	July 31, 2015	2.30 p.m.	Commission to Non-Executive Directors

The Company has not passed any Special Resolution through postal ballot during the financial year 2015-16 nor proposes to pass any Special Resolution through postal ballot during the current year.

IX. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATIONS

The status of compliance with discretionary recommendations of Regulation 27 of the Listing Regulations is provided below :

The Board of Directors

The present Chairman is a foreign national and a Non-Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and provide valuable inputs in directing the Company. The Board carefully evaluates the qualifications and experience of every Independent Director at the time of the appointment, and also involves the Independent Directors in various Business Committees, to enable them to contribute to 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, and has ensured a track record of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

To,

The Shareholders of CMI FPE Limited

I, Raman Madhok, Managing Director, declare that the Directors and Senior Management Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct, for the year ended March 31, 2016.

For CMI FPE Limited

Place: Mumbai
Date: May 19, 2016

Raman Madhok
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of

CMI FPE LIMITED

We have examined the compliance of conditions of Corporate Governance by **CMI FPE LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:

Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreement of the Company with stock exchange for the period from April 01, 2015 to November 30, 2015.

Clause 49(VII)(E) of the Listing Agreement of the Company with the stock exchange for the period from April 01, 2015 to September 01, 2015.

Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and

Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

We state that such compliance 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
(Firm's Registration No. 117365W)

(Khurshed Pastakia)
(Partner)
(Membership No. 31544)

Place: Mumbai
Date: May 19, 2016

Management Discussion And Analysis

Industry Structure and Developments:

Economic Environment:

The year 2015 was marked by deflation of commodity prices globally bringing down steel prices. Global growth disappointed again in 2015 slowing to 2.4%.

Besides, weak demand in major steel producing countries such as China, Japan and South Korea led them to focus on exports at aggressive prices, including in India, adversely impacting the domestic industry. In the Indian context, the drop was steeper than that of other raw materials, leading to severe pressure on operating margins of steel plants. It led to prices of some products hitting a ten-year low in the Indian market.

The growth in Indian steel demand lagged much behind expectations. In the next two years, India's steel consumption is forecast to grow annually by about 5%–6%. Indian steel capacity is also expected to rise from 99 million tonnes in 2013 to about 125 million tonnes in 2016, registering a CAGR of 8.8%. The Government of India has floated a target to produce 300 million tonnes by 2025–26. The Ministry of Steel has announced to invest in modernisation and expansion of steel plants. The ministry is facilitating in setting up of a Steel Research and Technology Mission of India (SRTMI).

The success of the industry is closely linked to government decisions around import/export duties and mining taxes / royalties as well as environmental and land regulations. Analysts expect that the government's focus on 'Make in India' and infrastructure will take off and translate into sustained demand for steel in the next couple of years.

Global steel demand forecasts continue to remain lowered as the earlier positive momentum faltered. We are witnessing role reversal as several rapid-growth markets have not performed up to expectations in creating demand. The initiative of government to reinvent the steel industry can be seen from the measures taken in the last year relatively to safeguard duty and Minimum Import Price (MIP) for steel industry.

In FY 2015, the consumption of finished steel grew to 76.99 million tonnes while CAGR increased to 5.74% during FY 2008 to FY 2015, however driven by rising infrastructure development and growing demand for automotives, steel consumption is expected to reach 104 million tonnes by 2017. It is expected that consumption per capita would increase supported by rapid growth in the industrial sector, and rising infra expenditure projects in railways, roads & highways, etc.

Steel Scenario:

The year that went by was one of the most turbulent for the steel industry. While the automobile and construction sectors continue to support demand, the steel industry is currently facing 3 (three) major headwinds: falling prices, economic slowdown in China and foreign steel imports into the US. Steel companies saw their market capitalisations dwindle to unprecedented levels in 2015.

However, while economic activity in China is moderating because of the economic rebalancing and policy reforms in India are yet to bear fruits, both these countries have a more positive mid to long term outlook.

Despite high demand growth potential for Indian steel, the steelmakers are likely to face various external and internal risks that will remain volatile, uncertain and still deal with a complex and ambiguous business environment. It is, therefore, imperative for steelmakers to align their business growth agenda with sustainability agenda. The demand side opportunities indicate concerted effort would be needed by all stakeholders.

Analysts believe that the combination of predatory pricing and import have, in all probability, jeopardized the significant loans raised by the domestic steel industry for capacity expansion, a situation that has a major bearing on the financial health of some of the largest banks. Bank loans to steel groups becoming non-performing assets will be unavoidable if prices do not improve. For that, the economy needs robust public spending, clearances of infrastructure and other big projects and moderation in steel imports with appropriate safe guards.

Nevertheless, the general expectation is that India will be one of the few countries to remain a "resilient economy" in the face of the global slowdown.

Outlook:

The outlook for the global economy is mostly positive with growth picking up in USA, India and South East Asia. The size of the opportunity is huge as steel demand is estimated to increase to 2.1 billion tonnes by 2040 and a large part of it will come from this part of the world.

Countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world. The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global.

The largest surplus capacity today is in China. While China deals with excess capacity, it is the perfect opportunity for non-Chinese steelmakers to remove inefficiencies and create economies of scale through consolidation. With the currently changing dynamics, steelmakers are focusing on innovative growth strategies, exploring how they can gain access to areas of increased demand, regardless of location.

With their end-use sectors increasingly operating from global platforms, steel suppliers will seek to follow their customers with specialized products to leverage R&D and extend Products' life cycle. The best strategy will be for businesses to be more competitive, agile and innovative while maintaining cost competitiveness

To find the right balance between globalization and customization CMI FPE has identified its key drivers as, optimize costs and capacity, increase market competitiveness along with product concentration. Keeping in view the economic environment in India and the Company's domestic markets as well as its primary markets overseas, your Company has started penetrating new regions with help of CMI Group, which have potential for business.

The strategy going forward would be facilitation through CMI Group for proactive identification of new geographies / regions, new customers and exchange of technologies. We would also look up our existing customers by identifying their additional needs and servicing them in an effective manner.

Credit Rating Agencies expect India's top three steel producers - state-run SAIL, and private players - Tata Steel and JSW Steel to add production capacity in the next two years to capture domestic demand growth. Also, it is expected that the performance of the steel industry in 2016 would be positively correlated to that of automobiles, consumer durables and construction sectors.

To survive and thrive, in a sector in constant transition, steelmakers need to transform themselves. Analysts are of the view that "globalization" is no longer a matter of choice; steel businesses' long-term success depends on it. The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mindset.

Review of Operations:

The year under review was a challenging one owing to the uncertain business environment, both in India and overseas because of the economic slowdown, especially in the steel sector. As a strategic decision, your Company has sold off the Silvassa unit and paid off the Long Term Debt taken to meet the requirements of expansion and modernisation of plants at Taloja and Hedavali.

Your Company has shown a positive EBT of ₹ 1,959.21 in the year under review. The earnings per share of ₹ 10 were ₹ 26.58 (as against ₹ 19.18 in the previous year).

Opportunities and Threats:

The Indian government has taken several steps to protect the domestic steel industry, including raising import duties on long and flat products and auctioning of coal and iron ore mines to user industries.

India is likely to be among the few countries worldwide where steel demand will see an upswing. The demand growth is likely to pick up towards the second half of 2016 as several government sponsored infrastructure projects gather momentum. Given the subdued demand and the spectre of China flooding global markets with cheaper products, analysts predict a tough 2016 for the industry worldwide, but expect India to remain more profitable than its Asian peers, helped by higher domestic economic growth, rising demand and protections.

Indian steel demand is expected to reflect the improving macro-economic environment. Steel end-use sectors are expected to perform better compared to the previous financial year. Infrastructure projects like dedicated freight corridor etc., are gaining momentum and the steady decline in stalled projects coupled with hike in import duty in both long and flat products should stimulate steel demand. Recent weakness in the Indian rupee has also helped competitiveness of domestic steel players. However, steel prices are expected to remain under pressure from Chinese exports and increased domestic competitiveness.

Steel demand in India is expected to grow by 5.4% to 83.8 million tonnes this year on the back of low oil prices and the reform momentum. Analysts also forecast that demand in the world's third largest producer will again grow.

The Company being a project management company and the average gestation time for each project being anywhere between 12 months to 18 months, is exposed to certain inherent risks like variations in input prices, adverse developments at customer-end leading to project delays, prolonged project execution schedules, performance issues, etc. Though all care is taken to mitigate the impact of any adverse elements, the inherent nature of "project business" cannot be devoid of such elements.

The Company has three decades of experience and proven process in Cold Rolling and Metal Processing industry, with continuous innovation, value engineering and cost effective solutions, enabling it to be ahead of its competitors.

Risk Management:

From an entity perspective, and given the turbulent and uncertain business and economic environment in which the Company operates, it is extremely important that it has in place a robust mechanism for risk appraisal, mitigation and management.

In the year under review, the Board, the Audit Committee and the Risk Management Committee carried out extensive reviews of the risk management framework, the risk mapping exercise and the various steps being taken to mitigate the various risks, particularly "operational risks." These reviews were carried out in September 2015 and January 2016.

The Company continues to follow the Internal Control Approach developed by COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control – Integrated Framework ***and*** the COSO Enterprise Risk Management – Integrated Framework, along with ISO 31000:2009 as the framework for risk management at the Company. The preference is to rely more on and institute, wherever possible, automated controls through the Company's state of the art ERP Application.

In order to optimise the effectiveness of the risk mapping exercise, the Board, Audit Committee and Risk Management Committee reviewed various aspects such as the clarity in the rating scale descriptions, the basis on which the "risk taxonomy" had been arrived at, the degree of dispersion in the risk and controls scores for various risk IDs across the respondents (as measured by the "coefficient of variance" for each Risk ID) and the feasibility and implementation status of the "action plans" pursuant to the risk mapping exercise.

It was also ensured that the participants to the risk mapping exercise, basically "heads of function", should have adequate awareness on the clauses of ISO 31000:2009, the concepts of "inherent risk" and "residual risk".

The risk mapping participants were also sensitised to the latest concepts in risk management such as "Black Swan events" and "Risk Velocity".

The Audit Committee and Risk Management Committee also reviewed the various measures taken to comply with the provisions of Section 134(5) of the Companies Act, 2013 relating to "internal financial controls", notably the templates adopted for internal financial controls, the quality of the "information" contained in these templates, the various risks identified at a process level, the manner in which "test of design" and "test of operating effectiveness" had been carried out for the various "process controls" by the management team and were quite satisfied with the extensive work done in this area.

