Ref.: CMIFPE/BSE/2019-20
Date: July 8, 2019

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

Dear Sir,

Security Code: 500147

Ref: Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub.: Submission of Annual Report for the Financial Year 2018-19 and Notice of 33rd Annual General Meeting

As required under Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2018-19 including the Notice convening the 33rd Annual General Meeting of the Company to be held on August 1, 2019 at 2.30 pm at the Registered Office of the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,
For CMI FPE Limited

Haresh Vala
Company Secretary

CMI FPE LIMITED

Encl: as above

CMI FPE Limited

Annual Report 2018-2019

Enabler of opportunities

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Message from the Chairman

Dear Shareholders,

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

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

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

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

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

"Back to the roots" stands for continuity, a recurrent theme for the Group's development including our company – CMI FPE. In June 2018, our Company has celebrated its 10th anniversary as a member of the Group, which is now called 'John Cockerill'. Over the course of the ten years that have passed since, the group's envisaged strategy became reality. Since 2008 the Indian steel market has been growing fast, and I can say today that the confidence that our Group's Chairman, Mr. Bernard Serin put in the success of the cooperation between our Group and its Indian entities has proven right. It remains to be said that we are confident that after our current Managing Director, Mr. Raman Madhok, will have left us in October this year, his worthy successor will help us continue on the same path.

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

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

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

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

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

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

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

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

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

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

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

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

Yours sincerely,

João Felix Da Silva

Corporate Information

Board of Directors

Mr. Joao Felix Da Silva - Chairman
Mr. Raman Madhok - Managing Director
Mr. Yves Honhon
Mr. D. J. Balaji Rao
Mr. Raman M. Madhok
Mr. N. Sundararajan
Ms. Roma Balwani
Mr. Fabrice Orban

Chief Financial Officer

Mr. Akash Ohri

Company Secretary

Mr. Haresh Vala

Bankers

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

Auditors

S R B C & Co LLP, Chartered Accountants

Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

Legal Advisors

Agrud Partners, Advocates & Solicitors

Registrar and Share Transfer Agent

Bigshare Services Private Limited

Registered Office

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

Notice

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

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company including audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.

2. To declare dividend on the Equity Shares of the Company for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mr. Joao Felix Da Silva (DIN 07662251), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

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

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

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

5. **Commission on Profits to Non-Executive Directors**

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

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

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

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

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

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

   "RESOLVED THAT pursuant to the requirements of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"the Listing Regulations"**), provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **"the Act"**), provisions of Companies (Meeting of Board and its Powers) Rules, 2014 (hereinafter referred to as **"the Rules"**) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and the approval of Audit Committee and the Board of Directors of the Company and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the omnibus prior approval of the members of the Company be and is hereby accorded for entering into the following proposed material Related Party Transactions with respect to sale and purchase of goods, supply of services and payment of brand and technical royalty fees, from financial year 2019-20 to financial year 2021-22 up-to the maximum amounts as appended in the table below :

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and as approved by the Board of Directors, on the recommendations of the Audit Committee, the remuneration of ₹ 2,30,000/- (Rupees Two Lakhs Thirty Thousand only) (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) be paid to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2019-20 be and is hereby ratified and confirmed.

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

By Order of the Board of Directors
For CMI FPE Limited

Haresh Vala
Company Secretary

Mumbai
May 30, 2019

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

NOTES:

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

   A person can act as proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) per-cent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) per-cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or member. The holder of the proxy shall prove his identity at the time of attending the AGM.

2. Corporate Members are required to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative(s) to attend and vote on their behalf at the AGM.

3. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID / Folio Number. Duplicate Slip or copies of the Report and accounts will not be made available at the AGM.

4. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings **("SS 2")** and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Special Business of the accompanying Notice is annexed hereto.

5. The Register of Members and Share Transfer Books of the Company will remain closed from July 26, 2019 to August 1, 2019, both days inclusive, for determining the names of the members eligible for dividend on the Equity Shares, if declared at the AGM.

6. Dividend of ₹ 10/- per equity share of face value of ₹ 10/- each for the year ended March 31, 2019, as recommended by the Board of Directors, if declared at the AGM, will be payable after August 1, 2019 to those members :

   (a) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agent **("R & T Agent")** on or before July 28, 2019; and

   (b) whose names appear as Beneficial Owners in the list of Beneficial Owners as on July 28, 2019 furnished by National Securities Depository Limited **("NSDL")** and Central Depository Services (India) Limited **("CDSL")** for this purpose.

7. The Company's R & T Agent for its Share Registry Work (Physical and Electronic) are Bigshare Services Private Limited, having their office premises at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.

8. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, all unclaimed dividend up-to the financial year 2010-11 to Investor Education and Protection Fund **("IEPF")** established by the Central Government. Pursuant to the provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.cmifpe.com) and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed dividend for the financial year 2011-12 will fall due for transfer to IEPF in this financial year. Those members, who have so far not encashed their dividends for the financial year 2011-12, are requested to claim it from the R & T Agent of the Company without any further delay.

9. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to IEPF. The Company will send out individual communication to the concerned shareholders intimating them their particulars of the equity shares due for transfer.

   Upon transfer, the shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application, the details of which are available on www.iepf.gov.in. All correspondence should be addressed to the R & T Agent of the Company.

10. A brief resume of each of the Directors proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of the Companies in which they hold directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard 2 on General Meetings, are provided in Appendix A to the Notice.

11. Members holding shares in physical mode are advised to make nomination in respect of their shareholding in the Company in the nomination form (Form SH-13). Members holding shares in electronic mode may contact their respective Depository Participant **("DP")** for availing the nomination facility.

12. The Securities and Exchange Board of India **("SEBI")** has mandated the submission of Permanent Account Number **("PAN")** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's R & T Agent.

13. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities

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

14. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS / ECS mandate, email address, power of attorney, change of address / name, etc., to their DP only and not to the Company's R & T Agent. Changes intimated to DP will then be automatically reflected in the Company's records which will help the Company and its R & T Agent to provide efficient and better service to the members. Members holding shares in physical form are requested to advice such changes to the Company's R & T Agent.

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

16. Members desirous of getting any information about the accounts and / or operations of the Company are requested to write to the Company at least seven days before the date of the AGM, to enable the management to keep the information ready at the AGM.

17. Electronic copy of the Annual Report for financial year 2018-19 and the Notice of the 33rd AGM of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is uploaded on the Company's website www.cmifpe.com and is being sent to all the Members whose email IDs are registered with the Company / DP for communication purpose unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

18. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the members at the Company's Registered Office during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days, except Saturday, up to and including the date of the AGM and also at the AGM.

19. The route map to reach the venue of the meeting is given in the Annual Report.

20. **Voting through electronic means:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2, as amended from time to time, the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the Meeting) to exercise their right to vote on resolutions proposed to be considered at the 33rd AGM by electronic means. The business may be transacted through e-voting services provided by National Securities Depository Limited **("NSDL")**.

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

The instructions for e-voting are as follows:

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

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

Step 1

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

1. Visit the e-voting website of NSDL by opening your web browser and type the following URL : https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
c) For members holding shares in physical form	EVEN, followed by Folio Number registered with the Company. For example, if your EVEN is 101456, then User ID is 101456001***.

5. Your password details are given below :

   a) If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and change your password, as prompted by the system.

   c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the file. The password to open the file is your 8 digit Client ID for your NSDL account, or the last 8 digit of your CDSL Client ID, or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you have not received the 'initial password' or are unable to retrieve it, or have forgotten your password :

   a) Click on the 'Forgot User Details / Password?' (for those holding shares in demat accounts with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) A 'Physical User Reset Password?' (for those holding shares in physical mode) option is also available on www.evoting.nsdl.com

   c) If you are unable to get your password following the aforesaid options, you can send a request to evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

7. After entering your password, agree to the terms and conditions by checking the box.

8. Next, click on the 'Login' button.

9. After you click on the 'Login' button, the homepage of e-voting will open.

Step 2

How to cast your vote electronically on NSDL e-voting system?

1. After successful logging in following Step 1, you will be able to see the e-voting homepage. Click on 'e-voting'. Then, click on 'Active Voting Cycles'.

2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the Companies in which you hold shares and whose voting cycles are in 'active' status.

3. Select the 'EVEN' of CMI FPE Limited which is 110843 to cast your vote.

4. Now you are on the voting page and ready for e-voting.

5. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote, and click on 'Submit'. Also click on 'Confirm' when prompted.

6. Upon confirmation, the message, 'Vote cast successfully', will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

General guidelines for shareholders :

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to iqureshiassociates@yahoo.co.in or investors@cmifpe.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the

'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

4. The e-voting period commences on July 28, 2019 (9.00 a.m.) and ends on July 31, 2019 (5.00 p.m.). During this period, members of the Company holding shares in physical or dematerialised form, as on the cut-off date i.e. July 26, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the 33rd AGM and upto the cut-off date i.e. July 26, 2019, may obtain login ID and password by sending a request at evoting @nsdl.co.in.

5. Members who have cast their vote by remote e-voting can attend and participate in the AGM but shall not be entitled to vote again at the AGM.

6. The voting rights of the members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. July 26, 2019.

7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting, in the presence of at least 2 (two) witnesses not in the employment of the Company and make, not later than 3 (three) days of conclusion of the AGM, 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.

8. 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, along with 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. Joao Felix Da Silva as Director

Mr. Joao Felix Da Silva (DIN 07662251), Non-Executive Director of the Company, retires by rotation and, being eligible, has offered himself for re-appointment.

The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard 2 on General Meetings (SS 2):

Mr. Joao Felix Da Silva, born on July 20, 1957, holds a Master's degree in Electronics from the InstitutSupérieurIndustriel du Hainaut (Belgium), a Master's degree in Electromechanical Engineering from the InstitutSupérieur des IngénieursTechniciens de Charleroi (Belgium) and a Master's degree in Management from the Ecole de Perfectionnement au Management (Belgium).

Mr. Da Silva has over 37 years of experience in the steel industry, where he has held leadership positions in maintenance, production, customer service, quality and plant management both in upstream and downstream facilities, in Belgium and in France. In his last position, before joining the CMI Groupe, he was CEO of ArcelorMittalMéditerranée and member of Management Committee of Business Division Southwest.

He is currently an Advisor for the Portuguese Presidency, and has been a member of several Boards of Directors, such as the Banque de France and the Marseille Harbour.

He joined the CMI Group on August 1, 2016, to take on the Presidency of CMI Industry, in order to lead the evolution of the Sector. He provides the teams of CMI Industry with his market knowledge and his managerial experience.

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

Save and except for Mr. Joao Felix Da Silva, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 3 of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS ('SS 2'):

ITEM NO. 4:

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

Ms. Roma Balwani (DIN 00112756) was appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up-to October 28, 2019 as per the provisions of the Companies Act, 2013 **("the Act")** read with the Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with Stock Exchange. She holds office as an Independent Director of the Company up-to October 28, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act). As per the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time **("the Listing Regulations")**, an Independent Director can hold office for a term of up to 5 (five) consecutive years on the Board of a Company and can be re-appointed with the approval of the members of the Company by way of a special resolution.

Ms. Roma Balwani, born on August 13, 1952, is a Graduate in Economics and Post-graduate in Marketing. She is currently working as a Senior Advisor, Brand and Group Corporate Communications of Vedanta Group. Ms. Balwani has over three decades of experience in various aspects of strategic communications. Prior to joining Vedanta, she was the Chief Group Communications Officer at Mahindra Group, India.

She features in the global Holmes Report, Influence100, in-house communicators and also Inducted into Public Relations Council of India (PRCI)'s Hall of Fame (2010).

She completed leadership development programs conducted by the Michigan Ross Business School, USA & Harvard Business School, Boston, USA.

She is an active member of the PR Committee of the Bombay Chamber of Commerce and Industry (BCCI) and the Association of Business Communicators of India (ABCI). She is on the Global Advisory Committee of the World Communication Forum (WCF) at Davos, Switzerland. She is also on the advisory board of the Promise Foundation.

She does not hold any shares in the Company and is not related to any other Director of the Company.

Ms. Balwani is the Chairperson of the Corporate Social Responsibility Committee and member of the Stakeholders Relationship Committee of the Company.

Ms. Roma Balwani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Roma Balwani for the office of Independent Director of the Company. The Company has also received declaration from Ms. Roma Balwani that she meets the criteria of independence as prescribed under the Act and the Listing Regulations.

In the opinion of the Board, Ms. Roma Balwani fulfils the conditions of independence specified in the Act, the Rules framed thereunder and the Listing Regulations and she is independent of the management.

The Board of Directors at its meeting held on May 30, 2019, based on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given her background and experience and the contributions made by her during her tenure, the association of Ms. Roma Balwani would be beneficial to the Company and it is desirable to re-appoint Ms. Roma Balwani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years w.e.f. October 29, 2019.

The details of Ms. Roma Balwani as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Appendix A to this Notice.

Copy of the draft letter of appointment of Ms. Roma Balwani setting out the terms and conditions of appointment are available for inspection without any fee by the members at the registered office of the Company.

The Board recommends the Special Resolution as set out in Item No. 4 of the Notice for the approval of the members.

Save and except for Ms. Roma Balwani, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

Commission on profits to Non-Executive Directors

At the Annual General Meeting of the Company held on July 31, 2015, the members had approved the payment of commission to Non-Executive Directors of the Company not exceeding 1% (one per-cent) per annum of the net profits of the Company for a period of 5 (five) years commencing from April 1, 2014 up-to March 31, 2019. However, during the above period, considering the profitability and financial performance of the Company, Commission has actually been paid only for the financial years 2017-18 and 2018-19. Nothing was paid for the other years.

Considering the rich experience and professional expertise brought to the Board by the Non-Executive Directors and in appreciation of their contribution and services they render to the Company, it is proposed to seek the enabling approval of the members to continue with the option for payment of commission to Non-Executive Directors of the Company for each of the 5 (five) consecutive financial years commencing April 1, 2019. In terms of Section 197 of the Act, a Company can make payment of remuneration to Non-Executive Directors, a sum not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act. The amount to be determined by the Board as remuneration payable to the Non-Executive Directors, will be for each financial year separately, and is proposed to be distributed amongst all or some of the Directors in accordance with the decision that the Board may give in this regard.

The said remuneration to Non-Executive Directors shall be in addition to the sitting fees payable to them and out-of-pocket expenses incurred for attending meetings of the Board and Committees thereof. The resolution set out at Item No. 5 of the Notice is accordingly recommended by the Board for the approval of the members.

Save and except all the Non-Executive Directors of the Company, none of the other Director / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

Omnibus prior approval for Material Related Party Transactions

The Group has adopted the strategy of “One Metals” whereby multiple Business Units collaborate with clearly identified scope-lines. CMI FPE Limited is conceived as the Indian hub integral to the vision of CMI Group’s strategy which has helped the Company to get orders from the parent Company, CMI SA.

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 the products of the Company 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 its traditional markets like India, Africa and South East Asia.

Section 188 of the Act read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, prescribes 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”**), as amended from time to time also prescribes seeking approval of members for material related party transactions. The proviso to Section 188 of the Act also states that nothing in Section 188(1) of the Act applies to any transaction entered into by the Company in its ordinary course of business and at arm’s length basis.

The Company has entered into Brand Fee Agreement with CMI SA for the payment of brand fees @ 0.6% of the external sales and Technical Royalty Agreement with CMI SA for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA. In terms of the Listing Regulations, approval of the members of the Company is required for payment of brand usage or royalty when it exceeds 2% of the annual consolidated turnover of the Company as per the last audited financial statements.

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 from financial year 2019-20 to financial year 2021-22 for orders to be received	Nature and material terms / particulars of the contract or arrangement
1.	CMI SA, Belgium	Holding Company	₹ 800 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 3 years from financial year 2019-20 to financial year 2021-22 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:- a. Brand Fee Agreement for the payment of brand fees @ 0.6% of the external sales; and b. Technical Royalty Agreement for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA.

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 2 to 3 years from financial year 2019-20 to financial year 2021-22 for orders to be received	Nature and material terms / particulars of the contract or arrangement
2.	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 50 crores	Sale and purchase of goods and supply of services.
3.	CMI Engineering (Beijing) Co. Ltd.	Fellow Subsidiary	₹ 50 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 or Key Managerial Personnel who is related, if any	Mr. Joao Felix Da Silva, Director of CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Ltd., Mr. Yves Honhon, Director of CMI SA and Mr. Fabrice Orban, employee of CMI SA are deemed to be concerned or interested by virtue of their respective positions in the CMI Groupe.
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, brand fees and technical royalty fees, 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 at its meeting held on May 29, 2019 and recommended by the Board of Directors on May 30, 2019, to the unrelated members of the Company for their approval. The Audit Committee will be updated regularly / quarterly on the status of the contracts *vis-a-vis* approval taken, along with the details of the transactions with respect to each contract.

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

Pursuant to the omnibus approval accorded by the members of the Company at the 32nd Annual General Meeting held on July 27, 2018 for the value of ₹ 600 crores for material related party transactions with CMI SA, ₹ 30 crores for CMI Industry Automation Private Limited and ₹ 50 crores for CMI Engineering (Beijing) Co. Limited. During the year ended March 31, 2019, the Company had entered into transactions with CMI SA for ₹ 298.90 crores; the transactions with CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited were for ₹ 29.83 crores and ₹ 18.70 crores respectively.

As per Regulation 23 of the Listing Regulations, all entities / persons that are directly / indirectly Related Parties of the Company shall not vote 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. 6 as an Ordinary Resolution for approval by the unrelated members.

Save and except Mr. Joao Felix Da Silva, Director of CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Ltd., Mr. Yves Honhon, Director of CMI SA and Mr. Fabrice Orban, employee of CMI SA, all by virtue of their respective positions in the CMI Groupe, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 6 of the Notice.

ITEM NO. 7

Ratification of remuneration payable to the Cost Auditor

The Board of Directors at its meeting held on May 30, 2019, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration

No. 00294) as Cost Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2019-20.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

The Board, subject to ratification by the members, has approved remuneration of ₹ 2.30 lakhs (previous year ₹ 2.30 lakhs) plus reimbursement of out-of-pocket expenses, for conducting the cost audit for the financial year 2019-20.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor, as above.

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

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 7 of the Notice.

By Order of the Board of Directors
For CMI FPE Limited

Haresh Vala
Company Secretary

Mumbai
May 30, 2019

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

APPENDIX A

Details of the Directors proposed to be re-appointed pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings (SS 2)

Name of the Director	**Mr. Joao Felix Da Silva**	**Ms. Roma Balwani**
Director Identification Number	07662251	00112756
Date of Birth	July 20, 1957	August 13, 1952
Date of first appointment on the Board of the Company	May 30, 2017	October 29, 2014
Qualifications	Master's degree in Electronics from the InstitutSupérieurIndustriel du Hainaut (Belgium), a Master's degree in Electromechanical Engineering from the InstitutSupérieur des IngénieursTechniciens de Charleroi (Belgium) and a Master's degree in Management from the Ecole de Perfectionnement au Management (Belgium).	Graduate in Economics and Post-graduate in Marketing.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Da Silva has over 37 years of experience in the steel industry, where he held leadership positions in maintenance, production, customer service, quality and plant management both in upstream and downstream facilities, in Belgium and in France. In his last position, he was CEO of ArcelorMittalMéditerranée and member of Management Committee of Business Division Southwest.	Ms. Balwani is currently working as a Senior Advisor, Brand and Group Corporate Communications of Vedanta Group. Ms. Balwani has over three decades of experience in various aspects of strategic communications. Prior to joining Vedanta, she was the Chief Group Communications Officer at Mahindra Group, India.
Shareholding in the Company (as on the date of the Notice)	Nil	Nil
Relationship with other Director / Key Managerial Personnel of the Company	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
List of Directorships held in other Companies (as on the date of the Notice)	• CMI Industry Automation Private Limited • CMI India Engineering Private Limited	None
Chairman / Member of the Committees of the Boards of other Companies in which he / she is a Director	None	None
Terms and conditions of re-appointment	As per the Resolution No. 3 of the Notice read with the Annexure thereto	As per the Resolution No. 4 of the Notice read with Explanatory Statement thereto
No. of Board Meetings attended during the year (FY 2018-19)	4	4
Remuneration last drawn (including sitting fees, if any) (FY 2018-19)	Nil	₹ 13.50 lakhs
Details of remuneration proposed to be paid	Nil	As may be decided by the Board

Directors' Report

Dear Members,

Your Directors are pleased to present the Thirty Third Annual Report on the business and operations of the Company and the audited financial statements for the year ended March 31, 2019.

1. FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	Financial Year 2018-2019	Financial Year 2017-2018
Total Income	**51,754.90**	32,450.76
Profit before depreciation and amortisation expense, finance costs and tax expense	**5,290.52**	2,008.52
Less:		
Depreciation and amortisation expense	**577.53**	592.32
Finance costs	**9.60**	90.99
Profit / (Loss) before Tax	**4,703.39**	1,325.21
Less : Tax expense:		
Current tax	**902.60**	201.63
Deferred tax	**291.05**	451.58
Profit / (Loss) for the year	**3,509.74**	672.00
Other comprehensive income for the year, net of tax	**31.47**	(90.18)
Total comprehensive income for the year	**3,541.21**	581.82

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Operations

During the financial year 2018-19, the global business cycle turnaround and structural factors provided fundamental support to steel industry. The cyclical upturn for steel broadened and firmed throughout the year leading to better than expected performance.

Your Company delivered its record production volumes, sales volume, EBITDA and profit after tax during the year 2018-19. Revenue from operations for the year increased by 61%. The revenue growth was driven by sales volume growth and higher realisations.

Your Company has received satisfactory level of orders during the year under review.

Industrial Infrastructure Development

India is doing relatively better than its global counterparts in terms of demand and margin. Indian players remained profitable due to their low cost base and demand had shown and moderate trend from end-use sectors such as automobiles, capital goods and infrastructure.

Companies in the steel sector are looking to optimise production by employing cost-cutting programmes to make their businesses sustainable. Because of mining restrictions imposed by the Government, the Companies are looking for mining acquisitions abroad which has resulted in increase of input and logistics costs. In order to mitigate the rising impact, they are signing strategic alliances with their global counterparts to acquire technical know-how to produce high-end steel and to improve productivity.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past.

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US$ 11.18 billion in the period April 2000 – December 2018.

Some of the major investments in the Indian steel industry are as follows :

- As of December 2018, Vedanta Group is going to set up a one million tonne capacity steel plant in Jharkhand with an investment of ₹ 22,000 crore (US$ 3.13 billion).
- JSW Steel will be looking to further enhance the capacity of its Vijayanagar plant from 13 MTPA to 18 MTPA. In June 2018, the Company had announced plans to expand the plant's production capacity to 18 MTPA by 2020 with an investment of ₹ 7,500 crore (US$ 1.12 billion).
- Vedanta Star Limited has outbid other companies to acquire Electrosteel Steels for US$ 825.45 million.

Material Changes and Commitments affecting the financial position of the Company

There has been no change in the nature of business 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.

3. DIVIDEND

Your Directors recommend a dividend of ₹ 10/- per equity share of face value of ₹ 10/- each i.e. 100%, aggregating to ₹ 493.78 lakhs for the financial year 2018-19 (Previous Year final dividend of ₹ 2/- per equity share and one-time 'Special Dividend' of ₹ 2/- per equity share). If declared by the members at the forthcoming Annual General Meeting, dividend will be deposited with the bank and paid after August 1, 2019. The Company will pay the tax on dividend as per the provisions of the Income Tax Act, 1961.

The Company dodes not propose to transfer any amount to the General Reserve out of the amount available for appropriation.

Transfer of amounts to Investor Education and Protection Fund

A sum of ₹ 3,43,080/- being the dividend lying unclaimed for seven consecutive years out of the dividend declared by the Company for the year ended March 31, 2011 was transferred to the Investor Education and Protection Fund **("IEPF")** of the Central Government in September, 2018.

Dividend which remains unclaimed out of the dividend declared by the Company for the year ended March 31, 2012 will be transferred to the IEPF pursuant to the provisions of Section 124 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for the above unclaimed dividend.

