CMI INDUSTRY FPE

A new driving force

Annual Report 2012-2013

A new driving force

In 2012, CMI FPE achieved huge and deep transformation of its infrastructure and organization, and this will give the company a new driving force for addressing the market's challenges.

To effectively battle these challenges, the Company has designed a new organization model. This new representation has led to new fundamental and sustainable reforms in its core processes & operational activity. To create precise visualisation for these reforms, areas of impact have been assessed and identified: Strategic Planning, Capacity Development, Improved Accountability, Smart Sustenance and Lean Solutions.

CMI FPE has overcome the bottlenecks in machine shop, assembly shop, material handling etc., both in terms of space & capacity; and change in product-mix by expansion & modernization of its Taloja facility thus making it the Centre of Excellence for Cold Rolling Mills Manufacturing.

In order to face up to future growth and improve operational efficiency, CMI FPE plans to organize itself into three new business units: 'engineering', 'global sourcing and manufacturing' and the 'products, automation and services'. With better understanding of cost drivers, improved delivery practices, reduced cost of ownership and effective decisions at all levels, this new target organization of CMI FPE is geared up to achieve the desired growth and become a force to reckon with.

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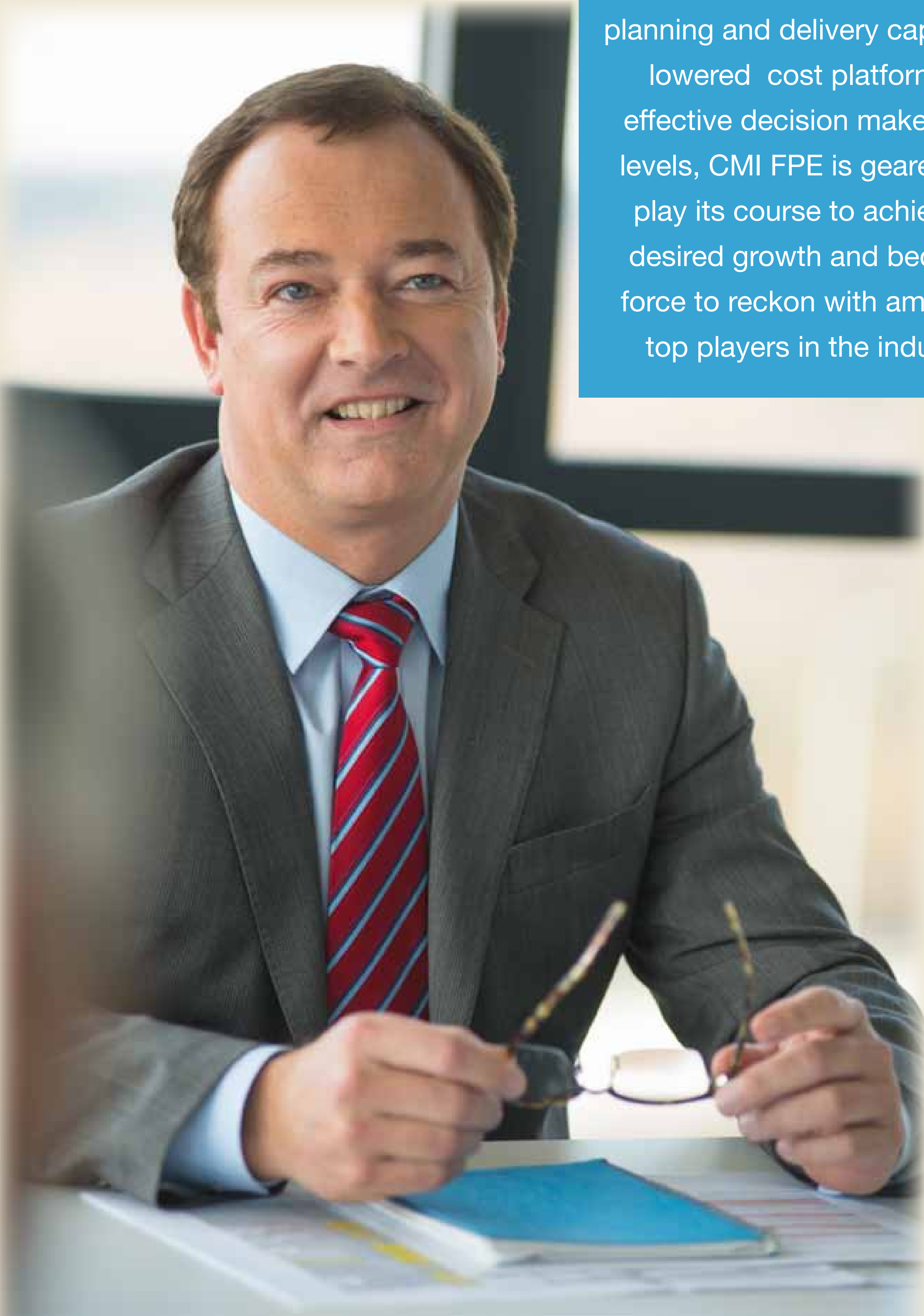
Chairman's Message

"Today, with better understanding of cost drivers, improved planning and delivery capabilities, lowered cost platform and effective decision makers at all levels, CMI FPE is geared up to play its course to achieve the desired growth and become a force to reckon with among the top players in the industry."



Dear Shareholders,

I take the opportunity again to share my view and outlook of CMI FPE.

Given our expectation, 2012-2013 like the previous year inevitably recorded an economic slowdown and higher market inflation which dampened our financial results and the pace of this contraction will remain modest in the current year.

In spite of this scenario, CMI FPE registered a better revenue growth by approximately 51% as compared to last year. Your Company's Order entries for the year remain in spite of fierce competition and uncertainties in the market. Retaining value in an unpredictable economy is of utmost importance, and our approach is to reinforce our brand and broaden our product offering. To capture this motto CMI FPE has successfully completed the modernization and expansion of Taloja plant. This involves cost and process optimization in line with market conditions. We are now well poised to grow in terms of capacity and operational excellence, which transforms to better bottom lines and top lines.

The construction of the CMI Center of Excellence for Cold Rolling Mills Manufacturing started in May 2011 and the new facilities were inaugurated in May 2012. This key investment follows many actions taken since the Company joined CMI Industry in 2008: beyond the integration and development of new technologies, it has for instance enhanced its 3D engineering and project management capabilities, strengthened its internal processes and controls, and invested in safety equipment and training.

In order to grow and meet new challenges and to keep ahead with competition our company will focus on innovations and value engineering thus meeting a complete gamut of customer needs with collaborative efforts along with technological centers of the CMI Group; thereby differentiating itself from competition and tapping new markets.

Your Company in order to face up to the growth in its activities and improve operational efficiency plans to organize itself into three new strategic business units namely: 'engineering', 'global sourcing and manufacturing' and the 'products, automation and services'. Each of the business unit will have dedicated focus on developing cost competency, quality, delivery and accountability to ensure profitability and growth. This new organization will rationalise cost, generate enhanced value creation while ensuring a rapid return on the new investments made and strengthen the management.

Your Company also initiated concerted efforts to explore emerging overseas markets to promote its products and services and tap the business opportunities specifically in South East Asia, Middle-East and Africa, as part of its short term and long term mission.

Your Company is all geared up to face a challenging business environment including greater emphasis on timely completion of projects thereby avoiding time and cost overruns. These proactive steps are aimed at improving profitability, overall effectiveness through improved productivity and cost reduction and significantly improving our brand in the eyes of our target markets.

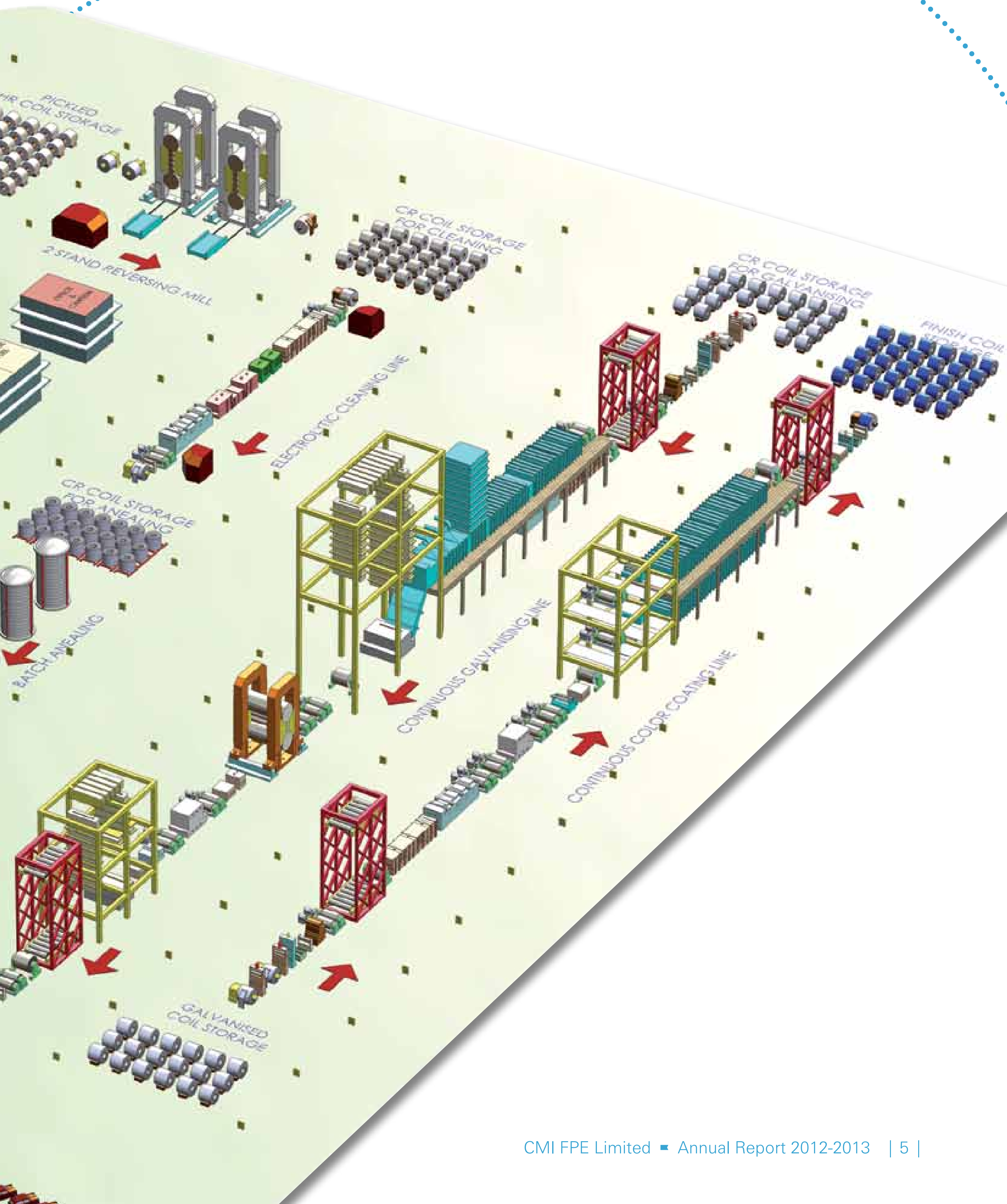
Today, with better understanding of cost drivers, improved planning and delivery capabilities, lowered cost platform and effective decision makers at all levels, CMI FPE is geared up to play its course to achieve the desired growth and become a force to reckon with among the top players in the industry.