Also, from an entity governance perspective, we continue to follow the Commitment Committee procedure, whereby all customer bids beyond a pre – determined value are reviewed by the "Commitment Committee". The Commitment Committee examines in great detail the various sources of risks and the risk mitigation strategies to be adopted 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. The various risks identified as well as risk mitigation strategies are reviewed on a periodic basis by the Company and emergent actions are taken on the basis of these reviews. The learnings from the actual risks and the effectiveness of the mitigation strategies are analysed for further learning, and for refining the approach for future contracts.

The Company has contingent liability as disclosed in the Note No. 28.1 of Notes forming part of the Financial Statements for the year ended on March 31, 2016.

Finance:

Your Company has paid the entire long term loan in the year under review. Hence, your Company is a debt free company now (no long term debt).

We have switched the rating agencies from CRISIL to CARE. CARE has downgraded the Long Term Rating from CRISIL A- to CARE BBB+ and reaffirmed the short Term Rating of CRISIL A2+ to CARE A2+.

Optimising working capital through improved inventory and receivables management, close monitoring of project cash flows and maintaining a strict vigil on sales and general administration cost, will continue to be of significant importance going forward.

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

Human Resource Management and Industrial Relations:

The Company's human resource initiatives are primarily focused towards building and nurturing a robust leadership pipeline, evaluating employees periodically on "job related competencies" and aligning "training" with "training needs" identified at the time of performance appraisal or otherwise as per changing business environment.

As an outcome of the 'Pulse - a CMI people survey' carried out in June / July 2014, various action plans were prepared and pursued such as "leadership pipeline evaluation" through an independent "assessment centre," based on pre – defined competencies, creating a "learning organization", optimizing process improvement, waste elimination through improvement projects – "Together towards Tomorrow", etc. This process has been repeated again in April 2016 at CMI Group level including India.

A major Human Resource initiative carried out in the year under review was "Innovation Week", organized from September 7 to 10, 2015. Speakers drawn from the "academic fraternity" and "industry" spoke on: "Insight into Design Thinking", "Innovation in Manufacturing", "Role of learning and Adaptive Strategy", "Empowering leadership behaviour". A "Technical Innovation Committee" was also notified on conclusion of "Innovation Week".

The key imperative is to take advantage of "emerging technologies" and experiment with new business models, to maintain and enhance our "competitive advantage" on an ongoing basis.

The permanent employee strength of the Company as on March 31, 2016 was 470. The total training hours, including Staff and Secondary employees, aggregated to 6424 man-hours.

In retrospect, the "leadership pipeline" has in fact served a larger purpose:

- Identify individuals with the potential to transform the organization through "process innovation".
- Identify individuals to handle "product related customer centric innovation opportunities" across the entity, for which a two tier structure – "Technical Innovation Committee" - has been put in place.

Industrial relations at the Company were cordial throughout the year.

Health and Safety:

The Company adopts a proactive approach to occupational health and safety through a "hierarchy of controls" which are deployed in a seamless manner *i.e.* elimination / substitution of unsafe conditions, deployment of engineering control and administrative controls and using the appropriate PPE for carrying out hazardous tasks.

The Company has implemented various engineering controls, pursuant to hazard identification and risk assessment for its major work centres such as EOT crane proximity sensors, flash back arrestors, colour coding & testing of lifting tools & tackles, pneumatic hose reels, interlocks, machine guards, sensors for transfer trolley, etc.

The principal administrative controls deployed include safety meetings, safety trainings and tool box talks. A major landmark was achieved by our Taloja workshop, which completed 1000 days without any "lost time accident" on April 18, 2016.

Various safety related programs were organized during the 45th National Safety Week from March 4 to11, 2016 – the primary purpose of having a week - long event being of course to renew the commitment of employees to "work safely throughout the year".

The Machine Shop at Taloja Plant won the "Housekeeping Contest" while Assembly Shop, Taloja won the award for "best presentation" relating to Safety improvements actually implemented at departmental / shop level.

Optimisation of Key Business Processes:

Considering that the Company operates in an extremely competitive market, both in the domestic and international arena, it was felt that specific initiatives need to be taken to strengthen the Company's "process orientation" on a continuous basis.

Optimisation of machining time was carried out with the help of new generation toolings (high speed drills) from Sandvik. Also, standardisation of routing times for internal processing was completed and restriction placed on changing master routings, production routings.

Focus on operational excellence is continuing for strengthening design / engineering, project execution and controls, optimizing cost structure and assets utilization, optimization of "throughput" at the Company's workshops.

As stated earlier the Company has been certified to the ISO 9001 : 2008 Quality Management System for the last 15 years and has base lined its safety management system with OSHAS, 2007.

Internal quality audits, internal safety audits and internal supplier process audits were carried out as per the Annual Calendar set.

In addition, QMS awareness training, EHS awareness training, NDT (Non Destructive Test) awareness training as well as internal quality audit refresher training for the team of cross functional internal ISO auditors has been carried out.

Re-certification Audit (ISO 9001 : 2008) was completed with TUV Nord in July 2015. Hedavali was included in the scope line of ISO 9001 : 2008. The Audit Report of the Certifying Body identified four good practices and no minor, major non conformities (TUV Nord).

The Company had earlier successfully deployed a state of the art "CAM software" and "network infrastructure" to facilitate CAD/CAM integration. This has given us a capability to simulate tool motions for various machining jobs in the software, thereby arriving at a realistic 'touch time' for the various machining operations on our CNC machining centres. This tool is being extended to all component / part families in a phased manner.

For the year under review, implementation of CAD / CAM integration programs for an additional 5 CNC machines at Taloja was completed successfully (fully operational effective November 30, 2015). With this, CAD/CAM integration has been deployed across 14 CNC work centres.

Our Project Managers underwent a training program conducted by external faculty on 'Project Management', aligned with the course outline of the Project Management Professional (PMP) credential, offered by the Project Management Institute.

Considering that suppliers are 'our business partners' and our strategic intent is not merely to "manage supplier relationship" but in fact to "nurture supplier relationships" a supplier meet was organised in March 2016 with participation by several members of the Management team. The expectations from the suppliers going forward as well as 'supplier evaluation methodology' were shared. Further, a patient hearing was given by the Management team to the issues and concerns raised by the suppliers.

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. Incremental configuration was carried out during the year to improve the functional deployment in line with user needs.

Training programs, facilitated by internal faculty, were carried out for users of the Company's ERP system to optimise productivity in the use of this application. The Company has also deployed a reliable infrastructure for offline backups.

The Company had implemented an advanced planning and scheduling software application. This constraint based software application gives vastly improved visibility of project progress. Various enhancements were carried out in this software tool, particularly in the reporting capability, to make it more responsive to the needs of users.

Full fledged data connectivity (point to point link) between Andheri location and Hedavali Plant was established in August 2015 covering the Enterprise Resource Planning Application and email, with a significant cost saving vis-a-vis the earlier arrangement.

In the course of the year, we provisioned a Disaster Recovery capability, on an outsourced model with a well defined Service Level Agreement (SLA) to a third party data centre. This Disaster Recovery (DR) capability was implemented based on a detailed "project plan". A "DR drill" was also successfully carried out.

Internal Control Systems:

The Company engaged KPMG as Internal Auditors for the year under review, 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 at the beginning of the year, and reviews at every meeting the internal audit reports as well as action taken on the matters reported upon. 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.

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.

Independent Auditors' Report

TO THE MEMBERS OF CMI FPE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CMI FPE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and 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 Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28.1 to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts- Refer Note 29.9 to the financial statements. Further, the Company did not have any material losses on derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(Khurshed Pastakia)
(Partner)
(Membership No. 31544)

Place : Mumbai
Date : May 19, 2016

ANNEXURE "A"
TO THE INDEPENDENT AUDITOR'S REPORT OF CMI FPE LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CMI FPE Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

(Khurshed Pastakia)
(Partner)
(Membership No. 31544)

Place : Mumbai
Date : May 19, 2016

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT OF CMI FPE LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company did not have any unclaimed deposit.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 [under Other Machinery in Part (B) Non-Regulated Sector]. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lacs)
The Central Excise Act, 1944	Service Tax – Cenvat Credit (excluding interest)	Commissioner of Central Excise LTU, Mumbai	2009-10 to 2014-15	184.63
The Central Excise Act, 1944	Excise Duty – Cenvat Credit (excluding interest)	Commissioner of Central Excise LTU, Mumbai	2009-10 to 2010-11	88.33
Tamil Nadu Value Added Tax, 2006	Sales Tax	Deputy Commissioner III, Chennai	2012-13	3.66
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10 (A.Y.)	11.19
Income-Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2011-12 (A.Y.)	45.95
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2013-14 (A.Y.)	83.02

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer / further public offer (including debt instruments). Further, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the Ministry of Corporate Affairs General Circular no. 07/2015 that permits the managing director of the Company to continue to receive remuneration for his remaining term in accordance with terms and conditions approved by the Company as per the relevant provisions of Schedule XIII of the Companies Act, 1956 where a part of his tenure falls after April 1, 2014.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

(Khurshed Pastakia)
(Partner)
(Membership No. 31544)

Place : Mumbai
Date : May 19, 2016

Balance Sheet as at March 31, 2016

(₹ in lacs)

	Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**493.78**	493.78
	(b) Reserves and surplus	4	**14,576.15**	13,356.65
			15,069.93	13,850.43
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	**–**	1,154.29
	(b) Other long-term liabilities	6	**1,304.55**	926.63
	(c) Long-term provisions	7	**291.82**	503.44
			1,596.37	2,584.36
3	**Current liabilities**			
	(a) Short-term borrowings	8	**–**	802.94
	(b) Trade payables	9		
	Payable to micro enterprises and small enterprises		**603.79**	749.67
	Other payables		**5,551.59**	5,387.06
	(c) Other current liabilities	10	**4,491.14**	10,592.58
	(d) Short-term provisions	11	**1,058.23**	1,379.32
			11,704.75	18,911.57
Total			**28,371.05**	35,346.36
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12.A	**6,828.73**	7,021.92
	(ii) Intangible assets	12.B	**6.20**	31.60
	(iii) Capital work-in-progress		**113.94**	101.21
			6,948.87	7,154.73
	(b) Non-current investments	13	**–**	–
	(c) Deferred tax assets (net)	29.8	**385.92**	1,009.85
	(d) Long-term loans and advances	14	**1,223.85**	689.87
	(e) Other non-current assets	15	**147.23**	1,067.82
			8,705.87	9,922.27
2	**Current assets**			
	(a) Inventories	16	**2,147.60**	2,162.43
	(b) Trade receivables	17	**12,235.40**	13,178.25
	(c) Cash and cash equivalents	18	**453.29**	2,688.20
	(d) Short-term loans and advances	19	**970.89**	862.20
	(e) Other current assets	20	**3,858.00**	6,533.01
			19,665.18	25,424.09
Total			**28,371.05**	35,346.36