4. SHARE CAPITAL

The Company's Authorised Share Capital during the financial year ended March 31, 2019 stood at ₹ 1,000 lakhs and the Company's Paid-up equity Share Capital remained at ₹ 493.78 lakhs comprising of 49,37,813 equity shares of ₹ 10/- each. During the year under review, the Company has not issued any shares, with or without differential voting rights. It has neither issued employee stock options nor sweat equity shares. As at March 31, 2019, and at any time during the year, none of the Directors of the Company held / holds shares in the Company.

5. DEPOSITS

Your Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

It is the Company's policy not to give loans, directly or indirectly, to any persons (other than to employees under contractual obligations) or to other body corporates or give any guarantee or provide any security in connection with a loan to any other body corporate or person. Your Company does not make any investment in securities of any other body corporate. Your Company has not taken or given any loan or advances in the nature of loan to its holding Company.

7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Being a responsible Corporate Citizen, your Company is committed to fulfill Social Responsibility. Guided by the prevailing regulatory requirements, the Board of your Company has constituted a Corporate Social Responsibility **("CSR")** Committee and framed and adopted a CSR policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The Committee as on March 31, 2019 comprises Ms. Roma Balwani as Chairperson and Mr. Yves Honhon and Mr. Raman Madhok as members of the Committee. The CSR policy of the Company is available on the Company's website - www.cmifpe.com.

The terms of reference of the CSR Committee, number and dates of meeting held, attendance of the Directors are given separately in the Corporate Governance Report.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure A and forms an integral part of this Report.

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year under review, the Company has spent in excess of two per-cent of the average net profits of the Company during the three immediately preceding financial years.

The Company has aligned its CSR programmes under Education, Health & Nutrition and Environment to achieve its social objective and cover the following thematic interventions as per Schedule VII of the Companies Act, 2013 :

- Improving living conditions (eradication of hunger, malnutrition, etc.)
- Ensuring environment sustainability
- Swachh Bharat Mission

The Company has partnered with agencies of repute and has committed to incur expenditure for CSR initiatives in the coming years through structured programs and projects. These projects and programs are on-going and have a qualitative long term impact on the beneficiaries.

8. HUMAN RESOURCES

Your Company takes pride in the commitment, competence and dedication of its employees in all areas of the business and its continued focus on employee retention. Your Company believes that its workforce lives its brand.

Your Company has various programmes on a continuous basis to train employees, to provide professional skills to them for better talent management and development needs of the organization as well as to develop the mid-level managers, apart from its key areas of focus, to ensure leadership bench-strength and managing succession. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

During the year under review, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, rewards and recognition are commensurate with the performance and the employees have the opportunity to develop and grow. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that the value and principles of CMI as a Group are understood by all and are the reference point in all people matters.

Your Company strictly adheres to the prescribed norms and practices relating to health, safety and environment.

The industrial relations continued to be cordial at all levels throughout the year except for disturbances created by one of the contractor's workers, which has since been resolved. Your Directors wish to thank all the Employees and Workmen of the Company for their contribution, support and continued co-operation throughout the year.

Health and Safety

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

Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress any complaints reported. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH. The Internal Committee (IC) is composed of internal members and an external member who has extensive experience in the field.

Frequent communication of this Policy is done through various programs and at regular intervals to the employees. Third party workshops and awareness programs are organized for sensitizing the employees with the provisions of the said Act.

During the year under review, no cases of sexual harassment were reported in your Company. During the course of the year, several initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material which are also made easily accessible. In addition, workshops were also run for the employees to enhance awareness and knowledge of other biases that may influence thinking and actions.

An orientation session was held for the Board of Directors of your Company to make them aware of the POSH and the Policy and the manner in which the complaints could be lodged and the scrutiny process.

9. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company's approach to address business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

Your Company follows the globally recognized COSO framework. The Company recognizes that the emerging and identified risks need to be managed and mitigated to:

- Protect its shareholders and other stakeholder's interest
- Achieve its business objective
- Enable sustainable growth

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

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A robust system of internal control, commensurate with the size and nature of its business forms an integral part of the Company's policies. Your Company has an effective internal control, commensurate with its size, scale and complexities of its operations and risk mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures. The internal audit role is entrusted to PricewaterhouseCoopers Private Limited, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and audit of business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee.

This formalized system of internal control and risk management framework facilitates effective compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("the Listing Regulations")**, Companies Act, 2013 and relevant statutes, as amended from time to time, applicable to the Company.

11. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has a well-defined Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations and this is implemented through the Company's Whistle Blower policy. During the year under review, the Board of Directors, on the recommendations of the Audit Committee, amended the Whistle Blower Policy to align it with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Companies Act, 2013 and the Listing Regulations. The Whistle Blower policy provides for mechanism to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

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.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Joao Felix Da Silva (DIN 07662251) will retire by rotation at the ensuing 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. Brief profile of Mr. Joao Felix Da Silva has been given in the Notice convening the Annual General Meeting.

Re-appointment of Independent Directors for second term

Pursuant to the provisions of the Companies Act, 2013, the members of the Company appointed Mr. D. J. Balaji Rao (DIN 00025254), Mr. Raman M. Madhok (DIN 01798377) and Mr. N. Sundararajan (DIN 00051040) as Non-Executive Independent Directors to hold office for 5 (five) consecutive years up-to March 31, 2019. The Board of Directors at its meeting held on February 6, 2019, based on the recommendations of the Nomination and Remuneration Committee and based on performance evaluation recommended the re-appointment of Mr. D. J. Balaji Rao as an Independent Director for a second term of 2 (two) consecutive years w.e.f. April 1, 2019 (the reduced term, taking into account his age). Mr. Raman M. Madhok and Mr. N. Sundararajan were recommended for re-appointment as Independent Directors by the Board for a second term of 5 (five) years w.e.f. April 1, 2019. The members of the Company, through Special Resolutions passed through Postal ballot on March 18, 2019, approved all the re-appointments as recommended, viz., of Mr. D. J. Balaji Rao for second term of 2 (two) years and Mr. Raman M. Madhok for second term of 5 (five) years and also approved their continuance as Non-Executive Independent Directors of the Company beyond 75 years of age. The re-appointment of Mr. N. Sundararajan as an Independent Director of the Company for a second term of 5 (five) years was also approved by the members of the Company through the above Postal Ballot on March 18, 2019.

Ms. Roma Balwani (DIN 00112756) was appointed as a Director of the Company in the category of Independent Director, and holds office up-to October 28, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Companies Act, 2013). Your Company has received a notice under Section 160 of the Companies Act, 2013 from a member of your Company proposing the re-appointment of Ms. Roma Balwani for the office of Non-Executive Independent Director for a second term of 5 (five) years up-to October 28, 2024. A brief profile of Ms. Roma Balwani is given in the Notice convening the Annual General Meeting for the reference of the members. The Board taking into account, the recommendations of the Nomination and Remuneration Committee and on the basis of the report of the performance evaluation of Independent Directors, has recommended the re-appointment of Ms. Roma Balwani as a Non-Executive Independent Director for the aforesaid second term.

The proposal regarding the re-appointment of Ms. Roma Balwani is placed for your approval.

Superannuation of Managing Director

After more than 6 (six) years at helm at the Company and a total of 8 (eight) years of dedicated service with the CMI Group in various capacities, Mr. Raman Madhok (DIN

00672492) has conveyed his decision not to seek further term as Managing Director of the Company, post the completion of his term on October 8, 2019. Respecting his personal decision, the Board accepted, with great regret, his decision. Your Directors place on record their deep appreciation for the valuable services rendered by Mr. Raman Madhok during his tenure as a Managing Director of the Company.

Declaration from Independent Directors

Your Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Regulations, as amended. The Board has confirmed that all the Independent Directors fulfill the conditions specified in the Listing Regulations.

Performance Evaluation of the Board

Your Company believes that systematic evaluation contributes significantly for the performance improvement at 3 (three) levels : Organisational, Individual Board Member and the Board as a whole. It encourages the leadership, teamwork, accountability, decision-making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understanding of Board dynamics, Board-management relations and thinking as a group within the Board.

The Evaluation is done as per the criteria of performance evaluation recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors. As per the said criteria, separate questionnaires, as defined under the policy document on the criteria are being used for each category of persons / entity being evaluated viz. the Board of Directors, Committees of the Board, Independent Directors. The NRC has reviewed the implementation and compliance of the process of performance evaluation.

The evaluation exercise was carried out internally. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance for evaluation of the performance of Board, Committees of Board and Individual Directors. The Board members were also enabled to give qualitative feedback apart from the structured questionnaire.

The reports of feedback received from all Directors on performance evaluation of individual Directors were shared with respective Directors and Chairman of the NRC. The NRC evaluated the performance of all individual directors based on the feedback so received.

The report of the feedback received from all the Directors on performance evaluation of Board and Committees of Board were shared with the Chairman of the Company. The Board, on the basis of feedback so received, evaluated performance of its own and Committees of Board. The Performance Evaluation of the Chairman of the Company was carried out by the Independent Directors of the Company, taking into account the views of all the Directors including the Executive and Non-Executive Directors.

After the conclusion of the exercise, and after reviewing the findings, the Chairman of the Board met each Director individually to get individual feedback of the functioning of the Board and its constituents, *inter alia,* on the criteria such as attendance, level of participation at the meetings of the Board and Committees, independence of judgment exercised by the Independent Directors, interpersonal relationship, etc.

Significant collective insights, 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 also with the findings. The Board has taken note of the feedback received from Directors to further improve the performance of the Directors, the Board itself and the Committees of the Board.

Key Managerial Personnel

As at March 31, 2019, the following officers were designated as the Key Managerial Personnel **("KMP")** of the Company in accordance with Section 2(51) and Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

i)	Mr. Raman Madhok	Managing Director
ii)	Mr. Akash Ohri	Chief Financial Officer
iii)	Mr. Haresh Vala	Company Secretary

There has been no change in the KMPs during the year under review.

Mr. Akash Ohri, Chief Financial Officer has been recognized for elevation to the responsibility of the Financial Controller in the Industry Sector of CMI SA in Belgium, and accordingly, Mr. Akash Ohri has resigned from the services of the Company effective from July 30, 2019. Your Directors place on record their deep appreciation for the valuable services rendered by Mr. Akash Ohri during his tenure as the Chief Financial Officer of the Company. The Company has finalised the candidate for the position of Chief Financial Officer and the new recruit is expected to join soon.

Remuneration Policy

The Board of Directors of your Company has framed a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of Companies Act, 2013 and the Listing Regulations. The main objective of the said Policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The details of this policy are explained in the Corporate Governance Report.

13. 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, 2019, 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 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, 2019 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 provision of all applicable laws, and these were adequate and operating effectively.

14. MEETINGS

Meetings held during the year

During the year under review, the Board of Directors met 4 (four) times and the Audit Committee also met 4 (four) times. The details of the meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report. The intervening gaps between the meetings were within the limits stipulated under the Companies Act, 2013 and the Listing Regulations. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Committees of the Board

Your Company has duly constituted the Committees required under the Companies Act, 2013 read with applicable Rules made thereunder and the Listing Regulations. The Board of Directors has the following Committees :

i. Audit Committee

ii. Stakeholders Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Risk Management Committee

vi. Borrowings Committee

vii. Banking Operations Committee

The details of the composition of the Committees, their terms of reference and attendance at the meetings of the Committee of the Board are set out in the Corporate Governance Report.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a policy on related party transactions which was revised in line with the amendments to the Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website – www.cmifpe.com. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the framework of the policy on related party transactions. All Related Party Transactions are placed before the Audit Committee / Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. A quarterly statement of all Related Party Transactions is placed before the Audit Committee for review at every meeting, specifying the nature, value and terms and conditions of the transactions.

During the financial year 2018-19, all transactions with Related Parties have been carried out in the ordinary course of business and based upon well set principles of arms' length in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Thus, a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

During the financial year under review, the payment of Technology fees @ 3% was discontinued, and the Board of Directors approved the payment of 3% technical royalty fees on the portion of contracts secured by CMI SA and awarded to the Company to compensate for the efforts and expenses incurred by CMI SA. The payment of technical royalty fees is made effective from April 1, 2019.

The Company has obtained the approval of the members at the 32nd Annual General Meeting held on July 27, 2018, for related party transactions with CMI SA, CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited for transactions over a period of 2 to 3 years which are to be considered material in terms of the Listing Regulations. During the year ended March 31, 2019, total value of transactions with CMI SA was ₹ 298.90 crores and the transactions with CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited were for ₹ 29.83 crores and ₹ 18.70 crores respectively. In view of the increase in business of the Company, member's approval for material Related Party Transactions, as defined under the Listing Regulations, is being sought through suitable resolution at the ensuing Annual General Meeting.

The approval of the members of the Company for the payment of Brand fee @ 0.6% of the external sales and for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA is sought in terms of the Listing Regulations.

All related party transactions are disclosed in the Notes to the financial statements.

None of the related party transactions entered into by the Company was in conflict with the Company's interests. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

None of the Directors has any pecuniary relationships or transactions with the Company except remuneration, sitting fees and commission.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were 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.

17. AUDITORS

Statutory Auditors

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members of the Company at the 32nd Annual General Meeting held on July 27, 2018, approved the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Registration No. 324982E / E300003), as the Statutory Auditors of the Company, for an initial term of 5 (five) years i.e. from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company to be held in the year 2023. Pursuant to the amendments to Section 139 of the Companies Act, 2013, the requirement to place the matter relating to such appointment for ratification by members at every Annual General Meeting has been dispensed with effective from May 7, 2018.

M/s. S R B C & Co. LLP has confirmed that they comply with all the requirements and criteria and are qualified to continue to act as the Statutory Auditors of the Company.

The Report given by the Statutory Auditors on the Financial Statements for the financial year 2018-19 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report, and the Notes thereto are self-explanatory and do not require any explanations from the Board.

During the year under review, the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

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 Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as the Cost Auditor of the Company to conduct the audit of the cost accounting records maintained by the Company for the financial year 2019-20 on a remuneration of ₹ 2.30 lakhs.

As required under the Companies Act, 2013, a resolution seeking member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

During the year under review, the Cost Auditor had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Secretarial Auditor

Secretarial Audit as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations was conducted by the Secretarial Auditor, M/s. VKM & Associates, Practising Company Secretaries.

As mandated by the amendment to the Listing Regulations, the Company has obtained a certificate from M/s. VKM & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI / Ministry of Corporate Affairs or any such regulatory authority.

In terms of Clause 3(b) of SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report for the year ended March 31, 2019 from M/s. VKM & Associates, Practising Company Secretaries, who are also the Secretarial Auditor of the Company.

The Secretarial Auditor's Report and the Annual Secretarial Compliance Report are annexed as Annexure B and forms an integral part of this Report.

There is no qualification arising from the Secretarial Audit for the year under review.

During the year under review, the Secretarial Auditor had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

18. 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, pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure C and forms an integral part of this Report.

19. CORPORATE GOVERNANCE

A separate section on Report of Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations, as amended, together with a certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance is annexed and forms an integral part of this Report.

20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, detailed review of operations, performance and future outlook of the Company is covered under a separate section of the Annual Report as Management Discussion and Analysis Report.

21. AWARDS AND ACCOLADES

Your Company once again won the 'CMI Public Award' for the third consecutive year in a row for its Corporate Social Responsibility (CSR) program for working with 3 schools, 7 Anganwadis, 2 old-age homes and 10 villages near Hedavali workshop.

22. GREEN INITIATIVES

The Company started a sustainability initiative with the aim of going green and minimizing the adverse impact on the environment. Electronic copies of the Annual Reports are being sent to all the members whose email addresses are registered with the Company.

The Company has moved to "digital document platform" for Board and Committee meetings. This has helped the Company to reduce administrative time plus postage and papers for the preparation of the meetings. The Board members have adapted to the new software quickly and the experience of adopting a nearly all-digital documentation process for Board and Committee meetings keeps getting better.

23. EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is available on the website of the Company - www.cmifpe.com. The extract of Annual Return as at March 31, 2019 in Form MGT-9 is annexed as Annexure D and forms an integral part of this Report.

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required to be disclosed in the Directors' Report as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as Annexure E and forms an integral part of this Report.

The information regarding employee remuneration as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection. 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 others 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 up-to the date of the ensuing Annual

General Meeting. Any member interested in obtaining a copy thereof 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 holds (by himself or along with his / her spouse and dependent children) more than 2% of the equity shares of the Company.

25. INSURANCE

Your Company has adequately insured itself through various insurance policies to transfer the risks arising from third party or customer claims, damage to property or people, etc.

Directors' & Officer's Liability (D & O) policy covers the Directors and Officers of the Company against the risk of third party claims arising out of their actions / decisions in the normal course of discharge of their duties, which may result in financial loss to any third party.

The employees of the Company are covered under various employee benefit insurance schemes that provide cover for Hospitalization, Accidental Disability and Death.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors look forward to the long term future with confidence.

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

For and on behalf of the Board

Joao Felix Da Silva
Chairman
DIN : 07662251

Mumbai
May 30, 2019

Annexure A

Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1	A brief outline of the Company's Corporate Social Responsibility ('CSR') Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Company undertakes its CSR activities for the development of the society. The developmental interventions focus on Education, Health and Environment. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013. The CSR policy is placed on the Company's website -www.cmifpe.com.
2	The composition of the CSR Committee	1. Ms. Roma Balwani, Chairperson and Independent Director 2. Mr. Yves Honhon, Non-Executive Director 3. Mr. Raman Madhok, Managing Director
3	Average Net profit of the Company for the last three financial years	Average Net profit of the Company computed as per Section 198 of the Companies Act, 2013 for the three immediately preceding financial years was ₹ 298.92 lakhs.
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	₹ 5.98 lakhs
5	Details of the CSR spent during the financial year:	

Total Amount spent during the financial year ended March 31, 2019	Amount unspent, if any	Manner in which amount spent during the financial year
₹ 8.97 lakhs	Nil	The manner in which the amount is spent is detailed below

The manner in which the CSR amount was spent by CMI FPE Limited

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs a) Local area or others b) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) Project or programs wise (amt. in ₹)	Amount spent on the projects or programs sub heads: a) Direct Expenditure on Projects or programs b) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
i.	Health & Nutrition Program	Health	In and around Hedavali, Maharashtra (affecting several thousands of lives)	₹ 5,98,000	₹ 8,97,000	₹ 8,97,000	₹ 8,97,000

6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount, in its Board's Report.	Not Applicable
7	We, Roma Balwani, Yves Honhon and Raman Madhok, the members of CSR Committee of CMI FPE Limited, confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.	

For and on behalf of the Corporate Social Responsibility Committee

Roma Balwani
Chairperson of the Committee
(DIN 00112756)

Yves Honhon
Member
(DIN 02268831)

Raman Madhok
Member
(DIN 00672492)

Mumbai,
May 29, 2019

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 31st March, 2019 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 31st March, 2019 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 Act, 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, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any shares during the year under review;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares / options to directors / employees under the said regulations during the year under review;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfers Agents) Regulations,1993;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;

6. Other Laws applicable to the Company :

   i. The Payment of Wages Act, 1936.
   ii. The Minimum Wages Act, 1948.
   iii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
   iv. The Payment of Gratuity Act, 1972.
   v. The Bombay Shops and Establishments Act, 1948.
   vi. The Maharashtra Labour Welfare Fund Act, 1953.
   vii. The Environment (Protection) Act, 1986.
   viii. The Maharashtra Pollution and Control Board Circulars and Standing Orders.

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

I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

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 Director, Non-Executive Directors and Independent Directors. During the year under review, following changes in the Board of Directors have taken place through Postal Ballot on March 18, 2019:

  - Re-appointment of Mr. D. J. Balaji Rao as Non-Executive Independent Director for a further period of two years w.e.f. 1st April, 2019.
  - Re-appointment of Mr. Raman M. Madhok and Mr. N. Sundararajan as Non-Executive Independent Directors for a further period of five years w.e.f. 1st April, 2019.

  The aforesaid mentioned changes were carried out in conformity and compliance with the provisions of the Act.

➢ Adequate notice is 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.

For VKM & Associates
Practising Company Secretaries

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

Place : Mumbai
Date : 28/05/2019

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 - 400 093.

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

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

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.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VKM & Associates
Practising Company Secretaries

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

Place : Mumbai
Date : 28/05/2019

Annual Secretarial Compliance Report for the year ended 31st March, 2019

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

We, M/s. VKM & Associates have examined :

(a) all the documents and records made available to us and explanation provided by **CMI FPE Limited** ("the listed entity"),
(b) the filings / submissions made by the listed entity to the Stock Exchange,
(c) website of the listed entity,
(d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include :

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, we hereby report that, during the Review Period :

(i) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below : - **No deviations observed**

Sr. No.	*Compliance Requirements (Regulations / Circulars / Guidelines including specific clauses)*	*Deviations*	*Observations / Remarks*
	……………………...........		

(ii) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from our examination of those records.

(iii) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder : **No violation occurred**

Sr. No.	*Action taken by*	*Details of Violation*	*Details of Action taken*	*Comments on the Actions taken by the Company*
	.....................…………			

(iv) The listed entity has taken the following actions to comply with the observations made in previous reports :

Sr. No.	*Observations in the previous Reports*	*Observations made in the Secretarial Compliance Report for the year ended 31st March, 2018*	*Actions taken by the Listed Entity, if any*	*Comments on the Actions taken by the Company*
Not Applicable				

For VKM & Associates
Practising Company Secretaries

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

Place : Mumbai
Date : 28/05/2019

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) 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:

- The lights and cooling temperature in the offices / plants have been rationalized.
- LED lights provided in machine works areas in Shed 1 and Shed 3 resulting in power consumption saving.
- Monitoring of the lighting system to avoid unwanted lighting power is done on regular basis.
- As a step to save electrical and hydraulic energy, modification of power pack of Wadkin machine was carried out resulting in reduction of electrical consumption from 22 KWH to 3 KWH (about 14% savings).
- Installed LED fittings at Shot blasting shed at Hedavali.
- Electrical Energy audit was carried out at Hedavali and at Andheri Head Office to know the energy losses and accordingly further process of Automation in the field of power is being worked out.
- Air losses on machines were avoided by providing controlled air guns in Assembly shop.

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

- Proposal for automatic power factor controller for Hedavali plant and Head office.
- Solar energy proposals are being studied for its implementation at Taloja.
- Compressed Air control on Machines is in process to avoid air losses.

(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.

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

Power and Fuel consumption	2018-2019	2017-2018
i. Electricity:		
a. Purchased		
Units (Total) - KWH	**17,71,470**	16,97,774
Total Amount (₹ in lakhs)	**165.80**	144.83
Rate / Unit (₹)	**9.36**	8.53
Consumption per unit of production	**Not Applicable**	Not Applicable
b. Own generation (DG set)		
Units (Total) – KWH	**57,182**	39,154
Total Amount (₹ in lakhs)	**13.55**	9.38
Rate / Unit (₹)	**23.70**	23.96
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	**20,918**	15,415
Total Amount (₹ in lakhs)	**15.00**	9.27
Rate / Unit (₹)	**71.71**	60.15
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 (Innovations) carried out by the Company:

   - 6HI Mill cobble guard design changed to new compact type design for easy maintenance, operation and cost saving.
   - 6HI Skin Pass mill for continuous annealing line with special features like quick work roll change, with load IMR shifting and two different size of work roll diameter.
   - Double expansion mandrel for Payoff.
   - Tinsel scrapper unit.
   - Modification of Paint ovens: Recirculation fan changed to backward curve as availability of forward curve fan is difficult. Thus, the layout changed and burner included. This lead to lesser heat loss and increased efficiency.

- Parametric design of furnace casings: Vertical furnace casings drawings prepared in inventor using parametric design.

- Developments in plant :

  a. Custom Fixture for Re-coiler and Un-coiler components to reduce cycle time.

  b. Focus on equipment painting and improvement in surface treatment process for enhance aesthetics look.

  c. Enhancement of Furnace assembly capacity for higher throughput.

  d. Improvement of packing area for higher dispatches in all plants.

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

   - Optimization of weights and manufacturing process for various equipments with improved technological parameters, performances and cost competitiveness.

   - Safety is of paramount importance and hence the Company has accorded huge focus on safety of operations, processes, machinery and most importantly of human beings as a result of above developments.