I look forward to your continued support and faith to CMI FPE in the years to come.

Yours Sincerely,

Jean-Marc Kohlgruber

Mini Cold Rolling Complex


PICKLED HR COIL STORAGE
2 STAND REVERSING MILL
CR COIL STORAGE FOR CLEANING
ELECTROLYTIC CLEANING LINE
CR COIL STORAGE FOR GALVANISING
FINISH COIL STORAGE
CR COIL STORAGE FOR ANEALING
BATCH ANEALING
CONTINUOUS GALVANISING LINE
CONTINUOUS COLOR COATING LINE
GALVANISED COIL STORAGE

New and Latest Trends in Small & Medium Cold Rolling Complex

Today, major industrial economies are characterized by the existence of a strong steel industry. With time, the industry has progressed to become the second largest materials industry in the world, next only to cement.

The steel sector is cyclical and its performance tracks the global economy. Over the last decade, the sector has grown phenomenally, primarily due to growth in the BRICS nations (Brazil, Russia, India, China and South Africa) particularly China.

2011. According to the Planning Commission of India, the country's steel production is expected to grow by around 60 million tonnes during the 12th FYP (2011-12 to 2016-17).

For India to be the next steel powerhouse, following comprehensive strategies would need to be adopted:

- Innovate and customize products that are relevant to latent rural demand-70% of India's population still has a per capita steel consumption of only 13 kg.

To deal with challenges and attain success in the new economy, focus on following areas is required: Customer reach, Cost competitiveness, Operational agility & Stakeholder confidence.

Steel production is shifting from emerged to emerging economies, This is mainly due to the fact that GDP growth in these countries is substantially high in comparison to developed nations. Emerging markets, having a higher intensity for steel consumption, command a higher correlation.

An understanding of these challenges is essential for the steel sector to tap new opportunities as means of growth. To deal with challenges and attain success in the new economy, focus on following areas is required: Customer reach, Cost competitiveness, Operational agility & Stakeholder confidence.

India's steel industry has grown about 10% per year, from 27 million tonnes in 2001 to 72 million tonnes in

- Optimize product mix to address the shifting composition of steel demand for diverse applications in high-growth or emerging sectors.
- Continue to adopt new technologies and rationalizing usage of natural capital for long-term sustainability.

Both inbound and outward logistics play a significant role in controlling the cost of finished steel. So building an efficient network for distribution will significantly reduce the cost build up to the customer. Large steel plants require big land acquisition, residential colony, education facility for employees, infrastructure for plant. So the initial investment is large and interest on these

CMI has strong experience in Designing, Manufacturing, Modernizing, and Overhauling Equipments for steel industry, particularly in the Reheating furnaces, special equipments for Hot Strip Mills, Pickling lines, including Acid Regeneration Plants, Cold Rolling Mills, Electrolytic Cleaning lines, Continuous Annealing lines, Electro & Continuous Galvanizing lines and Colour Coated lines.

types of large investment is very high, so it is proposed and suggested to have small/medium steel complexes (3,50,000 to 5,00,000 MT/Year). Steel Ministry's action plan of creating at least one distribution centre in each district and popularizing the concept of "steel villages" requires to be pursued in right earnest. Example: more steel rolling plants of 3,50,000 to 5,00,000 tons/year can be promoted in south region. This will greatly reduce logistic & transportation cost. This module can be implemented in all regions of country where presently there are no steel rolling mills.

CMI has strong experience in Designing, Manufacturing, Modernizing, and Overhauling Equipments for steel industry, particularly in the Reheating furnaces, special equipments for Hot Strip Mills, Pickling lines, including Acid Regeneration Plants, Cold Rolling Mills, Electrolytic Cleaning lines, Continuous Annealing lines, Electro & Continuous Galvanizing lines and Colour Coated lines.

CMI FPE, has in house R&D facility and full fledged design department. CMI FPE uses modern tools and software to provide world class solutions to our customers. The perfect combination of local manufacturing and strong overseas technical know-how, offers unique solutions to Indian Steel suppliers, and major players have already seized this opportunity. CMI FPE is in a position to implement "Concept to Commission" idea for a Green field small cold rolled steel complex. This is confirmed by the fact that all major orders particularly in the fields of Cold Rolling Mill Complexes and related equipments have, and are being placed on CMI FPE, by the Indian Steel Producers.

We strongly believe that CMI can partner with Steel Industrialists in their immediate plans as well as the long term strategic plans. Access to world class know-how, coupled with local manufacturing facilities, will provide customized, cost effective solutions to their requirements for new facilities, as well as for revamping and refurbishing of existing facilities.

Corporate Information

BOARD OF DIRECTORS

Mr. Jean-Marc Kohlgruber, Chairman

Mr. Sanjoy Kumar Das, Managing Director (w.e.f. April 15, 2013)

Mr. Jean Gourp (Managing Director upto April 15, 2013)

Mr. Yves Honhon

Mr. D. J. Balaji Rao

Mr. R. N. Tandon

Mr. Raman M. Madhok

Mr. N. Sundararajan

EXECUTIVE COMMITTEE

Mr. Sanjoy Kumar Das, Managing Director

Mr. Anand Kumar, Chief Operating Officer - Global Sourcing & Manufacturing

Mr. Deepak Khanna, Chief Operating Officer - Engineering

Mr. Vijay Karayi, Director - Management Assurance, QMS & CIO

Mr. Amul Niphadkar, Vice President – HR

Mr. Akash Ohri, Chief Financial Officer

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited

REGISTERED OFFICE

Mehta House, Plot No.64, Road No.13, MIDC,

Andheri (E), Mumbai – 400 093

CHIEF FINANCIAL OFFICER

Mr. Akash Ohri

COMPANY SECRETARY

Mr. Sanjay Kumar Mutha

AUDITORS

Deloitte Haskins & Sells,
Chartered Accountants

COST AUDITOR

Kishore Bhatia & Associates,
Cost Accountants

LEGAL ADVISORS

PDS & Associates,
Advocates & Solicitors

BANKERS

Canara Bank

ING Vysya Bank Ltd.

ICICI Bank Ltd.

Union Bank of India

HDFC Bank Ltd.

Notice

Notice is hereby given that the Twenty-seventh Annual General Meeting of the Members of CMI FPE Limited will be held at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093 on Wednesday, July 31, 2013 at 2.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. R. N. Tandon, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Jean Gourp, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

   "**RESOLVED** that pursuant to section 224 of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117365W), the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company, in addition to reimbursement of out-of-pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

5. **Appointment of Mr. Sanjoy Kumar Das as a Director**

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

   "**RESOLVED** that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), Mr. Sanjoy Kumar Das who was appointed as an Additional Director on April 15, 2013, and who ceases to hold office as per the provisions of section 260 of the Act at the ensuing Annual General Meeting, and in respect of whom the Company has received a Notice in writing from a shareholder, proposing his candidature for the office of Director, be appointed a Director of the Company."

6. **Appointment of Mr. Sanjoy Kumar Das as Managing Director**

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

   "**RESOLVED** that pursuant to the provisions of sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 ('the Act'), including Schedule XIII to the Act, and Rules made thereunder and any statutory modification or re-enactment thereof, and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be imposed or prescribed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Sanjoy Kumar Das as the Managing Director of the Company for a period of five years effective from the conclusion of the Board Meeting on April 15, 2013, on the terms and conditions and remuneration, as stipulated herein below:

Fixed Remuneration (on CTC basis): - Not exceeding an overall ceiling of ₹ 107.00 Lacs per annum (in the scale of ₹ 107.00 Lacs to ₹ 127.00 Lacs per annum).

The above CTC (cost to the company) will be split into Basic Salary and other Allowances and Perquisites as may be mutually agreed with the Managing Director.

The above CTC also includes the Company's contribution to the Provident Fund and Gratuity. In case his term expires before expiry of five years, an amount equivalent to the accumulated gratuity will be payable to him.

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

Variable Remuneration: the Managing Director would be entitled to Performance Linked Management Incentive of an aggregate amount not exceeding ₹ 30.00 Lacs per annum (in the scale of ₹ 30.00 Lacs to ₹ 36.30 Lacs per annum), based on the achievement of pre-defined parameters to be determined by the Remuneration Committee/Board.

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

In addition to the perquisites referred to above, the Managing Director shall also be provided for official use, laptop, telephone, fax, internet connectivity, mobile phone connection with handset and other communication facilities at residence, which shall not be included in the computation of the ceiling on remuneration.

The above Remuneration is approved for an initial period of three years and thereafter, it will be reviewed/revised by the Remuneration Committee/Board for the remaining term of appointment.

FURTHER RESOLVED that pursuant to the provisions of section 198 of the Act read with Schedule XIII to the Act, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above Fixed Remuneration as the minimum remuneration for a period not exceeding three years from the date of appointment by way of salary, perquisites and other allowances and benefits, subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that the Board of Directors of the Company (which term shall be deemed to include the Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to vary, amend, modify and revise from time to time the terms of Remuneration payable to the Managing Director, within the above overall limit, as may be desired appropriate.

FURTHER RESOLVED that pursuant to Article 24 of the Articles of Association of the Company, Mr. Sanjoy Kumar Das shall not be liable to retire by rotation, till he holds the office of Managing Director of the Company.

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

NOTES:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company.** The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will be closed from July 27, 2013 to July 31, 2013 (both days inclusive).

3. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic), are Sharepro Services (India) Private Limited having their office premises at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072.

4. Pursuant to the provisions of section 205A of the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF). An amount of ₹ 62,117/- being unclaimed dividend of the Company for the financial year ended March 31, 2005 was transferred to IEPF and no claim lies against the Company in respect thereof. The final dividend for the financial year ended March 31, 2006 will become due for transfer to IEPF in November, 2013. Members who have not encashed the Dividend Warrants so far for the said period or any subsequent financial years are requested to make their claim to Sharepro Services (India) Private Limited at the abovementioned address. It may be noted that once the amounts in the Unpaid Dividend Accounts are transferred to IEPF, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

5. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. 2B duly filled in to Sharepro Services (India) Private Limited at the abovementioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service (ECS) to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments.

   Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participants and/or the Company's Registrar and Transfer Agents.

7. The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send official documents to their shareholders through an electronic mode (vide Circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively). The Listing Agreement with the Stock Exchange also permits companies to send soft copies of annual reports to all those Shareholders who have registered their e-mail address for the said purpose. You are requested to support this green initiative and register your e-mail address by sending an e-mail to Investors@cmifpe.com or by writing to us at the Registered Office of the Company.

8. Members are requested to notify immediately any change of address to the Company's Registrar and Transfer Agents or their respective Depository Participants, in case of shares held in electronic form.

9. Members are requested to address all correspondence, including dividend matters, to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited.