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Jean Jouet
Chairman
DIN: 06937120

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Khurshed Pastakia
Partner

Place : Mumbai
Date : May 19, 2016

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place : Mumbai
Date : May 19, 2016

Statement of Profit and Loss for the year ended March 31, 2016

(₹ in lacs)

	Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Revenue from operations (gross)	21	**21,197.52**	22,857.33
	Less: Excise duty	21	**659.71**	923.94
	Revenue from operations (net)		**20,537.81**	21,933.39
2	Other income	22	**911.26**	2,159.39
3	**Total revenue (1+2)**		**21,449.07**	24,092.78
4	**Expenses**			
	(a) Cost of materials consumed	23.a	**4,095.79**	5,768.94
	(b) Purchases of stock-in-trade	23.b	**6,362.87**	8,893.35
	(c) Changes in inventories of finished goods and work-in-progress	23.c	**141.74**	(57.94)
	(d) Employee benefits expense	24	**4,415.85**	4,410.51
	(e) Finance costs	25	**237.45**	429.57
	(f) Depreciation and amortisation expense	12.C	**579.19**	650.13
	(g) Other expenses	26	**5,090.90**	3,761.83
	Total expenses		**20,923.79**	23,856.39
5	**Profit before exceptional item and tax (3-4)**		**525.28**	236.39
6	Exceptional item	27	**1,433.93**	556.48
7	**Profit before tax (5+6)**		**1,959.21**	792.87
8	**Tax expense:**			
	(a) Current tax expense		**23.00**	150.00
	(b) Deferred tax	29.8	**623.93**	(304.40)
			646.93	(154.40)
9	**Profit for the year (7-8)**		**1,312.28**	947.27
10	**Earnings per share (of ₹ 10/- each):**	29.7		
	(a) Basic (₹)		**26.58**	19.18
	(b) Diluted (₹)		**26.58**	19.18

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Khurshed Pastakia
Partner

Place : Mumbai
Date : May 19, 2016

For and on behalf of the Board of Directors

Jean Jouet
Chairman
DIN: 06937120

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place : Mumbai
Date : May 19, 2016

Cash Flow Statement for the year ended March 31, 2016

(₹ in lacs)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A	**Cash flow from operating activities:**		
	Net Profit before tax	**1,959.21**	792.87
	Adjustments for:		
	Depreciation and amortisation expense	**579.19**	650.13
	Exceptional items	**(1,433.93)**	(556.48)
	Bad trade and other receivables, loans and advances written off	**593.92**	185.96
	Provision/(Reversal of provision) for doubtful trade receivables (net)	**792.44**	(48.90)
	Reversal of provision for warranties (net)	**(214.77)**	(72.59)
	Reversal of provision for estimated losses on contracts (net)	**(144.95)**	(266.69)
	Reversal of provision for employee benefits (net)	**(60.80)**	(87.21)
	Profit on sale/write off of fixed assets (net)	**(5.65)**	(117.33)
	Interest expense	**170.05**	273.58
	Interest income	**(68.03)**	(257.00)
	Unrealised foreign exchange gain (net)	**(68.39)**	(71.49)
	Operating profit before working capital changes	**2,098.29**	424.85
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	**14.83**	(638.04)
	Trade receivables	**(428.45)**	4,384.25
	Short-term loans and advances	**(114.75)**	1,394.35
	Long-term loans and advances	**(146.04)**	(174.79)
	Other current assets	**2,392.06**	2,354.59
	Other non-current assets	**897.72**	(493.09)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**(14.38)**	(2,840.58)
	Other current liabilities	**(5,514.37)**	(1,600.76)
	Other long-term liabilities	**377.59**	(160.39)
	Cash (used in)/from operations	**(437.50)**	2,650.39
	Income tax (paid)/refund (net)	**(524.88)**	444.48
	Net cash flow (used in)/from operating activities (A)	**(962.38)**	3,094.87
B	**Cash flow from investing activities:**		
	Capital expenditure on fixed assets, including capital advances*	**(358.72)**	(671.74)
	Interest received	**97.87**	253.34
	Proceeds from sale of fixed assets	**1,693.07**	108.37
	Bank balances not considered as Cash and cash equivalents (net)	**457.55**	26.85
	Net cash flow from/(used in) investing activities (B)	**1,889.77**	(283.18)

Cash Flow Statement for the year ended March 31, 2016 (contd.)

(₹ in lacs)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C	**Cash flow from financing activities:**		
	Repayment of long-term borrowings	**(1,731.43)**	(577.14)
	Repayment of short-term borrowings	**(802.94)**	(286.63)
	Interest paid*	**(191.56)**	(276.83)
	Dividend and dividend tax paid (Including changes in unpaid dividend)	**(1.69)**	(4.65)
	Net cash flow used in financing activities (C)	**(2,727.62)**	(1,145.25)
	Net (decrease)/increase in Cash and cash equivalents (A+B+C)	**(1,800.23)**	1,666.44
	Cash and cash equivalents as at the beginning of the year	**1,926.36**	256.95
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**(0.03)**	2.97
	Cash and cash equivalents as at the end of the year	**126.10**	1,926.36
	* Capital expenditure on fixed assets is inclusive of borrowing cost paid and capitalised and Interest paid is exclusive of borrowing cost paid and capitalised ₹ Nil (March 31, 2015: ₹ 14.96 lacs)		
	Reconciliation of Cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents as per Balance Sheet (Refer Note 18)	**453.29**	2,688.20
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements*		
	Unclaimed Dividend	**8.48**	10.18
	Balances held as margin money	**318.71**	751.66
	Net Cash and cash equivalents (as defined in AS 3 *Cash Flow Statements)* included in Note 18	**126.10**	1,926.36
Notes:			
1	Cash and cash equivalents comprise of the following:		
	(a) Cash on hand	**1.74**	3.26
	(b) Cheque on hand	**–**	854.90
	(c) Balances with banks		
	(i) In current accounts	**110.34**	356.46
	(ii) In EEFC accounts	**14.02**	711.74
	Total	**126.10**	1,926.36
2	Previous year's figures have been recast/restated wherever necessary.		

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Khurshed Pastakia
Partner

Place : Mumbai
Date : May 19, 2016

For and on behalf of the Board of Directors

Jean Jouet
Chairman
DIN: 06937120

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place : Mumbai
Date : May 19, 2016

Notes forming part of the financial statements

1 **Corporate Information:**

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 **Significant Accounting Policies:**

2.1 **Basis of accounting and preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 **Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 **Inventories:**

i Inventories are valued at lower of cost and net realisable value.

ii Cost of raw materials comprises all costs of purchases (Net of Cenvat credit) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by moving weighted average method.

iii Cost is arrived at on a moving weighted average method and includes, where appropriate, manufacturing overheads and excise duty. Work-in-progress and finished goods inventories are valued as aforesaid based on estimated value of work completed on each project.

iv Material procured for a specific project is immediately booked to the project and is not considered as inventory.

v Inventories include goods lying with vendors for job work and goods-in-transit.

2.4 **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 **Cash and cash equivalents (for purpose of Cash Flow Statement):**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 **Depreciation/Amortisation:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

Leasehold land is amortised over the duration of the lease.

Software are amortised over their estimated useful life of 3 years on straight line method.

2.7 Revenue Recognition:

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenue from 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 percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

At each reporting date, the contracts in progress (Progress work) are valued and carried in the Balance Sheet under Other current assets. Advance and progress payments received from customers during the course to completion are carried under Other long-term liabilities and Other current liabilities.

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

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 Statement of Profit and Loss 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.

Notes forming part of the financial statements

2.8 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 amortisation and impairment losses, if any. 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.

iii Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

2.9 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/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

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 highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

Notes forming part of the financial statements

2.10 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.

2.11 Employee Benefits:

i **Defined Contribution Plan:**

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii **Defined Benefit Plan/Long-term compensated absences:**

The Company’s liabilities towards gratuity and compensated absences are determined as at the end of the reporting date by an 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 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.

2.12 Borrowing costs:

Borrowing costs include interest and ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

2.13 Segment Reporting:

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income/expenses".

2.14 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 Statement of Profit and Loss 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 recognised 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.

Notes forming part of the financial statements

2.15 Earnings per Share:

Basic and diluted 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.

2.16 Income Taxes:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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.

2.17 Impairment of Assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.18 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.

2.19 Provision for Doubtful Trade Receivables:

Specific provision for doubtful trade receivables is made where collection of trade receivables is uncertain.

2.20 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.

2.21 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.

2.22 Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.23 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.24 Technology Fees:

Technology fees is computed under an agreement effective from January 1, 2010 for the tenure of 5 years and revised for another 5 years with effect from January 1, 2015 on value addition basis on the equipment manufactured with the 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 related expenses under head Other expenses.

2.25 Brand Fees:

Brand fees charged by CMI SA, under an agreement effective from January 1, 2010 for the tenure of 5 years and revised for another 5 years with effect from January 1, 2015 is being charged off at the time of incurrence and is included in Other expenses.

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	8,000,000	800.00	8,000,000	800.00
Preference shares of ₹ 100/- each	200,000	200.00	200,000	200.00
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	4,937,813	493.78	4,937,813	493.78
Total	**4,937,813**	**493.78**	4,937,813	493.78
Refer Notes (i) to (iv) below				

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	Number	₹ in lacs	Number	₹ in lacs
Shares outstanding at the beginning of the year	4,937,813	493.78	4,937,813	493.78
Shares issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	4,937,813	493.78	4,937,813	493.78

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion of the paid up share capital held by the shareholders.