3. Future Plan of Action:

   - Introduction of new products and processes.

     a. Reheating Furnace.

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

     a. Manufacture of critical assemblies such as ‘air knife’ / trimmer – chopper / rotary shears, etc. for worldwide contracts.

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 lean 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
Continuous Annealing Line	2016-2017	Work in Progress
Blow Stab Generation 3	2017-2018	Work in Progress

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.

Form No. MGT-9

Extract of Annual Return as on the financial year ended March 31, 2019
[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	May 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 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059 Tel : 022 62638200 Fax : 022 62638299

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									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	5500	0	5500	0.11	5500	0	5500	0.11	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	
f) 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	-	-	-	-	-	-	-	-	
c) Bodies Corp.	3697700	0	3697700	74.89	3697700	0	3697700	74.89	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	
e) 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	0	0	0.00	13750	0	13750	0.27	0.27
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	100	650	750	0.02	100	650	750	0.02	0.00
h) Alternate Investment Funds	0	0	0	0.00	4399	0	4399	0.09	0.09
i) Others	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	**100**	**650**	**750**	**0.02**	**18249**	**650**	**18899**	**0.38**	**0.36**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	64373	2300	66673	1.35	57260	2300	59560	1.21	(0.14)
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	609606	42809	652415	13.21	611196	38185	649381	13.15	(0.06)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	441582	0	441582	8.94	428607	0	428607	8.68	(0.26)
c) Others (specify)									
Non-Resident Individuals	15725	1300	17025	0.35	18359	1050	19409	0.39	0.04
Clearing Members	45241	0	45241	0.92	45378	0	45378	0.92	0.00
Market Maker	10	0	10	0.00	0	0	0	0.00	0.00
IEPF	10917	0	10917	0.22	13379	0	13379	0.27	0.05
Sub-total (B)(2)	**1187454**	**46409**	**1233863**	**24.99**	**1174179**	**41535**	**1215714**	**24.62**	**(0.36)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1187554**	**47059**	**1234613**	**25.00**	**1192428**	**42185**	**1234613**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Grand Total (A+B+C)	**4890754**	**47059**	**4937813**	**100.00**	**4895628**	**42185**	**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
	No Change during the year				

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

Sl. No.	Name of the shareholder	Shareholding at the beginning and end of the year		Date	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	Jay Mahendra Shah (HUF)	115193	2.33	March 1, 2019	30000	Sell	85193	1.73
		As at the end of the year (March 31, 2019)					**85193**	**1.73**
2.	Jay Mahendra Shah	81444	1.65	No Change			81444	1.65
		As at the end of the year (March 31, 2019)					**81444**	**1.65**
3.	Anand Mahendra Shah (HUF)	48966	0.99	March 8, 2019	30000	Buy	78966	1.60
		As at the end of the year (March 31, 2019)					**78966**	**1.60**
4.	Suchita Anand Shah	48302	0.98	No Change			48302	0.98
		As at the end of the year (March 31, 2019)					**48302**	**0.98**
5.	Datta Mahendra Shah	69108	1.40	March 1, 2019	30000	Sell	39108	0.79
		As at the end of the year (March 31, 2019)					**39108**	**0.79**
6.	Mahendra H. Shah (HUF)	38258	0.77	No Change			38258	0.77
		As at the end of the year (March 31, 2019)					**38258**	**0.77**
7.	ISS Enterprise Limited Collateral Account (BSE)	38234	0.77	April 6, 2018	583	Buy	38817	0.79
				April 13, 2018	267	Buy	39084	0.79
				April 20, 2018	326	Sell	38758	0.78
				April 27, 2018	181	Sell	38577	0.78
				May 4, 2018	550	Sell	38027	0.77
				May 11, 2018	640	Buy	38667	0.78
				May 18, 2018	540	Sell	38127	0.77
				May 25, 2018	379	Buy	38506	0.78
				June 1, 2018	1992	Buy	40498	0.82
				June 8, 2018	1861	Sell	38637	0.78

Sl. No.	Name of the shareholder	Shareholding at the beginning and end of the year		Date	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				June 15, 2018	631	Sell	38006	0.77
				June 22, 2018	77	Sell	37929	0.77
				June 29, 2018	323	Buy	38252	0.77
				July 6, 2018	25	Sell	38227	0.77
				July 13, 2018	300	Sell	37927	0.77
				August 3, 2018	115	Buy	38042	0.77
				August 10, 2018	319	Buy	38361	0.78
				August 17, 2018	275	Sell	38086	0.77
				August 24, 2018	1617	Buy	39703	0.80
				August 31, 2018	1776	Sell	37927	0.77
				September 14, 2018	137	Buy	38064	0.77
				September 21, 2018	71	Buy	38135	0.77
				September 28, 2018	208	Sell	37927	0.77
				October 19, 2018	125	Buy	38052	0.77
				October 26, 2018	175	Buy	38227	0.77
				November 2, 2018	270	Sell	37957	0.77
				November 9, 2018	30	Sell	37927	0.77
				November 16, 2018	500	Buy	38427	0.78
				November 23, 2018	200	Sell	38227	0.77
				November 30, 2018	143	Buy	38370	0.78
				December 7, 2018	96	Sell	38274	0.78
				December 17, 2018	347	Sell	37927	0.77
				December 28, 2018	300	Buy	38227	0.77
				December 31, 2018	78	Buy	38305	0.78
				January 4, 2019	75	Sell	38230	0.77
				January 11, 2019	296	Sell	37934	0.77
				January 18, 2019	6	Buy	37940	0.77
				January 25, 2019	37	Buy	37977	0.77
				February 1, 2019	50	Sell	37927	0.77
				February 8, 2019	100	Buy	38027	0.77
				February 15, 2019	1050	Buy	39077	0.79
				February 25, 2019	25	Buy	39102	0.79
				March 1, 2019	29425	Buy	68527	1.39
				March 8, 2019	30400	Sell	38127	0.77
				March 22, 2019	100	Buy	38227	0.77
				March 29, 2019	300	Sell	37927	0.77
		As at the end of the year (March 31, 2019)					**37927**	**0.77**
8.	Anand Mahendra Shah	15012	0.30	March 1, 2019	15000	Buy	30012	0.61
		As at the end of the year (March 31, 2019)					**30012**	**0.61**
9.	Jay Anand Stock Broking (P) Ltd.	17623	0.36	No Change			17623	0.36
		As at the end of the year (March 31, 2019)					**17623**	**0.36**
10.	Jeet Anand Shah	0	0.00	March 1, 2019	15000	Buy	15000	0.30
		As at the end of the year (March 31, 2019)					**15000**	**0.30**
11.	Nishi Tilakraj Mehta	13995	0.28	January 18, 2019	472	Sell	13523	0.27
				January 25, 2019	3528	Sell	9995	0.20
		As at the end of the year (March 31, 2019)					**9995**	**0.20**

(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. Joao Felix Da Silva – 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
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

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
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				
	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 lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
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 lakhs)

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	478.57	478.57
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	38.81	38.81
	(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	35.28	35.28
	Total (A)	**552.66**	**552.66**
	Ceiling as per the Act	Not Applicable	Not Applicable

The Ministry of Corporate Affairs vide the Notification dated September 12, 2016 amended Schedule V of the Companies Act, 2013 which deals with the conditions for appointment and payment of remuneration to managerial personnel. The notification clarified that in respect of the remuneration paid to a managerial person functioning in a professional capacity and on fulfillment of certain other conditions, the Company can pay remuneration in accordance with the terms and conditions approved by the members by way of special resolution without obtaining the approval of Central Government. In terms of the said notification, the approval of the Central Government is not required for the remuneration paid / payable to Mr. Raman Madhok as the Managing Director as the remuneration is paid as per the terms and conditions and is within the limits approved by the members at the 30th Annual General Meeting held on July 29, 2016.

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

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	10.60	7.10	9.00	5.50	32.20
	Commission	10.00	8.00	11.00	8.00	37.00
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**20.60**	**15.10**	**20.00**	**13.50**	**69.20**
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)	**20.60**	**15.10**	**20.00**	**13.50**	**69.20**

Commission approved for the year 2018-19 and payable in 2019-20 is within the ceiling limits under the Companies Act, 2013.

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

(₹ in lakhs)

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	54.59	25.54	80.13
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	1.53	0.95	2.48
	(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	2.20	1.38	3.58
	Total	**58.32**	**27.87**	**86.19**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Requirement	Information	Ratio
(i)	The ratio of the remuneration of Executive Director to the median remuneration of the employees of the Company for the financial year.	Director	
		Mr. Raman Madhok, Managing Director	86 : 1
(ii)	The percentage increase in remuneration of Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Executive Director	
		Mr. Raman Madhok, Managing Director	9.09%
		Mr. Akash Ohri, Chief Financial Officer	10.00%
		Mr. Haresh Vala, Company Secretary	18.15%

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.

(iii)	The percentage increase in the median remuneration of employees in the financial year.	9.06%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2019.	504 Employees
(v)	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 9.45% while the increase in remuneration of managerial personnel was 12.41%. The salary increases during this year reflects the Company's reward philosophy as well as the results of the benchmarking exercise.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Affirmed

Management Discussion And Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Economic Environment:

India has emerged as the fastest growing major economy in the world and is expected to be one of the three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. With the improvement in the economic scenario, there have been various investments in various sectors of the economy. In financial year 2018-2019, India produced 104.98 MT and 103.13 MT of finished steel and crude steel respectively. Total crude steel production in India has increased at a CAGR of 5.43 per cent during FY 2012-2018. India's finished steel consumption is anticipated to increase to 230 MT by 2030-2031 from 96.8 MT in 2017-2018.

India will be the brightest spot for the steel sector over the next 12-18 months, according to Moody's Investor Service.

The recent upgrade of India's rating by the US based credit rating agency Moody's (**Baa2** from **Baa3**) in recognition of the reforms agenda pursued by the Government is a major boost to investor confidence. Moody's also noted that the outlook for the Asian steel industry is stable, reflecting the consideration that the profitability of rated producers will increase moderately over the next 12 months against the backdrop of overall steady regional demand. The industry is hopeful that going forward, Reserve Bank of India (RBI) would lower interest rates to boost broad-based investment and consumption activity which in turn would promote economic growth.

Steel manufacturing output of India is expected to increase to 128.6 MT by 2021, accelerating the country's share of global steel production from 5.4 per cent in 2017 to 7.7 per cent by 2021.

It is forecasted over 2017-2022, the Appliances and Consumer Electronics sector will expand at a CAGR of 8.96 per cent contributing to growth of the steel industry.

The industry is witnessing consolidation of players which has led to investments by entities from other sectors. This ongoing consolidation also presents an opportunity to global players to enter the Indian market. The National Steel Policy implemented in 2017 has helped India reach global benchmarks.

Steel Scenario and Outlook:

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernization and up-gradation of older plants and higher energy efficiency levels.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US$ 10.84 billion in the period April 2000 to June 2018.

Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand of steel. Also further acceleration in rural economy and infrastructure is expected to lead the growth in demand for steel.

The Indian banking system has been battling a chronic case of non-performing assets. The steel industry tops the list with the highest non-performing assets in value terms. The situation is an aftermath of the oversupply from China, sustained weakness in steel prices, management indiscretions in some cases which have crippled several large steel players.

The common theme played out in the global market includes consolidation by the larger players as well as closures of inefficient facilities.

Major steel players are moving up the value chain by manufacturing specialized products in close association with their user industries to offset the weak demand in the commoditized steel markets to shore up margins.

Review of Operations:

Your Company registered a commendable revenue growth of 61% over the previous financial year despite a challenging business environment. Your Company is focused on offering solutions leveraging its superior products and technology to address the requirements of the steel industry. Initiatives started in earlier years are being developed further.

With the thrust on exports to overseas markets, it is gratifying to note that exports sales have grown by 244% year over year. The focus would be to continue this effort in the coming years.

During the financial year, your Company continued to augment manufacturing capacity to meet the increase in demand of its products. These efforts are expected to result in cost benefits and improved margins in the long term.

Impact of the availability and prices of raw materials and initiation of insolvency proceedings against a few of our major customers have had some adverse impact. Customers have shelved / postponed their expansion projects and are looking forward to the outcome of the insolvency proceedings against steel manufacturers.

Opportunities and Threats:

India is slated to surpass US to become world's second largest steel consumer in 2019. Between April 2000 and September 2018, inflow of US$ 11.11 billion has been witnessed in the metallurgical industries as FDI. National Steel Policy 2017 aims to increase the per capita consumption of steel to 160 kgs by FY 2030-2031.

Inspite of sectorial stress such as insolvency and China factor, Indian consumption story remains intact and India remains a bright spot in the global steel industry. The GDP for India is at 7.3 per cent for FY 2018 and is estimated at 7.6 per cent in FY 2020-2021.

The current capacity utilization of 68.1 per cent is estimated to improve to 76 per cent going forward but will remain significantly below 83 per cent utilization 10 years ago at the Industry's peak.

Domestic players' investments in expanding and upgrading manufacturing facilities are expected to reduce reliance on imports. In addition, the entry of international players would provide benefits in terms of capital resources, technical know-how and more competitive industry dynamics. India has been ranked fifth on the list of countries with highest NPAs. Though bank recapitalization efforts are underway, the economy needs to recover from bad loan problem quickly for favorable economic growth in the future.

As India surges ahead in building infrastructure, investments in steel pave the way ahead. The growing demand in construction industry, automotive sector and rising demand for consumer durables and capital goods due to National Steel Policy 2017 support through 100 per cent FDI, sector based R&D and reduced custom duty has resulted in rising investments from domestic and international players, increase in number of MoUs and foreign investment of nearly US$ 40 billion.

Under the 14^{th} Finance Commission 2019-2020, the R&D scheme has been approved 26 projects with assistance of US$ 24.98 million from Ministry of Steel.

Risk Management:

The Company has established comprehensive Risk Management System to ensure that risks to the Company's continued existence as a going concern and its development are identified and addressed on timely basis. The Company follows the globally recognized COSO framework for risk governance. Consciously dealing with identified risks and regularly monitoring risk factors increases risk awareness and ensures continuing improvements. The Company is also aware that recognizing and identifying emerging risks to mitigate them is a critical business activity.

Management identifies and evaluates – especially such risks which could jeopardize continued existence or development at an early stage and defines and implements measures to control these risks. The Risk Management System consists of multi phased process. Initially, all risks are identified by different departments and functions as bottom-up approach. These risks are then analyzed and evaluated by the Company's management team before they are reported to the Audit Committee. These include interruption of supply of quality raw materials, related challenges of escalating price increases as input costs go up and ramifications of regulations like Insolvency and Bankruptcy Code.

Risks are classified in different categories such as strategic risk, operational risk, financial risk and legal risk. These risks are then classified and quantified depending on probability of occurrence and the extent of potential damage. The Risk Management strategy as approved by the Audit Committee, through the recommendations of the Risk Management Committee is implemented by the Company's management. The management presents the risk management report along with planned mitigation measures to the Audit Committee periodically.

As the Company is a supplier in the steel industry sector, the demand for Company's products is, to a large extent, driven by macro-economic conditions. In addition, demand is subject to cyclical fluctuations. The implication of risks has steadily intensified given the volume and complexity of change of the steel industry continues to face both in India and the world over. Challenges for the Company are compounded by evolving regulations and new legislations. While regulators are committed to create an environment conducive for the companies to do business, sync between policy and its operation will be an area to watch. Compliance is the highest priority for the Company and the Company is taking cognizant steps to overcome challenges on this front.

For the procurement of raw materials, the Company relies on imports to a great extent. Prices of some of the raw materials used by the Company are linked to crude oil prices. This makes the Company vulnerable to external shocks. It partially mitigates this risk by growing its global business, which offers a natural hedge against the rising cost of imports. By making constant improvements to the processes and better inventory and logistics management, the Company tries to maintain its margins.

To improve the effectiveness of the risk assessments, the KPIs of the management team is linked with the risk assessment. The 'One Metal' concept of the Industry Sector in the Group has helped to get orders from several countries in the other parts of the world, which was not possible earlier, resulting in addition of risks not in existence earlier. The increased export orders have also increased the foreign exchange risk and the uncertainties and fluctuations in shipping rates. The risk assessment exercise with the involvement of senior and middle management, and linking of the academic part and daily operational activities are the key elements of the risk assessment by the Company.

Finance:

Strategic alignment of the resources, with the help of the management and senior functional heads, included process improvements, machine shop alignment, resources management, etc. along with the tight and effective cash management resulting in reducing the burden of interest cost and making it as an opportunity to generate income for the Company. The Company is presently a debt-free Company, having good cash flow along with healthier bank balance. The operations of the Company are funded through customer advances and by internal accruals. The advances from customers are non-interest bearing and have direct correlation to the order book; thus the increase in order book has also led to increase in customer advances.

The healthy cash flow situation increases the confidence of the stakeholders in the Company and provides the assurance that the Company follows robust processes and control systems, ensuring safety of their financial interests.

As a result of the improved integration and substantial improvement in operating cycle during the year under review, CARE has revised the Long Term Rating of the Company to **CARE A**- from CARE BBB+ and the Short Term rating to **CARE A1** from CARE A2+.

The key financial ratios for the year ended March 31, 2019 as compared to the last financial year are as under:

Ratio	March 31, 2019	March 31, 2018
Return on Net Worth	18.38	4.26
Return on Investment	20.78	9.96
Return on Capital Employed	17.75	6.21
Current Ratio	1.31	1.56
Liquid Ratio	1.27	1.49
Operating Profit Margin	5.28	-1.00
Net Profit Margin	7.20	2.23

Operating profit ratio, net profit ratio, return on net worth, return on investment, return on capital employed increased during the year on account of increase in revenue from operations resulting in higher profit due to change in product mix and financial discipline.

Current ratio and liquid ratio reduced mainly on account of major increase in current liabilities.

Human Resource Management and Industrial Relations:

The mandate of the department of Human Resources is to provide internal services related to leadership development, talent management, employee compensation, labour relations and many other services essential to drive the organization's strategic objectives and priorities.

The permanent employee strength of the Company was 504 as on March 31, 2019. The HR department continues to lead enhancements and standardization of the Performance Management process. The department provides innovative and responsive training programs and this year has clocked 7527 training hours. Safety and skill up-gradation training to various categories of employees are being rendered as per the training policy of the Company.

The year 2018-2019 started with 'PULSE' - A CMI people survey which helps to understand the emerging needs of the Company's main asset: its people. The survey was carried out in April and received 100% participation from our employees. The results of the survey were shared with all employees in the first week of July, 2018.

The result showed significant improvement as compared to the 2016 results. Three of the strongest points that came across in this survey were 'Leadership & Strategic Direction', 'Line Management' and 'Training and Development'. As compared to the High performing company norms, CMI FPE was most favorable in 'Sustainable Engagement', 'Operational Efficiency' and 'Working Relations'.

To continue ensuring maximum employee satisfaction, a team has been constituted to further identify 'Action Points' for progressive development in the categories mentioned below:

- Dialogue & Information Sharing
- Training & Development
- Leadership & Strategic Direction
- Performance Management and Total Rewards
- Working Relations
- Sustainable Engagement
- Operational Efficiency
- Social & Environmental Responsibility

These action points are aligned with the Company's KPIs.

The Company once again won the 'CMI Public Award' for the third consecutive year. The Company through its Corporate Social Responsibility (CSR) program is working with 3 schools, 7 Anganwadis, 2 old-age homes and 10 villages near Hedavali workshop.

Some of the work done so far includes:

- 30 medical camps ranging from diabetes checks, dental & eye camps, gynecology checks to providing nutritional supplements and awareness campaigns has benefitted more than 4000 lives.

- A fully equipped playground set-up for 1 school so as to encourage children for improved physical activities.

- Provision of non-electric water filters to Anganwadis.

- Sturdy garden benches provided to senior citizens to encourage them to step outside of their homes and enjoy nature while being comfortable.

- Provision of Mini-portable libraries for approximately 136 children.

- Assisted reading sessions of 216 Hours.

- 600 Mumbai Museum pamphlets introduced in easy to read styles in Hindi, Marathi and English which have been distributed to many schools.

The defined activities and rigorous involvement of the CSR team along with necessary opinion leaders, NGO partners, influential doctors and hospitals has reduced the migration rate of the tribal groups and today they have better access to health, nutrition and education services.

In the framework of TATA Tinplate's bi-annual Excellence Journey Program, the Company this year bagged the award for "highest suggestions" in 'Total Productive Maintenance' (TPM) of Operation & Maintenance activities for the Acid Regeneration Plant (ARP) operations.

The Company has a well-structured process to identify potential amongst employees in order to confer rewards and recognition and this year 35 employees were recognized for their efforts and rewarded.

To promote good health and high morale among employees, the Human Resources department has a well-designed annual health and wellness program and various employee engagement activities that are conducted throughout the year.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company this year conducted POSH (Prevention of Sexual Harassment) training for all employees. The training conducted played a major role in creating awareness among employees and in building a respectful work environment.

Efforts will continue in ensuring that the workforce is well supported and ready to meet all challenges.

Health and Safety:

The Company is committed towards creating a Safe and Healthy work environment by designing work stations and workflows based on the principles of Occupational Safety and ergonomics. The work force is well trained in preventive aspects of safety and is highly motivated to achieve the target of “ZERO” work related accidents. The Company is pursuing the goal of ‘zero incidents’, through senior leader ownership of safety, preventive actions and processes. For further enhancement in the performance, ‘near-miss incident’ reporting system is launched at both the workshops.

The Company has been successful in creating positive changes in the employee’s behavior while shaping the future of the organization. The Company ensures that Safety, Health and Environment (SHE) related trainings are imparted to all relevant stakeholders at regular intervals. For this purpose, the Company conducts workshops to train employees with sessions targeted at shop floor employees. The Company has mandated the use of safety gadgets such as safety shoes, helmets on the shop floor, and the adherence is excellent.

Optimization of Key Business Processes:

The Company is engaged in the business of customized design, engineering and installation and manufacturing components of Cold Rolling Mill Complexes, Processing Lines, Chemical equipment, industrial furnaces and auxiliary equipment for the world-wide steel industry. Since the Company operates in a very competitive market, various initiatives are taken on a continuous basis.

Special focus on surface finish of the equipment and improvement in welding techniques enhanced the aesthetics of the product. Steps were taken for the enhancement of workshop capacity for higher throughput to meet the customer needs. The productivity at the plant increased as a result of the implementation of the lessons from Theory Of Constraints (TOC) in the assembly plant. The optimization of weights and manufacturing process for various equipments with improved technological parameters, performances and cost competitiveness reaped benefits for the Company.

The focus on assembly capacities, implementation of MSP scheduling with projects along with the skill enhancement on job training helped the Company to save time on the machine shop and increase the number of assemblies.

As reported in the last Annual Report, the Company was upgraded and certified to the ISO 9001:2015 Management System (in July 2017) by Certifying Body TUV NORD, a little over a year prior to the deadline of September 30, 2018. During the year under review, the recertification audit was carried out; after the audit the Certifying Body TUV NORD has identified and recognized 6 Good Practices, 2 ‘Potential for Improvement’ aspects and no minor or major non–conformities. During the recertification audit, the Auditors confirmed that the Quality Management System was complying with the requirements of the ISO 9001:2015 in a satisfactory manner and hence the Company was recommended for the renewal of the certificate. The Company continues to be certified to the Management System with the current certificate being valid for the period from July 28, 2018 to July 27, 2021 (initial certification was obtained on February 17, 2000).

In recognition and appreciation of the commitment to secure the international supply chain, the Company has obtained the Authorized Economic Operation T1 Certificate, the benefits of which are manifold and will help the Company for quick clearance at all the ports.

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

The Company considers the Suppliers as its Business Partners and in view of the strategic intent of not only “managing supplier relationship” but also to “nurture supplier relationship”, the Company organizes Supplier Meet which includes the participation of members of the Management Team. The meet helps the Company to know the expectations of the Suppliers going forward and feedback is shared with them on their “evaluation” as a Supplier.

Information Technology:

The Company is operating in a virtualized environment, with consolidation of 25 workloads on high configuration physical servers and running a highly matured SAP (ERP) system integrated with Advance Planning and Scheduling tool to have visibility - considering both material and capacity constraints simultaneously while generating production plan and reducing resource downtime by aligning the flow of material. As a part of continuous improvement, various enhancements have been carried out this year to improve the functional needs of users in these systems. Our mutual goal is always to utilise Information Technology (IT) to simplify operations and Transform IT operations and technology platforms to drive adaptability.