10. Re-appointment of Directors:

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

By Order of the Board

Sanjay Kumar Mutha
Company Secretary

Mumbai
May 29, 2012

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

Annexure to the Notice

Details of Directors seeking re-appointment at the Annual General Meeting:

Particulars	Mr. R. N. Tandon	Mr. Jean Gourp
Date of Birth	August 01, 1937	January 15, 1972
Date of Appointment	April 01, 2001	May 20, 2010
Expertise in specific functional area	He has extensive total work experience of about 41 years — having handled various functions in manufacturing operations, General Management and development of steel processing infrastructure in Jindal Strips Limited (Executive Director), Steel Strips Limited (Chief General Manager) and Steel Authority of India, Rourkela. He last served as an Executive Director of M.N. Dastur & Company (P) Limited.	He has over the last twenty three years, worked with International engineering companies in China, France, Gabon and India. He served the Company since January, 2009 as Chief Operating Officer, Dy. Managing Director and then Managing Director of the Company upto April 15, 2013.
Qualification	He holds Bachelor of Science degree in Metallurgical Engineering	He holds degree in Mechanical Engineering from I.N.S.A. Toulouse, France and MBA from INSEAD, France.
Directorship in other public limited companies	None	None
Chairmanship/Membership of committees in other public limited companies	None	None
No. of Equity Shares held in the Company	Nil	Nil
Relationship with other Directors	None	None

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

ITEM NO. 5 & 6

The Board of Directors of the Company ("the Board") appointed Mr. Sanjoy Kumar Das as an Additional Director of the Company w.e.f. April 15, 2013.

The Board pursuant to the approval of the Remuneration Committee of the Board, and subject to the approval of the Members, also appointed Mr. Sanjoy Kumar Das as the Managing Director of the Company for a period of five years with effect from April 15, 2013, i.e. up to April 14, 2018, on the terms and conditions including proposed remuneration as set out in the Special resolution at item 6 to the Notice.

In terms of Section 260 of the Companies Act, 1956, ("the Act"), Mr. Das holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice from a Member signifying his intention to propose Mr. Das as candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Mr. Das, aged 56 years, is an alumnus of Indian Institute of Technology, Kharagpur and Indian Institute of Management, Ahmedabad. Mr. Das is a well accomplished professional with 34 years of varied experience in leading companies in the field of Engineering, in India and abroad.

He does not hold any Equity Shares in the Company.

As required under the provisions of the Act, approval of the Members is being sought for the appointment of Mr. Sanjoy Kumar Das as the Managing Director and the remuneration payable to him as stated herein above.

In compliance with the requirements of section 302 of the Act, an Abstract of the terms of appointment of Managing Director together with the Memorandum of Concern or Interest has already been sent to the Members.

Your Directors recommend Resolution No. 5 as an Ordinary Resolution and Resolution No. 6 as a Special Resolution for approval by the Members.

Apart from Mr. Sanjoy Kumar Das, none of the other Directors of the Company is concerned or interested in these items of business.

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

I. GENERAL INFORMATION:

(1) Nature of Industry

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

(2) Date of commencement of commercial production: May 28, 1986.

(3) Financial performance based on given indicators:

(₹ in Lacs)

Particulars	2012-2013	2011-2012	2010-2011
Revenue from operations	53,289.53	35,179.70	41,749.18
Other Income	761.72	582.32	2,613.90
Total Revenue	54,051.25	35,762.02	44,363.08
Profit before interest, depreciation and tax	582.44	2,253.88	7,602.23
Profit/(Loss) after tax	(99.36)	1,096.12	4,717.86

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

(4) Export performance and net foreign exchange collaborations

(₹ in Lacs)

Year	Exports
2012-2013	17,817.07
2011-2012	12,948.38
2010-2011	12,380.25

(5) Foreign investments or collaborators, if any

Except the shareholding of Cockerill Maintenance & Ingénierie, SA, parent company, which holds 75% of the Company's equity capital, the Company does not have any foreign direct investments or collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Mr. Das, aged 56 years, is an alumnus of Indian Institute of Technology, Kharagpur and Indian Institute of Management, Ahmedabad.

Mr. Das is a well accomplished professional with 34 years of varied experience in leading companies in the field of Engineering, in India and abroad. This includes concepts to launch business development process. His last assignment was with JSW Ispat Ltd. as Head, US Coal Operations. He has exposure to Indian as well as Multi-National Companies' global techno commercial practices.

(2) Past remuneration:

The Remuneration received by Mr. Das during the financial year 2012-13 was ₹ 73.00 Lacs.

(3) Recognition or awards: NA

(4) Job profile and his suitability:

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

Mr. Das with his qualification and vast experience in the field of engineering, manufacturing, sales and general management is expected to add considerable value to the Company from the position of the Managing Director.

(5) Remuneration proposed:

Fixed Remuneration (on CTC basis): - Not exceeding an overall ceiling of ₹ 107.00 Lacs per annum (in the scale of ₹ 107.00 Lacs to ₹ 127.00 Lacs per annum).

The above CTC also includes the Company's contribution to the Provident Fund and Gratuity. In case his term expires before expiry of five years, an amount equivalent to the accumulated gratuity will be payable to him.

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

Variable Remuneration: the Managing Director would be entitled to Performance Linked Management Incentive of an aggregate amount not exceeding ₹ 30.00 Lacs per annum (in the scale of ₹ 30.00 Lacs to ₹ 36.30 Lacs per annum), based on the achievement of pre-defined parameters agreed to by the Remuneration Committee/Board.

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

The above managerial remuneration would be paid in terms of sub-para (C), section II, part II of Schedule XIII of the Act read with Notification No. GSR 534(E) dated July 14, 2011 issued by Ministry of Corporate Affairs.

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

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

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

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

III. OTHER INFORMATION:

(i) Reasons for loss or inadequate profits:

The business environment continues to be volatile due to global slowdown, the current market situation, uncertain environment, high fiscal deficit and inflation.

Despite this, mainly due to difficult economic conditions coupled with fierce competition, high inflationary market conditions resulted in higher input cost, put severe pressure on margins, which resulted in marginal operating loss for the year under review.

(ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company is all geared up to face a challenging business environment. All efforts are now being focused on increasing the turnover and improving operational efficiency. Greater emphasis is placed on timely completion of projects thereby avoiding time and cost overruns. In addition several initiatives have been undertaken to improve operational efficiency across the Company. These proactive steps are aimed at improving profitability in the face of a challenging and depressed environment in the Steel industry.

IV. DISCLOSURES:

The proposed remuneration payable to Managing Director is as set out in the Special Resolution under Item No.6 to the notice.

The details of remuneration paid to all Directors are set out in the Corporate Governance Report which forms part of the Annual Report.

By Order of the Board

Sanjay Kumar Mutha
Company Secretary

Mumbai
May 29, 2013

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-seventh Annual Report of the Company, together with the audited Accounts, for the financial year ended March 31, 2013.

1. FINANCIAL PERFORMANCE

(₹ in Lacs)

PARTICULARS	Financial Year 2012-2013	Financial Year 2011-2012
Total revenue	**54,051.25**	35,762.02
Profit before Depreciation and amortisation expenses, Finance Costs and Tax	**582.44**	2,253.88
Less:		
Depreciation and amortisation expense	**460.33**	438.72
Finance costs	**314.70**	179.97
Profit /(Loss) before Tax	**(192.59)**	1,635.19
Less: Tax expense:		
Net current tax expense	**-**	577.87
Deferred tax	**(93.23)**	(38.80)
Profit/(Loss) for the year	**(99.36)**	1,096.12
Balance brought forward from previous year	**4,124.99**	3,425.42
Profit available for Appropriation	**4,025.63**	4,521.54
Appropriation:		
Ordinary Dividend	**-**	246.89
Income Tax on Dividend	**-**	40.05
Transferred to General Reserve	**-**	109.61
Balance to be carried forward	**4,025.63**	4,124.99

2. DIVIDEND

In view of the nominal loss for the year under review, your Directors regret their inability to recommend any dividend for the year under review.

3. OPERATIONS

The year under review was very challenging for the Company. Your Company has secured substantial growth in the Total revenue of the Company by 51.14% to ₹ 54,051.25 Lacs in the year under review as compared to ₹ 35,762.02 Lacs in the previous year. Simultaneously, the Company has also successfully completed the major expansion and modernization plan at its Taloja plant.

Despite this, mainly due to difficult economic conditions coupled with fierce competition, high inflationary market conditions resulted in higher input cost, severe pressure on margins, which resulted in marginal operating loss for the year under review.

Members are aware that business environment continues to be volatile due to global slowdown, uncertain environment and high fiscal deficit and inflation. This is impacting the fresh long-term investments and/or delaying execution of existing projects, which resulted in modest growth in order entries during the year under review.

4. INDUSTRIAL INFRASTRUCTURE DEVELOPMENT

Your Company, in the last month of the year under review, successfully completed the modernization and expansion plan of its Taloja plant, thus making it the "Centre of Excellence for Cold Rolling Mills". The Plant is now equipped with improved infrastructure, machines, productivity and enhanced capacity.

Your Company progressively started development of land and internal roads at its proposed Greenfield facility at Hedavali, near Khopoli, Maharashtra. In the first phase, a state-of-the art fabrication facility is being set up at this location.

5. DIRECTORS

Mr. Jean Gourp, consequent to his elevation to a new position within CMI Group in Europe, resigned as Managing Director of the Company with effect from the conclusion of the Board Meeting on April 15, 2013. He continued as an Executive Director of the Company till April 30, 2013 and thereafter, he continues as a Director on the Board.

The Board of Directors ('the Board') placed on record its appreciation of the valuable services rendered and contribution made by Mr. Gourp during his tenure, first as a Chief Operating Officer, Deputy Managing Director and then as Managing Director of the Company.

Mr. Sanjoy Kumar Das was appointed as an Additional Director of the Company w.e.f. April 15, 2013 by the Board. He was also appointed as the Managing Director of the Company for a period of five years with effect from the conclusion of the Board Meeting on April 15, 2013.

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

The necessary resolution proposing his appointment and the remuneration payable to him is being placed before the Shareholders for approval.

Mr. R. N. Tandon and Mr. Jean Gourp retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) the Company has in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently, and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the loss of the Company for the year ended on that date;

(iii) the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a "going concern" basis.

7. CORPORATE GOVERNANCE

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

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

10 PARTICULARS OF EMPLOYEES

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

11. AUDITORS

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

The Company has received a certificate from the above Auditors, proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified under section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board have recommended their re-appointment. The necessary resolution is being placed before the Shareholders for approval.

12. COST AUDITOR

Pursuant to the Companies (Cost Audit Report) Rules, 2011, the Company is required to audit its Cost Accounting records relating to Engineering Machinery starting from the financial year 2012-13.

M/s. Kishore Bhatia & Associates, Cost Accountants has been appointed as the Cost Auditor of the Company for the financial year 2012-13. The said appointment was subsequently approved by the Central Government. The due date for filing of Cost Audit Report with the Ministry of Corporate Affairs for the financial year 2012-13 is on or before September 30, 2013.

Pursuant to section 233B of the Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2013-14, subject to approval of the Central Government.