(iii) Details of shares held by the Holding Company, and their Subsidiaries:

Particulars	As at March 31, 2016	As at March 31, 2015
Equity shares with voting rights	**Number of shares**	Number of shares
Cockerill Maintenance and Ingenierie SA, the Holding Company	3,697,700	3,697,700
CMI Industry Automation Private Limited, Subsidiary of the Holding Company	5,500	5,500

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Cockerill Maintenance and Ingenierie SA	3,697,700	74.89%	3,697,700	74.89%

Notes forming part of the financial statements

Note 4 Reserves and surplus

(₹ in lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Securities premium account	**1,466.27**	1,466.27
(b)	General reserve	**9,075.03**	9,075.03
(c)	Hedging reserve		
	Opening balance	**73.67**	–
	Add/(Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	**(19.11)**	73.67
	Add/(Less) : Transferred to Statement of Profit and Loss	**(73.67)**	–
	Closing balance	**(19.11)**	73.67
(d)	Surplus in the Statement of Profit and Loss		
	Opening balance	**2,741.68**	1,794.41
	Add: Profit for the year	**1,312.28**	947.27
	Closing balance	**4,053.96**	2,741.68
Total		**14,576.15**	13,356.65

Note 5 Long-term borrowings

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Term loan:		
From bank - Secured [Refer Note (i) and (ii)]	**–**	1,154.29
Total	**–**	1,154.29

Note:

(i) Details of terms of repayment for long-term borrowings and security provided in respect of the secured long-term borrowings:

Particulars	Terms of repayment and security	As at March 31, 2016	As at March 31, 2015
Term loan from bank:			
HDFC Bank Limited	**Terms of repayment -** Repayment was to be made in quarterly installments (As at March 31, 2015: 8 equal quarterly installments) bearing interest @ HDFC base rate + 3%. During the year the Company has repaid outstanding balance in full.	**–**	1,154.29
	Security - Term loan was secured by first charge over all the immovable properties and movable fixed assets of the Company located at Taloja and second *pari passu* charge on all current assets of the Company both present and future. As at March 31, 2016 the said charge has been released.		
Total		**–**	1,154.29

(ii) For the Current maturities of long-term debt, refer item (a) in Note 10 Other current liabilities.

Notes forming part of the financial statements

Note 6 Other long-term liabilities

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Trade Payables: (Other than Acceptances)		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 28.2)	**12.37**	27.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	**42.39**	35.78
	54.76	63.66
(b) Others:		
(i) Advances from customers (Refer Note 29.1)	**1,162.79**	862.97
(ii) Trade/security deposits received	**87.00**	–
	1,249.79	862.97
Total	**1,304.55**	926.63

Note 7 Long-term provisions

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**186.68**	209.74
(ii) Provision for gratuity (net) (Refer Note 29.2)	**–**	28.25
	186.68	237.99
(b) Provision - Others:		
(i) Provision for warranties (Refer Note 29.9)	**105.14**	265.00
(ii) Provision for estimated losses on contracts (Refer Note 29.9)	**–**	0.45
	105.14	265.45
Total	**291.82**	503.44

Note 8 Short-term borrowings

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand from bank - Secured (Refer Note below for security details)		
Buyer's Credit	**–**	802.94
Total	**–**	802.94

Note:

The above borrowings from bank were secured by first *pari passu* charge over land and building of the Company located at Andheri and plot nos. A-84/2 and A-84/3 at Taloja, plant and machinery at Taloja factory, hypothecation of stock and book debts. The Company continues to avail non-fund based limits and the charge continues.

Notes forming part of the financial statements

Note 9 Trade payables

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises (Refer Note 28.2)	**603.79**	749.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	**5,551.59**	5,387.06
Total	**6,155.38**	6,136.73

Note 10 Other current liabilities

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt	**–**	577.14
(b) Interest accrued but not due on borrowings	**–**	21.51
(c) Unpaid dividends	**8.48**	10.17
(d) Other payables		
(i) Statutory remittances (Contribution to PF and ESIC, Withholding Taxes, Excise Duty, Service Tax, etc.)	**191.45**	227.38
(ii) Payables on purchase of fixed assets	**44.65**	31.38
(iii) Contractually reimbursable expenses	**10.00**	11.83
(iv) Trade/security deposits received	**7.50**	1.50
(v) Advances from customers [Refer Note (i) below] (Refer Note 29.1)	**1,746.98**	5,398.78
(vi) Dues to customers on construction contracts (Refer Note 29.1)	**2,462.97**	2,478.77
(vii) Foreign currency payable towards forward contracts	**–**	322.69
(viii) Amount payable to bank - towards derivative contracts	**–**	165.18
(ix) Forward contract liability (Exports)	**–**	1,346.25
(x) Derivative liability	**19.11**	–
Total	**4,491.14**	10,592.58
Note (i) : Advances from customers include from group companies:		
Cockerill Maintenance and Ingenierie SA, the Holding Company	**313.98**	–
CMI Tech 5i Pastor SAS, Fellow Subsidiary	**–**	27.90
Total	**313.98**	27.90

Note 11 Short-term provisions

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits:		
Provision for compensated absences	**34.13**	43.62
	34.13	43.62
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	**8.13**	120.32
(ii) Provision for warranties (Refer Note 29.9)	**882.68**	937.59
(iii) Provision for estimated losses on contracts (Refer Note 29.9)	**133.29**	277.79
	1,024.10	1,335.70
Total	**1,058.23**	1,379.32

Notes forming part of the financial statements

Note 12 Fixed assets

(₹ in lacs)

A. Tangible assets	Gross block						Accumulated depreciation						Net block	
	Balance as at April 1, 2015	Additions	Disposals	Borrowing cost capitalised	Reclassified as held for sale	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation expense for the year	Other adjustments / Transition adjustment recorded in Statement of Profit and Loss #	Eliminated on disposal of assets	Eliminated on reclassified as held for sale	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
(a) Land														
Freehold	1,069.90	–	–	–	–	1,069.90	–	–	–	–	–	–	1,069.90	
(Previous year)	(1,007.54)	(166.35)	(–)	(–)	(103.99)	(1,069.90)	(–)	(–)	(–)	(–)	(–)	(–)		(1,069.90)
Leasehold	353.85	–	–	–	–	353.85	39.61	5.66	–	–	–	45.27	308.58	
(Previous year)	(353.85)	(–)	(–)	(–)	(–)	(353.85)	(33.95)	(5.66)	(–)	(–)	(–)	(39.61)		(314.24)
(b) Buildings														
Factory road	236.32	–	–	–	–	236.32	83.27	45.85	–	–	–	129.12	107.20	
(Previous year)	(203.26)	(60.39)	(–)	(–)	(27.33)	(236.32)	(29.91)	(54.10)	(23.02)	(–)	(23.76)	(83.27)		(153.05)
Factory buildings	3,501.35	140.46	–	–	–	3,641.81	1,029.55	119.89	–	–	–	1,149.44	2,492.37	
(Previous year)	(3,911.74)	(224.88)	(–)	(–)	(635.27)	(3,501.35)	(1,515.34)	(130.90)	(–261.82)	(–)	(354.87)	(1,029.55)		(2,471.80)
Office building	502.55	–	–	–	–	502.55	94.14	8.21	–	–	–	102.35	400.20	
(Previous year)	(502.55)	(–)	(–)	(–)	(–)	(502.55)	(253.62)	(8.21)	(–167.69)	(–)	(–)	(94.14)		(408.41)
(c) Plant and Equipment														
Plant and equipment	4,859.45	184.54	–	–	–	5,043.99	2,563.71	291.30	–	–	–	2,855.01	2,188.98	
(Previous year)	(4,249.31)	(597.77)	(1.60)	(87.97)	(74.00)	(4,859.45)	(2,758.37)	(233.60)	(–392.35)	(1.60)	(34.31)	(2,563.71)		(2,295.74)
Electrical installations	209.15	0.46	–	–	–	209.61	79.24	19.87	–	–	–	99.11	110.50	
(Previous year)	(229.12)	(1.59)	(–)	(–)	(21.56)	(209.15)	(90.78)	(23.06)	(–23.30)	(–)	(11.30)	(79.24)		(129.91)
Quality control equipment	41.80	1.74	0.74	–	–	42.80	26.47	2.14	–	0.73	–	27.88	14.92	
(Previous year)	(41.80)	(–)	(–)	(–)	(–)	(41.80)	(26.08)	(2.01)	(–1.62)	(–)	(–)	(26.47)		(15.33)
(d) Furniture and Fixtures	165.63	10.52	0.71	–	–	175.44	101.13	12.45	–	0.71	–	112.87	62.57	
(Previous year)	(167.92)	(1.36)	(3.62)	(–)	(0.03)	(165.63)	(106.41)	(13.63)	(–15.36)	(3.52)	(0.03)	(101.13)		(64.50)
(e) Vehicles	69.27	–	–	–	–	69.27	28.41	10.01	–	–	–	38.42	30.85	
(Previous year)	(59.54)	(9.73)	(–)	(–)	(–)	(69.27)	(35.06)	(9.56)	(–16.21)	(–)	(–)	(28.41)		(40.86)
(f) Office equipment	198.39	4.13	9.48	–	–	193.04	176.15	9.57	–	9.16	–	176.56	16.48	
(Previous year)	(195.32)	(5.52)	(2.23)	(–)	(0.22)	(198.39)	(132.55)	(17.44)	(28.40)	(2.19)	(0.05)	(176.15)		(22.24)
(g) Computers	481.69	13.03	12.30	–	–	482.42	445.75	22.71	–	12.22	–	456.24	26.18	
(Previous year)	(478.21)	(8.60)	(3.78)	(–)	(1.34)	(481.69)	(393.25)	(73.70)	(–16.09)	(3.77)	(1.34)	(445.75)		(35.94)
Total	**11,689.35**	**354.88**	**23.23**	**–**	**–**	**12,021.00**	**4,667.43**	**547.66**	**–**	**22.82**	**–**	**5,192.27**	**6,828.73**	
(Previous year)	(11,400.16)	(1,076.19)	(11.23)	(87.97)	(863.74)	(11,689.35)	(5,375.32)	(571.87)	(–843.02)	(11.08)	(425.66)	(4,667.43)		(7,021.92)

Refer Note 28.9

(₹ in lacs)

B Intangible assets	Gross block				Accumulated amortisation				Net block	
	Balance as at April 1, 2015	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
(a) (Computer software - acquired	812.69	6.13	–	818.82	781.09	31.53	–	812.62	6.20	
(Previous year)	(812.11)	(0.58)	(–)	(812.69)	(702.83)	(78.26)	(–)	(781.09)		(31.60)
(b) Designs and drawings - acquired	468.10	–	–	468.10	468.10	–	–	468.10	–	
(Previous year)	(468.10)	(–)	(–)	(468.10)	(468.10)	(–)	(–)	(468.10)		(–)
Total	**1,280.79**	**6.13**	**–**	**1,286.92**	**1,249.19**	**31.53**	**–**	**1,280.72**	**6.20**	
Previous year	(1,280.21)	(0.58)	(–)	(1,280.79)	(1,170.93)	(78.26)	(–)	(1,249.19)		(31.60)

C **Depreciation and amortisation expense:**

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation for the year on tangible assets as per Note 12 A	547.66	571.87
Amortisation for the year on intangible assets as per Note 12 B	31.53	78.26
Depreciation and amortisation	**579.19**	650.13