This year we focused on protecting our digital assets from internal and external threats to ensure our business is secure. We have protected ourselves on IT security front - both at perimeter to allow secure network traffic like internet, cleaned emails, and in-house safe browsing for internal threat using Anti-Ransomware technology which defends against new variants that may appear in the future. These security arrangements are outsourced using cloud services from world leader in the IT security space.

On physical IT infrastructure front, we have done complete tech-refresh of all our network devices to improve throughput on LAN and WAN as well.

Internal Control Systems:

The Company has a system of Internal Control over Financial reporting (IFC) ensuring the accuracy of the accounting system and the related financial reporting. The Internal Control System provides for well-documented systems, policies and procedures that are aligned with the Group standards and processes. It adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems are validated by Internal Auditors as well as Statutory Auditors.

The mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented policies and process guidelines and standard operating procedures.

The Controls defined in the framework are applied to all levels – Entity Level, Process Level and System Level. The management assesses the appropriateness and effectiveness of the controls in place on yearly basis. To this end, the Company uses a standardized methodology to identify the processes relevant to IFC, define the required controls and document them in accordance with uniform requirements. This is then followed up with a review of the defined controls that is performed using a risk-based approach. The process controls are self-evaluated as well as audited by the Internal Auditors and the Statutory Auditors. The measurement plans are laid out and monitored regularly to overcome deficiencies as detected during self-evaluation and confirmed by the Auditors.

The Risk Management Committee and Audit Committee review the adequacy of design and the effectiveness of the internal control systems, significant audit observations and monitor the sustainability of remedial measures. The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2019 and based on the assessment, believe that the same are adequate and working effectively. The Statutory Auditors have issued an audit report expressing satisfaction on the adequacy and effectiveness of the internal financial control systems over financial reporting.

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, the Management maintains a system of accounting and controls, including an internal audit process. Internal controls are evaluated by the Internal Auditors and supported by the Management reviews. The Internal Audit plan is finalised based on current perception of internal control risk and compliance requirement in consultation with operating divisions. All audit observations and follow up actions thereon are tracked for resolution by the Internal Auditors and reported to the Audit Committee.

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.

Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company's Philosophy on Corporate Governance

Your Company is committed to maintain high standards and continues to practice good Corporate Governance to add long-term value. The core principles of Corporate Governance are :

- Lay emphasis on integrity and accountability.
- Incorporate several practices aimed at a high level of business ethics and effective supervision.
- Provide for enhancement of value for all stakeholders.

Your Company's Corporate Governance conforms to all regulatory and legal requirements. The basic philosophy behind an endeavour towards better Corporate Governance is to achieve business excellence and strengthen the confidence of all stakeholders. It is very important for the Company to combine economic success with acting responsibly towards the environment, people and society. The Company's manner of conducting business is based on compliance of law, fairness, mutual respect and integrity. Under its comprehensive Code of Conduct applicable to the Board, Senior Management and every single employee, your Company is committed to a culture of sustainability and views it as a prerequisite for the Company's long-term success. This Corporate Governance Report sets out a description of CMI FPE's Corporate Governance practices.

I. BOARD OF DIRECTORS

The Board of Directors ("**Board"**) closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organizational growth. The Board ensures statutory and ethical conduct with high quality financial reporting.

(i) Composition of the Board

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**") and provisions of the Companies Act, 2013 ("**the Act**"). The Board has an optimum combination of Executive, Non-Executive, Independent Directors and Woman Director as per the prevailing regulatory requirements.

The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The Directors 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 represents an optimum combination of professionalism, knowledge and experience and is in conformity with the provisions of the Act and the Listing Regulations. As on March 31, 2019, the Company has eight Directors, of whom, seven Directors are Non-Executive and four amongst them, including one Woman Director, are Independent 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 Management of the Company is entrusted to the Managing Director, who is assisted by a Core Management Team and Senior Executives having rich experience and expertise in their respective fields. The Board reviews and approves strategy and oversees the results of Management to ensure that the long-term objectives of enhancing stakeholders' value are achieved. The Holding Company, CMI SA provides continuous guidance by active involvement of its Group CFO and Director along with the Industry Sector Head who are also on the Board of the Company.

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 or its Senior Management, which in their judgment would affect their independence.

Certificate as required under Part C of Schedule V of Listing Regulations received from M/s. VKM & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at its meeting held on May 30, 2019. The said certificate is annexed to this Report and forms part of this Annual Report.

The Board, on the recommendation of the Nomination and Remuneration Committee, reviewed and identified the knowledge and experience required by the Directors, in the context of the business of the Company. The Board, at its meeting held on February 6, 2019, noted that all the required competencies were available within the Board, and that every Director had multiple competencies, and also that every competency had several Directors with expertise in that area.

The Board has identified the following core skills, expertise and competencies of each Director required for the efficient functioning of the Company :

Core Skills / Competencies / Expertise	Name of the Director
Strategy and Strategic planning	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban
Policy development	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Mr. Raman M. Madhok
Executive Management	• Mr. Joao Felix Da Silva • Mr. Yves Honhon • Mr. Raman Madhok
Commercial experience	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Mr. Raman Madhok
International	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Mr. D. J. Balaji Rao • Mr. Raman M. Madhok • Mr. Raman Madhok • Ms. Roma Balwani
Vendor engagement	• Mr. Fabrice Orban • Mr. Raman Madhok
Client engagement	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Mr. Raman Madhok
Financial performance	• Mr. Yves Honhon • Mr. D. J. Balaji Rao • Mr. N. Sundararajan

Core Skills / Competencies / Expertise	Name of the Director
Risk and compliance oversight	• Mr. N. Sundararajan • Mr. Raman Madhok
Information Technology strategy	• Mr. Raman Madhok
Technology innovation	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Mr. Raman Madhok
Community and stakeholder engagement	• Ms. Roma Balwani • Mr. Raman Madhok
Marketing	• Mr. Fabrice Orban • Mr. Raman Madhok
Governance	• Mr. D. J. Balaji Rao • Mr. N. Sundararajan
Government Relations	• Mr. Raman Madhok
Corporate Communications	• Mr. Joao Felix Da Silva • Ms. Roma Balwani • Mr. Raman Madhok
Member and stakeholder engagement	• Mr. Joao Felix Da Silva • Mr. Fabrice Orban • Ms. Roma Balwani • Mr. Raman Madhok
Legal	• Mr. N. Sundararajan • Mr. Raman Madhok
Geographic, Gender and cultural diversity	• Entire Board of Directors

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, 2019 is as under:

Directors	Category / Position	Director Identification Number	No. of Directorships *	No. of Memberships / Chairmanships of Committees in various Companies #	
Non-Executive				**Memberships**	**Chairmanships**
Mr. Joao Felix Da Silva	Promoter Group (Chairman)	07662251	1	-	-
Mr. Yves Honhon	Promoter Group	02268831	1	1	-
Mr. Fabrice Orban	Promoter Group	05114495	1	-	-
Mr. D. J. Balaji Rao ^	Independent	00025254	5	2	3
Mr. Raman M. Madhok @	Independent	01798377	2	1	1
Mr. N. Sundararajan @	Independent	00051040	2	2	1
Ms. Roma Balwani	Independent	00112756	1	1	-
Executive					
Mr. Raman Madhok	Non-Independent (Managing Director)	00672492	1	1	-

^ Re-appointed as an Independent Director for second term of 2 (two) years effective from April 1, 2019.

@ Re-appointed as Independent Directors for second term of 5 (five) years effective from April 1, 2019.

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

\# Chairmanship / Membership of Committees only includes Audit Committee and Stakeholders Relationship Committee of Indian Public Companies.

None of the Directors held directorships in more than 10 public limited companies. All Directors are also in compliance with 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.

The details of other listed Companies in which the Directors of the Company are Directors along with the category of the Directorship is as under :

Directors	Name of the Listed Company	Category / Position
Mr. Joao Felix Da Silva	None	Not Applicable
Mr. Yves Honhon	None	Not Applicable
Mr. Fabrice Orban	None	Not Applicable
Mr. D. J. Balaji Rao	Bajaj Holdings & Investments Limited	Independent Director
	Bajaj Auto Limited	Independent Director
	Bajaj FinServ Limited	Independent Director
	Bajaj Finance Limited	Independent Director
Mr. Raman M. Madhok	Goa Carbon Limited	Independent Director
Mr. N. Sundararajan	None	Not Applicable
Ms. Roma Balwani	None	Not Applicable
Mr. Raman Madhok	None	Not Applicable

After more than 6 (six) years at helm at the Company and a total of 8 (eight) years of dedicated service with the CMI Group in various capacities, Mr. Raman Madhok, Managing Director has conveyed his decision not to seek further term as Managing Director of the Company, post the completion of his current term on October 8, 2019. Respecting his personal decision, the Board accepted, with great regret, his decision. The Company is in the process of finalizing the selection for the position of Managing Director.

None of the Directors are inter-se related to each other in terms of the definition of 'relative' given under the Companies Act, 2013.

The Senior Management of the Company have made disclosures to the Board confirming 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.

INDEPENDENT DIRECTORS

Independent Directors play an important role in the governance processes of the Board. With different points of views emerging from their expertise and experience, they enrich the decisionmaking process at the Board and safeguard against conflicts of interest in the decision-making process.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. The first term of 5 (five) years of appointment of Mr. D. J. Balaji Rao, Mr. Raman M. Madhok and Mr. N. Sundararajan as Independent Directors of the Company expired on March 31, 2019. Considering their background and experience and contributions made by them, the members of the Company on March 18, 2019, through special resolutions passed by postal ballot, approved the re-appointment of Mr. D. J. Balaji Rao as an Independent Director for a second term of 2 (two) years, and both Mr. Raman M. Madhok and Mr. N. Sundararajan for a second term of 5 (five) years. The members also approved the continuation of Mr. D. J. Balaji Rao and Mr. Raman M. Madhok as Non-Executive Independent Directors on the Board of the Company beyond 75 years of age.

All the Independent Directors have confirmed that they meet the criteria as mentioned under the Listing Regulations and Section 149 of the Act. 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. The Board has confirmed that all the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed Companies. Further, the Managing Director of the Company does not serve as an Independent Director of any listed entity.

Familarisation Programme for the Directors

The Company has a familarisation programme for the Directors, including the Independent Directors, with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. This acts as a major contributor for meaningful Board level deliberations and sound business decisions.

The Company's Senior Management Personnel make presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, *inter alia,* the business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken Report, Statutory Compliances, Risk Management, etc.

As a part of the agenda, the Board has interactive discussions with the senior management team on various critical issues such as improvements in the operations of the Company, training, sales & service, employee turnover, job rotation, leadership group and leadership pipeline.

Factory visit for the Directors is also organized on a regular basis. This enables the Directors to get a deeper insight into the operations of the Company and also provides an opportunity to the Independent Directors to understand the Company's policies, long term vision and strategy, business model, operations and such other areas as are relevant from time to time.

During the year under review, a Factory visit was organized for the members of the Board on May 30, 2018. The members of the Board were *inter alia* briefed on the manufacturing process, machineries and equipments used, etc. They were briefed on market, expected industry and market growth going forward including the growth factors, key customers and updates relating to technological changes, etc.

Presentations on Corporate Social Responsibilities (CSR) and orientation session on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was made to the Board during the year under review.

As required under Regulation 46 of the Listing Regulations, the details of familiarisation program has been hosted on the website of the Company athttps://cmifpe.com/financialreport.aspx?Subcat=FamiliarisationProgram&InvestorType=Corporate Governance.

(ii) Board Procedure

Annual Calendar of Board Meetings for the year is usually considered before the beginning of the year.

The Board holds at least four Board Meetings in a year, one in each quarter, *inter alia,* to review the financial results of the Company. The gap between any two Board Meetings does not exceed one hundred and twenty days. The Company adheres to the revised Secretarial Standards on the Board and Committee meetings as prescribed by The Institute of Company Secretaries of India.

The notice convening the Board Meeting is sent to each of the Directors along with the relevant papers well in advance of the meeting date. The items in the Agenda are backed by comprehensive background information to enable the Board to take 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. All significant developments and material events are brought to the notice of the Board, either as a part of agenda papers in advance of the meeting or by way of presentation or circulation of relevant documents during the meeting. The Managing Director and the Chief Financial Officer brief the Board on the financial performance of the Company during the relevant periods, and trend analysis as compared to the budgets, operational performance and market scenario. Apart from the Directors and the Company Secretary, the Board and Committee meetings are generally attended by the Chief Financial Officer and the Chief Operating Officer. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board, and also provide them with the top-level exposure, as part of their development. The Chairpersons of various Committees brief the Board on all the important matters discussed / decided at their respective Committee meetings, which are generally held prior to the Board Meeting.

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed as part of the Agenda at every meeting of the Board.

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and for recording of the Minutes of the meetings. He acts as an interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and General Meetings of the members of the Company.

Paperless meetings

With a view to leverage technology and to reduce paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda and Minutes. The Directors of the Company receive the Agenda in electronic form through this application. The application meets high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda and Minutes in electronic form.

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

The Board of Directors met 4 (four) times during the financial year ended on March 31, 2019 on the following dates – May 30, 2018, July 26, 2018, October 30, 2018 and February 6, 2019. These Meetings were well attended. The Thirty Second Annual General Meeting (AGM) of the Company was held on July 27, 2018.

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. Joao Felix Da Silva	4	4	Yes
Mr. Yves Honhon	4	3	No
Mr. Fabrice Orban	4	3	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 re-appointment

Mr. Joao Felix Da Silva, Non-Executive Director, retires by rotation and, being eligible, has offered himself for re-appointment.

The first term of 5 (five) years of appointment of Ms. Roma Balwani as an Independent Director will expire on October 28, 2019. The Board at its meeting held on May 30, 2019, on recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, approved the re-appointment of Ms. Roma Balwani as an Independent Director for second term of 5 (five) years w.e.f. October 29, 2019, subject to the approval of the members of the Company.

Brief resume of Mr. Joao Felix Da Silva and Ms. Roma Balwani have been given in the Notice convening the AGM.

(v) Meeting of Independent Directors

All the four Independent Directors of the Company met on February 5, 2019 without the presence of the Executive Director, other Non-Independent Directors or any other member of management.

The meeting was conducted in an informal and flexible manner to enable the Independent Directors to, *inter alia,* discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors) and assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the freedom available to the Independent Directors to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda at the meetings.

(vi) CEO / CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board that the financial statements for the year ended March 31, 2019 do not contain any materially untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

(vii) Code of Conduct

The Company has laid down a Code of Conduct ("**Code**") for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and to ensure consistent standards of conduct and ethical business practices across the Company. This Code has also been posted on the Company's website - www.cmifpe.com

The Code requires Board Members and Employees to act honestly, fairly, ethically and with integrity, and to conduct themselves in a professional, courteous and respectful manner.

The declarations with regard to compliance with the above Code have been received from all the Board Members and Senior Management Personnel. A declaration signed by the Managing Director to this effect is placed at the end of this Report.

Further, all the members of the senior management have made declarations to the effect confirming that there were no financial or commercial transactions in which they or their relatives had any potential conflict of interest with the Company.

II. REMUNERATION TO DIRECTORS

(i) Remuneration Policy

The Company has a well-defined compensation policy for remuneration of the Directors, Key Managerial Personnel and other Employees. While deciding on the remuneration for Directors, the Board and the Nomination and Remuneration Committee ("**NRC**") 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 / NRC takes into account the market trends in terms of compensation levels and practices in comparable industries / organizations.

(ii) Remuneration to Non-Executive Directors for the year ended March 31, 2019

The Non-Executive Directors are entitled for commission as approved by the shareholders at the Annual General Meeting held on July 31, 2015. The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or Committees of Directors attended by them and profit related Commission based on the criteria laid down by the NRC and the Board. During the year, the Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Details of remuneration to Non-Executive Directors during the year ended March 31, 2019 are as under:

(₹ in lakhs)

Directors	Commission #	Sitting Fee paid
Mr. Joao Felix Da Silva *	Nil	Nil
Mr. Yves Honhon *	Nil	Nil
Mr. Fabrice Orban *	Nil	Nil
Mr. D. J. Balaji Rao	10.00	10.60
Mr. Raman M. Madhok	8.00	7.10
Mr. N. Sundararajan	11.00	9.00
Ms. Roma Balwani	8.00	5.50

* Mr. Joao Felix Da Silva, Mr. Yves Honhon and Mr. Fabrice Orban have voluntarily waived their entitlement to sitting fees.

\# Commission is within the limits specified under Section 197 of the Companies Act, 2013 and will be paid after the financial statements are approved by the members at the Annual General Meeting scheduled to be held on August 1, 2019.

None of the Directors holds any shares of the Company as on March 31, 2019.

(iii) Remuneration paid / payable to Managing Director for the year ended March 31, 2019

The remuneration to the Managing Director is recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and is paid as salary, commission, performance bonus, perquisites and allowances as approved by the Board and the members. While the fixed compensation of the Managing Director is determined at the time of his appointment, the variable compensation is determined annually by the NRC based on his performance.

The remuneration paid / payable to the Managing Director for the year ended March 31, 2019 is as under:

Name of Managing Director	(₹ in lakhs)					Total Contract Period	Notice period in months
	Salary	Performance incentive	Company's Contribution to Funds	Perquisites and allowances	Total		
Mr. Raman Madhok	478.57	--	35.28	38.81	552.66	October 9, 2016 to October 8, 2019	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) The Ministry of Corporate Affairs vide their Notification dated September 12, 2016, amended Schedule V of the Companies Act, 2013 which deals with the conditions for appointment and payment of remuneration to managerial personnel. The notification clarified that in respect of the remuneration paid to a managerial person functioning in a professional capacity and fulfilling certain other conditions, the Company can pay remuneration in accordance with the terms and conditions approved by the members by way of special resolution, without obtaining the approval of Central Government. In terms of the said notification, the approval of the Central Government is not required for the remuneration paid / payable to Mr. Raman Madhok as the Managing Director as the remuneration is paid as per the terms and conditions and within the limits approved by the members at the 30th Annual General Meeting held on July 29, 2016.

Authority to the Board for variation in the terms of appointment and remuneration

The terms and conditions of appointment and remuneration of Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Board, as deemed fit.

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 Risk Management Committee reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework, and reports to the Audit Committee / Board on the key findings and developments.

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

The Board has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Committees are formed by the Board and function under their respective charters. These Committees play an important role in the overall management of the affairs and governance of the Company. The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board.

(i) Audit Committee

Composition of the Committee, Meetings and attendance:

The Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Audit Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. The Audit Committee of the Company comprises of Non-Executive Directors with majority of them, including the Chairman, being Independent Directors. All the Members of the Committee have vast experience and possess accounting and financial management knowledge. The Chairman of Audit Committee, Mr. D. J. Balaji Rao was present at the Thirty Second Annual General Meeting of the Company held on July 27, 2018.

The Company Secretary is the Secretary to the Committee.

The Committee held 4 (four) meetings during the year under review on May 29, 2018, July 26, 2018, October 30, 2018 and February 6, 2019. The time gap between any two Meetings did not exceed one hundred and twenty days.

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	3
Mr. N. Sundararajan	4	4

During the meetings of the Audit Committee, the Chairman, Managing Director, Chief Operating Officer, Chief Financial Officer, the Company Secretary and the other Directors also participate as invitees. The Statutory Auditors and the Internal Auditors attend the meetings for part of the time.

Terms of Reference:

The terms of reference of the Audit Committee are very wide and in line with the regulatory requirements mandated by the Companies Act, 2013 and Part C of Schedule II of the Listing Regulations. The Board, at its meeting held on February 6, 2019 amended the terms of reference of the Audit Committee to include the review of compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors of the Company. It is authorized to review reports of the Statutory and Internal Auditors and discuss their findings, suggestions and other related matters and monitor and review the Auditor's performance, effectiveness of the audit process, oversight of the financial reporting, review with the management the quarterly and annual financial statements before submission to the Board for approval, grant omnibus approval for related party transactions subject to fulfillment of certain conditions, approval of transactions with related parties, review the risk assessment and minimization procedures, evaluate internal financial controls and risk management systems, etc.

Further, the Committee is also empowered to recommend to the Board the terms of appointment and remuneration of Statutory Auditors, Cost Auditor and Internal Auditors.

(ii) Nomination and Remuneration Committee

Composition of the Committee, Meetings and attendance:

The Nomination and Remuneration Committee comprised of four Directors with half of them being Independent Directors, including its Chairman, Mr. Raman M. Madhok. The other members are Mr. Joao Felix Da Silva, Mr. Yves Honhon and Mr. D. J. Balaji Rao. The composition of the Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The scope of the Committee, *inter alia,* includes review and recommend to the Board, the appointment and remuneration of Executive Director(s), Key Managerial Personnel and Senior Management of the Company.

During the year under review, 3 (three) meetings of the Committee were held on May 29, 2018, October 30, 2018 and February 5, 2019.

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

Name	No. of meetings	
	Held	Attended
Mr. Raman M. Madhok	3	3
Mr. Joao Felix Da Silva	3	3
Mr. Yves Honhon	3	3
Mr. D. J. Balaji Rao	3	3

Terms of reference:

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations which are as follows :

- to help the Board in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board the appointment / re-appointment and removal of Directors and Senior Management;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors and Senior Management;
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board and Senior Management;
- to assist the Board in fulfilling responsibilities entrusted from time to time.

The remuneration of the Managing Director is arrived after taking into account the Company's overall performance, his contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. The Committee reviews the performance of the Managing Director and recommends to the Board the quantum of performance incentives, annual increments / commissions.

Performance evaluation of Directors and criteria for Independent Directors

The Board carried out the evaluation of the performance of the Board and Committees of the Board. Further, in accordance with Schedule IV of the Companies Act, 2013 and the Listing Regulations, performance evaluation of the Independent Directors was done by the entire Board excluding the Director being evaluated and included the performance of the Directors and fulfillment of the independence criteria and their independence from the management.

Feedback was sought from each Director by way of structured questionnaires, based on criteria approved by the Nomination and Remuneration Committee, for evaluation of performance of the Board, Committees of Board and Individual Directors. Structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Performance evaluation is carried out based on the responses received from the Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria approved by the Board. The Directors expressed their satisfaction with the evaluation process.

In a separate meeting of Independent Directors held on February 5, 2019, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were reviewed.

(iii) Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

As on March 31, 2019, the Committee comprises of three Directors. Mr. Raman M. Madhok, Independent Director is the Chairman of the Committee. Ms. Roma Balwani, Director and Mr. Raman Madhok, Managing Director of the Company are the other members. All the members of the Committee had attended the Annual General Meeting held on July 27, 2018.

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

The Committee meets as and when required, to *inter alia* deal with matters relating to transfer of shares, request for issue of duplicate share certificates and monitoring the redressal of the grievances of the security holders.

With a view to expediting the process of share transfers, necessary authorization has been delegated to the Share Transfer Committee to approve the transfers / transmission of shares. The Share Transfer Committee meets on a fortnightly basis to attend to the share transfer formalities.

During the year under review, the Stakeholders Relationship Committee met once on October 30, 2018. All the members were present at the meeting.

During the year under review, 2 (two) complaints were received from the shareholders, and both of them have been attended / resolved to the satisfaction of the Shareholders. As on date, there are no pending share transfers or complaints pertaining to the year under review.

The role of Stakeholders Relationship Committee was extended, by the Board at its meeting held on February 6, 2019, to include complaints relating to issue of new / duplicate certificates, general meetings, etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to services being rendered by Registrar and Share Transfer Agent, review of various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Bigshare Services Private Limited attend to all the grievances of the shareholders received directly or through SEBI, Stock Exchange, Ministry of Corporate Affairs, Registrar of Companies, etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

(iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility **("CSR")** Committee of the Company constituted pursuant to the provisions of Section 135 of the Companies Act, 2013, comprises of three Directors. Ms. Roma Balwani, Independent Director is the Chairperson of the Committee. The other members of the CSR Committee are Mr. Yves Honhon and Mr. Raman Madhok. The composition of the CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the CSR Committee *inter alia* includes to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII of the Companies Act, 2013 and to monitor the implementation of the CSR policy and projects of the Company periodically.