13. HEALTH AND SAFETY

The Company continues to demonstrate a strong commitment towards safety and occupational health of employees at all locations. Your Company has a well established Safety Health & Environment (SHE) Policy. The employees are encouraged to adopt a healthy, safe and environmentally conscious lifestyle. The Company has taken various steps to strengthen the Safety culture across the organization and imparting various trainings at all employee levels.

14. PERSONNEL

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

15. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Mumbai
May 29, 2013

Annexure to the Directors' Report

Particulars as per section 217(1)(e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the report of board of directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

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:

- Installation of LED high bay fitting at Shed 6A/6B which will further reduce power consumption & maintenance.
- Energy audit was carried out by the external Agency.
- Monitoring performance of electrical transformer plant and better load management.
- Energy conservation awareness programme implemented as part of "5S" initiatives at all plant locations.
- Installed Solar Street lighting.
- Conducted power condition audit for checking harmonic condition.
- Installed APFC panel to automatically control the Power factor more than 0.96.
- Welding generators with rectifiers as and when required, flux welding introduced to reduce power consumption.

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

- ISO 14001 Audit is being conducted.
- Various initiatives are being taken for energy conservation as part of "5S" initiatives at all plant locations

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in reduction of Energy consumption.

(d) Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Annexure to the Rules is as follows:

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(₹ in Lacs)

Power and Fuel consumption	2012-2013	2011-2012
i. Electricity:		
a. Purchased		
Units (Total) - KWH	**19,11,200**	1,755,980
Total Amount (₹ in Lacs)	**127.22**	104.63
Rate / Unit (₹)	**6.66**	5.96
Consumption per unit of production	**N.A.**	N.A.
b. Own generation (DG set)		
Units (Total) – KWH	**78,837**	90,495
Total Amount (₹ in Lacs)	**10.84**	12.86
Rate / Unit (₹)	**13.75**	14.21
Consumption per unit of production	**N.A.**	N.A.
ii. Coal:	**N.A.**	N.A.
iii. Furnance Oil / H.S.D.:		
a. Purchased – Diesel		
Units (Total) – Litres	**23,377**	29,605
Total Amount (₹ in Lacs)	**10.84**	12.86
Rate / Unit (₹)	**46.39**	43.43
Consumption per unit of production	**N.A.**	N.A.
iv. Others:	**NIL**	NIL

B. TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D carried out by the Company:
   - Tool Touch time is introduced to have better efficiency of the Machine.
   - Ongoing development of new product design/ processes/materials/tooling, improvement of systems in existing products/processes in related manufacturing areas of industrial machinery, electrical/electronic products and systems.
   - Testing and Certification of existing products for conformity to new Indian/ international standards.

2. Benefits derived as a result of above R&D:
   - Development of new designs for products and processes to have environmental friendly equipments i.e., ECO Picking Line and Acid less Pickling line.
   - Cost reduction/improved utilization of material and energy
   - Enhancement in quality and service to the customers
   - Preparedness to counter competition in the changed liberalized environment

3. Future Plan of Action:
   - Development of infrastructure for R&D
   - Introduction of new products and processes
   - Further improvement in the existing products and processes in various areas in which the Company is operating.

4. Expenditure on R&D:
   a) Capital : Nil
   b) Recurring : Expenses incurred are charged to normal heads and not allocated separately.
   c) Total : Not determinable
   d) 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 introduction of new products and processes and further improvement in the existing products.

3. Information regarding technology imported during the last 5 years:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with regard to Foreign Exchange Earnings and Outgo are given in the Notes 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 unexplored global markets through the assistance of its parent company.

For and on behalf of the Board

Jean-Marc Kohlgruber
Chairman

Mumbai
May 29, 2013

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes on good corporate governance practices, which are based on the principles of transparency, fairness, accountability and integrity. The Company is also guided by the principles laid down by CMI Group in the conduct of its business, which aim to achieve sustainable industrial development for the benefit of its customers, employees, stakeholders and the communities.

The Company continuously endeavors to improve upon these aspects in an ongoing basis and adopts innovative approaches to attain excellent performance and achievement of its business objectives.

Code of Conduct

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

All Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code has also been posted on the Company's website: www.cmifpe.com.

Corporate Safety Policy

The CMI Group firmly believes that safety of its employees and all the stakeholders associated with our project sites and manufacturing facilities is of utmost importance. Safety is an essential and integral part of all our work activities.

We believe that incidents or accidents and risk to health are preventable through the active involvement of all the stakeholders, thereby creating a safe and accident-free work place.

I. BOARD OF DIRECTORS

(i) Composition of the Board

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. Presently, the Board of Directors of the Company comprises of eight directors. The Non–Executive Chairman of the Company represents the Promoters, and the number of Independent Directors is one-half of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than one-half of the total number of Directors.

Mr. Jean Gourp, consequent to his elevation to a new position within CMI Group in Europe, resigned as Managing Director of the Company with effect from April 15, 2013. He continued as an Executive Director of the Company till April 30, 2013 and thereafter, he continues as a Director on the Board.

The Board appointed Mr. Sanjoy Kumar Das as an Additional Director and also as the Managing Director of the Company w.e.f. April 15, 2013.

Presently, the day–to–day management of the Company is handled by Mr. Sanjoy Kumar Das, Managing Director under the supervision and control of the Board of Directors. The Board of Directors of the Company represents an optimum combination of senior professionals with wide knowledge and experience in diverse fields.

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

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

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

The information on composition of the Board, category and their Directorships/Committee Membership across all the companies in which they are Directors, as on March 31, 2013 is as under:

Name of Director / position	**Category**	**Total Number of Committee Memberships, Chairmanships and Directorships of public companies* as on March 31, 2013**		
		Directorships#	**Committee Memberships $**	**Committee Chairmanships $**
Non-Executive				
Mr. Jean-Marc Kohlgruber (Chairman)	Promoter Group	1	-	-
Mr. Yves Honhon	Promoter Group	1	1	-
Mr. R. N. Tandon	Independent	1	2	1
Mr. D. J. Balaji Rao	Independent	10	10	4
Mr. Raman M. Madhok	Independent	2	3	1
Mr. N. Sundararajan	Independent	1	-	-
Executive				
Mr. Jean Gourp (Managing Director)	Non-Independent	1	1	-

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

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

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

(ii) Board Procedure

The detailed Agenda and background Notes/papers are sent to each Director in advance for the Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by presentations by the Chief Financial Officer and other heads of departments.

The Board also inter-alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all applicable laws, as well as steps taken by the Company to rectify instances of non-compliances, review of legal issues, adoption of quarterly/half yearly/annual results, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Chief Financial Officer and Company Secretary & Compliance Officer.

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

During the year under review, four meetings of the Board of Directors were held on the following dates - May 29, 2012, July 30, 2012, October 30, 2012 and February 08, 2013.

The gap between two Meetings did not exceed four months. These Meetings were well attended. The Twenty-Sixth Annual General Meeting (AGM) of the Company was held on July 31, 2012.

The attendance of Directors at the above Board Meetings and at the last AGM is as under:

Name of Director	No. of Board meetings attended	Attendance at last AGM
Mr. Jean-Marc Kohlgruber	4	Yes
Mr. Yves Honhon	3	No
Mr. R. N. Tandon	4	Yes
Mr. D. J. Balaji Rao	4	Yes
Mr. Raman M. Madhok	4	Yes
Mr. N. Sundararajan	4	Yes
Mr. Jean Gourp	4	Yes

(iv) Directors seeking appointment/re-appointment

Mr. R. N. Tandon and Mr. Jean Gourp retire by rotation and, being eligible, have offered themselves for re-appointment.

Mr. Sanjoy Kumar Das was appointed as an Additional Director of the Company with effect from April 15, 2013 and will hold office upto the next Annual General Meeting of the Company.

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

(v) CEO/CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchange, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2013.

II. REMUNERATION TO DIRECTORS

(i) Remuneration Policy

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

(ii) Remuneration to Non-Executive Directors for the year ended March 31, 2013

The eligible Non-Executive Directors are paid commission upto an aggregate maximum of 1% of the net profits of the Company as specifically computed for this purpose. The criteria of making payments to Non-Executive Directors cover, inter-alia, the number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management and contribution at the Board/Committee(s) levels.

Non-Executive Directors are paid sitting fees of ₹ 20,000 for attending any Meeting of the Board, Audit Committee, Remuneration Committee and Investors' Grievance Committee. The sitting fees paid to Non-Executive Directors during the year ended March 31, 2013, and their shareholdings in the Company as on March 31, 2013 are as under:

(₹ in Lacs)

Directors	Sitting Fees paid for the Board and Committee Meetings	No. of Equity Shares held
Mr. Jean-Marc Kohlgruber*	Nil	Nil
Mr. Yves Honhon*	Nil	Nil
Mr. D. J. Balaji Rao	2.20	Nil
Mr. R. N. Tandon	2.60	Nil
Mr. Raman M. Madhok	1.80	Nil
Mr. N. Sundararajan	0.80	Nil

*They have voluntarily waived the acceptance of sitting fees.

(iii) Remuneration paid/payable to Executive Director for the year ended March 31, 2013:

Remuneration to Managing Director has been fixed by the Remuneration Committee, and has subsequently been approved by the Board of Directors and the Shareholders at a General Meeting. Following is the remuneration paid/payable to the Managing Director for the year ended March 31, 2013:

(₹ in Lacs)

Director	Salary	Performance incentive	Company's Contribution to Funds	Perquisites and allowances	Total	Total Contract Period
Mr. Jean Gourp* (Managing Director)	60.00	-	7.20	48.36	115.56	May 20, 2010 to April 30, 2013

*Mr. Jean Gourp resigned as Managing Director w.e.f. April 15, 2013 and continued as an Executive Director till April 30, 2013.

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) In view of the inadequacy of the net profits for the year ended March 31, 2013 as computed under section 349 read with section 198 of the Companies Act, 1956, the above managerial remuneration was paid in terms of sub-para (C), section II, part II of Schedule XIII of the Companies Act, 1956 read with Notification No. GSR 534(E) dated July 14, 2011 issued by Ministry of Corporate Affairs.

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 Board of Directors bi-annually reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

IV. COMMITTEES OF THE BOARD

(i) Audit Committee:

Composition of the Committee

The Audit Committee of the Company comprises of three Non-Executive Directors, out of whom two are Independent Directors. Mr. D. J. Balaji Rao is the Chairman of the Committee and Mr. Yves Honhon and Mr. R. N. Tandon are other Members of the Committee. All the Members of the Committee possess accounting and financial management knowledge. Mr. D. J. Balaji Rao was present at the 26th Annual General Meeting of the Company held on July 31, 2012.

The Company Secretary functions as Secretary to the Committee.

Meetings and attendance:

Five meetings of the Committee were held during the year ended March 31, 2013. These meetings were held on May 29, 2012, July 30, 2012, October 30, 2012, February 08, 2013 and February 09, 2013. The gap between two Meetings did not exceed four months.