Notes forming part of the financial statements

Note 13 Non-current investments

(₹ in lacs)

Particulars	As at March 31, 2016 Unquoted	As at March 31, 2015 Unquoted
Long-term investments		
Other		
Investment in equity instruments		
4,000 (As at March 31, 2015: 4,000) shares of ₹ 10/- each fully paid up in Elbee Services Limited (Book value ₹ 1/-)	–	–
34,000 (As at March 31, 2015: 34,000) shares of ₹ 10/- each fully paid up in Essem Coated Steels Limited (Book value ₹ 1/-)	–	–
100,000 (As at March 31, 2015: 100,000) shares of ₹ 10/- each fully paid up in Elbee Airline Limited (Book value ₹ 1/-)	–	–
Total *	–	–
* Represents ₹ 3/-		
Aggregate amount of unquoted investments	–	–

Note 14 Long-term loans and advances

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
(a) Capital advances	–	1.75
(b) Security deposits	**25.32**	26.66
(c) Loans and advances to employees	**0.51**	0.86
(d) Prepaid expenses (Refer note 29.2)	**106.29**	5.19
(e) Advance income tax (net of provisions)	**652.45**	262.76
(f) Balances with government authorities		
Value Added Tax credit receivable	**439.28**	392.65
Total	**1,223.85**	689.87

Note 15 Other non-current assets

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Long - term trade receivables (retention monies) - Unsecured, considered good (Refer Note 29.1)	**146.85**	1,044.57
(b) Accruals		
Interest accrued on deposits	**0.03**	–
(c) Others		
Balances held as margin money (restricted with maturity more than 12 months)	**0.35**	23.25
Total	**147.23**	1,067.82

Notes forming part of the financial statements

Note 16 Inventories

(At lower of cost and net realisable value) **(₹ in lacs)**

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Raw materials	**1,673.01**	1,505.23
Goods-in-transit	**5.72**	2.02
	1,678.73	1,507.25
(b) Work-in-progress (Spares components)	**118.77**	77.16
(c) Finished goods*	**244.76**	428.11
(d) Stores and spares	**105.34**	149.91
Total	**2,147.60**	2,162.43

* Finished goods include excise duty of ₹ 114.04 lacs (As at March 31, 2015: ₹ 166.52 lacs) of which ₹ 94.42 lacs (As at March 31, 2015: ₹ 149.50 lacs) are pertaining to project stocks.

Note 17 Trade receivables

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	**4,383.94**	6,122.37
Doubtful	**218.38**	3.18
	4,602.32	6,125.55
Less: Provision for doubtful trade receivables	**(218.38)**	(3.18)
	4,383.94	6,122.37
Other Trade receivables*		
Unsecured, considered good	**7,851.46**	7,055.88
Doubtful	**577.24**	2,639.90
	8,428.70	9,695.78
Less: Provision for doubtful trade receivables	**(577.24)**	(2639.90)
	7,851.46	7,055.88
Total	**12,235.40**	13,178.25

* Other trade receivables include retention monies of ₹ 3,552.33 lacs (As at March 31, 2015: ₹ 4,434.32 lacs) (Refer Note 29.1)

Note 18 Cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Cash on hand	**1.74**	3.26
(b) Cheques on hand	**–**	854.90
(c) Balances with banks		
(i) In current accounts	**110.34**	356.46
(ii) In EEFC accounts	**14.02**	711.74
(iii) In earmarked accounts		
– Unpaid dividend accounts	**8.48**	10.18
– Balances held as margin money guarantees and other commitments	**318.71**	751.66
Total	**453.29**	2,688.20
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	**126.10**	1,926.36

Notes forming part of the financial statements

Note 19 Short-term loans and advances

(₹ in lacs)

Particulars			As at March 31, 2016	As at March 31, 2015
Unsecured, considered good				
(a)	Loans and advances to related parties (Refer Note 29.5)		**0.30**	–
(b)	Security deposits		**6.00**	6.05
(c)	Loans and advances to employees		**17.16**	15.38
(d)	Prepaid expenses		**117.37**	147.09
(e)	Balances with government authorities			
	(i)	CENVAT credit receivable	**194.43**	80.11
	(ii)	Value Added Tax credit receivable	**289.37**	55.58
	(iii)	Service Tax credit receivable	**212.82**	160.32
(f)	Others			
		Advances paid to suppliers	**133.44**	397.67
Total			**970.89**	862.20

Note 20 Other current assets

(₹ in lacs)

Particulars			As at March 31, 2016	As at March 31, 2015
(a)	Dues from customers on construction contracts (Refer Note 29.1)		**3,613.01**	4,124.92
(b)	Accruals			
	Interest accrued on deposits		**1.34**	31.21
(c)	Others			
	(i)	Receivables towards gratuity	**0.91**	2.10
	(ii)	Receivables on sale of fixed assets	**200.00**	15.00
	(iii)	Other receivables	**38.85**	–
	(iv)	Foreign currency receivable towards forward contracts	**–**	304.16
	(v)	Derivative assets	**–**	73.67
	(vi)	Amount receivable from bank - towards derivative contracts	**–**	1,379.46
	(vii)	Forward contract asset (Imports)	**–**	160.52
	(viii)	Fixed assets held for sale (Refer Note 29.13)	**3.89**	441.97
Total			**3,858.00**	6,533.01

Note 21 Revenue from operations

(₹ in lacs)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
(a)	Sale of products [Refer Note (i) below]	**18,966.04**	21,153.80
(b)	Sale of services [Refer Note (ii) below]	**1,881.03**	1,375.68
(c)	Other operating revenues [Refer Note (iii) below]	**350.45**	327.85
		21,197.52	22,857.33
	Less:		
	Excise duty	**659.71**	923.94
Total		**20,537.81**	21,933.39

Notes forming part of the financial statements

Notes: (₹ in lacs)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
(i)	Sale of products comprises:		
	Cold Rolling Mill	**4,526.30**	5,947.19
	Continuous Galvanizing Lines	**7,773.05**	7,153.95
	Acid Regeneration Plant	**637.27**	1,907.17
	Tension Levelling Line	**785.28**	2.70
	Electrolytic Cleaning Line	**228.72**	597.94
	Pickling Line	**26.15**	93.67
	Colour Coating Line	**698.85**	1,818.79
	Wet Flux Line	**72.00**	24.61
	HR skin pass mill	**1,553.89**	1,681.35
	Others (including spares and excise duty)	**2,664.53**	1,926.43
Total - Sale of products		**18,966.04**	21,153.80
(ii)	Sale of services comprises:		
	Service - supervision charges	**1,636.35**	829.50
	Service - erection charges	**16.00**	492.25
	Service - operation and maintenance	**228.68**	53.93
Total - Sale of services		**1,881.03**	1,375.68
(iii)	Other operating revenues comprise:		
	Sale of scrap	**44.87**	161.55
	Duty drawback and other export incentives	**256.06**	119.55
	Others:		
	Liquidated damages received	**34.64**	13.72
	Shared services income	**14.88**	33.03
Total - Other operating revenues		**350.45**	327.85

Note 22 Other income

(₹ in lacs)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
(a)	Interest income [Refer Note (i) below]	**68.03**	257.00
(b)	Other non-operating income [Refer Note (ii) below]	**843.23**	1,041.54
(c)	Net gain on foreign currency transactions and translation	**–**	860.85
Total		**911.26**	2,159.39

Notes forming part of the financial statements

Notes: **(₹ in lacs)**

Particulars		**For the year ended March 31, 2016**	For the year ended March 31, 2015
(i)	Interest income comprises:		
	Interest from banks on deposits	**67.92**	117.48
	Interest on loans and advances	**0.11**	0.16
	Interest on income tax refund	**–**	63.12
	Interest on sales tax refund	**–**	76.24
Total - Interest income		**68.03**	257.00
(ii)	Other non-operating income comprises:		
	Profit on sale of fixed assets [net of expenses directly attributable ₹ Nil (Year ended March 31, 2015: ₹ 1.58 Lacs)]	**5.65**	117.33
	Liabilities/provisions no longer required written back (Refer Note 29.11)	**817.50**	853.95
	Provision for trade receivables no longer required written back	**–**	52.08
	Miscellaneous income	**20.08**	18.18
Total - Other non-operating income		**843.23**	1,041.54

Note 23.a Cost of materials consumed

(₹ in lacs)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Opening stock	**1,507.25**	949.86
Add: Purchases*	**4,267.27**	6,326.33
	5,774.52	7,276.19
Less: Closing stock	**1,678.73**	1,507.25
Cost of material consumed	**4,095.79**	5,768.94

* Cost of material consumed + Closing stock - Opening stock

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 and other direct costs are considered as project cost incurred till date. Inventory procured for a specific project is immediately booked to the project as consumed and is not considered as inventory. In view of the above, itemwise break-up for cost of materials consumed is not available in the system.

Notes forming part of the financial statements

Note 23.b Purchases of stock-in-trade

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Stock-in-trade comprises components for:		
Cold Rolling Mill	**1,555.09**	2,487.95
Continuous Galvanizing Lines	**3,044.37**	3,083.22
Acid Regeneration Plant	**234.64**	1,394.49
Tension Levelling Line	**369.49**	–
Electrolytic Cleaning Line	**158.17**	282.01
Pickling Line	**–**	9.41
Colour Coating Line	**458.75**	1,017.87
HR skin pass mill	**412.02**	410.67
Others	**130.34**	207.73
Total	**6,362.87**	8,893.35

Note 23.c Changes in inventories of finished goods and work-in-progress

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Inventories at the beginning of the year:		
Finished goods	**428.11**	405.56
Work-in-progress	**77.16**	41.77
	505.27	447.33
Inventories at the end of the year:		
Finished goods	**244.76**	428.11
Work-in-progress	**118.77**	77.16
	363.53	505.27
Net decrease/(increase)	**141.74**	(57.94)

Note 24 Employee benefits expense

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	**4,022.86**	3,954.96
Contributions to: (Refer Note 29.2)		
- Provident fund	**182.48**	195.37
- Superannuation fund	**40.61**	43.37
Staff welfare expenses	**169.90**	216.81
Total	**4,415.85**	4,410.51

Notes forming part of the financial statements

Note 25 Finance costs

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Interest expense on:		
(i) Borrowings	**170.05**	273.58
(ii) Trade payables	**0.04**	1.04
(iii) Others		
– Interest on delayed/deferred payment of service tax	**0.27**	–
– Interest on excise duty	**0.39**	–
– Interest on sales tax	**–**	0.31
– Interest on custom duty	**3.62**	9.49
(b) Other borrowing costs:		
(i) Bank Charges	**61.08**	76.16
(ii) Premium on forward contracts	**2.00**	68.99
Total	**237.45**	429.57