The Company has formulated CSR policy, which is uploaded on the website of the Company viz. www.cmifpe.com

The Committee met once during the year on May 29, 2018 and the meeting was attended by all the members of the Committee.

(v) Risk Management Committee

The Risk Management Committee comprises of Mr. N. Sundararajan as the Chairman and Mr. Raman Madhok as the other member. Mr. Vijay Karayi is the Secretary to the Committee. The Risk Management Committee was reconstituted on May 30, 2019 by the appointment of Mr. Frederic Midy as the Secretary in place of Mr. Vijay Karayi.

The Risk Management Committee was constituted to identify potential business and operational risks, lay down the procedures to review the risk assessment and minimization procedures and is responsible for framing, implementing and monitoring the risk management plan and practices of the Company.

During the year under review, the Risk Management Committee met once on September 10 and 11, 2018 and the meeting was attended by all the members. Mr. Gaëtan Lefevre, Group Risk and Insurance Manager and Mr. Christophe Quievreux, Group Internal Auditor from CMI SA, Belgium bringing in their expertise on Risk Management had also participated in the Risk Management Committee meeting.

(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. The Committee was reconstiuted on May 30, 2019 with the appointment of Mr. Frederic Midy as a member of the Committee in place of Mr. Akash Ohri. This Committee reviews, considers and approves from time to time borrowing of moneys within the overall limits and guidelines approved by the Board.

(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. The Committee was reconstiuted on May 30, 2019 with the appointment of Mr. Frederic Midy as a member of the Committee in place of Mr. Akash Ohri. 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

All related party transactions that were entered into during the year under review were on arm's length basis and were in the ordinary course of business. The materially significant transactions with related parties were approved by the members of the Company at the Thirty Second Annual General Meeting of the Company held on July 27, 2018 for the transactions to be entered into with CMI SA (Holding Company), CMI Industry Automation Private Limited and CMI Engineering (Beijing) Company Limited (Fellow Subsidiaries), being related parties, up-to ₹ 600 crores, ₹ 30 crores and ₹ 50 crores respectively.

All the related party transactions were approved by the Audit Committee from time to time. The Audit Committee has also granted omnibus approval for related party transactions of repetitive nature. A statement in summary form of all the transactions with related parties entered into by the Company is placed before every meeting of the Audit Committee for review and recommendation to the Board for the approval.

Related party transactions have been disclosed under Note 31 of Significant Accounting Policies and Notes forming part of the Financial Statements in accordance with "Ind AS".

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. During the year under review, the Board of Directors suitably amended the Policy on dealing with and materiality of Related Party Transactions to include clear threshold limits for transactions with related parties, duly approved by the Board of Directors and review by the Board of Directors at least once every three years of the Policy and the thresholds determined. The policy is available on the website of the Company and can be accessed through the following link : http://cmifpe.com/financialreport.aspx?Subcat=RPT Policy as per LODR&InvestorType=Policies.

None of the transactions with related parties were in the conflict with the interests of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interests of the Company at large and are carried out on arm's length or fair value basis.

(ii) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

During the financial year ended March 31, 2019, there were no materially significant related party transactions or arrangements entered into (exceeding 10% of the annual turnover of the Company) by the Company with its Directors, Key Managerial Personnel or any other designated persons which may have a potential conflict with the interests of the Company at large.

(iii) Whistle Blower Policy

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and Regulation 22 of the Listing Regulations is implemented through the Whistle Blower Policy. The Board at its meeting held on February 6, 2019, on the recommendation of the Audit Committee, amended the Whistle Blower Policy to align it with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Companies Act, 2013 and the Listing Regulations. The mechanism provides for adequate safeguards against victimization of director(s) or employee(s) or any other person who use such mechanism, and makes provisions for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee for making complaint on any integrity issue. The Whistle Blower policy is displayed on the Company's website viz. www.cmifpe.com

(iv) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during last three financial years

The Company has complied with all the requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalty imposed on the Company by either the Stock Exchange or Securities and Exchange Board of India or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

(v) Disclosure of Accounting Treatment in the preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 and other relevant provisions of the Companies Act, 2013.

The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

(vi) Code for Prevention of Insider Trading Practices

The Company has formulated and adopted the 'Code of Conduct for Prevention of Insider Trading', for its Directors and designated employees, in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. Pursuant to the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the revised Code of Internal Control and Conduct for Preservation of Price Sensitive Information and Prevention of Insider Trading, the revised Code of Internal Control and Conduct for Preservation of Price Sensitive information and Prevention of Insider Trading was adopted by the Board at its meeting held on February 6, 2019. Amongst other changes, the definition of Designated Person was amended in the Code in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Code lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company, and provides cautions on the consequences of violations. The trading window is closed before and during the time of declaration of results and occurrence of any material events as per the Code. The Company Secretary is the Compliance Officer for this purpose. All Directors and designated employees have affirmed compliance with the Code.

(vii) Management Discussion and Analysis

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

(viii) Compliances with Governance framework

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance. Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

(ix) Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website - www.cmifpe.com. A separate section on 'Investors' on the website contains details relating to the financial results declared by the Company, annual reports, shareholding patterns and such other material information which is relevant to the members of the Company.

(x) Recommendations of Committees of the Board

There were no instances during the financial year 2018-19 wherein the Board had not accepted recommendations made by any Committee of the Board.

(xi) Total fees paid to Statutory Auditors of the Company

Total fees for all services paid by CMI FPE Limited to Deloitte Haskins & Sells (erstwhile Auditor), S R B C & Co LLP and all entities in the network firm/ network entity of which the statutory auditors are a part:

Particulars	Amount (₹ in lakhs)
Fees for audit related services and other fees paid to Deloitte Haskins & Sells and to entities of the network of which Deloitte Haskins & Sells is a part of (including limited review)	12.71
Fees for audit related services paid to S R B C & Co LLP (including limited review)	40.20
Other Fees paid to firms in the network entity of which S R B C & Co LLP is a part of	6.14
Total	**59.05**

VI. MEANS OF COMMUNICATION

The Company, from time to time and as may be required, communicates with its stakeholders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchange, Press Release, the Annual Reports and uploading relevant information on its website.

The quarterly, half yearly and annual results are published in Business Standard (national daily newspaper) and Sakal (local daily newspaper).

The unaudited quarterly results are announced within forty five days of the close of each quarter, except the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchange within the statutory time period from the conclusion of the Board Meeting(s) at which these were considered and approved. The Company's results 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.

A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results, credit ratings and other relevant information of interest to the investors / public with a search section.

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A and Part B of Schedule III of the Listing Regulations, including material information having a bearing on the performance / operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre).

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchange.

VII. SHAREHOLDER INFORMATION

(a) 33rd Annual General Meeting

Date: August 1, 2019
Time: 2.30 p.m.
Venue: Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai - 400 093.

(b) Dates of Book Closure

Dates of Book Closure will be from July 26, 2019 to August 1, 2019 (both days inclusive).

(c) Last date of receipt of Proxy Forms

Wednesday, July 30, 2019 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, 2019 on or before August 14, 2019

Half-year ending September 30, 2019 on or before November 14, 2019

Third Quarter ending December 31, 2019 on or before February 14, 2020

Year ending March 31, 2020 before the end of May, 2020

The above dates are indicative.

(e) Dividend

The Board of Directors at its meeting held on May 30, 2019, recommended payment of final dividend of ₹ 10/- per equity share of face value of ₹ 10/- each (100%). The dividend is subject to the approval of the members at the ensuing Annual General Meeting. The dividend shall be paid to the members whose names appear on the Company's Register of Members on July 28, 2019 in respect of physical members and whose name appear in the list of Beneficial Owners on July 28, 2019 furnished by NSDL and CDSL for this purpose. The dividend, if declared at the Annual General Meeting shall be paid after August 1, 2019.

(f) 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 2019-2020.

(g) Stock Code

BSE Limited

Scrip Code: 500147 Scrip Name: CMIFPE

(h) ISIN

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

(i) Corporate Identification Number (CIN)

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

(j) 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 2018-19 were as under:

Month	High (₹)	Low (₹)	Sensex (closing)
April, 2018	1,019.50	865.30	35,160.36
May, 2018	1,049.00	837.00	35,322.38
June, 2018	888.95	751.00	35,423.48
July, 2018	849.00	697.00	37,606.58
August, 2018	783.95	715.00	38,645.07
September, 2018	814.40	650.00	36,227.14
October, 2018	798.65	627.10	34,442.05
November, 2018	985.95	801.50	36,194.30
December, 2018	1,035.00	824.00	36,068.33
January, 2019	1,074.50	970.00	36,256.69
February, 2019	1,421.95	980.25	35,867.44
March, 2019	1,439.75	1,185.00	38,672.91

(k) 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

(l) Registrar and Share Transfer Agent

Bigshare Services Private Limited
Unit: CMI FPE Limited
1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400 059.
Tel. No.: 022-62638200 • Fax No.: 022-62638299 • Email: investor@bigshareonline.com

(m) Distribution of Shareholding as at March 31, 2019

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of share capital
Upto 500	3,398	92.71	3,12,147	6.32
501 – 1000	137	3.74	1,04,992	2.13
1001 – 2000	60	1.64	88,228	1.79
2001 – 3000	25	0.68	61,942	1.25
3001 – 4000	8	0.22	28,719	0.58
4001 – 5000	9	0.25	40,237	0.82
5001 – 10000	13	0.35	92,562	1.87
10001 and above	15	0.41	42,08,986	85.24
Total	**3,665**	**100.00**	**49,37,813**	**100.00**

(n) Shareholding pattern as at March 31, 2019

Category	No. of shares	% of share capital
Promoters & Promoters Group	37,03,200	75.00
Government Companies, Mutual Funds & Banks	13,750	0.28
Alternate Investment Funds	4,399	0.09
IEPF	13,379	0.27
Foreign Institutional Investors (FII's) / OCB	750	0.01
Non Resident Indians	19,409	0.39
Domestic Companies	1,04,938	2.13
Resident individuals	1,077,988	21.83
Total	**49,37,813**	**100.00**

(o) Dematerialization of shares as at March 31, 2019

Category	No. of equity shares	% of share capital	No. of shareholders	% of shareholders
Electronic Form	48,95,628	99.15	3,366	91.84
Physical Form	42,185	0.85	299	8.16
Total	**49,37,813**	**100.00**	**3,665**	**100.00**

(p) Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialized 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 expediting the process of share transfers, the Managing Director, Chief Financial Officer and the Company Secretary are severally authorized to approve the transfer of shares. The Stakeholders Relationship Committee meets as and when required.

SEBI vide its notification dated June 8, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the SEBI (Registrars to an Issue and Share Transfer

Agents) Regulations,1993. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

The Company had sent 3 (three) reminders to those shareholders holding shares in physical form advising them to dematerialise their holding.

Accordingly, attention of all the members holding share in physical form is brought to the following :

- Request for effecting transfer of securities shall not be processed by the Company or Bigshare Services Private Limited, unless the securities are held in dematerialized form with effect from April 1, 2019.
- This restriction shall not be applicable to the request received for transmission or transposition of shares held in physical mode.

(q) 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.

(r) Transfer of unclaimed dividend and shares to Investor Education and Protection Fund

Pursuant to the provisions of Companies Act, 2013 and the Rules framed thereunder, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund **('IEPF'),** established by the Central Government. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date.

A sum of ₹ 3,43,080/- has been transferred to the IEPF in the year 2018 relating to unclaimed / unpaid dividend for the year ended March 31, 2011.

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time (IEPF Rules), shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority ("**IEPFA**") within a period of thirty days of such shares becoming due to be transferred. Upon transfer of such shares, all benefits (such as bonus, etc.) if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares transferred to IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. During the year ended March 31, 2019, 2,462 shares were transferred to IEPF Account with CDSL.

The Company will send out individual communication to those shareholders whose dividend remain unclaimed for seven consecutive years, and also publish an advertisement in newspapers, inviting such shareholders to claim their dividend.

(s) Plant Locations

Unit No. I
A-84, 2/3 MIDC, Taloja Industrial Area, District Raigad 410 208, Maharashtra

Unit No. II
Gat No. 21, 41 and 61, Village Hedavali, Khopoli-Pali Road, Taluka Sudhagad, District Raigad 410 205, Maharashtra

(t) Commodity price risk or foreign exchange risk and hedging activities

During the year, the Company has managed foreign exchange risk and hedged to the extent considered necessary. Open exposures are reviewed regularly and covered through forward contracts. The details of foreign currency exposure are disclosed in Note 35.7 to the Financial Statements.

(u) Address for correspondence

Shareholders may correspond with the Registrar and Share Transfer Agent on all matters relating to dematerialization 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
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East, Mumbai 400 059
Tel. No.: 022-62638200
Fax No.: 022-62638299
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
Email: investors@cmifpe.com

Shareholders are requested to quote their folio nos. / DP ID & Client ID, email address, telephone number 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
2015-2016	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	July 29, 2016	2.30 p.m.	- Re-appointment of Mr. Raman Madhok as Managing Director of the Company - Maintaining of records at the office of Registrar and Share Transfer Agents
2016-2017	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	July 28, 2017	2.30 p.m.	- Determination of fees for delivery of documents to shareholders
2017-2018	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	July 27, 2018	2.30 p.m.	No Special Resolution passed

During the year under review, the Company approached the members through postal ballot for three special resolutions, details of which are given below :

Date of Postal Ballot Notice : February 6, 2019
Voting Period : February 16, 2019 to March 18, 2019
Date of declaration of results : March 20, 2019

Sr. No.	Special Resolution	No. of valid votes received	No. and % of votes in favour	No. and % of votes against
1.	Re-appointment of Mr. D. J. Balaji Rao (DIN 00025254) as an Independent Director of the Company for second term of 2 (two) years	3720834	3719331 (99.96%)	1503 (0.04%)
2.	Re-appointment of Mr. Raman M. Madhok (DIN 01798377) as an Independent Director of the Company for second term of 5 (five) years	3720834	3720831 (100.00%)	3 (0.00%)
3.	Re-appointment of Mr. N. Sundararajan (DIN 00051040) as an Independent Director of the Company for second term of 5 (five) years	3720834	3720831 (100.00%)	3 (0.00%)

Procedure for postal ballot :

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and the Listing Regulations, the Company provided electronic voting facility to its members. The members had the option to vote either by postal ballot or through remote e-voting.

The Company dispatched the postal ballot notices and forms along with the postage pre-paid business reply envelopes to its members whose names appeared on the register of members / list of beneficiaries as on the cut-off date. The postal ballot notice was sent to the members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) or with the Company's Registrar and Share Transfer Agent (in case of physical shareholding) and through courier to the members whose email ids were not so registered. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and the applicable Rules.

Mr. Vijay Kumar Mishra, Partner of M/s. VKM & Associates, Practising Company Secretaries was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Voting rights were reckoned on the paid-up value of shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of remote e-voting.

The Scrutinizer submitted his report to the Managing Director, after completion of scrutiny and the consolidated report of the remote e-voting and voting by postal ballot was then announced by the Managing Director. The results were displayed on the Company's website – www.cmifpe.com, besides being communicated to the Stock Exchange and the Depository.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires the passing of a resolution by way of Postal Ballot.

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.

- **Separate posts of Chairman and Managing Director**

  The Chairman of the Board is a Non-Executive Director and his position is separate from that of Managing Director.

- **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 maintained a track record of unqualified financial statements.

- **Reporting of Internal Auditor**

  The Internal Auditor reports directly to the Audit Committee.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

{This Certificate is being issued in pursuance with Para 3(x)(c)(iii) of SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018}

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of **CMI FPE LIMITED** (hereinafter known as "the Company"), having its Registered Office at Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (East), Mumbai 400 093, Maharashtra, India incorporated vide its Company Registration Number L99999MH1986PLC039921 on 28th May, 1986 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

On the basis of examination and verification, *we hereby state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities and Exchange Board of India / MCA or any such statutory authority.*

The Board of Directors of the Company comprises of 8 (Eight) Directors and the Board is composed as follows:

Sr. No	Name of the Director	DIN	Type of the Director	Date of Appointment	Status of the Director
1	Balaji Rao Jagannathrao Doveton	00025254	Independent Director	30/10/2008	Active
2	Sundararajan Natararajan	00051040	Independent Director	28/10/2010	Active
3	Roma Ashok Balwani	00112756	Independent Director	29/10/2014	Active
4	Raman M Madhok	01798377	Independent Director	30/01/2009	Active
5	Raman Madhok	00672492	Managing Director (Executive Director)	09/10/2013	Active
6	Yves Ernest Honhon	02268831	Non-Executive Director	25/06/2008	Active
7	Fabrice Victor Orban	05114495	Non-Executive Director	06/02/2014	Active
8	Joao Felix Da Silva	07662251	Non-Executive Director	30/05/2017	Active

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x)(c)(iii) of SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018.

For VKM & Associates
Practising Company Secretaries

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

Place : Mumbai
Date : 30/05/2019

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

To,
The Shareholders of CMI FPE Limited

I, Raman Madhok, Managing Director, declare that all 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, 2019.

For CMI FPE Limited

Raman Madhok
Managing Director
DIN : 00672492

Place : Mumbai
Date : May 30, 2019

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
CMI FPE Limited
Mehta House,
Plot No. 64, Road No. 13,
MIDC, Andheri (East),
Mumbai

1. The Corporate Governance Report prepared by CMI FPE Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate

Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held between April 1, 2018 to March 31, 2019:

      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General Meeting;
      (d) Nomination and remuneration committee;
      (e) Stakeholders Relationship Committee; and
      (f) Risk management committee.

   v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

   vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place of Signature: Mumbai
Date: May 30, 2019

Independent Auditor's Report

To the members of CMI FPE Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of CMI FPE Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on contracts with customers as per Ind AS 115 (as described in note 22 of the accompanying Ind AS financial statements)	
The Company derives its revenues from sale of goods and services pursuant to contracts with customers. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers', which is effective from April 1, 2018. Due to the nature of the contracts, revenue is accounted over a period of time, using the input method, which requires significant judgments and estimates to be made by Management, including identification of contractual obligations, expected duration and cost of fulfilling the obligations, the Company's right to receive payments for performance completed till date, changes in scope or duration and consequential revisions to contract price or costs, and recognition of liability for loss-making contracts / onerous obligations. As a result, revenue, costs and profits can vary during project execution, and on reassessment of project estimates. Accordingly, revenue recognition for contracts is considered as a key audit matter.	As part of our audit procedures, we: - understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for these contracts and evaluated the design and operative effectiveness of the financial controls through our test of control procedures. - read the accounting policy of the Company relating to revenue recognition, to assess compliance with the requirements of Ind AS 115. - evaluated Management judgments and assumptions for contracts selected on a sample basis, regarding estimates of expected costs-to-complete, timing and recognition of variation orders, and assumptions made in calculating warranty provisions, with underlying data. - inspected a sample of underlying customer contracts, evaluated contract terms to assess revenue recognition over a period of time, and tested completeness of costs incurred and compared those with estimated costs (including residual costs-to-complete), in order to determine if significant variations in work-scope, contract duration, cost of key inputs, and foreign exchange rates have been considered in the periodic reassessment of residual costs-to-complete.

Key audit matter	How our audit addressed the key audit matter
	- evaluated Management's assessments around potential for liquidated damages for projects behind contracted schedule and contingency provisions to mitigate contract-specific financial risks. - read and tested the presentation and disclosure as per the requirements of Ind AS 115, of such contracts in the Ind AS financial statements. - tested application of the transition provisions of Ind AS 115 on its first-time adoption, including the quantum of adjustments to Reserves, determined under the modified retrospective approach.

Other Information

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the Other Information, and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view, and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)

(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2018. Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a Statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended, 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 Ind AS financial statements – Refer Note 32 (i) and (ii) to the Ind AS 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 including derivative contracts – Refer Note 18 to the Ind AS financial statements;

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place of Signature: Mumbai
Date: May 30, 2019

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cold rolling mill complexes, processing lines, chemical equipment industrial furnaces & auxiliary equipment, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	107.11	2010-11 (A.Y)	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Service Tax – Cenvat Credit (excluding interest and penalty)	5,320.86	2010-11 to June 2017	CESTAT, Mumbai
The Central Excise Act, 1944	Excise Duty – Cenvat Credit (excluding interest and penalty)	79.18	2009-10 to 2010-11	Commissioner of Central Excise & Service Tax Large Tax Unit – Audit, Mumbai
Tamil Nadu Value Added Tax, 2006	Sales Tax (excluding interest and penalty)	3.15	2012-13	Deputy Commissioner III, Chennai

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place of Signature: Mumbai
Date: May 30, 2019

Annexure 2 to the Independent Auditor's Report of Even Date on the Financial Statements of CMI FPE Limited
Report on the Internal Financial Controls 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, 2019 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements were 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place of Signature: Mumbai
Date: May 30, 2019

Balance Sheet as at March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	**5,950.59**	6,019.59
(b) Capital work-in-progress		**73.35**	175.73
(c) Intangible assets	4	**14.95**	29.41
(d) Intangible assets under development		**1.09**	-
(e) Financial assets			
(i) Trade receivables	5	**1,241.28**	-
(ii) Other financial assets	7	**517.33**	96.00
(f) Deferred tax assets (Net)	13	**-**	84.79
(g) Non-current tax assets (Net)	8	**579.80**	460.77
(h) Other non-current assets	9	**808.07**	1,248.92
Total non-current assets		**9,186.46**	8,115.21
Current assets			
(a) Inventories	10	**1,201.28**	1,441.85
(b) Contract assets	22.2	**15,117.56**	-
(c) Financial assets			
(i) Trade receivables	5	**10,781.53**	9,014.96
(ii) Cash and cash equivalents	11	**10,805.86**	12,243.73
(iii) Bank balances other than (ii) above	12	**870.67**	3,065.37
(iv) Loans	6	**-**	0.07
(v) Other financial assets	7	**518.19**	246.83
(d) Other current assets	9	**10,313.37**	7,378.41
Total current assets		**49,608.46**	33,391.22
Total Assets		**58,794.92**	41,506.43
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**493.78**	493.78
(b) Other equity	15	**18,601.35**	15,282.96
Total quity		**19,095.13**	15,776.74
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
- Dues to micro and small enterprises		**43.96**	0.29
- Dues to other than micro and small enterprises		**1,039.72**	43.50
(ii) Other financial liabilities	17	**87.00**	87.00
(b) Provisions	18	**357.70**	290.62
(c) Deferred tax liabilities (Net)	13	**231.33**	-
(d) Other non-current liabilities	20	**-**	3,950.25
Total non-current liabilities		**1,759.71**	4,371.66
Current liabilities			
(a) Contract liabilities	22.2	**28,480.86**	-
(b) Financial liabilities			
(i) Trade payables	16		
- Dues to micro and small enterprises		**1,020.64**	947.00
- Dues to other than micro and small enterprises		**7,278.35**	4,540.94
(ii) Other financial liabilities	17	**102.36**	318.22
(c) Provisions	18	**667.97**	558.09
(d) Current tax liabilities (Net)	19	**52.49**	52.86
(e) Other current liabilities	21	**337.41**	14,940.92
Total current liabilities		**37,940.08**	21,358.03
Total Liabilities		**39,699.79**	25,729.69
Total Equity and Liabilities		**58,794.92**	41,506.43
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Vinayak Pujare
Partner
Membership No. 101143