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

Name	No. of meetings attended
Mr. D. J. Balaji Rao	5
Mr. Yves Honhon	4
Mr. R. N. Tandon	5

Terms of Reference:

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

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

i. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii. Recommending to the Board the appointment/re-appointment and removal of statutory auditors, fixation of their audit fee and also approval for payment for any other services.

iii. Reviewing with Management the financial statements before submission to the Board.

iv. Reviewing with the Management and the statutory and internal auditors, the adequacy of internal control systems.

v. Reviewing the adequacy of internal audit function.

vi. Discussion with internal auditors on any significant findings and follow-up thereon.

vii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.

viii. Discussions with statutory Auditors before the audit commences, the nature and the scope of Audit, as well as holding post-audit discussions.

ix. Reviewing the Company's financial and risk management policies.

x. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function)

(ii) Remuneration Committee

Composition of the Committee, Meeting(s) and attendance

The Remuneration Committee comprises of Mr. Raman M. Madhok as the Chairman of the Committee. Mr. Jean-Marc Kohlgruber, Mr. Yves Honhon, Mr. R. N. Tandon and Mr. D. J. Balaji Rao are the other Members of the Committee. Majority of the Members of the Committee are Non-Executive

Independent Directors. Two meetings were held on May 29, 2012 and February 19, 2013 during the year under review.

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

Name	No. of meetings attended
Mr. Raman M Madhok	2
Mr. Jean-Marc Kohlgruber	1
Mr. Yves Honhon	1
Mr. D. J. Balaji Rao	2
Mr. R. N. Tandon	2

Terms of reference

The terms of reference of the Committee are to decide the remuneration of the Executive Directors. It reviews the overall compensation policy, service agreements and other employment conditions of the Executive Directors with a view to retaining and motivating the best managerial talents.

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

The name of Remuneration Committee has been changed to Nomination and Remuneration Committee w.e.f. April 15, 2013.

The terms of reference of the Committee are further expanded w.e.f. May 29, 2013, which include (i) to identify persons who are qualified to become directors and to be appointed to senior management positions, (directly reporting to the Managing Director) and recommend to the Board their appointment and removal. (ii) to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board relating to the determination of remuneration for the directors, and key managerial personnel.

(iii) Shareholders'/Investors' Grievance Committee

Composition of the Committee, Meeting(s) and attendance

In view of the resignation of Mr. Jean Gourp, as Managing Director w.e.f. April 15, 2013, he ceased to be a member of the Committee. Mr. Sanjoy Kumar Das, Managing Director was appointed as a Member of the Committee w.e.f. April 15, 2013.

The Committee presently comprises of Mr. R. N. Tandon (Chairman of the Committee), Mr. Raman M. Madhok, Director and Mr. Sanjoy Kumar Das, Managing Director of the Company.

The Company Secretary is the Compliance Officer of the Company.

The Committee met three times during the year. The attendance of the members at the meetings is as under:

Name	No. of meetings attended
Mr. R. N. Tandon	2
Mr. Raman M Madhok	3
Mr. Jean Gourp	3

During the year under review, 7 complaints were received from the Shareholders, all of which have been attended to/resolved promptly.

As of date, there are no pending share transfers pertaining to the year under review.

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

The following Committees have been constituted by the Board, for actively interacting with and guiding the Management on business matters, so as to improve their effectiveness:

(iv) Borrowing Committee

In view of the resignations of Mr. Jean Gourp, as Managing Director w.e.f. April 15, 2013 and Mr. Prasad Jahagirdar as Chief Financial Officer w.e.f. February 09, 2013, they ceased to be members of the Committee.

Mr. Sanjoy Kumar Das, Managing Director and Mr. Akash Ohri, Chief Financial Officer were appointed as Members of the Committee w.e.f. April 15, 2013.

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

(v) Banking Operations Committee

In view of the resignations, Mr. Jean Gourp, as Managing Director and Mr. Prasad Jahagirdar as Chief Financial officer, ceased to be members of the Committee.

Mr. Sanjoy Kumar Das, Managing Director and Mr. Akash Ohri, Chief Financial Officer were appointed as Members of the Committee w.e.f. April 15, 2013.

The Banking Operations Committee presently comprises of Mr. Sanjoy Kumar Das, Managing Director (Chairman of the Committee), Mr. R. N. Tandon, Director and Mr. Akash Ohri, Chief Financial Officer, as the other members. 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.

(vi) Committee for supervision of Industrial Infrastructure Development

In view of the resignation, Mr. Jean Gourp, as Managing Director ceased to be a member of the Committee. Mr. Sanjoy Kumar Das, Managing Director was appointed as a Member of the Committee w.e.f. April 15, 2013.

The Committee for Supervision of Industrial Infrastructure Development presently comprises of Mr. Raman M. Madhok (Chairman of the Committee), Mr. N. Sundararajan, Director and Mr. Sanjoy Kumar Das, Managing Director, as the other Members of the Committee.

This Committee is authorized to review and supervise the Industrial Infrastructure Development of the Company in line with the major expansion/capacity increase plans, and also approve commitment and incurrence of capital expenditure for specific projects falling within the CapEx Plan and overall aggregate amount of CapEx approved by the Board.

(vii) Committee for Merger of CMI Industry Automation Private Limited

The Committee for Merger of CMI Industry Automation Private Limited presently comprises of Mr. D. J. Balaji Rao (Chairman of the Committee), Mr. N. Sundararajan, Director, Mr. R. N. Tandon, Director and Mr. Sanjoy Kumar Das, Managing Director, as the other Members of the Committee.

This Committee is inter-alia authorized to evaluate a proposal for merger/amalgamation of CMI Industry Automation Private Limited (a wholly owned subsidiary of CMI SA) into the Company and to take such further steps, including appointment of valuers, legal advisors, merchant bankers and other consultants/experts required for any issue concerning the above proposal and if considered appropriate, advise the Board on valuation, share exchange ratio, formulation of an appropriate Scheme and matters related thereto.

V. DISCLOSURES

(i) Disclosure of transactions with Related Parties

During the financial year 2012-13, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The details of related party transactions are presented in Note No. 28.5 in Notes forming part of the Financial Statements for the year ended March 31, 2013.

(ii) Details of non-compliance etc.

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

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

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

(iv) Code for Prevention of Insider Trading Practices

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

(v) Management Discussion and Analysis

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

VI. MEANS OF COMMUNICATION

The Company regularly informs its unaudited as well as audited Financial Results to the Stock Exchange, as soon as these are taken on record/ approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. Economic Times and Maharashtra Times. The Company's results and official news releases are displayed on the Company's website: www.cmifpe.com. The Company's presentations to institutional investors and analysts, if made will be put up on the website of the Company.

VII. SHAREHOLDER INFORMATION

(a) 27th Annual General Meeting

Date: July 31, 2013

Time: 2.30 p.m.

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

(b) Date of Book Closure:

Dates of Book Closure will be from July 27, 2013 to July 31, 2013 (both days inclusive).

(c) Dividend Payment Date

In view of the nominal loss for the year under review, no dividend was recommended by the Board.

(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, 2013	before the end of July, 2013
Half-year ending September 30, 2013	before the end of October, 2013
Third Quarter ending December 31, 2013	before February 15, 2014
Year ending March 31, 2014	before the end of May, 2014

The above dates are indicative.

(e) Listing on Stock Exchange

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

The Company has paid the annual listing fees for the period April 1, 2013 to March 31, 2014.

(f) Stock Code

BSE Limited

Scrip Code: 500147 Scrip Name: CMIFPE

(g) ISIN

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

(h) Corporate Identification Number (CIN)

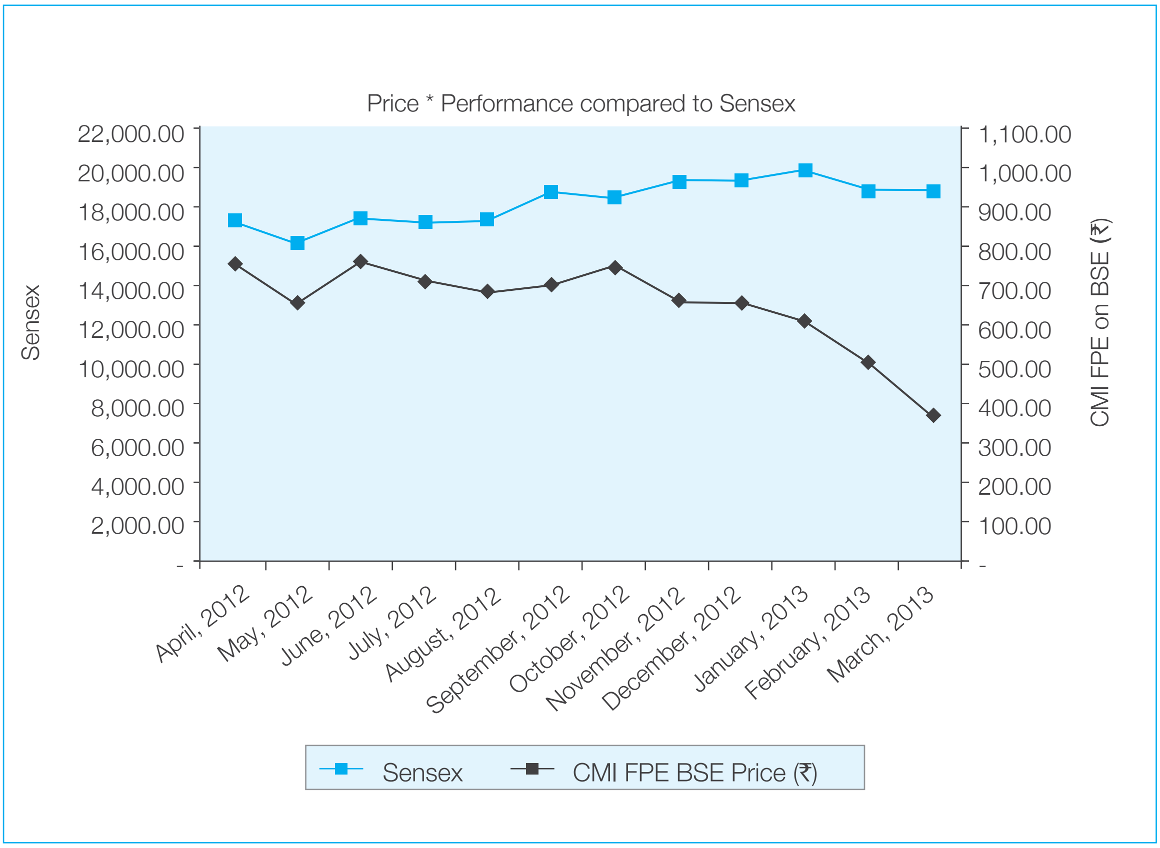
The Company's CIN, allotted by the Ministry of Corporate Affairs, is L99999MH1986PLC039921.