Note 26 Other expenses

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of stores and spare parts	**270.33**	259.37
Decrease of excise duty on inventory	**(52.48)**	(40.97)
Project related expenses (Refer Note 29.10)	**135.27**	148.82
Labour and processing charges	**604.57**	636.91
Erection expenses	**248.62**	292.37
Power and fuel	**188.54**	177.61
Repairs:		
- Buildings	**11.37**	13.50
- Plant and machinery	**40.26**	66.16
- Others	**181.65**	219.90
Rent (Refer Note 29.6)	**20.70**	17.50
Rates and taxes	**52.99**	77.21
Insurance	**47.91**	31.41
Commission on sales	**137.67**	122.78
Loss on exchange fluctuation (net)	**141.78**	–
Unrealised loss on mark-to-market derivative contracts	**28.55**	–
Provision for doubtful trade receivables	**792.44**	3.18
Brand fees	**107.52**	123.87
Warranties (Refer Note 29.9)	**184.26**	202.37
Liquidated damages	**0.49**	113.95
Estimated losses on contracts (Refer Note 29.9)	**(144.95)**	(266.69)
Packing and forwarding expenses	**613.98**	344.32
Travelling and conveyance	**288.54**	322.37
Postage, telex and telephone expenses	**24.23**	25.29
Expenditure on corporate social responsibility	**1.10**	–
Provision for doubtful trade receivables set up in earlier year	**2,639.90**	–
Less: Provision utilised for bad debts	**(2,639.90)**	–
Payments to auditors [Refer Note (i) below]	**89.20**	67.64
Legal and professional [Refer Note (ii) below]	**141.85**	268.00
Bad trade and other receivables, loans and advances written off	**593.92**	185.96
Miscellaneous expenses	**340.59**	349.00
Total	**5,090.90**	3,761.83

Notes forming part of the financial statements

Note 26 Other expenses (contd.)

Notes: **(₹ in lacs)**

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
(i) Payments to the auditors comprises (net of service tax input credit):		
To statutory auditors		
For audit	**45.50**	34.50
For taxation matters*	**9.46**	9.25
For other services*	**33.15**	22.75
Reimbursement of expenses*	**1.09**	1.14
Total	**89.20**	67.64
* Payments to the auditors for taxation matters, other services and reimbursement of expenses include ₹ 3.46 lacs (Year ended March 31, 2015: ₹ 3.25 lacs), ₹ 5.00 lacs (Year ended March 31, 2015: ₹ Nil) and ₹ 0.08 lac (Year ended March 31, 2015: ₹ 0.11 lac) respectively as payment made to an affiliated firm.		
(ii) Legal and professional includes (net of service tax input credit):		
To cost auditors for cost audit	**1.40**	–
Total	**1.40**	–

Note 27 Exceptional items

(₹ in lacs)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Profit on Sale of Assets held for sale at Silvassa unit [net of expenses directly attributable ₹ 15.08 Lacs (Year ended March 31, 2015: ₹ Nil)] (Refer Note 28.8)	**1,433.93**	–
Impact of Change of depreciation method from WDV to SLM wef April 01, 2014 (Refer Note 28.9)	**–**	556.48
Total	**1,433.93**	556.48

Notes forming part of the financial statements

Note 28 Additional information to the financial statements

(₹ in lacs)

Note	Particulars	As at March 31, 2016	As at March 31, 2015
28.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt		
	Service tax*	**184.63**	325.04
	Sales tax**	**16.33**	16.33
	Excise duty***	**88.33**	88.33
	Taxation matters:		
	1) Demands against the Company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:		
	– Income Tax	**577.34**	448.37
	2) Items in respect of which the company has succeeded in appeal, but the Income-tax Department is pursuing appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:		
	– Income Tax	**30.67**	30.67
	(b) Other matters for which the Company is contingently liable		
	Advance licence - custom duty elements	**26.23**	38.31
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	**30.27**	110.66

*Matters relating to:

(i) During the period October 2007 to February 2008, the Company had paid service tax on the Commission charged by their non-resident commission agents for the services rendered in connection with sales of the Company's finished goods in overseas market and availed Cenvat Credit. The Central Excise department had issue 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 (excluding interest and penalty, as applicable) of service tax paid as input service during the period October 2007 to February 2008.

An appeal has been filed by the Company before CESTAT, Ahmedabad vide appeal No.STS/326/2010. The appeal is allowed by The Honorable CESTAT, Ahmedabad, and the demand with interest and penalty is set aside as time barred. At present, there is no demand and the CESTAT order is in operation.

(ii) During the period April 2009 to July 2014, the Company had paid service tax on the Commission charged by their non-resident commission agents for the services rendered in connection with sales of the Company's finished goods in overseas market and availed Cenvat Credit. The Central Excise department had issue a show cause Notice No. SCN NO.5/COMMR/GLT-1/CMI/CEN-D/NON-CERA/2014-15 Dated 26.09.2014 for denial of wrongly availed Cenvat Credit of ₹ 184.63 lacs (excluding interest, as applicable) of service tax paid as input service. The Company has replied to show cause notice.

Notes forming part of the financial statements

Note 28 Additional information to the financial statements (contd.)

** Matters relating to (i) detention of goods despatched by vendor of the Company at site of customer without valid TIN/ CST mentioned on the invoice on 19.02.2013; (ii) omission of trading purchases and adoption of wrong output tax on lubricants noticed during VAT Audit for the year 2012-13 against which the Company has filed the petition before Joint Commissioner (Vellore) and appeal before Appellate Deputy Commissioner III Chennai respectively.

*** Matter relating to non-reversal of proportionate Cenvat Credit on inventory shortages of ₹ 88.33 lacs (excluding interest, as applicable) identified during the course of EA2000 audit conducted for the period from April 2009 to March 2011 against which the Company has filed the appeal.

28.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in lacs)

Particulars	**As at March 31, 2016**	As at March 31, 2015
(a) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal	**–**	–
Interest	**0.04**	1.10
(b) The amount of interest paid along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	**0.04**	1.10
(d) The amount of interest accrued and remaining unpaid at the end of the year	**0.04**	1.10
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the financial statements

Note 28 Additional information to the financial statements (contd.)

28.3 Details on derivatives instruments and unhedged foreign currency exposures

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

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

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2016:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign currency in lacs	₹ in lacs	Foreign currency in lacs	₹ in lacs
Buy (Hedge of payables and expected future purchases)				
EURO	–	–	4.29	316.23
USD	–	–	4.86	309.92
Sell (Hedge of receivables and expected future sales)				
EURO	10.15	762.95	–	–
USD	–	–	82.11	5,409.62

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below (net of provision):

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign currency in lacs	₹ in lacs	Foreign currency in lacs	₹ in lacs
Payables				
USD	15.38	1,026.85	13.32	833.66
EURO	3.83	291.17	4.45	305.87
Canadian Dollar (CAD)	0.12	6.31	0.05	2.45
GBP	0.02	1.82	–	–
Receivables				
EURO	–	–	0.94	63.99
USD	64.61	4,259.70	–	–

(₹ in lacs)

28.4 Value of imports calculated on CIF basis:	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw materials, components, stores and spares	1,468.16	4,853.07

Note: The 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.The total import purchases of ₹ 1,468.16 lacs (Year ended March 31, 2015: ₹ 4,853.07 lacs) comprise of purchases of goods amounting to ₹ 952.40 lacs (Year ended March 31, 2015: ₹ 1,633.24 lacs) on CFR/CPT/EXW/FCA/FOB/FOT basis.

Notes forming part of the financial statements

Note 28 Additional information to the financial statements (contd.)

(₹ in lacs)

28.5	**Expenditure in foreign currency (on accrual basis):**	**For the year ended March 31, 2016**	For the year ended March 31, 2015
	Commission on sales, supervision and erection expenses, design and engineering services and consultancy charges	**63.59**	239.31
	Travelling expenses	**104.65**	113.75
	Brand and technology fees [including Income Tax deducted ₹ 11.63 lacs (Year ended March 31, 2015: ₹ 13.63 lacs)]	**116.34**	136.29
	Interest	**2.53**	8.60
	Others	**6.93**	129.43

28.6	**Details of consumption of imported and indigenous items:**	**For the year ended March 31, 2016**	For the year ended March 31, 2015
	Imported		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**363.24**	1,012.32
	% of consumption	**8.32%**	16.79%
	Indigenous		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**4,002.88**	5,015.99
	% of consumption	**91.68%**	83.21%
	Total		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**4,366.12**	6,028.31
	% of consumption	**100.00%**	100.00%
	Note: Amount of indigenous consumption is balancing figure. See Note in 28.4 above.		

28.7	**Earnings in foreign exchange:**	**For the year ended March 31, 2016**	For the year ended March 31, 2015
	Export of goods calculated on FOB basis	**151.58**	74.01
	Export of services	**1,324.74**	338.34

Note: The total export sales (made under long-term contracts) of ₹ 10,014.09 lacs (Year ended March 31, 2015: ₹ 6,194.17 lacs) comprise of sale of goods amounting to ₹ 151.58 lacs (Year ended March 31, 2015: ₹ 74.01 lacs) on FOB basis, to the extent identified from the records maintained in the ordinary course of business as above and balance sales on CFR/CIF/CIP/CPT/DAP basis.

28.8 The Company which had earlier relocated operations of Silvassa unit, has disposed of the related assets including land and buildings on January 19, 2016. On this sale, the Company has earned profit of ₹ 1,433.93 Lacs (net of expenses directly attributable ₹ 15.08 Lacs) which has been shown as an 'Exceptional items' in the Statement of Profit and Loss.

Notes forming part of the financial statements

Note 28 Additional information to the financial statements (contd.)

28.9 The Company had revisited and changed the method of depreciation of fixed assets in 2014-15 from written down value (WDV) method to straight line method (SLM) as on 1 April, 2014, because the Management believed that change would result in a more appropriate presentation of the financial statements of the enterprise. Accordingly, all assets are now being depreciated under SLM. Pursuant to the notification of Schedule II to the Act, the Company also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Office building	WDV	5% / 58 years	60 years
Factory road	WDV	5% / 58 years	5 years
Factory buildings	WDV	10% / 28 years	30 years
Plant and equipment	WDV	13.91% / 20 years, 20.87% / 13 years, 27.82% / 9 years	15 years
Electrical installations	WDV	13.91% / 20 years	10 years
Quality control equipment	WDV	13.91% / 20 years	10 years
Furniture and Fixtures	WDV	18.10% / 15 years	10 years
Vehicles	WDV	25.89% / 10 years	8 years
Office equipment	WDV	13.91% / 20 years	5 years
Computers	WDV	40% / 6 years	6 years / 3 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014. As a result of these changes, the depreciation charge for the year ended March 31, 2015 was lower by ₹ 107.39 lacs and the effect relating to the period prior to April 1, 2014 was net credit of ₹ 556.48 lacs (excluding deferred tax of ₹ 286.54 lacs) which had been shown as an 'Exceptional items' in the Statement of Profit and Loss for the year ended March 31, 2015.