Place: Mumbai
Date: May 30, 2019

For and on behalf of the Board of Directors

Joao Felix Da Silva
Chairman
DIN: 07662251

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place: Mumbai
Date: May 30, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Revenue from operations	22	49,623.90	30,823.46
2	Other income	23	2,131.00	1,627.30
3	**Total Income (1+2)**		51,754.90	32,450.76
4	**Expenses**			
	(a) Construction materials consumed	24.a	33,019.22	20,105.61
	(b) Changes in inventories of finished goods and work-in-progress	24.b	143.51	181.81
	(c) Excise duty on sale of goods		-	288.86
	(d) Employee benefits expense	25	5,450.28	5,160.83
	(e) Finance costs	26	9.60	90.99
	(f) Depreciation and amortisation expense	27	577.53	592.32
	(g) Other expenses	28	7,851.37	4,705.13
	Total expenses (4)		47,051.51	31,125.55
5	**Profit before tax (3-4)**		4,703.39	1,325.21
6	Tax expense:	29		
	(a) Current tax		902.60	201.63
	(b) Deferred tax		291.05	451.58
			1,193.65	653.21
7	**Profit for the year from continuing operations (5-6)**		3,509.74	672.00
8	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss:			
	Remeasurement of the defined benefit plans		36.36	(92.05)
	(ii) Income tax relating to above item	29.2	(12.71)	30.73
			23.65	(61.32)
	B (i) Items that will be reclassified to profit or loss:			
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		11.96	(43.13)
	(ii) Income tax relating to above item	29.2	(4.14)	14.27
			7.82	(28.86)
	Total other comprehensive income (A+B)		31.47	(90.18)
9	**Total Comprehensive income for the year (7+8)**		3,541.21	581.82
10	Earnings per share (of ₹ 10/- each):	30		
	(a) Basic (₹)		71.08	13.61
	(b) Diluted (₹)		71.08	13.61

Summary of significant accounting policies 1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Vinayak Pujare
Partner
Membership No. 101143

Place: Mumbai
Date: May 30, 2019

For and on behalf of the Board of Directors

Joao Felix Da Silva
Chairman
DIN: 07662251

Raman Madhok
Managing Director
DIN: 00672492

Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place: Mumbai
Date: May 30, 2019

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

(₹ in lakhs)

Particulars	Amount
Balance at March 31, 2017	**493.78**
Change in equity share capital during the year	-
Balance at March 31, 2018	**493.78**
Change in equity share capital during the year	-
Balance at March 31, 2019	**493.78**

B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium reserve	General reserve	Retained earnings	Effective portion of cash flow hedges	
Balance at March 31, 2017	**1,466.27**	**9,075.03**	**4,132.56**	**27.28**	**14,701.14**
Profit for the year	-	-	672.00	-	672.00
Other comprehensive income for the year, net of income tax	-	-	(61.32)	(28.86)	(90.18)
Total comprehensive income for the year	**-**	**-**	**610.68**	**(28.86)**	**581.82**
Balance at March 31, 2018	**1,466.27**	**9,075.03**	**4,743.24**	**(1.58)**	**15,282.96**
Profit for the year	-	-	3,509.74	-	3,509.74
Other comprehensive income for the year, net of income tax	-	-	23.65	7.82	31.47
Total comprehensive income for the year	**-**	**-**	**3,533.39**	**7.82**	**3,541.21**
Adjustment on adoption of Ind AS 115 net of tax (Refer Note 22)	-	-	15.30	-	15.30
Equity dividend (Amount per share ₹ 2/-)	-	-	(98.76)	-	(98.76)
Special equity dividend (Amount per share ₹ 2/-)	-	-	(98.76)	-	(98.76)
Dividend distribution tax	-	-	(40.60)	-	(40.60)
Balance at March 31, 2019	**1,466.27**	**9,075.03**	**8,053.81**	**6.24**	**18,601.35**

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Vinayak Pujare
Partner
Membership No. 101143

Place: Mumbai
Date: May 30, 2019

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Place: Mumbai
Date: May 30, 2019

Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities:**		
	Net Profit before tax	**4,703.39**	1,325.21
	Adjustments for:		
	Depreciation and amortisation expense	**577.53**	592.32
	Bad trade and other receivables, loans and advances written off	**0.82**	14.21
	Credit balances write back	**(150.51)**	(67.81)
	(Reversal of allowance)/Allowance for doubtful trade receivables (net)	**(295.57)**	206.91
	(Reversal of allowance)/Allowance for doubtful advances/deposits	**(10.51)**	10.51
	(Reversal of provision)/Provision for estimated losses on contracts (net)	**(93.86)**	(62.17)
	Provision/(Reversal of provision) for warranties (net)	**344.71**	(4.66)
	Provision for employee benefits (net)	**(140.64)**	57.75
	Gain on disposal/write off of property, plant and equipment (net)	**(6.87)**	(0.27)
	Interest expense	**15.88**	2.37
	Interest income	**(1,328.94)**	(320.30)
	Unrealised foreign exchange loss/(gain) (net)	**283.76**	(148.69)
	Operating profit before working capital changes	**3,899.19**	1,605.38
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	**240.57**	436.03
	Trade receivables	**(2,959.98)**	(4,999.36)
	Loans	**0.07**	0.44
	Other financial assets	**(249.39)**	(62.73)
	Contract assets, other assets	**(17,661.64)**	(589.39)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**3,858.56**	1,901.20
	Other financial liabilities	**(40.78)**	106.34
	Contract liabilities, other liabilities	**10,113.02**	10,773.89
	Cash (used in)/generated from operations	**(2,800.38)**	9,171.80
	Income tax (paid)/refund (net)	**(1,037.89)**	(202.19)
	Net cash (used in)/generated from operating activities (A)	**(3,838.27)**	8,969.61
B	**Cash flow from investing activities:**		
	Payments for property, plant and equipment	**(452.89)**	(431.27)
	Payments for intangible assets	**(2.67)**	(56.52)
	Proceeds from disposal of property, plant and equipment	**22.02**	1.42
	Interest received	**1,292.65**	251.65
	Bank balances (including non-current) not considered as Cash and cash equivalents (net)	**1,787.69**	(2,745.93)
	Net cash generated from/(used in) investing activities (B)	**2,646.80**	(2,980.65)
C	**Cash flow from financing activities:**		
	Dividend and dividend tax paid (Including changes in unpaid dividend)	**(240.50)**	(2.49)
	Net cash used in financing activities (C)	**(240.50)**	(2.49)
	Net (decrease)/increase in Cash and cash equivalents (A+B+C)	**(1,431.97)**	5,986.47
	Cash and cash equivalents as at the beginning of the year	**12,243.73**	6,224.75
	Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	**(5.90)**	32.51
	Cash and cash equivalents as at the end of the year (Refer Note 11)	**10,805.86**	12,243.73

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Vinayak Pujare
Partner
Membership No. 101143

Place: Mumbai
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Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place: Mumbai
Date: May 30, 2019

Notes forming part of the financial statements

1 General information:

CMI FPE Limited ('the Company') is a subsidiary of Cockerill Maintenance and Ingenierie SA and a public limited Company incorporated and domiciled in India. The registered office of the Company is located at Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (East), Mumbai – 400 093. The Company is listed on BSE Limited.

The principal activities of the Company comprise customised design, engineering, installation, and manufacturing components of Cold Rolling Mill Complexes, Processing Lines, Chemical equipment, industrial furnaces and auxiliary equipment for the world-wide steel industry.

2 Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (hereinafter referred to as the 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee and all values are rounded to the nearest lakhs, except when otherwise indicated.

Recent accounting pronouncements - Standards issued but not yet effective:

Ind AS 116 – Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

Amendments to Ind AS 12: Income Taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty. (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount. (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is in the process of evaluating the impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

2.2 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into accounts the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

--> Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date,

--> Level 2 Inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly, and

--> Level 3 Inputs are unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3 Revenue recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangement, as it controls the goods or services before transferring them to the customer.

Revenue from construction contracts

Performance obligation in case of construction contracts satisfied over a period of time, since the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Revenue from construction contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level. Costs to obtain a contract are recognised as an expense when incurred.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company adopted the most likely method to recognise revenue for variable consideration.

Warranty

The Company generally provides limited warranties for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project.

The Company provides its clients with a fixed-period warranty on all contracts as per stipulated terms. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in 2.13 below.

Contract balances:
Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Sale of goods

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 - 90 days.

Sale of Services

In case of long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Income from other services are recognised at the point in time.

Interest and dividend

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognised when the right to receive dividend is established.

Notes forming part of the financial statements

2.4 Leases:
The Company as a lessee:
Operating lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Finance lease:

Assets held under finance lease are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payment are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

2.5 Foreign currency transactions:
Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the periodic average exchange rate.

Translation:

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

Exchange differences:

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in Note 2.14).

2.6 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.7 Employee benefits:
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 recognised as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employees and employer (at a determined rate) contribute monthly. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined benefit plan:

The Company's liabilities towards gratuity is determined as at the end of the reporting date by an independent actuary using the Projected Unit Credit method.

Remeasurements, comprising of actuarial gains and losses, experience adjustments and the return on plan assets is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earning and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

--> service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

--> net interest expenses or income and

--> remeasurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

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 the Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Short-term and other long-term employee benefits

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment:
Initial recognition:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase/acquisition price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

At the date of transition to Ind AS, the Company had elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciate them separately based on estimates of their specific useful lives.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Property, plant and equipment 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.

2.10 Intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Useful lives of intangible assets:

Estimated useful lives of intangible assets are as follows:

Computer software	3 years
Designs and drawings	3 years

At the date of transition to Ind AS, the Company had elected to continue with the carrying value for all of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Derecognition:

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an Intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.11 Impairment of property, plant and equipment and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.12 Inventories:

Inventories are valued at lower of cost and net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

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

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions and contingencies:

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 recognised at the best estimate of the consideration required to settle the obligation at the reporting date.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

Onerous contracts:

Present obligations arising under onerous contracts are recognised and measured as provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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.

Contingencies:

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

2.14 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement:

Financial assets and liabilities are recognised when the Company becomes a part to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method:

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income as separate line item.

Impairment of financial assets and contract assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For trade receivables or any contractual right to receive cash or another financial asset or contract assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables and contract assets. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments:

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held - for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or have expired. An exchange with a new lender or debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of hedging relationship and the nature of hedged item.

Hedge accounting:

The Company designates certain hedging instruments which include derivatives in respect of foreign currency risk as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

(i) Cash flow hedges:

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

(ii) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any change in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.15 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.

2.16 Cash and cash equivalents:

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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.17 Earnings per share:

Basic and diluted earnings per share are calculated by dividing the net profit or loss after tax 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.

2.18 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 or non-current. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2.19 Critical accounting judgements and key sources of estimation uncertainty:

In the course of applying the policies outlines in all notes under Section 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes forming part of the financial statements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

In the following areas, the management of the Company has made critical judgements and estimates:

Revenue and profit recognition:

Recognition of revenue and profit from construction contracts is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to the costs and value of work performed to date and to be performed in bringing contracts to completion. These estimates are made by reference to changes in work scope, the contractual terms under which the work is being performed, including the recoverability of any unagreed income from variations and the likely outcome of discussions on claims and costs incurred. Management continually reviews the estimated final out-turn on contracts and makes adjustments where necessary. Based on the above, management believes it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment.

Useful lives of property, plant and equipment and intangible assets:

As described in Notes 2.9 and 2.10 above, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. There was no change in the useful life of property, plant and equipment and intangible assets as compared to previous year.

Provisions and liabilities:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgements to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are vey difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Note 32 but are not recognised.

Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilise. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Note 3 Property, plant and equipment

(₹ in lakhs)

Particulars	Land	Buildings			Plant and equipment			Furniture and fixtures	Vehicle	Office equipment	Computers	Total
	Freehold land	Factory road	Factory building	Office building	Plant and equipment	Electrical installations	Quality control equipment					
Cost or deemed cost												
Balance as at March 31, 2017	**1,069.90**	**159.88**	**2,528.63**	**369.18**	**2,253.03**	**110.50**	**14.92**	**66.11**	**46.05**	**33.50**	**119.22**	**6,770.92**
Additions	-	-	34.69	-	18.83	0.51	2.26	4.77	-	21.79	229.14	311.99
Disposal	-	-	-	-	-	-	-	(0.03)	-	(0.85)	(0.39)	(1.27)
Balance as at March 31, 2018	**1,069.90**	**159.88**	**2,563.32**	**369.18**	**2,271.86**	**111.01**	**17.18**	**70.85**	**46.05**	**54.44**	**347.97**	**7,081.64**
Additions	-	-	277.69	-	111.26	12.59	6.38	7.61	-	19.70	72.41	507.64
Disposal	-	-	-	-	(13.73)	-	(0.04)	-	-	(0.95)	(8.91)	(23.63)
Balance as at March 31, 2019	**1,069.90**	**159.88**	**2,841.01**	**369.18**	**2,369.39**	**123.60**	**23.52**	**78.46**	**46.05**	**73.19**	**411.47**	**7,565.65**
Accumulated depreciation												
Balance as at March 31, 2017	**-**	**(45.69)**	**(127.23)**	**(7.65)**	**(263.46)**	**(17.71)**	**(2.19)**	**(12.49)**	**(5.18)**	**(6.09)**	**(20.89)**	**(508.58)**
Depreciation expense	-	(34.40)	(101.91)	(7.71)	(290.86)	(15.35)	(2.20)	(14.77)	(6.72)	(9.97)	(69.70)	(553.59)
Eliminated on disposals of assets	-	-	-	-	-	-	-	0.01	-	-	0.11	0.12
Balance as at March 31, 2018	**-**	**(80.09)**	**(229.14)**	**(15.36)**	**(554.32)**	**(33.06)**	**(4.39)**	**(27.25)**	**(11.90)**	**(16.06)**	**(90.48)**	**(1,062.05)**
Depreciation expense	-	(28.60)	(110.47)	(7.71)	(274.43)	(15.67)	(2.92)	(11.32)	(6.73)	(11.87)	(91.77)	(561.49)
Eliminated on disposals of assets	-	-	-	-	3.53	-	-	-	-	0.27	4.68	8.48
Balance as at March 31, 2019	**-**	**(108.69)**	**(339.61)**	**(23.07)**	**(825.22)**	**(48.73)**	**(7.31)**	**(38.57)**	**(18.63)**	**(27.66)**	**(177.57)**	**(1,615.06)**
Carrying value												
As at March 31, 2019	**1,069.90**	**51.19**	**2,501.40**	**346.11**	**1,544.17**	**74.87**	**16.21**	**39.89**	**27.42**	**45.53**	**233.90**	**5,950.59**
As at March 31, 2018	**1,069.90**	**79.79**	**2,334.18**	**353.82**	**1,717.54**	**77.95**	**12.79**	**43.60**	**34.15**	**38.38**	**257.49**	**6,019.59**
Useful life of the asset (years)	NA	5-10	3-30	60	15	10	10	10	8	5	3-6	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Property, plant and equipment with a carrying amount of ₹ 3,764.44 lakhs (As at March 31, 2018: ₹ 3,856.69 lakhs), have been mortgaged as security for bank loans and non-fund based limits.

Notes forming part of the financial statements

Note 4 Intangible assets

(₹ in lakhs)

Particulars	Computer software	Designs and drawings	Total
Cost or deemed cost			
Balance as at March 31, 2017	**17.68**	**-**	**17.68**
Additions	56.52	-	56.52
Disposals	-	-	-
Balance as at March 31, 2018	**74.20**	**-**	**74.20**
Additions	1.58	-	1.58
Disposals	-	-	-
Balance as at March 31, 2019	**75.78**	**-**	**75.78**
Accumulated amortisation			
Balance as at March 31, 2017	**(6.06)**	**-**	**(6.06)**
Amortisation expense	(38.73)	-	(38.73)
Disposals	-	-	-
Balance as at March 31, 2018	**(44.79)**	**-**	**(44.79)**
Amortisation expense	(16.04)	-	(16.04)
Disposals	-	-	-
Balance as at March 31, 2019	**(60.83)**	**-**	**(60.83)**
Carrying value			
As at March 31, 2019	**14.95**	**-**	**14.95**
As at March 31, 2018	29.41	-	29.41
Useful life of the asset (years)	3	3	
Method of amortisation	SLM	SLM	

Design and drawings block has been fully amortised.

Note 5 Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables (Non-current)		
Trade receivables	**1,020.57**	-
Receivables from related parties (Note 31)	**220.71**	-
Gross trade receivables	**1,241.28**	-
Less: Impairment	-	-
Net trade receivables (Non-current)	**1,241.28**	-
Footnotes:		
Break-up for security details (Non-current):		
Unsecured, considered good	**1,241.28**	-
Credit impaired	**-**	-
Less: Impairment allowance	**-**	-
	1,241.28	-

Notes forming part of the financial statements

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Trade receivables (Current)</u>		
Trade receivables	**8,864.19**	8,404.06
Receivables from related parties (Note 31)	**2,482.02**	1,471.15
Gross trade receivables	**11,346.21**	9,875.21
Less: Impairment	**(564.68)**	(860.25)
Net trade receivables (current)	**10,781.53**	9,014.96
Footnotes:		
Break-up for security details (Current):		
Secured, considered good	**1,403.50**	1,586.55
Unsecured, considered good	**9,644.99**	7,651.24
Credit impaired	**297.72**	637.42
	11,346.21	9,875.21
Less: Impairment allowance	**(564.68)**	(860.25)
	10,781.53	9,014.96

* Trade receivables include retention monies of ₹ 4,217.42 lakhs (As at March 31, 2018: ₹ 2,714.21 lakhs).
Trade receivables have been hypothecated as security for bank loans and non-fund based limits.

In determining the allowance for doubtful trade receivable, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of days receivables (including retention) due and the rates used in the provision matrix.

(₹ in lakhs)

Age of receivables	As at March 31, 2019	As at March 31,2018
<u>Within credit period</u>		
Upto 1 Year	**4,074.70**	1,852.55
<u>Retention amounts not due</u>		
Upto 1 Year	**4,581.06**	2,628.49
1-2 Year	**1,003.24**	85.68
2-3 Year	**8.81**	0.04
3-4 Year	**0.04**	-
<u>Outstanding (Default risk and time value delay)</u>		
Upto 1 Year	**1,311.65**	3,019.53
1-2 Year	**38.46**	172.45
2-3 Year	**117.02**	4.11
3-4 Year	**4.11**	1,474.94
4-5 Years	**1,285.13**	-

(₹ in lakhs)

Movement in the expected credit loss allowance	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	**222.83**	374.01
Allowances/(write back) during the year	**44.13**	(151.18)
Written off against provision	**-**	-
Balance at end of the year	**266.96**	222.83

Notes forming part of the financial statements

Note 6 Loans

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Loans to employees	-	0.07
Total	-	0.07

Note 7 Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(a) Security deposits	30.10	22.35
(b) Accruals		
Interest accrued on deposits	10.47	3.90
(c) Others		
Balances held as margin money (restricted with maturity more than 12 months)	476.76	69.75
Total	517.33	96.00
Current		
(a) Security deposits	1.23	6.35
(b) Accruals		
(i) Interest accrued on deposits	93.32	90.95
(ii) Interest accrued on sales tax refund	-	27.35
(c) Others		
(i) Receivables towards gratuity	1.47	0.13
(ii) Other receivables	381.02	118.27
(iii) Foreign currency forward contracts - cash flow hedge	41.15	3.78
Total	518.19	246.83

Margin money deposit pertains to deposit given to banks for bank guarantees.

Note 8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provisions)	579.80	460.77
Total	579.80	460.77

Note 9 Other assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(a) Capital advances	7.50	5.57
(b) Prepaid expenses	294.37	305.82
(c) Balances with government authorities		
(i) CENVAT credit receivable	6.42	6.42
(ii) Value Added Tax credit receivable	138.46	569.79
(iii) Service Tax credit receivable	361.32	361.32
Total	808.07	1,248.92

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
(a) Advances to related parties (Refer Note 31)	**740.18**	185.86
(b) Dues from customers on construction contracts*	**-**	5,983.01
(c) Prepaid expenses	**130.46**	122.94
(d) Balances with government authorities		
(i) CENVAT credit receivable	**-**	23.83
(ii) Value Added Tax credit receivable	**318.57**	429.37
(iii) Service Tax credit receivable	**-**	9.49
(iv) GST credit receivable	**5,434.38**	355.16
Less: Allowance for doubtful advances/deposits	**-**	(10.51)
(e) Others		
(i) Advances paid to suppliers	**3,646.62**	266.64
(ii) Other advances	**43.16**	12.62
Total	**10,313.37**	7,378.41

*** On adoption of Ind AS 115, disclosed as Contract liabilities as of March 31, 2019 (Refer Note 22.2)**

Note 10 Inventories

(At lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Construction materials	**933.77**	1,070.91
Goods-in-transit	**0.61**	2.01
	934.38	1,072.92
(b) Work-in-progress (Spares components)	**39.12**	104.42
(c) Finished goods	**79.32**	157.53
(d) Stores and spares	**148.46**	106.98
Total	**1,201.28**	1,441.85

The cost of inventories recognised as an expense during the period was ₹ 113.16 lakhs (for the year ended March 31, 2018: ₹ 30.77 lakhs).

The above inventories have been hypothecated as security for bank loans and non-fund based limits.

Note 11 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	**3.80**	5.98
(b) Cheques on hand	**1.12**	-
(c) Balances with banks		
(i) In current accounts	**2,745.05**	315.34
(ii) In EEFC accounts	**2,823.08**	5,116.88
(iii) In bank deposit accounts	**5,232.81**	6,805.53
Total	**10,805.86**	12,243.73

Notes forming part of the financial statements

Note 12 Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
In earmarked accounts		
(a) Unpaid dividend accounts	**2.30**	4.68
(b) Balances held as margin money guarantees and other commitments	**868.37**	560.69
(c) In term deposit accounts with maturity more than 3 months but less than 12 months at inception	**-**	2,500.00
Total	**870.67**	3,065.37

Earmarked bank balance are restricted to use and it relates to unclaimed dividend and balances with banks held as margin money for security against letter of credit and guarantees.

Note 13: Deferred tax (liabilities)/assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	**425.61**	702.25
Deferred tax liabilities	**(656.94)**	(617.46)
Deferred tax (liabilities) / assets	**(231.33)**	84.79

Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at March 31, 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Recognised in equity during 2018-19	Balance as at March 31, 2019
Deferred tax (liabilities)/assets in relation to								
Property, plant and equipment and intangible assets	(614.38)	2.66	-	(611.72)	(15.27)	-	-	**(626.99)**
Provisions for employee benefits	130.04	(0.97)	30.73	159.80	(45.64)	(12.71)	-	**101.45**
Provisions for doubtful debts/ advances	369.13	(78.43)	-	290.70	(93.38)	-	-	**197.32**
Carried forward business loss/ unabsorbed depreciation	609.58	(398.58)	-	211.00	(211.00)	-	-	**-**
Fair value of financial instruments	(1.75)	(3.99)	-	(5.74)	(20.86)	-	-	**(26.60)**
MAT credit entitlement (Net)	-	-	-	-	126.84	-	-	**126.84**
Other temporary difference	(1.25)	27.73	14.27	40.75	(31.74)	(4.14)	(8.22)	**(3.35)**
	491.37	(451.58)	45.00	84.79	(291.05)	(16.85)	(8.22)	**(231.33)**

Reconciliation of deferred tax (liabilities)/assets (net):

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance as of April 1	**84.79**	491.37
Tax income/(expense) during the period recognised in profit or loss	**(291.05)**	(451.58)
Tax income/(expense) during the period recognised in OCI	**(16.85)**	45.00
Tax income/(expense) during the period recognised in equity	**(8.22)**	-
Closing balance as at March 31	**(231.33)**	84.79

Notes forming part of the financial statements

Note 14 Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	**₹ in lakhs**	Number of shares	₹ in lakhs
(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, 2019		As at March 31, 2018	
	Equity Shares		Equity Shares	
	Number	**₹ in lakhs**	Number	₹ in lakhs
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.

During the year ended March 31, 2019, the amount of dividend recognised as distribution to equity shareholders was ₹ 4/- per share (March 31, 2018: ₹ Nil).

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 its Subsidiaries:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares with voting rights, fully paid	**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, 2019		As at March 31, 2018	
	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 15 Other equity

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Securities premium reserve	**1,466.27**	1,466.27
General reserve	**9,075.03**	9,075.03
Retained earnings	**8,053.81**	4,743.24
Other Comprehensive income:		
Effective portion of cash flow hedges	**6.24**	(1.58)
Total	**18,601.35**	**15,282.96**

Notes:

(a) Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(b) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(c) Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) The effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of 'Effective portion of cash flow hedges' will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

Note 16 Trade payables

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Non-current		
Other than acceptances:		
Dues to related parties (Refer Note 31)	**310.41**	-
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	**43.96**	0.29
Total outstanding dues other than micro enterprises and small enterprises	**729.31**	43.50
Total	**1,083.68**	43.79
Current		
Other than acceptances:		
Dues to related parties (Refer Note 31)	**1,007.40**	534.42
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	**1,020.64**	947.00
Total outstanding dues other than micro enterprises and small enterprises	**6,270.95**	4,006.52
Total	**8,298.99**	5,487.94

Credit period varies as per the contractual terms of various suppliers/vendors. No interest is generally charged by the suppliers/vendors. The Company has appropriate policy in place to ensure that all dues are paid within the credit terms agreed with the parties.