(i) Market Price Data

The high and low prices of the Company's equity shares (face value of ₹ 10 each) on BSE during the financial year 2012-13 were as under:

Month	High (₹)	Low (₹)
April, 2012	824.00	743.85
May, 2012	763.00	600.00
June, 2012	880.00	626.00
July, 2012	807.85	702.00
August, 2012	775.00	680.00
September, 2012	824.40	651.00
October, 2012	832.00	680.00
November, 2012	764.40	644.00
December, 2012	734.90	640.00
January, 2013	668.00	602.00
February, 2013	630.80	451.00
March, 2013	539.85	361.10

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



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

(k) Registrar and Transfer Agents

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

The Registrar and Transfer Agents also have an office at:

Sharepro Services (India) Private Limited
Unit: CMI FPE Limited
912, Raheja Centre,
Free Press Journal Road,
Nariman Point, Mumbai - 400 021.
Telephone Nos.: +91-22-22881568/69
Fax: +91-22-22825484

(l) Distribution of Shareholding as on March 31, 2013

Range of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of capital
Upto 500	3,495	94.511	294,143	5.957
501 – 1000	93	2.515	72,258	1.463
1001 – 2000	47	1.271	70,264	1.423
2001 – 3000	18	0.487	45,106	0.913
3001 – 4000	11	0.297	40,439	0.819
4001 – 5000	5	0.135	23,031	0.466
5001 – 10000	12	0.324	73,995	1.499
10001 and above	17	0.460	4,318,577	87.460
Total	**3,698**	**100.000**	**4,937,813**	**100.000**

(m) Shareholding pattern as on March 31, 2013

Category	No. of shares	% holding
Promoters & Promoters Group	3,703,200	75.00
Mutual Funds, Banks & Insurance Companies	200	0.00
Foreign Institutional Investors (FII's)/OCB	1,350	0.03
Non Resident Indians	28,375	0.57
Domestic Companies	135,416	2.74
Resident individuals	1,069,272	21.66
Total	**4,937,813**	**100.00**

(n) Dematerialization of shares as on March 31, 2013

Category	No. of equity shares	% of share capital	No. of shareholders	% of shareholders
Electronic Form	4,873,163	98.69	3,228	87.29
Physical Form	64,650	1.31	470	12.71
Total	**4,937,813**	**100.00**	**3,698**	**100.00**

(o) Share Transfer System

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee to approve the transfers of equity shares of the Company. The Share Transfer Committee and Investors' Grievance Committee meet as and when required to consider the transfer proposals and attend to Investors' grievances.

(p) Outstanding GDR /ADR /Warrants or any convertible instruments, conversion date and impact on equity.

The Company has not issued any GDRs/ADRs/ warrants or any other convertible instruments.

(q) Plant Locations

Unit No. I

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

Unit No. II

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

(r) Address for correspondence:

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

Sharepro Services (India) Private Limited
Unit: CMI FPE Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Off Andheri Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri (E), Mumbai - 400 072
Tel: 022-67720400 Fax: 022-28591568
Email: sharepro@shareproservices.com

The Company has also designated investors@cmifpe.com as an exclusive email ID for Investors for the purpose of registering complaints, and the same email ID has been displayed on the Company's website. Shareholders would have to correspond with the respective Depositary 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 (E),
Mumbai - 400 093
Tel. No.022-66762727
Fax No.022-66762737/38
Email.: investors@cmifpe.com

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
2009-2010	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai - 400 093	July 31, 2010	3.30 p.m.	1. Appointment of Mr. Raman Madhok as Managing Director 2. Appointment of Mr. Jean Gourp as Deputy Managing Director 3. Commission to Non-Executive Directors
2010-2011	-do-	July 30, 2011	3.30 p.m.	Re-Designation of Mr. Jean Gourp as Managing Director and revision of remuneration
2011-2012	-do-	July 31, 2012	2.30 p.m.	None

The Company has not passed any Special Resolution through postal ballot during the financial year 2012-13 nor proposes to pass any Special Resolution through postal ballot during the current year.

IX. NON-MANDATORY REQUIREMENTS

The Board of Directors

The present Chairman is a foreign national and a Non-Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and provide valuable inputs in directing the Company irrespective of the duration of their tenure. The non-mandatory condition that Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a Company will be considered when deemed appropriate by the Board. 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.

Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee with agreed terms of reference, inter-alia to determine the remuneration payable to the Executive Directors and also to the Non-Executive Directors of the Company, subject to the approval of the Board, and the Shareholders as applicable.

Audit qualifications

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

Whistle-Blower Policy

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

Compliance with the Corporate Governance Voluntary Guidelines, 2009

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

DECLARATION

To
The Members of CMI FPE Limited

I, Sanjoy Kumar Das, Managing Director, declare that the Directors and Senior Management Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct, for the year ended March 31, 2013.

For CMI FPE Limited

Sanjoy Kumar Das
Managing Director

MUMBAI, May 29, 2013

Auditors' Certificate On Corporate Governance

To:

The Members of CMI FPE Limited,

We have examined the compliance of conditions of Corporate Governance by CMI FPE Limited (hereinafter referred to as the 'Company'), for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Limited.

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

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

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

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

Khurshed Pastakia
Partner
(Membership No. 31544)

MUMBAI, May 29, 2013

CEO/CFO Certification

To
The Board of Directors, CMI FPE Limited

Dear Sirs,

We have reviewed the financial statements and the cash flow statement of CMI FPE Limited for the year ended March 31, 2013 and that to the best of our knowledge and belief, we state that;

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

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee;

(i) significant changes, if any, in the internal control over financial reporting during the year;

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR CMI FPE LIMITED

Sanjoy Kumar Das
Managing Director

Akash Ohri
Chief Financial Officer

MUMBAI, May 29, 2013

Management Discussion and Analysis

Industry Structure and Developments:

The Ministry of Steel (Government of India) through National Steel Policy sets out the Government's vision for the future of the steel industry. It aims at transforming Indian steel industry into a global leader in terms of production, consumption, quality and techno economic efficiency while achieving economic, environmental and social sustainability. The vision is to ensure availability of quality steel to accelerate growth of the domestic economy and provide amenities of life to the people of India at par with the developed world. The Policy ensures sustainable development of the steel industry, provide sufficient infrastructure and facilitate easy availability of vital inputs such as natural resources and finance to support faster growth of Industry.

The Policy will encourage steel consumption, supporting R&D projects such as for product design and generic campaign in specific areas which help in addressing concerns related to environment, climate change, human health, housing for the masses and higher rural penetration for inclusive growth. It will also promote the advantages of steel use in terms of sustainability, durability, amenable design and life cycle costing compared to alternate materials like plastics and wood and will be made more visible and adequately propagated through sustained programmes of awareness.

The sustainable economic growth in India has led to more disposable income and increasing purchasing power with Indian households. This has resulted in higher demand for steel consuming products. In spite of India adopting policies that have stimulated consumer demand and fostered entrepreneurship, the per capita steel consumption has only increased to 57 kg in 2011 from 36.6 kg in 2005, which is significantly lower than China and other countries. It also highlights the potential in India for increased steel usage.

The contribution of flat steel in total steel consumption is higher for developed nations. Globally, this share is 55-58 per cent whereas in US, it stands at 70-73 per cent. In India, the contribution of flat steel is at the level of 45-48 per cent only.

Though India is quite well integrated into the global economy, unlike most other Asian countries, demand drivers are more domestic market and consumption led rather than export market led. The growth over the last decade and the expected growth of 6-8 per cent over the next few years are going to significantly grow the consuming class.

The national policy seeks to facilitate the creation of additional capacity, removal of procedural and policy bottlenecks that affect the availability of production inputs, increased investment in research and development, and the creation of road, railway, and port infrastructure. The policy focuses on the domestic sector but also envisages a steel industry growing faster than domestic consumption, which will enable export opportunities to be realised. Current steel investment plans India's ready availability of iron ore and low cost labour contribute significantly to the cost competitiveness of producing steel in India.

As per report of World Steel Association; steel demand is expected to pick up in India and demand expected to grow by 5.9% to 75.8 million tonne (mt) in 2013 following 2.5 % growth in 2012. Steel demand in India is likely to grow due to monetary easing which is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0%, based on reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate. This would further increase if the demand for steel in rural India increases.

The BRIC (Brazil, Russia, India and China) countries play a dominant role in the global iron and steel industry in terms of reserves, production and consumption. The steel industry in BRIC countries is expected to see sustainable growth over the next years.

In order to meet domestic steel demand, there is a requirement of large scale capacity additions both by private and public sector undertakings.

Your Company has always believed in the long term growth potential of India and also invested significantly in capital expenditure to be ready to seize growth opportunities.

Outlook:

The overall outlook for the steel sector is positive and the demand is likely to pick up in the coming financial year on the back of revival in economic growth and the Governments' measures to ease infrastructure investment rules.

India is currently the world's fourth largest producer of crude steel after China, Japan, and the U.S. Major public and private sector firms are planning to expand their capacities.

During the year under review, the growth in consumption of steel has been impacted by lower demand from steel using industries, which is likely to remain modest through in the current year. However, the long-term outlook for steel demand in India is quite robust due to increasing demand from several sectors, including automotive, consumer durables, oil and gas, industrial machinery, real estate and infrastructure and also the fact that per capita steel in India is still one of the lowest in the world.

Higher production of value-added products, capacity expansion, up gradation of production processes achieving cost effective production in an environment friendly manner, have been the major thrust areas of the Indian Steel producers in the recent times.

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

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

It would be relevant to mention here that as part of strategic orientation, CMI FPE already has a well established and appropriately staffed "Business Innovation Cell" which focuses on Value Engineering, low cost solutions, new products and customers' need driven improvements in existing equipments and functionalities. The Business Innovation Cell works in close collaboration with the Innovation function at Group level to ensure, to the extent possible, coherence of initiatives taken at business unit level in India with those at Group level.

Your Company has successfully completed the modernization and expansion plan of its Taloja Plant, which is now a "Centre of Excellence for Cold Rolling Mills". The Plant is now equipped with improved infrastructure, machines, productivity and enhanced capacity. The Company is also progressively setting up a Greenfield facility at Hedavali, near Khopoli (Maharashtra), while close monitoring the future growth in the steel sector.

The Company's short to medium term strategy would be to fully utilize its capacity to produce critical components and assemblies in-house at its own workshops and outsource the remaining workload either at a component level to vendors or at an assembly level with the overall objective of optimizing the supply chain.

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

Review of Operations:

The financial results for the year under review were adversely affected, owing to difficult economic conditions coupled with fierce competition and inflationary market conditions resulted in higher input cost.

During the year 2012-13, the total revenue at ₹ 54,051.25 lacs increased by 51.14% over the previous year. However, the Company recorded a loss before tax of ₹ 192.59 lacs as compared to profit before tax of ₹ 1,635.19 lacs in the previous year and loss after tax of ₹ 99.36 lacs as compared to profit after tax of ₹ 1,096.12 lacs in the previous year. The earnings per equity share of ₹ 10 was ₹ (2.01) as against ₹ 22.20 in the previous year.

The Management team has carried out some introspection on the results and has come out with an Action Plan for process optimization across the entity. Details of these initiatives are elaborated in the paragraph "Optimisation of key business processes."

Opportunities and Threats:

The biggest opportunity before the Indian steel sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. India has rich mineral resources. It has an abundance of iron ore, coal and many other raw materials required for iron and steel making at comparatively lower costs. This gets reflected in the lower production cost of steel in India compared to many advanced countries.