29. Disclosures under Accounting Standards

(₹ in lacs)

Note	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
29.1	**Details of contract revenue and costs:**		
	Contract revenue recognised during the year	**18,896.83**	20,844.74
	Aggregate of contract costs incurred and recognised profits (less recognised losses)	**19,041.78**	21,111.43
	Advances from customers (Refer Notes 6 and 10)	**2,909.77**	6,261.75
	Retention monies for contracts in progress (Refer Notes 15 and 17)	**3,699.18**	5,478.89
	Gross amount due from customers for contract work (asset) (Refer Note 20)	**3,613.01**	4,124.92
	Gross amount due to customers for contract work (liability) (Refer Note 10)	**2,462.97**	2,478.77

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

29.2 Employee benefit plans:

Employee benefits expense include the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>Defined contribution schemes</u>		
Company's contribution to Provident fund	**182.48**	195.37
Company's contribution to Superannuation fund	**40.61**	43.37
<u>Defined benefit schemes - Gratuity</u>		
Components of employer expense		
Current service cost	**37.76**	47.85
Interest cost	**33.72**	44.90
Expected return on plan assets	**(31.66)**	(27.95)
Actuarial losses/(gains)	**(132.39)**	(111.84)
Total credit recognised in the Statement of Profit and Loss (Refer Note 29.11)	**(92.57)**	(47.04)
Actual contribution and benefit payments for the year		
Actual benefit payments	**(53.75)**	(50.42)
Actual contributions	**33.67**	22.58
Net liability recognised in the Balance Sheet		
Present value of defined benefit obligation	**309.28**	423.19
Fair value of plan assets	**(412.04)**	(394.94)
Net (asset)/liability recognised in the Balance Sheet (Refer Note 14 and 7)	**(102.76)**	28.25
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**423.19**	453.96
Current service cost	**37.76**	47.85
Interest cost	**33.72**	44.90
Actuarial losses/(gains)	**(126.87)**	(104.69)
Liabilities assumed on acquisition/(settled on divestiture)	**–**	31.59
Benefits paid	**(58.52)**	(50.42)
Present value of DBO at the end of the year	**309.28**	423.19
Change in fair value of assets during the year		
Plan assets at beginning of the year	**394.94**	356.09
Expected return on plan assets	**31.66**	27.95
Actual company contributions	**33.67**	22.58
Asset acquired on acquisition/(distributed on divestiture)	**–**	31.59
Actuarial gain	**5.52**	7.15
Benefits paid	**(53.75)**	(50.42)
Plan assets at the end of the year	**412.04**	394.94
Actual return on plan assets	**37.19**	35.10

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Composition of the plan assets is as follows: (percentage or value)		
Insurer managed funds*	**100.00%**	100.00%
Actuarial assumptions		
Discount rate	**8.04%**	7.95%
Expected return on plan assets	**8.00%**	8.00%
Salary escalation	**2.00%**	5.00%
Attrition		
Age (Years)		
21-30	**5.00%**	5.00%
31-40	**3.00%**	3.00%
41-59	**2.00%**	2.00%
Mortality tables	**Indian Assured Lives Mortality (2006-08) Ult table**	Indian Assured Lives Mortality (2006-08) Ult table
Estimate of amount of contribution in the immediate next year (₹ in lacs)	**–**	50.00

Experience adjustments **(₹ in lacs)**

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Gratuity					
Present value of DBO	**309.28**	423.19	453.96	475.72	357.23
Fair value of plan assets	**412.04**	394.94	356.09	295.46	257.77
Funded status Surplus/(Deficit)	**102.76**	(28.25)	(97.87)	(180.26)	(99.46)
Experience (gain)/loss adjustments on plan liabilities	**24.04**	(23.48)	(25.67)	36.75	(13.27)
Experience gain/(loss) adjustments on plan assets	**5.52**	7.15	7.42	1.78	3.62

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

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

*Due to absence of data provided by Life Insurance Corporation of India, 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.

(₹ in lacs)

29.3	**Details of borrowing costs capitalised**	**For the year ended March 31, 2016**	For the year ended March 31, 2015
	Borrowing costs capitalised during the year		
	– capitalised during the year	–	14.96
	Total	**–**	14.96

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

29.4 Segment information

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.

Secondary Segments:

As the Company's business activity falls within a single business segment i.e. Original Equipments Manufacturer and Project Management, the disclosure requirement of Accounting Standard (AS-17) for secondary segment reporting is not applicable.

(₹ in lacs)

Particulars	For the year ended March 31, 2016		
	Overseas	India	Total
Revenue			
External revenue	12,790.32 (6,493.95)	7,397.04 (15,111.59)	20,187.36 (21,605.54)
Inter-segment revenue	– (-)	– (-)	– (-)
Total	**12,790.32** **(6,493.95)**	**7,397.04** **(15,111.59)**	**20,187.36** **(21,605.54)**
Segment result	4,043.10 (1,823.31)	1,866.32 (1,206.88)	5,909.42 (3,030.19)
Unallocable expenses (net)			6,057.95 (4,523.62)
Operating expense			(148.53) (1,493.43)
Finance cost			237.45 (429.57)
Other income			911.26 (2159.39)
Exceptional Items (Refer Note 28.8 and 28.9)			1,433.93 (556.48)
Profit/(loss) before taxes			1,959.21 (792.87)
Tax (income)/expense			646.93 (-154.40)
Net profit/(loss) for the year			**1,312.28** **(947.27)**
Other information			
Segment assets	6,462.47 (4,635.70)	20,415.20 (24,777.58)	26,877.67 (29,413.28)
Unallocable assets			2,114.67 (6,191.37)
Total assets			**28,992.34** **(35,604.65)**

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

Particulars	For the year ended March 31, 2016		
	Overseas	India	Total
Segment liabilities	2,800.73	10,464.67	13.265.40
	(4,362.31)	(12,613.13)	(16,975.44)
Unallocable liabilities			657.01
			(4,778.78)
Total liabilities			**13,922.41**
			(21,754.22)
Other information			
Capital expenditure			371.99
			(638.16)
Depreciation and amortisation			579.19
			(650.13)
Non-cash expenses/(income) other than depreciation and amortisation (net)			897.45
			(-360.92)

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

29.5 Related party transactions

29.5.a Details of related parties:

Description of relationship	Names of related parties
Holding Company	Cockerill Maintenance & Ingenierie SA
Fellow Subsidiaries (with whom Company has made transactions during the year)	CMI Industry Automation Private Limited
	CMI UVK GmbH
	CMI M+W Engineering GmbH
	CMI Tech5i Pastor SAS
	CMI Brasil Servicos
	CMI India Engineering Private Limited
Key Management Personnel (KMP)	Mr. Raman Madhok - Managing Director
Enterprises over which Key Managerial Personnel are able to exercise significant influence (with whom Company has made transactions during the year)	Indo-Belgian Luxembourg Chamber of Commerce and Industry

Note: Related parties have been identified by the Management.

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

29.5.b Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016:

(₹ in lacs)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Others	Total
Purchase of goods	–	1,410.27	–	–	1,410.27
	(-)	(1,261.48)	(-)	(-)	(1,261.48)
Receiving of services	–	1.57	–	–	1.57
	(139.71)	(0.67)	(-)	(-)	(140.38)
Sale of goods	33.29	21.94	–	–	55.23
	(-)	(44.77)	(-)	(-)	(44.77)
Shared services income	–	17.00	–	–	17.00
	(-)	(37.11)	(-)	(-)	(37.11)
Rendering of services	105.85	37.34	–	–	143.19
	(-)	(-)	(-)	(-)	(-)
Capital Expenditure	–	119.42	–	–	119.42
	(-)	(32.07)	(-)	(-)	(32.07)
Interest Expense	–	–	–	–	–
	(-)	(0.15)	(-)	(-)	(0.15)
Remuneration	–	–	450.72	–	450.72
	(-)	(-)	(331.86)	(-)	(331.86)
Brand and technology fees	116.34	–	–	–	116.34
	(136.29)	(-)	(-)	(-)	(136.29)
Expenses reimbursement received	54.55	2.19	–	–	56.74
	(-)	(16.04)	(-)	(-)	(16.04)
Expenses reimbursement receivable reversed	–	–	–	–	–
	(8.78)	(-)	(-)	(-)	(8.78)
Expenses reimbursement paid	0.33	3.43	–	–	3.76
	(18.89)	(8.39)	(-)	(-)	(27.28)
Books and Periodicals, Membership	–	–	–	0.20	0.20
	(-)	(-)	(-)	(-)	(-)
Bad trade and other receivables, loans and advances written off	–	158.54	–	–	158.54
	(44.91)	(-)	(-)	(-)	(44.91)
<u>Balances outstanding at the end of the year:</u>					
Trade receivables	–	33.90	–	–	33.90
	(18.97)	(598.20)	(-)	(-)	(617.17)
Advance received from customers	313.98	–	–	–	313.98
	(-)	(27.90)	(-)	(-)	(27.90)
Loans and advances to suppliers	–	0.30	–	–	0.30
	(-)	(-)	(-)	(-)	(-)
Trade payables	135.63	128.04	–	–	263.67
	(300.28)	(191.07)	(-)	(-)	(491.35)

Note: All above figures are inclusive of taxes. Figures in bracket relates to the previous year.