Notes forming part of the financial statements

Note 17 Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Trade/security deposits received	**87.00**	87.00
Total	**87.00**	87.00
Current		
(a) Unpaid dividends *	**2.30**	4.68
(b) Other payables		
(i) Payables on purchase of fixed assets	**50.28**	95.98
(ii) Contractually reimbursable expenses	**13.22**	11.04
(iii) Trade/security deposits received	**5.00**	2.00
(iv) Gratuity	**-**	90.64
(v) Foreign currency forward contracts - fair value hedge	**-**	107.73
(vi) Foreign currency forward contracts - cash flow hedge	**31.56**	6.15
Total	**102.36**	318.22

* The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Note 18 Provisions

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(a) Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 34)	**204.29**	238.40
(ii) Provision for gratuity (Refer Note 34)	**0.92**	11.93
	205.21	250.33
(b) Provision - Others:		
(i) Provision for warranties	**152.49**	38.04
(ii) Provision for estimated losses on contracts	**-**	2.25
	152.49	40.29
Total	**357.70**	290.62
Current		
(a) Provision for employee benefits:		
Provision for compensated absences (Refer Note 34)	**82.44**	87.32
	82.44	87.32
(b) Provision - Others:		
(i) Provision for warranties	**581.65**	352.01
(ii) Provision for estimated losses on contracts	**3.88**	118.76
	585.53	470.77
Total	**667.97**	558.09

Notes forming part of the financial statements

For movement in Provisions refer movement schedule below:

(₹ in lakhs)

Particulars	Provision for warranties	Provision for estimated losses on contracts
As at March 31, 2017	**394.71**	**183.18**
Recognised during the year	278.20	121.01
Utilisation during the year	(37.10)	-
Unused amount reversed	(245.76)	(183.18)
As at March 31, 2018	**390.05**	**121.01**
Recognised during the year	471.02	-
Utilisation during the year	(16.70)	(23.26)
Unused amount reversed	(110.23)	(93.87)
As at March 31, 2019	**734.14**	**3.88**

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for warranties	**581.65**	352.01
Provision for estimated losses on contracts	**3.88**	118.76

Provision for warranties

The Company gives warranties on certain products, undertaking to repair or replace the items that fail to comply with agreed upon specification during the warranty period. Provision made as at March 31, 2019 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one to three years from the date of Balance Sheet.

Provision for estimated losses on contracts

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the Statement of Profit and Loss and provision for estimated loss is recognised in the Financial Statement.

Note 19 Current tax liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for tax (net of advance tax)	**52.49**	52.86
Total	**52.49**	52.86

Note 20 Other non-current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	**-**	3,950.25
Total	**-**	3,950.25

Notes forming part of the financial statements

Note 21 Other current liabilities

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
(i) Statutory remittances (Contribution to PF and ESIC, Withholding Taxes, Excise Duty, Service Tax, VAT, GST, etc.)	**89.67**	208.46
(ii) Interest accrued on GST	**0.03**	0.35
(iii) Advances from customers [Refer Note (i) below]*	**247.71**	12,773.08
(iv) Dues to customers on construction contracts*	**-**	1,959.03
Total	**337.41**	14,940.92

*** On adoption of Ind AS 115, presented as Contract liabilities (Refer Note 22.2)**

Note (i): Advances from customers include from group companies:

(₹ in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Cockerill Maintenance and Ingenierie SA, the Holding Company	**-**	6,932.32
Total	**-**	6,932.32

Note 22 Revenue from operations

(₹ in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
A Revenue from contracts with customers:		
Disaggregated revenue information		
(a) Construction Revenue [Refer Note (i) below]	**47,296.54**	29,025.35
(b) Sale of products (Spares components)	**1,336.67**	1,310.39
(c) Sale of services	**97.63**	60.25
	48,633.21	30,335.74
B Other operating revenues [Refer Note (ii) below]	**893.06**	427.47
Total (A+B)	**49,623.90**	30,823.46

Note

(₹ in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(i) Construction revenue comprises:		
Cold Rolling Mill	**9,430.81**	1,388.88
Continuous Annealing Line	**1,158.47**	7,880.19
Continuous Galvanizing Line	**25,441.78**	12,880.20
Acid Regeneration Plant	**12.86**	127.10
Tension Levelling Line	**-**	28.02
Pickling Line	**4,571.92**	144.60
Colour Coating Line	**4,420.45**	4,804.91
HR Skin Pass Mill	**-**	52.85
Rewinding Line	**1,237.10**	57.14
Others	**1,023.15**	1,661.46
Total - Revenue from contracts with customers	**47,296.54**	29,025.35

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(ii) Other operating revenues comprise:		
Sale of scrap	**86.22**	47.56
Duty drawback and other export incentives	**683.85**	290.65
Others:		
Liquidated damages received	**105.99**	74.51
Shared services income	**17.00**	14.75
Total - Other operating revenues	**893.06**	427.47

22.1

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Revenue by geographical location:		
Within India	**3,044.83**	17,106.09
Outside India	**45,686.01**	13,289.90
Total	**48,730.84**	30,395.99
(b) Timing of revenue recognition		
Goods and services transferred over time	**47,296.54**	29,025.35
Goods transferred at a point in time	**1,336.67**	1,310.39
Service transferred at a point in time	**97.63**	60.25
Total	**48,730.84**	30,395.99

The Company has aligned its policy of revenue recognition with Ind AS 115 "Revenue from contracts with customers" which is effective from April 1, 2018. As permitted under the standard, the Company has adopted modified retrospective approach and credited the retained earnings at April 1, 2018 by ₹ 15.30 lakhs, net of tax effect.

As the Company has adopted modified retrospective approach, there are no comparative amount to present as of March 31, 2018 in respect of Contract assets and Contract liabilities.

22.2 Contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract assets		
Due from customers on construction contracts	**15,117.56**	-
Total	**15,117.56**	-
Contract liabilities		
Advance from customers*	**27,660.78**	-
Due to customers on construction contracts	**820.08**	-
Total	**28,480.86**	-

* Advance from customers includes ₹ 10,342.06 lakhs received from group companies.

Notes forming part of the financial statements

22.3 Contract balances

(₹ in lakhs)

Particulars	As at March 31, 2019	As at April 1, 2018
Trade receivables	**12,022.81**	9,014.96
Contract assets	**15,117.56**	5,921.40
Contract liabilities	**28,480.86**	14,670.50

As at March 31, 2019, trade receivable has increased on account of increase in revenue from constuction contracts as compared to April 1, 2018.

Contract assets has increased on account of increase in level of operation.

Contract liabilities as at March 31, 2019 increased on account of advances received for new projects awarded during the year, which is offset by decrease in due to customers on construction contract as revenue recognised during the year on execution of projects.

Set out below is the amount of revenue recognised from:

(₹ in lakhs)

Particulars	As at March 31, 2019
Amounts included in contract liabilities at the beginning of the year	**1,669.72**
Performance obligations satisfied in previous years	**-**
Total	**1,669.72**

22.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	**40,735.24**	30,252.91
Adjustments:		
Add: Unbilled on account of work under certification	**9,134.55**	901.07
Less: Billing in excess of contract revenue	**(1,138.95)**	(757.99)
Revenue from contract with customers	**48,730.84**	**30,395.99**

22.5 Remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2019 is of ₹ 83,060.04 lakhs, out of which, ₹ 43,622.55 lakhs and ₹ 39,437.49 lakhs is expected to be recognised as revenue within a period of one year and more than one year respectively.

22.6 Changes in accounting policies and disclosures:

New and amended standards and interpretations:

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Notes forming part of the financial statements

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 1, 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

The effect of adopting Ind AS 115 as at April 1, 2018 was as follows:

(₹ in lakhs)

Particulars	**Increase / (Decrease)**
Assets	
Contract assets	(61.61)
Deferred tax assets	(8.22)
Total assets	**(69.83)**
Liabilities	
Contract liabilities	(61.24)
Provisions	(23.89)
Total liabilities	**(85.13)**
Total adjustment to equity	
Retained earnings (net of tax)	15.30
Total equity	**15.30**

Note 23 Other income

(₹ in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss [Refer Note (i) below]	**1,330.82**	348.95
(b) Other non-operating income [Refer Note (ii) below]	**588.21**	726.61
(c) Net foreign exchange gains	**211.97**	551.74
Total	**2,131.00**	1,627.30

(₹ in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(i) Interest income earned on financial assets that are not designated as at fair value through profit or loss comprises:		
Interest from banks on deposits (at amortised cost)	**1,328.94**	311.65
Interest on other financial assets carried at amortised cost	**-**	0.04
Interest on income tax refund	**-**	8.65
Interest on sales tax refund	**-**	27.35
Other interest	**1.88**	1.26
Total - Interest income	**1,330.82**	348.95

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(ii) Other non-operating income comprises:		
Gain on sale of property, plant and equipment	**6.87**	0.27
Liabilities/provisions no longer required written back	**148.96**	363.06
Provision for trade receivables no longer required written back	**388.00**	279.33
Credit balances written back	**150.51**	67.81
Miscellaneous income	**28.32**	13.56
Gain/(loss) arising on financial assets designated as at amortised cost	**(134.45)**	2.58
Total - Other non-operating income	**588.21**	726.61

Note 24.a Construction materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	**1,072.91**	1,331.46
Add: Purchases*#	**32,880.69**	19,847.06
	33,953.60	21,178.52
Less: Closing stock	**934.38**	1,072.91
Construction material consumed	**33,019.22**	20,105.61

* Construction material consumed + Closing stock - Opening stock

Purchases include ₹ 13,318.52 lakhs (Year ended March 31, 2018: ₹ 5,967.18 lakhs) being cost of equipments bought and supplied directly to customer's site as a part of construction contracts.

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 Ind AS 115 Revenue from Contracts with Customers under which project stock, manufactured items and other direct costs are considered as project cost incurred till date. Purchases figure is derived figure. 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.

Note 24.b Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year:		
Finished goods	**157.53**	382.92
Work-in-progress	**104.42**	60.84
	261.95	443.76
Inventories at the end of the year:		
Finished goods	**79.32**	157.53
Work-in-progress	**39.12**	104.42
	118.44	261.95
Net (increase)/decrease	**143.51**	181.81

Notes forming part of the financial statements

Note 25 Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	**4,801.11**	4,653.66
Contributions to: (Refer Note 34)		
- Provident fund	**220.01**	200.97
- Superannuation fund	**44.85**	40.56
- Gratuity fund	**72.04**	42.82
Staff welfare expenses	**312.27**	222.82
Total	**5,450.28**	5,160.83

Note 26 Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest expense on:		
Others		
- Interest on delayed/deferred payment of income tax	**15.88**	2.37
- Interest on delayed/deferred payment of service tax	**0.79**	-
- Interest on delayed/deferred payment of GST	**0.56**	0.48
- Interest on delayed/deferred payment of PF	**-**	0.38
(b) Loss/(gain) arising on financial liabilities measured at amortised cost	**(193.40)**	(9.31)
(c) Other borrowing costs:		
Bank Charges	**185.77**	97.07
Total	**9.60**	90.99

Note 27 Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (Refer Note 3)	**561.49**	553.59
Amortisation on intangible assets (Refer Note 4)	**16.04**	38.73
Total	**577.53**	592.32

Notes forming part of the financial statements

Note 28 Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spare parts	355.15	264.92
Increase/(Decrease) of excise duty on inventory	-	(195.22)
Project related expenses (Refer Note 37)	317.66	255.72
Labour and processing charges	1,114.64	764.51
Erection expenses	182.85	88.57
Power and fuel	232.13	203.95
Repairs:		
- Buildings	13.31	10.05
- Plant and machinery	57.75	37.02
- Others	235.28	214.42
Rent (Refer Note 33)	32.09	21.85
Rates and taxes	156.54	83.75
Insurance	22.21	38.80
Commission on sales	560.62	18.79
Unrealised loss on mark-to-market derivative contracts	-	145.79
Allowance for doubtful trade receivables	92.43	486.24
Brand fees	261.15	107.15
Warranties (Refer Note 18)	471.02	278.20
Liquidated damages	1.29	1.09
Estimated losses on contracts (Refer Note 18)	(93.87)	(62.16)
Packing and forwarding expenses	2,362.37	940.93
Travelling and conveyance	635.91	314.03
Postage, telex and telephone expenses	24.02	21.10
Expenditure on corporate social responsibility (Refer Note 37)	8.97	21.07
Provision for doubtful trade receivables set up in earlier year	-	463.10
Less: Provision utilised for bad debts	-	(463.10)
Allowance for doubtful advances/deposits	-	10.51
Payments to auditors [Refer Note (i) below]	52.91	90.96
Legal and professional [Refer Note (ii) below]	313.71	139.91
Bad trade and other receivables, loans and advances written off	0.82	14.21
Miscellaneous expenses	440.41	388.97
Total	**7,851.37**	4,705.13

Note:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Payments to the auditors comprises (net of GST input credit):		
As auditor:		
Audit fee	32.20	54.50
Limited review	14.25	18.75
In other capacity		
Other service	5.60	17.17
Reimbursement of expenses	0.86	0.54
Total	**52.91**	90.96
(ii) Legal and professional includes (net of GST input credit):		
Cost auditors for cost audit	2.30	2.00
Total	**2.30**	2.00

Notes forming part of the financial statements

Note 29 Income tax recognised in profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	944.30	201.63
In respect of prior year	(41.70)	-
	902.60	201.63
Deferred tax		
In respect of the current year	291.05	451.58
Adjustments to deferred tax attributable to change in tax rates and laws	-	-
	291.05	451.58
Total income tax expense recognised in the Statement of Profit and Loss	**1,193.65**	653.21

Note 29.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operation	4,703.39	1,325.21
Indian Statutory income tax rate	34.944%	33.384%
Income tax expense	1,643.55	442.41
Effect of expenses that are not deductible in determining taxable profit	32.76	8.09
Utilisation of previously unrecognised tax losses	(56.72)	-
MAT tax credit entitlement	(439.66)	201.63
Others	13.72	1.08
Income tax expense recognised in the Statement of Profit and Loss	**1,193.65**	653.21

Note 29.2 Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of the defined benefit obligations	(12.71)	30.73
Net loss/(gain) on designated portion of hedging instruments in cash flow hedge	(4.14)	14.27
Total income tax recognised in other comprehensive income	**(16.85)**	45.00
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	(12.71)	30.73
- Items that may be reclassified to profit or loss	(4.14)	14.27
	(16.85)	45.00

Notes forming part of the financial statements

Note 30 Earnings per share (EPS)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic and Diluted		
Net Profit for the year attributable to the equity shareholders (₹ in lakhs)	**3,509.74**	672.00
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 (₹)	**71.08**	13.61
Earnings per share - Diluted (₹)	**71.08**	13.61

Note 31 Related party transactions

a)	**Enterprises exercising control**	
	Holding Company	Cockerill Maintenance & Ingenierie SA
b)	**Other related parties with whom transactions have taken place during the year**	
	Fellow Subsidiaries (with whom Company has made transactions during the year)	CMI Industry Automation Private Limited CMI UVK GmbH CMI Brasil Servicos CMI Engineering (Beijing) Co. Ltd. CMI Europe Environment
c)	**Key Management Personnel (KMP)**	Mr. Joao Felix Da Silva - Chairman Mr. Raman Madhok - Managing Director Mr. Akash Ohri - Chief Financial Officer Mr. Haresh Vala - Company Secretary <u>Non-Executive Independent Director</u>: Mr. D. J. Balaji Rao, Mr. Raman M. Madhok, Mr. N. Sundararajan, Ms. Roma Balwani <u>Non-Executive Director</u>: Mr. Fabrice Orban, Mr. Yves Honhon
	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

d.1) Details of related party transactions during the year ended March 31, 2019 and balances outstanding as at March 31, 2019:

(₹ in lakhs)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Others	Total
Purchase of goods	952.41	4,490.32	-	-	5,442.73
	(266.26)	(1,552.56)	(-)	(-)	(1,818.82)
Receiving of services	-	7.55	-	-	7.55
	(-)	(20.74)	(-)	(-)	(20.74)
Sale of goods	14,377.13	2.57	-	-	14,379.70
	(7,869.53)	(-)	(-)	(-)	(7,869.53)
Shared services income	-	20.06	-	-	20.06
	(-)	(17.30)	(-)	(-)	(17.30)
Rendering of services	29.47	6.49	-	-	35.96
	(359.19)	(3.26)	(-)	(-)	(362.45)
Compensation of key managerial personnel	-	-	638.85	-	638.85
	(-)	(-)	(578.23)	(-)	(578.23)
Sitting fees paid to non-executive directors	-	-	32.20	-	32.20
	(-)	(-)	(30.90)	(-)	(30.90)
Commission to non-executive directors	-	-	37.00	-	37.00
	(-)	(-)	(12.00)	(-)	(12.00)
Brand and technology fees	266.05	-	-	-	266.05
	(112.58)	(-)	(-)	(-)	(112.58)
Expenses reimbursement received	10.51	-	-	-	10.51
	(194.35)	(4.49)	(-)	(-)	(198.84)
Expenses reimbursement paid	233.27	-	-	-	233.27
	(107.14)	(-)	(-)	(-)	(107.14)
Books and Periodicals, Membership	-	-	-	0.10	0.10
	(-)	(-)	(-)	(0.10)	(0.10)
Balances outstanding at the end of the year:					
Trade receivables	2,695.92	6.81	-	-	2,702.73
	(1,466.91)	(4.24)	(-)	(-)	(1,471.15)
Advance received from customers	10,342.06	-	-	-	10,342.06
	(6,932.32)	(-)	(-)	(-)	(6,932.32)
Advances paid to suppliers	-	740.18	-	-	740.18
	(138.79)	(47.07)	(-)	(-)	(185.86)
Trade payables	965.52	352.29	-	-	1,317.81
	(206.54)	(327.88)	(-)	(-)	(534.42)

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

Notes forming part of the financial statements

d.2) The significant related party transactions are as under:

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lakhs
Purchase of goods	CMI Engineering (Beijing) Co. Ltd.			1,802.50 (1,552.56)
	CMI Industry Automation Private Limited			2,587.45 (-)
	CMI Europe Environment			100.37 (-)
Receiving of services	CMI UVK GmbH			7.24 (20.74)
	CMI Industry Automation Private Limited			0.31 (-)
Sale of goods	CMI Industry Automation Private Limited			2.57 (-)
Shared services income	CMI Industry Automation Private Limited			20.06 (17.30)
Rendering of services	CMI Industry Automation Private Limited			3.88 (3.05)
	CMI Brasil Servicos			2.61 (-)
	CMI UVK GmbH			- (0.21)
Compensation of key managerial personnel		Raman Madhok		552.66 (501.32)
		Akash Ohri		58.32 (51.53)
		Haresh Vala		27.87 (25.38)
Expenses reimbursement received	CMI Industry Automation Private Limited			- (4.49)
Books and Periodicals, Membership			Indo-Belgian Luxembourg Chamber of Commerce and Industry	0.10 (0.10)
Trade receivables	CMI Industry Automation Private Limited			4.25 (4.03)
	CMI Brasil Servicos			2.56 (-)
	CMI UVK GmbH			- (0.21)
Advances paid to suppliers	CMI Engineering (Beijing) Co. Ltd.			53.11 (27.70)
	CMI UVK GmbH			660.90 (-)
	CMI Industry Automation Private Limited			26.17 (19.37)
Trade payables	CMI Industry Automation Private Limited			337.97 (27.76)
	CMI Engineering (Beijing) Co. Ltd.			14.32 (293.77)
	CMI UVK GmbH			- (6.35)

Note: There were no amounts written off or written back during the year in respect of debts due from or to related parties.

Notes forming part of the financial statements

d.3) Details of transactions with Key Management Personnel

Nature of transactions	(₹ in lakhs)
Short term employee benefits **	599.99 (542.86)
Post-employment benefits **	38.86 (35.37)
Total	**638.85** (578.23)

**As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

d.4) Sitting fees for attending board meeting paid to non-executive directors

Nature of transactions	(₹ in lakhs)
Mr. D. J. Balaji Rao	10.60 (9.20)
Mr. Raman M. Madhok	7.10 (5.70)
Mr. N. Sundararajan	9.00 (9.50)
Ms. Roma Balwani	5.50 (6.50)
Total	**32.20** (30.90)

d.5) Commission to non-executive directors

Nature of transactions	(₹ in lakhs)
Mr. D. J. Balaji Rao	10.00 (3.00)
Mr. Raman M. Madhok	8.00 (3.00)
Mr. N. Sundararajan	11.00 (3.00)
Ms. Roma Balwani	8.00 (3.00)
Total	**37.00** (12.00)

d.6) Terms and Conditions

i) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

ii) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

iii) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

Notes forming part of the financial statements

Note 32 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	**As at March31, 2019**	As at March 31,2018
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Service tax*	**18,326.84**	16,587.22
Sales tax**	**3.66**	16.33
Excise duty***	**312.18**	305.36
Local Body Tax - PMC ****	**56.25**	-
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	**117.66**	258.69
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**	448.82
(b) Other matters for which the Company is contingently liable		
Advance licence - custom duty elements	**252.76**	320.27
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	**43.63**	80.20
Intangible assets	**6.23**	-
(b) Amount of future minimum lease payment under non-cancellable agreements (Refer Note 33)	**0.89**	-

*Matters relating to:

(i) 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 issued a show cause Notice dated September 26, 2014 for denial of wrongly availed Cenvat Credit of ₹ 184.63 lakhs (plus interest, as applicable estimated to be ₹ 244.77 lakhs) of service tax paid as input service. The Company had replied to show cause notice.

(ii) 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 dated October 29, 2009 for denial of wrongly availed Cenvat Credit of ₹ 140.41 lakhs, penalty ₹ 140.41 lakhs (plus interest, as applicable estimated to ₹ 263.81 lakhs) of service tax paid as input service. The Company had replied to show cause notice. The Ahmedabad Tribunal set aside the duty amount, interest and penalty passed by the Commissioner of Central Excise Vapi on June 22, 2015. The Department filed appeal on November 07, 2016 but it is rejected by High Court and now the Department has restored the appeal vide notice dated November 14, 2018 at Mumbai and Vapi Commissionerate.

(iii) During the period April 2010 to December 2014, the Company had paid service tax for services rendered and paid excise duty on dispatch of goods considering contracts as divisible contracts. Service tax department issued Show cause Notice dated October 21, 2015 for demanding service tax of ₹ 4,817.55 lakhs categorised as "works contract" service by the Department on which excise duty of ₹ 10,510.51 lakhs had been paid. The Company had replied to Show cause notice and personal hearing had also been held. The Commissioner of Central Excise & Service Tax, Large Taxpayer Unit vide their order dated November 30, 2016 upheld the service tax liability of ₹ 4,817.55 lakhs, penalty of ₹ 4,817.65 lakhs and interest, as applicable, estimated to be ₹ 5,795.22 lakhs. An appeal had been filed by the Company before CESTAT, Mumbai dated March 20, 2017. The Company had paid appropriate excise duty on goods manufactured and service tax on service rendered. The order is seen by the Company as change of opinion by the Department after higher bench judgement in one of the recent case. The Company had pre-deposited ₹ 361.17 lakhs.