The Indian Rural sector remains fairly unexposed to the multi-faceted use of steel. The usage of steel in cost effective manner is possible in the area of housing, structures and other applications where steel can substitute other materials.

Excellent potential exists for enhancing steel consumption in other sectors such as automobiles, packaging, engineering industries, irrigation, and water supply in India. New steel products developed to improve performance, simplify manufacturing /installation and reliability are needed to enhance steel consumption in these sectors. The main objective here would be optimization / improvement of quality parameters for new steel products, optimisation of material consumption in these products by reducing the weight and thickness to the extent feasible through superior engineering capability and finally reduction in overall cost for the end user.

Latest technology must be adopted by Indian steel manufacturers for production of superior quality of steel for these applications. Production and supply of superior grades of steel in desired shapes and sizes will definitely increase the steel consumption. This is where CMI FPE can make a difference by offering world class equipment with superior functionalities vis a vis the competition.

It is estimated that world steel consumption will double in the next 25 years. Quality improvement of Indian steel combined with its low cost advantages will definitely help in substantial gain in export market too.

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

The demand drivers are expected to be robust in the near future, however the challenges are more likely to be from the supply side. They would include arranging finance at affordable cost for proposed capacity additions by the steel industry, supply chain, raw materials, sustainability and environmentalism issues, Land acquisition, mining lease, forest clearances, relief and rehabilitation issues, and arranging for skilled work-force. The execution and implementation of new greenfield projects is a major challenge in India's steel growth story. With most of our land covered by agriculture and forest, land required for large projects comes into conflict with the social set-up.

Even though the Indian economy is growing, it has changed radically and become more unpredictable, volatile and complex. Markets, competition and customer expectations are now more challenging, and the Company needs to change fast enough to deal with the new realities.

China remains the largest market in the steel sector, even though it experienced lower steel demand, overcapacity, a fragmented industry and weak profit margins in 2012. Slowdown in demand growth from China and subdued steel prices, may result in to oversupply to the global steel market, dumping of steel and depression of steel prices.

The Company focuses on Innovations and Value Engineering for the existing product portfolio to provide more reliable and cost effective solutions. The Company has about 27 years experience and a proven process for managing projects efficiently, as evidenced by the successful implementation, execution, and completion of various projects for the Cold Rolling and Metal Processing Industry which enables it to stay ahead of its competitors.

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

Risk Management:

The Company is exposed to risks that are inherent to its businesses and the environment within which it operates. Your Company adopts a comprehensive and integrated risk appraisal, mitigation and management process.

The Board of Directors oversees all risks assumed by the Company. A specific committee comprising of the Managing Director and Senior Management of the Company has been constituted to facilitate focused oversight of various risks. During the year, the Board made an extensive review of the Risk Management framework, and also the current perceptions and status of various risks and the steps being taken to deal with these risks. The Board has also decided to review the Risk Status and the implementation of the Risk Management framework twice a year.

The Company follows the Internal Control Approach developed by COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control Framework as the framework for risk management at the Company.

The Board, in course of its detailed deliberations, opined that Risk Management should indeed be managed with similar discipline as other core business operations. It advised the Management Team to infuse practices into the corporate culture that enable strategy and decision making to evolve out of a risk informed process.

A Commitment Committee of the Company examines in great detail the various sources of risks and the risk mitigation strategies to be adopted preparatory to finalization of contracts with prospective customers. Business risk, financial risk, liquidity risk and market risks are the key risks reviewed by the Commitment Committee prior to their approving the various contract covenants. The various risks as well as risk mitigation strategies are reviewed on a periodic basis by the Company's Executive Committee and emergent actions are taken on the basis of these reviews. The learnings from the actual risks and the effectiveness of the mitigation strategies are analysed for further learning, and for refining the approach for future contracts.

The company has initiated the preparation of a Business Continuity Plan for the entity based on the requirements outlined in ISO 22301:2012. Awareness Training aggregating to about 40 hours was conducted in the fourth quarter of 2012. A Task force was constituted to interview 32 process owners as part of the Business Impact Analysis study carried out. Threat modeling is being carried out based on inputs received in these interviews and this would be further analysed and converted into a full fledged Business Impact Analysis along with mitigation plans.

The Company has contingent liability as disclosed in the Note No. 27.1 of Notes forming part of the Financial Statements for the year ended on March 31, 2013.

Finance:

Your Company has raised long term loans amounting to ₹ 30 crores to meet the requirement of capital expenditure undertaken/being undertaken for expansion and modernization of the plant at Taloja and Hedavali.

CRISIL has re-affirmed the "A+ Stable" rating for your Company's long-term borrowings and "A1" for short-term borrowings.

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

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

Industrial Relations & Human Resources Management:

The Industrial relations remained cordial at all locations. In the year under review, the significant efforts made to involve the entire workforce in continual improvement initiatives for our key processes, have started yielding results, and have actually taken the Company to the next level in terms of its "quality focus".

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

Significant efforts have also been made to strengthen the Company's Performance Management System. The permanent employee strength of the Company as on March 31, 2013 was 562.

Health and Safety Training

Occupational health and Safety continues to be a focus area. The Company's safety strategy is to nurture a Zero Accident culture and to reinforce it with the CMI Group's safety policies initiatives and best practices, suitably adapted to the Indian environment.

The Company has taken significant steps to strengthen the Safety culture and safety awareness across the organization and imparting various trainings at all levels of employees.

Optimisation of Key Business Processes

The Company's Executive Committee members encourage their direct reports to review their key business processes on a periodic basis and institutionalize "Continual Improvement" across the board. Also, the Company's QMS function has been tasked to remain involved in the identification, selection, implementation and review of various Continual Improvement Projects. It is believed that these key initiatives will enable the Company align with Global Best Practices at a process level and bring in significant efficiencies and cost optimization going forward.

In addition, the Company's QMS team made a significant contribution by conducting of 1326 hours of training (party facilitated by external faculty) relating to ISO 9001:2008.

Considering that the Company operates in an extremely competitive market, both in the domestic and international arena, it was felt that specific initiatives need to be taken to strengthen the company's process orientation. Salient details of some initiatives taken in recent months as well as proposed initiatives are as under:

(i) Five continual improvement projects have been identified in each of our workshops with a gestation time of 3 months. These projects were identified in a transparent manner with the active involvement of key stakeholders (using the critical to quality drill down method). A similar process would be adopted to identify further continual improvement projects in the future. The aforesaid continual improvement initiatives have been strongly supplemented by 5S initiative at both our workshops, facilitated by the QMS team in terms of awareness and techniques based on practical experience.

(ii) Initial steps have been taken towards engineering process automation through software tools. This will help in optimizing the 'drafting touch time' for assemblies, components.

(iii) As a part of our commitment towards environment and sustainability, CMI FPE went through the process of Environmental Management System implementation across the organisation. Twenty Internal Environmental Auditors were trained and certified by a leading third party certifying body to strongly facilitate the certification process under the QMS team's guidance. 1209 man-hours of EMS training were provided both internally & externally across the organisation. Stage I certification audit conducted by a leading third party certifying body was also successfully completed.

(iv) In this 13th year of our ISO 9001 (QMS) implementation, CMI FPE has been re-certified to the standard , without any non-conformity by TUV India.

(v) The QMS team has also released "The Quality Conspectus" – an easy reference guide to understand QMS for all employees.

(vi) It is proposed to set up a 'process engineering cell' at our workshop facilities to optimize utilization of these facilities based on the twin parameters of 'throughput' and 'cost'. It is also proposed to deploy a state of art software for CAD/CAM integration. This will give us a capability to simulate tool motions for various machining jobs in the software thereby arriving at a realistic 'touch time' for the various machining operations.

(vii) It is proposed to identify and actively pursue specific value engineering projects to enhance the functionalities of equipment produced by us aligned with perceived/stated customer needs, while also keeping in view 'cost optimization'. The expertise of the in –house QMS team would be harnessed to put down a process to efficiently manage such value engineering projects in an effective manner.

Information Technology

The Company's business processes have been calibrated in a state-of-the-art ERP system, which provides a high degree of visibility and transparency of the entity's business processes. Training programmes, facilitated by internal and external faculty, were continued for users of the Company's ERP system as well as the Company's design and drafting system to optimise productivity in the use of these applications. The Company has also deployed a reliable infrastructure for offline backups which are stored both onsite and offsite.

Focus on operational excellence is continuing for strengthening design/engineering, project execution and controls, optimizing cost structure and assets utilization, optimization of "throughput" at the Company's workshops. The Company implemented an advanced planning and scheduling software application. This software application gives vastly improved visibility end to end of project progress. This software tool also provides "what if" capability, specifically indicating likely completion dates for proposed new projects or projects rescheduled by customers based on current demand of resources.

Internal Control Systems

The Company has engaged Ernst & Young LLP as Internal Auditors for the year under review, for examining the adequacy and compliance with laid down policies, controls, statements of operating procedures and statutory requirements. The Audit Committee of the Board of Directors approves the Annual Internal Audit Plan at the beginning of the year, and reviews at every meeting the internal audit reports as well as action taken on the matters reported upon. The focus of the Internal Audit team is on identifying improvements in business processes and design of controls, with "substantive testing" being carried out as needed.

Cautionary Statement

The Statements made in this report are forward-looking and are made on the basis of certain assumptions and expectations of future events. The Company cannot guarantee that these forward-looking statements will be realized, though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements are subject to risk, uncertainties and even inaccurate assumptions, which could thus differ materially from those projected in any such forward looking statements. The Board of Directors of the Company assumes no responsibility in respect of the forward-looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly update any forward-looking statements on the basis of subsequent developments, information, future events or otherwise.

Independent Auditors' Report

TO THE MEMBERS OF
CMI FPE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CMI FPE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Khurshed Pastakia
Partner
(Membership No. 31544)

MUMBAI, May 29, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF CMI FPE LIMITED

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

Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

(i) In respect of its fixed assets:

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

   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

   (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services (project revenues). During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

   (b) Where each of such transaction is in excess of ₹ 5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available.

(vi) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.

(vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lacs)
The Central Excise Act, 1944	Service Tax – Cenvat Credit (including interest and penalty)	Central Excise and Service Tax Appellate Tribunal	2007-08	387.81
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10 (A. Y.)	57.95

(ix) The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. During the year, the Company has not obtained any borrowings from any financial institution or by way of debentures.

(xi) In our opinion and according to the information and explanations given to us, the term loans, to the extent utilised, have been applied by the Company during the year for the purposes for which they were obtained.

(xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie,* not been used during the year for long-term investment.