Notes forming part of the financial statements

29. Disclosures under accounting standards (contd.)

29.5.c The significant related party transactions are as under:

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lacs
Purchase of goods	CMI Industry Automation Private Limited			1,410.27 (1,261.48)
Receiving of services	CMI Industry Automation Private Limited			1.57 (0.67)
Sale of goods	CMI Industry Automation Private Limited			19.37 (36.10)
	CMI Tech5i Pastor SAS			2.57 (-)
	CMI M+W Engineering GmbH			– (8.67)
Shared services income	CMI Industry Automation Private Limited			17.00 (37.11)
Rendering of services	CMI India Engineering Private Limited			29.66 (-)
	CMI Tech5i Pastor SAS			4.79 (-)
	CMI Brasil Servicos			2.89 (-)
Capital Expenditure	CMI Industry Automation Private Limited			119.42 (32.07)
Interest Expense	CMI Industry Automation Private Limited			– (0.15)
Remuneration		Raman Madhok		450.72 (331.86)
Expenses reimbursement received	CMI Industry Automation Private Limited			2.19 (15.25)
	CMI UVK GmbH			– (0.79)
Expenses reimbursement paid	CMI Industry Automation Private Limited			3.43 (8.39)
Books and Periodicals, Membership			Indo-Belgian Luxembourg Chamber of Commerce and Industry	0.20 (-)

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lacs
Bad trade and other receivables, loans and advances written off	CMI M+W Engineering GmbH			158.54 (-)
Trade receivables	CMI Industry Automation Private Limited			3.90 (5.19)
	CMI Brasil Servicos			2.94 (-)
	CMI India Engineering Private Limited			27.06 (-)
	CMI M+W Engineering GmbH			– (593.01)
Advance received from customers	CMI Tech5i Pastor SAS			– (27.90)
Loans and advances to suppliers	CMI Industry Automation Private Limited			0.30 (-)
Trade payables	CMI Industry Automation Private Limited			128.04 (191.07)

Note: There were no amounts written off (except as disclosed above) or written back during the year in respect of debts due from or to related parties.

29.6 Operating Lease:

The Company has entered into operating lease or leave and licence arrangements for residential premises/ godowns (including furniture and fittings therein as applicable). These leasing arrangements which are not non-cancellable range between 11 months to 36 months.

With regard to other non-cancellable operating lease for residential premises/godown, the future minimum rentals are as follows:

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Future minimum lease payments		
not later than one year	**6.20**	2.62
later than one year and not later than five years	**–**	–
later than five years	**–**	–
Total	**6.20**	2.62
Lease payments recognised in the Statement of Profit and Loss	**20.70**	17.50

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

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

29.7 Earnings per share:

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Basic and Diluted		
Net Profit/(loss) for the year attributable to the equity shareholders (₹ in lacs)	**1,312.28**	947.27
Weighted average number of equity shares (in numbers)	**4,937,813**	4,937,813
Par value per share (₹)	**10.00**	10.00
Earnings per share - Basic (₹)	**26.58**	19.18
Earnings per share - Diluted (₹)	**26.58**	19.18

29.8 Deferred tax assets/(liabilities) arising due to timing differences: **(₹ in lacs)**

Items	**As at March 31, 2016**	As at March 31, 2015
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	**(621.29)**	(258.29)
Tax effect of items constituting deferred tax liabilities	**(621.29)**	(258.29)
Tax effect of items constituting deferred tax assets		
Unabsorbed Depreciation/brought forward business losses	**621.29***	258.29*
Provision for doubtful trade receivables	**263.05**	873.88
Provision for compensated absences	**73.00**	83.41
Provision for bonus	**19.26**	4.70
Provision for excise duty on finished goods	**21.17**	38.52
Provision for gratuity	**–**	9.34
Unrealised loss on mark-to-market	**9.44**	–
Tax effect of items constituting deferred tax assets	**1,007.21**	1,268.14
Deferred tax assets (net)	**385.92**	1,009.85

* Restricted to the extent of deferred tax liability on depreciation on account of virtual certainity

29.9 Details of provisions

The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

(₹ in lacs)

Particulars	**As at April 1, 2015**	**Additions**	**Utilisation**	**Reversal (withdrawn as no longer required)**	**As at March 31, 2016**
Provision for warranties	1,202.59	184.26	8.45	390.58	987.82
	(1,275.18)	(202.37)	(102.04)	(172.92)	(1,202.59)
Provision for estimated losses on contracts	278.24	14.69	–	159.64	133.29
	(544.93)	(2.56)	(-)	(269.25)	(278.24)
Total	**1,480.83**	**198.95**	**8.45**	**550.22**	**1,121.11**
	(1,820.11)	(204.93)	(102.04)	(442.17)	(1,480.83)

Note: Figures in brackets relate to the previous year.

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

Of the above, the following amounts are expected to be incurred within a year:

Particulars	**As at March 31, 2016**	As at March 31, 2015
Provision for warranties	**882.68**	937.59
Provision for estimated losses on contracts	**133.29**	277.79

29.10 Project related expenses comprise:

(₹ in lacs)

Nature of expense	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Design and engineering charges	**11.15**	2.92
Testing and inspection	**13.72**	12.00
Transport charges (inward)	**67.27**	85.92
Crane hire charges	**17.36**	31.25
Clearing and forwarding expenses (import)	**16.51**	3.69
Technology fees	**8.82**	12.42
Cess on technology fees	**0.44**	0.62
Total	**135.27**	148.82

29.11 Details of liabilities/provisions no longer required written back:

(₹ in lacs)

Nature of expense	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Reversal of provision for warranties	**390.58**	172.92
Reversal of provision for employee benefits	**226.80**	51.33
Expense provision reversal	**118.36**	317.55
Credit balances written back	**81.76**	312.15
Total	**817.50**	853.95

29.12 The Company has also entered into an 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 Company has entered into an agreement with CMI SA for rights to use the CMI Brand name. The Company pays 0.6% of net sales. The agreement is originally effective from January 1, 2010 for the tenure of 5 years and revised for another 5 years with effect from January 1, 2015.

(₹ in lacs)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Technology fees	**8.82**	12.42
Brand fees	**107.52**	123.87

Notes forming part of the financial statements

Note 29 Disclosures under accounting standards (contd.)

29.13 Details of fixed assets held for sale:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Flats*	**3.89**	3.89
Land - Freehold	**–**	103.99
Factory road	**–**	3.57
Factory buildings	**–**	280.40
Plant and equipment	**–**	39.69
Electrical installations	**–**	10.26
Office equipment	**–**	0.17
Total	**3.89**	**441.97**

* Includes ₹ 0.01 lac being the cost of 10 shares of ₹ 50 each in Highland Park Co-operative Housing Society Limited.

29.14 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Jean Jouet
Chairman
DIN: 06937120

Raman Madhok
Managing Director
DIN: 00672492

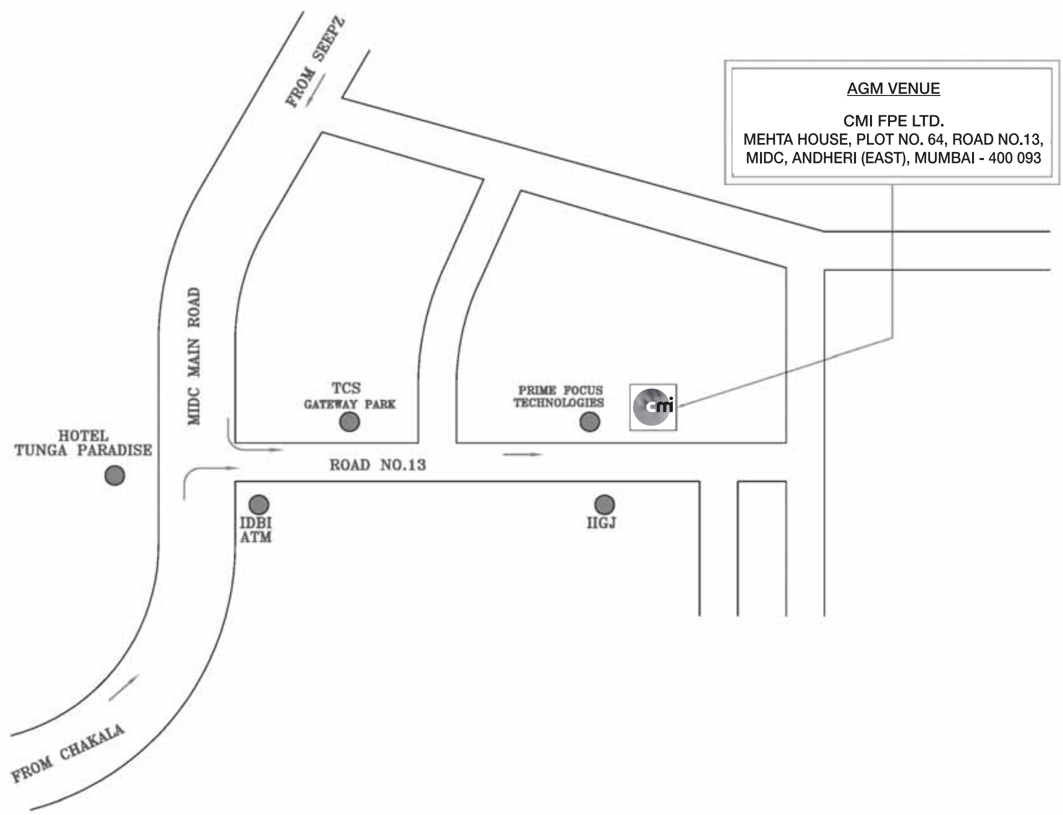
Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place : Mumbai
Date : May 19, 2016

ROUTE MAP FOR THE 30th ANNUAL GENERAL MEETING VENUE



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CMI FPE LIMITED

CIN: L99999MH1986PLC039921
Registered Office: Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai – 400093

Name of Member(s):
Regd. Folio No. / DP ID / Client ID:

I/We, being the member(s) of .... shares of CMI FPE Limited, hereby appoint:

(1) Name: .... Address: ....
.... having e-mail Id: .... or failing him;

(2) Name: .... Address: ....
.... having e-mail Id: .... or failing him;

(3) Name: .... Address: ....
.... having e-mail Id: .... or failing him;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, July 29, 2016 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai – 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional	
		For	Against
ORDINARY BUSINESS			
1	Adoption of Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and the Auditors for the financial year ended March 31, 2016.		
2	Re-appointment of Mr. Fabrice Orban (DIN 05114495), who retires by rotation and, being eligible, offers himself for re-appointment.		
3	Appointment of Auditors and fix their remuneration.		
SPECIAL BUSINESS			
4	Re-appointment of Mr. Raman Madhok (DIN 00672492) as Managing Director.		
5	Maintaining of records at the office of Registrar and Share Transfer Agent.		
6	Ratification of the remuneration payable to the Cost Auditor for FY 2016-17.		
7	Omnibus prior approval of Material Related Party Transactions.		

Affix
Revenue
Stamp

Signed this.. day of 2016

Signature of shareholder

(1) Signature of First proxy holder (2) Signature of Second proxy holder (3) Signature of Third proxy holder

Note:

1. **This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. It is optional to indicate your preference in the appropriate column. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.

Notes

The Communication Department acknowledges all those
who contributed to the making of this Annual Report.

Produced by: The Communication Department of CMI FPE Limited,
in collaboration with Uchitha Graphic Printers Pvt. Ltd.