In continuation to the above matter, the Company had further received show cause notice dated December 22, 2017 for the period January 2015 to March 2015 demanding service tax of ₹ 175.46 lakhs categorised as "works contract" service on which excise duty of ₹ 377.56 lakhs had been paid and show cause notice dated March 19, 2018 for the period April 2015 to June 2017 demanding service tax of ₹ 759.27 lakhs categorised as "works contract" service on which excise duty of ₹ 1,670.08 lakhs had been paid. The Company had replied to Show cause notice and personal hearing had also been held. The Commissioner of Central Excise & Service Tax, Large Taxpayer Unit vide their order dated February 14, 2019 upheld the service tax liability of ₹ 175.46 lakhs and ₹ 759.27 lakhs respectively and penalty of ₹ 175.46 lakhs and ₹ 759.27 lakhs respectively and interest, as applicable, ₹ 122.29 lakhs and ₹ 361.19 lakhs respectively. An appeal had been filed by the Company before CESTAT, Mumbai dated May 06, 2019. The Company had paid appropriate excise duty on goods manufactured and service tax on service rendered. The order is seen by the Company as change of opinion by the Department after higher bench judgement in one of the recent case. The Company had pre-deposited ₹ 13.16 lakhs and ₹ 56.94 lakhs respectively.

**Matter relating to 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 had 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 identified during the course of EA 2000 audit conducted for the period from April 2009 to March 2011, the Central Excise department had issued a show case notice dated January 6, 2014 for ₹ 88.33 lakhs (excluding interest, as applicable). The Joint Commissioner of Central Excise & Service Tax, Large Taxpayer Unit - Audit vide their order dated January 31, 2017 upheld the excise duty liability of ₹ 88.33 lakhs, penalty of ₹ 88.33 lakhs and interest, as applicable, estimated to be ₹ 141.95 lakhs. An appeal had been filed by the Company before The Commissioner of Central Excise and Service Tax Large Taxpayer Unit - Audit, Mumbai. The Company had pre-deposited ₹ 6.42 lakhs.

****Matter relating to Panvel Municipal Corporation had raised Local Body Tax demand for the period from 01.01.2017 to 31.03.2017 and from 01.04.2017 to 30.06.2017 under rule 33 of Panvel Municipal Corporation Act vide order dated November 13, 2018 & March 14, 2019 respectively. Total demand was of ₹ 186.97 lakhs consisting LBT Tax of ₹ 117.80 lakhs, interest of ₹ 12.92 lakhs and penalty of ₹ 56.25 lakhs. Of which Tax had been paid and interest is provided in the books. Penalty is not provided in the books. Appeals were filed by the Company in PMC Appellate Authority dated November 29, 2018 and March 27, 2019 respectively against demand of interest and penalty.

(iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Company had made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

Note 33 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 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 lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Future minimum lease payments		
not later than one year	**0.89**	-
later than one year and not later than five years	**-**	-
later than five years	**-**	-
Total	**0.89**	-
Lease payments recognised in the Statement of Profit and Loss	**32.09**	21.85

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 34 Employee benefits

a) Defined contribution plan

Superannuation

All eligible employees are entitled to benefits under superannuation, a defined contribution plan. The Company makes quarterly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond its quarterly contribution.

Company's contribution to superannuation recognised in Statement of Profit and Loss of ₹ 44.85 lakhs (for the year ended March 31, 2018 ₹ 40.56 lakhs) (included in Note 25).

Provident Fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employees and employer (at a determined rate) contribute monthly. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Company's contribution to provident fund recognised in Statement of Profit and Loss of ₹ 220.01 lakhs (for the year ended March 31, 2018 ₹ 200.97 lakhs) (included in Note 25).

b) Defined benefit plans:

Gratuity (funded)

The Company sponsors funded defined benefit plans for all eligible employees. The defined benefit plan is administered by a separate fund that is legally separated from the entity.

Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60 years, without any payment ceiling. The vesting period for gratuity as payable under The payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as investment risk, interest rate risk, liquidity risk and salary risk.

a) Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

b) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

c) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of liquid assets not being sold in time.

d) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Balance Sheet		
The assets, liabilities and surplus/(deficit) position of the defined benefit plan at the Balance Sheet date were:		
Present value of defined benefit obligation	**586.15**	583.97
Fair value of plan assets	**(585.23)**	(481.40)
Net liability/(asset) recognised in the Balance Sheet (Refer Note 17 and 18)	**0.92**	102.57
B. Movements in present value of obligation and fair value of plan assets		
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**583.97**	444.43
Current service cost	**64.15**	41.76
Interest cost	**44.93**	33.09
Re-measurement (or Actuarial) loss /(gain) arising from:		
- change in financial assumptions	**(159.71)**	62.79
- experience variance (i.e. Actual experience vs assumptions)	**125.27**	28.79
Benefits paid	**(72.46)**	(26.89)
Present value of DBO at the end of the year	**586.15**	583.97
Change in fair value of assets during the year		
Plan assets at beginning of the year	**481.40**	430.21
Investment income	**37.04**	32.03
Actual company contributions	**137.33**	46.52
Benefits paid	**(72.46)**	(26.89)
Return on plan assets, excluding amount recognised in net interest expense	**1.92**	(0.47)
Plan assets at the end of the year	**585.23**	481.40
C. Statement of Profit and Loss		
Current service cost	**64.15**	41.76
Finance Cost		
Interest cost	**44.93**	33.09
Interest income (expected returns on plan assets)	**(37.04)**	(32.03)
Component of defined benefit cost recognised in statement of profit and loss (Refer Note 25)	**72.04**	42.82
Remeasurement of net defined benefit liability:		
-Actuarial losses/(gains) on defined benefit obligation	**(34.44)**	91.58
-Return on plan assets (excluding interest income)	**(1.92)**	0.47
Net impact on other comprehensive income (before tax)	**(36.36)**	92.05
Total	**35.68**	134.87
D. Composition of the plan assets is as follows:		
(percentage or value)		
Insurer managed funds	**100.00%**	100.00%

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company.

Notes forming part of the financial statements

E. Principal Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	**7.70%**	7.70%
Salary escalation	**2.50%**	5.50%
Attrition		
Age (Years)		
Upto 30	**5.00%**	5.00%
31-40	**3.00%**	3.00%
Above 40	**2.00%**	2.00%
Mortality rates	Indian Assured Lives Mortality (2006-08) Ult table	
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	**39.98**	150.31

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.

Interest income on plan asset is a component of the return on plan asset and is determined by multiplying the fair value of the plan assets by the discount rate specified in para 83, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.

The estimate of future salary increase, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

F. Experience adjustments:

(₹ in lakhs)

Gratuity	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Present value of DBO	**586.15**	583.97	444.43	309.28	423.19
Fair value of plan assets	**585.23**	481.40	430.21	412.04	394.94
Funded status Surplus/(Deficit)	**(0.92)**	(102.57)	(14.22)	102.76	(28.25)
Experience (gain)/loss adjustments on plan liabilities	**125.27**	28.79	23.02	24.04	(23.48)
Experience gain/(loss) adjustments on plan assets	**1.92**	(0.47)	(0.16)	5.52	7.15

G. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Impact on Defined Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(40.13)**	**45.37**	(49.30)	56.55
Future Salary Growth (1% movement)	**47.34**	**(42.43)**	57.23	(50.71)
Attrition rate (1% movement)	**17.37**	**(19.20)**	8.56	(9.60)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

H. The weighted average duration (based on discounted cashflow) of the defined benefit obligation at the end of reporting period is 7 years.

Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation, or resignation, at the rate of daily salary, as per current accumulation of leave days restricted to maximum 60 days.

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of unfunded obligation (₹ in lakhs)	286.73	325.73
(Income)/Expense recognised in Statement of Profit and Loss (₹ in lakhs)	(16.03)	60.14
Discount rate percentage (p.a.)	7.70%	7.70%
Salary escalation rate (p.a.)	2.50%	5.50%

Note 35: Financial Instruments

35.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company is a debt free company and cash required for operation is managed through internal accruals.

35.2 Categories of financial instruments

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		Carrying values	Carrying values	Fair value	Fair value
Financial assets					
Measured at amortised cost					
i. Cash and cash equivalents	11	10,805.86	12,243.73	10,805.86	12,243.73
ii. Bank balances other than cash and cash equivalents	12	870.67	3,065.37	870.67	3,065.37
iii. Trade receivables	5	12,022.81	9,014.96	12,022.81	9,014.96
iv. Loans	6	-	0.07	-	0.07
v. Other financial assets	7	994.37	339.05	994.37	339.05
Measured at fair value through other comprehensive income (FVTOCI)					
Derivative instruments in designated hedge accounting relationships (net)	7, 17	9.59	-	9.59	-

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
		Carrying values	Carrying values	Fair value	Fair value
Financial liabilities					
Measured at fair value through profit or loss (FVTPL)					
Derivative financial instruments	17	**-**	107.73	**-**	107.73
Measured at amortised cost					
i. Trade payables	16	**9,382.67**	5,531.73	**9,382.67**	5,531.73
ii. Other financial liabilities	17	**157.80**	291.34	**157.80**	291.34
Measured at fair value through other comprehensive income (FVTOCI)					
Derivative instruments in designated hedge accounting relationships (net)	7, 17	**-**	2.37	**-**	2.37

35.3 Financial risk management objective

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk threshold, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risk arising from the financial instruments:
- Market risk (includes foreign currency risk and price risk)
- Credit risk and
- Liquidity risk

35.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in the market prices. The Company in the ordinary course of its business is exposed to risks related to changes in foreign currency exchange rates.

The Company seeks to minimise the effect of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivatives for speculation purposes.

35.5 Foreign Currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company hedges cash flows up to a specific tenure using forward exchange contracts in respect of exports, imports, other receivables and payables. The Company uses forward foreign exchange contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecast transactions.

Notes forming part of the financial statements

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as under:

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
USD	10,308.72	872.31	648.79	174.55
EUR	1,726.14	877.13	6,053.36	275.36
CNY	-	14.32	-	293.77
GBP	-	-	-	4.72

35.6 Foreign Currency risk sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant major foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity and the balances below would be negative.

(₹ in lakhs)

Particulars	Increase		Decrease	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Receivable				
USD	103.09	6.49	(103.09)	(6.49)
EUR	17.26	60.53	(17.26)	(60.53)
Payable				
USD	(8.72)	(1.75)	8.72	1.75
EUR	(8.77)	(2.75)	8.77	2.75
CNY	(0.14)	(2.94)	0.14	2.94
GBP	-	(0.05)	-	0.05

35.7 Forward foreign exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors for managing foreign currency exposure. The policy has approved use of forward contracts to manage the foreign currency risk.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period.

Particulars	No. of contracts	Type	Foreign Currency (FC)	Amount in Foreign currency (In lakhs)	INR Equivalent (₹ In lakhs)	MTM gain / (loss) (₹ In lakhs)
As at 31.03.2019	5	Sell	USD	109.00	7,648.75	9.59
As at 31.03.2018	15	Sell	USD	88.00	5,903.24	(2.37)
	15	Sell	EUR	61.06	4,873.55	(107.73)

35.8 Commodity price risk

The Company is exposed to movement in metal commodity price of steel. Our sales contracts are on fixed price basis. Profitability in case of firm price orders is impacted by movement in the prices of steel. The Company primarily purchases its raw materials in the open market from third parties. The Company either places long term firm price order with the suppliers or builds stock on need basis to mitigate the risk.

Notes forming part of the financial statements

35.9 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company is debt free Company and has not borrowed fund during the year from banks, therefore, the Company is not exposed to interest rate risk.

35.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables, contract assets, deposits with banks, derivative financial instruments and other financial instruments.

35.11 Trade receivables

Customer credit risk is managed centrally by the Company. The Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. Further, majority of the Company's customers are Companies with strong financial stability. Credit risk on receivables is also mitigated by securing the same against letters of credit of reputed banks. Trade receivables spread across diverse geographical areas with no significant concentration of credit risk. Outstanding trade receivables are regularly monitored and appropriate actions are taken for collection of overdue receivables. The Company's exposure to counterparties are continuously reviewed and monitored by the management. Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue trade receivables.

The Company directly reduces the gross carrying amount of financial assets when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amount of financial assets are net of allowance for doubtful accounts, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. The Company has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historic credit loss experience and adjusted for forward looking information. The expected credit loss is based on the ageing of the days and the expected credit loss rate.

Apart from the major customers of the Company in Bangladesh, Belgium (where the parent company is based), Spain and 1 major customer in India (which is Limited Company), the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to the customer in Bangladesh, Belgium and Spain exceed 32%, 21% and 19% respectively of the trade receivables of the Company and credit risk related to the 1 major customers exceeds 11% of the trade receivables of the Company. Concentration of credit risk to any other customer did not exceed 10% of the trade receivables of the Company at reporting date.

The history of trade receivables shows a negligible impairment allowance.

35.12 Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, and derivative instruments. The Company attempts to limit the credit risk by only dealing with reputable banks having high-credit ratings assigned by credit-rating agencies. The Company's maximum exposure to the credit risk for the component of Balance Sheet as at March 31, 2019 and March 31, 2018 is the carrying amounts of each class of financial assets.

35.13 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company requires fund both for short-term operational needs as well as for long-term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short-term investments provide liquidity in the short-term and long-term. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flow and by matching the maturity profiles of the financial assets and liabilities.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in bank fixed deposits to optimise the cash returns on cash and cash equivalents while ensuring sufficient liquidity to meet its liabilities.

Notes forming part of the financial statements

The following table gives details of the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table below has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows.

Liquidity exposure:

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	< 1 year	1-5 years	Total	< 1 year	1-5 years	Total
Financial liabilities						
Trade payable	**8,298.99**	**1,083.68**	**9,382.67**	5,487.94	43.79	5,531.73
Other financial liabilities	**102.36**	**87.00**	**189.36**	318.22	87.00	405.22
Total financial liabilities	**8,401.35**	**1,170.68**	**9,572.03**	5,806.16	130.79	5,936.95

The derivative assets and liabilities (Refer Notes 7 and 17) are having maturity within one year of the Balance Sheet date.

35.14 Collateral

Property, plant and equipment with a carrying amount of ₹ 3,764.44 lakhs (As at March 31, 2018: ₹ 3,856.69 lakhs), have been mortgaged as collateral security for bank loans and non-fund based limits.

The Company has access to various fund and non-fund based bank facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments as at March 31, 2019 ₹ 11,365.11 lakhs (As at March 31, 2018 ₹ 14,738.96 lakhs).

35.15 Fair value measurement

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of the forward contracts used for expected future sale has been determined using forward pricing, based on present value calculations.

2. The Company has disclosed financial instruments such as trade receivables (current), cash and cash equivalents, other bank balances, loans to employees, other current financial assets, trade payables (current) and other current financial liabilities at carrying value, because, their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

Notes forming part of the financial statements

B) Level wise disclosure of financial statements

(₹ in lakhs)

Particulars	**Fair value**		**Fair Value Hierarchy**	**Valuation technique(s) and Key inputs**
	As at March 31, 2019	As at March 31, 2018		
Derivative instruments (Derivative instruments in designated Hedge accounting relationship - Hedges of Highly Forecasted sale/purchases using foreign currency forward contracts)	**9.59**	(2.37)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.
Derivative instruments measured at fair value through profit or loss - forward contracts	**-**	(107.73)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.
	-	Liabilities		

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 36 Segment information:

The principal activities of the Company comprise customised 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 ("the projects") for ferrous and non-ferrous industries world wide.

For management purpose, the Company comprise of only one reportable segment - Original equipment manufacturer and project management. Information is reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing the performance of the business as a whole. The CODM reviews the Company's performance on the analysis of profit before tax at an overall entity level. Accordingly there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

The information relating to revenue from external customers and location of non-current assets of the single reportable segment has been disclosed as follows:

a) Revenue by geographical location

(₹ in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2019
India (i)	**3,044.83**	17,106.09
Foreign countries:		
- Spain	**15,026.26**	616.49
- Bangladesh	**14,621.00**	897.77
- Belgium	**14,513.63**	10,697.12
- Other countries	**1,525.12**	1,078.52
Total foreign countries (ii)	**45,686.01**	13,289.90
Total (i) + (ii)	**48,730.84**	30,395.99

Revenue from operations have been allocated on the basis of location of customers.

₹ 15,026.26 lakhs, ₹ 14,521.10 lakhs and ₹ 14,513.63 lakhs (For year ended March 2018: ₹ 10,666.94 lakhs, ₹ 7,904.11 lakhs and ₹ 6,137.61 lakhs) is derived as revenue from each of the Company's three major customer.

Notes forming part of the financial statements

b) Non-current operating assets

All Non-current assets other than financial instruments, deferred tax assets of the Company are located in India.

Note 36A Event occurring after the Balance Sheet date:

The Board of Directors recommended Equity dividend of ₹10 per share (previous year ₹ 4 per share) for the financial year 2018-19, which is subject to the approval of shareholders at the ensuing Annual General Meeting.

Note 37 Disclosure of additional information

(a) Corporate Social Responsibility (CSR) Expenditure:

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of it's average net profit for the immediately preceding three financial year on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The expenditure has been incurred on activities specified in Schedule VII of the Companies Act, 2013.

(i) Gross amount required to be spend during the year is ₹ 5.98 lakhs (Year ended March 31, 2018: ₹ Nil).

(ii) Amount spent during the year on:

(₹ in lakhs)

Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
Construction/acquisition of any asset	-	-	-
On purpose other than above	8.97	-	8.97

(b) Disclosure 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 lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
(a) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal	**56.95**	-
Interest	**-**	-
(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	**-**	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	**-**	-
(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. Due dates with regards to payments to be made to Micro and Small Enterprises have been determined with reference to Micro, Small and Medium Enterprises Development Act, 2006, considering criteria of quality of goods and related incidental services provided by the vendors. This has been relied upon by the auditors.

Notes forming part of the financial statements

(c) Project related expenses comprise:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Design and engineering charges	134.08	100.79
Testing and inspection	19.99	28.37
Transport charges (inward)	113.79	88.20
Crane hire charges	39.84	18.57
Clearing and forwarding expenses (import)	3.47	14.32
Technology fees	4.90	5.43
Cess on technology fees	-	0.04
Rent	1.59	-
Total	**317.66**	255.72

(d) Details of liabilities/provisions no longer required written back:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Reversal of provision for warranties	110.23	245.76
Reversal of provision for employee benefits	38.73	110.56
Expense provision reversal	-	6.74
Total	**148.96**	363.06

(e) Brand and Technology fees:

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 lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Technology fees	4.90	5.43
Brand fees	261.15	107.15

(f) Value of imports calculated on CIF basis:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials, components, stores and spares	8,455.94	5,547.12

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.

Notes forming part of the financial statements

(g) Expenditure in foreign currency (on accrual basis):

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Commission on sales, supervision and erection expenses, design and engineering services and consultancy charges	**573.38**	66.12
Travelling expenses	**360.36**	88.81
Brand and technology fees [including Income Tax deducted ₹ 26.61 lakhs (Year ended March 31, 2018: ₹ 11.26 lakhs)]	**266.05**	112.58
Others	**17.30**	1.99

(h) Earnings in foreign exchange:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Export of goods calculated on FOB basis	**36,565.27**	8,232.97
Export of services	**39.92**	359.86

Note: Sales on CFR/CIF/EXW/CIP/CPT/DAP basis has been converted into FOB.

Note 38 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Vinayak Pujare
Partner
Membership No. 101143

Place: Mumbai
Date: May 30, 2019

For and on behalf of the Board of Directors

Joao Felix Da Silva
Chairman
DIN: 07662251

Raman Madhok
Managing Director
DIN: 00672492

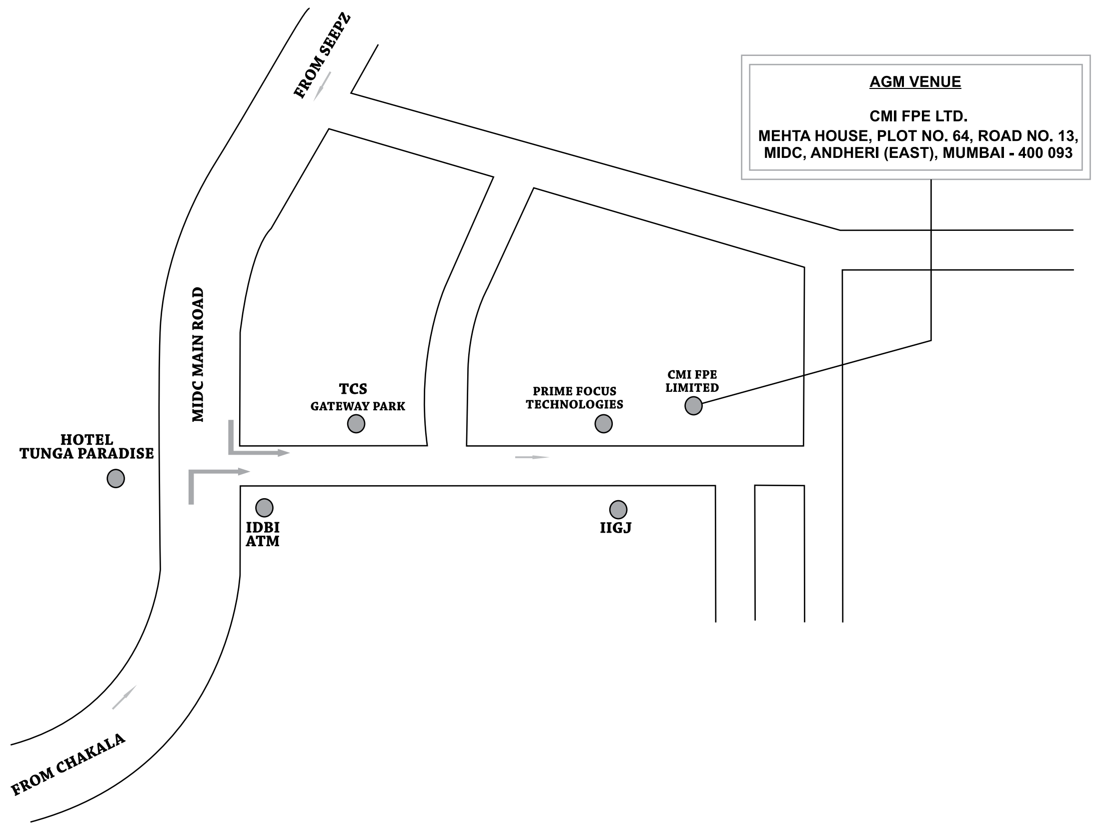
Yves Honhon
Director
DIN: 02268831

Akash Ohri
Chief Financial Officer

Haresh Vala
Company Secretary

Place: Mumbai
Date: May 30, 2019

ROUTE MAP FOR THE 33rd 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 400 093

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 33rd Annual General Meeting of the Company, to be held on Thursday, August 1, 2019 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai 400 093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional	
ORDINARY BUSINESS		For	Against
1	Adoption of Financial Statements, Reports of the Board of Directors and the Auditors for the financial year ended March 31, 2019		
2	Declaration of Dividend on the Equity Shares of the Company for the financial year ended March 31, 2019.		
3	Re-appointment of Mr. Joao Felix Da Silva (DIN 07662251), who retires by rotation and, being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS			
4	Re-appointment of Ms. Roma Balwani (DIN 00112756) as an Independent Director of the Company.		
5	Commission on Profits to Non-Executive Directors.		
6	Omnibus prior approval for Material Related Party Transactions.		
7	Ratification of the remuneration payable to Cost Auditor for the financial year 2019-20.		

Affix
Revenue
Stamp

Signed this.. day of 2019

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.

CMI FPE Limited

CMI *becomes* **John Cockerill** *again.*

After having revisited the history of John Cockerill during its bicentennial in 2017, the similarities between the Group's ambitions and those of its founder stood out starkly.

It was John Cockerill's unique, visionary, audacious and entrepreneurial spirit that convinced CMI Group to take on a fresh perspective and begin a new chapter of its adventure.

On May 16th 2019, CMI Group goes back to its roots, and once again became John Cockerill..

The John Cockerill Group develops large scale technological solutions to respond to the needs of its time: preserving natural resources, contributing to greener mobility, producing sustainably, fighting against insecurity and facilitating access to renewable energy.

Its offering to enterprises, States and communities comes in the form of services and associated equipment for the energy, defense, industry, environment, transport and infrastructure sectors.

Driven since 1817 by the entrepreneurial spirit and thirst for innovation of their founder, the 6 000-strong workforce of the Group enabled it to achieve turnover in 2018 of 1.3 billion Euros in 23 countries across 5 continents.

CMI FPE Limited

Mehta House
Plot No. 64, Road No. 13
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