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

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

Khurshed Pastakia
Partner
(Membership No. 31544)

MUMBAI, May 29, 2013

Balance Sheet
as at March 31, 2013

(₹ in lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	**493.78**	493.78
(b) Reserves and surplus	4	**14,566.93**	14,666.29
		15,060.71	15,160.07
2 Non-current liabilities			
(a) Long-term borrowings	5	**2,308.57**	333.33
(b) Other long-term liabilities	6	**898.99**	1,437.52
(c) Long-term provisions	7	**1,167.13**	1,044.12
		4,374.69	2,814.97
3 Current liabilities			
(a) Short-term borrowings	8	**3,963.34**	-
(b) Trade payables	9	**14,739.19**	6,153.70
(c) Other current liabilities	10	**14,114.87**	16,532.16
(d) Short-term provisions	11	**1,709.88**	1,668.39
		34,527.28	24,354.25
Total		**53,962.68**	42,329.29
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.A	**6,038.76**	3,126.73
(ii) Intangible assets	12.B	**194.30**	156.42
(iii) Capital work-in-progress		**635.46**	1,532.20
		6,868.52	4,815.35
(b) Non-current investments	13	**0.01**	0.01
(c) Deferred tax assets (net)	28.8	**615.73**	522.50
(d) Long-term loans and advances	14	**1,648.70**	1,223.61
(e) Other non-current assets	15	**708.29**	2,054.07
		9,841.25	8,615.54
2 Current assets			
(a) Inventories	16	**1,935.46**	2,016.82
(b) Trade receivables	17	**26,404.73**	15,418.30
(c) Cash and cash equivalents	18	**1,813.41**	3,012.69
(d) Short-term loans and advances	19	**3,331.17**	3,255.81
(e) Other current assets	20	**10,636.66**	10,010.13
		44,121.43	33,713.75
Total		**53,962.68**	42,329.29

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Khurshed Pastakia
Partner

Jean-Marc Kohlgruber
Chairman

Sanjoy Kumar Das
Managing Director

Yves Honhon
Director

Akash Ohri
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Place : Mumbai
Dated : May 29, 2013

Place : Mumbai
Dated : May 29, 2013

Statement of Profit and Loss
for the year ended March 31, 2013

(₹ in lacs)

	Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
1	Revenue from operations (gross)	21	**55,736.21**	37,171.42
	Less: Excise duty	21	**2,446.68**	1,991.72
	Revenue from operations (net)		**53,289.53**	35,179.70
2	Other income	22	**761.72**	582.32
3	**Total revenue (1+2)**		**54,051.25**	35,762.02
4	**Expenses**			
	(a) Cost of materials consumed	23.a	**23,928.94**	13,339.48
	(b) Purchases of stock-in-trade	23.b	**14,147.69**	9,238.44
	(c) Changes in inventories of finished goods and work-in-progress	23.c	**(138.91)**	(42.79)
	(d) Employee benefits expense	24	**4,340.22**	3,804.72
	(e) Finance costs	25	**314.70**	179.97
	(f) Depreciation and amortisation expense	12.C	**460.33**	438.72
	(g) Other expenses	26	**11,190.87**	7,168.29
	Total expenses		**54,243.84**	34,126.83
5	**(Loss)/Profit before tax (3-4)**		**(192.59)**	1,635.19
6	**Tax expense**			
	(a) Current tax expense		**-**	575.00
	(b) Short provision for tax relating to prior years		**-**	2.87
	(c) Net current tax expense		**-**	577.87
	(d) Deferred tax		**(93.23)**	(38.80)
			(93.23)	539.07
7	**(Loss)/Profit for the year (5-6)**		**(99.36)**	1,096.12
8	**Earnings per share (of ₹ 10/- each)**	28.7		
	(a) Basic (₹)		**(2.01)**	22.20
	(b) Diluted (₹)		**(2.01)**	22.20

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Khurshed Pastakia
Partner

Jean-Marc Kohlgruber
Chairman

Sanjoy Kumar Das
Managing Director

Yves Honhon
Director

Akash Ohri
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Place : Mumbai
Dated : May 29, 2013

Place : Mumbai
Dated : May 29, 2013

Cash Flow Statement
for the year ended March 31, 2013

(₹ in lacs)

	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A	**Cash flow from operating activities:**		
	Net (Loss)/Profit before tax	**(192.59)**	1,635.19
	Adjustments for:		
	Depreciation and amortisation expense	**460.33**	438.72
	Provision/(Reversal of provision) for doubtful trade receivables (net)	**214.07**	(23.28)
	Provision for warranties (net)	**170.52**	165.29
	Provision/(Reversal of provision) for estimated loss on contracts (net)	**346.82**	(423.59)
	Reversal of provision for custom duty on bonded goods	**-**	(20.60)
	Provision/(Reversal of provision) for employee benefits (net)	**135.99**	(29.22)
	(Reversal of provision)/Provision for unrealised loss on mark-to-market derivative contracts	**(190.76)**	190.76
	(Profit)/Loss on sale/write off of fixed assets (net)	**(19.06)**	2.49
	Interest expense	**68.31**	10.37
	Interest income	**(200.23)**	(374.73)
	Unrealised foreign exchange loss (net)	**141.23**	92.64
	Operating profit before working capital changes	**934.63**	1,664.04
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	**81.36**	(298.41)
	Trade receivables	**(11,038.05)**	(7,905.42)
	Short-term loans and advances	**(83.25)**	76.66
	Long-term loans and advances	**15.03**	456.40
	Other current assets	**(631.12)**	1,954.12
	Other non-current assets	**1,356.86**	4,648.45
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**8,543.17**	(45.25)
	Other current liabilities	**(3,091.96)**	(90.70)
	Other long-term liabilities	**(538.53)**	(1,844.61)
	Cash used in operations	**(4,451.86)**	(1,384.72)
	Income tax paid (net of refund)	**(508.81)**	(1,359.52)
	Net cash flow used in operating activities (A)	**(4,960.67)**	(2,744.24)
B	**Cash flow from investing activities:**		
	Capital expenditure on fixed assets, including capital advances*	**(2,474.48)**	(2,618.79)
	Interest received	**204.80**	401.12
	Proceeds from sale of fixed assets	**23.27**	0.19
	Bank balances not considered as Cash and cash equivalents (net)	**(199.96)**	167.60
	Net cash flow used in investing activities (B)	**(2,446.37)**	(2,049.88)
C	**Cash flow from financing activities:**		
	Proceeds of long-term borrowings	**2,650.00**	350.00
	Repayment of long-term borrowings	**(114.29)**	-
	Net increase in working capital borrowings	**3,819.59**	-
	Interest paid*	**(50.68)**	(10.37)
	Dividend and dividend tax paid (Including changes in unpaid dividend)	**(286.20)**	(1,145.68)
	Net cash flow from/(used in) financing activities (C)	**6,018.42**	(806.05)

Cash Flow Statement for the year ended March 31, 2013 (contd.)

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Net decrease in Cash and cash equivalents (A+B+C)	**(1,388.62)**	(5,600.17)
Cash and cash equivalents as at the beginning of the year	**2,089.13**	7,688.95
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**-**	0.35
Cash and cash equivalents as at the end of the year	**700.51**	2,089.13
* Capital expenditure on fixed assets is inclusive of borrowing cost paid and capitalised and Interest paid is exclusive of borrowing cost paid and capitalised ₹ 252.21 lacs (March 31, 2012: ₹ 2.04 lacs)		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	**1,813.41**	3,012.69
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements*		
Unclaimed Dividend	**16.71**	16.06
Balances held as margin money	**1,096.19**	907.50
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	**700.51**	2,089.13
Notes:		
1 Cash and cash equivalents comprise of the following:		
(a) Cash on hand	**2.89**	2.79
(b) Cheques on hand	**3.39**	-
(c) Balances with banks		
(i) In current accounts	**694.23**	373.88
(ii) In EEFC accounts	**-**	12.46
(iii In deposit accounts	**-**	1,700.00
	700.51	2,089.13
2 Previous year's figures have been recast/restated wherever necessary.		

See accompanying notes forming part of the financial statements

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

Khurshed Pastakia
Partner

Place : Mumbai
Dated : May 29, 2013

For and on behalf of the Board of Directors

Jean-Marc Kohlgruber
Chairman

Sanjoy Kumar Das
Managing Director

Yves Honhon
Director

Akash Ohri
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Place : Mumbai
Dated : May 29, 2013

Notes forming part of the financial statements

1 Corporate Information:

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

2 Statement of Significant Accounting Policies:

2.1 Basis of Preparation:

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

2.2 Use of Estimates:

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

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

2.3 Inventories:

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

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

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

Notes forming part of the financial statements

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

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

2.4 Cash Flow Statement:

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

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

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

2.6 Depreciation/Amortisation:

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

Depreciation/Amortisation on assets acquired or sold during the year is provided on pro-rata basis. Depreciation on Plant and Machinery for actual shift working is revised as per the provisions of the Companies Act, 1956 at the year-end. In respect of the tangible and intangible assets below, the following straight line method depreciation/amortisation rates applied are different from the rates prescribed by Schedule XIV to the Companies Act, 1956.

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

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

2.7 Revenue Recognition:

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

The Company recognises revenue from construction contracts in accordance with the Accounting Standard 7 on Accounting for Construction contracts. Revenue from construction contracts is recognised based on the estimated percentage of completion of contracts in progress; such estimates are based on the assessment made by the management on the basis of proportion that the contract costs incurred for the work performed upto the reporting date bears to the estimated total contract costs. When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at the reporting date. The projected losses, if any, are provided in entirety as per the Accounting Standard and are based on a technical assessment of the time to be taken and estimates of future expenditure which are prepared and certified by the management. The above estimates are relied upon by the auditors.

At each reporting date, the contracts in progress (Progress work) are valued and carried in the Balance Sheet under Other Current Assets. Advance and progress payments received from customers during the course to completion are carried under Other Long-Term Liabilities and Other Current Liabilities. Based on overall Gross margin estimated for outstanding contracts, revenues for contracts in progress are recognised in the Statement of Profit and Loss based on the stage of completion of contract at the Balance Sheet date. Stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bears to the estimated total contract costs.

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

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

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

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

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

Eligible export benefits, if any, are recognised in the Statement of Profit and Loss when the right to receive credit as per the terms of the entitlement and reasonable certainty of collection/utilisation is established in respect of exports made/to be made.

2.8 Fixed Assets:

i **Tangible Assets:**

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

ii **Intangible Assets:**

Intangible assets are stated at their cost of acquisition less accumulated amortisation and impairment losses, if any. An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Notes forming part of the financial statements

The cost of an intangible asset is allocated over the best estimate of its useful life on a straight line basis, a basis that reflects the pattern in which the asset's economic benefits are consumed.

2.9 Foreign Currency Transactions:

i **Initial recognition:**

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

ii **Translation:**

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

iii **Exchange differences:**

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

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

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

2.10 Investments:

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

2.11 Employee Benefits:

i Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund, Employee State Insurance Corporation and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii Defined Benefit Plan/Long term compensated absences:

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

2.12 Borrowing costs:

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

2.13 Segment Reporting:

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

2.14 Leases:

Operating Lease:

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

Finance Lease:

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

2.15 Earnings per Share:

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

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

2.16 Income Taxes:

Tax Expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred Income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of the earlier years.

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

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

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

2.17 Impairment:

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

In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

2.18 Provisions and Contingent Liabilities:

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

2.19 Provision for Doubtful Trade Receivables:

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

2.20 Post-Sales Warranties and Liquidated Damages:

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

2.21 Central Excise Duty:

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

2.22 Technology Fees:

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

2.23 Brand Fees:

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

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	**₹ in lacs**	Number of shares	₹ in lacs
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	**8,000,000**	**800.00**	8,000,000	800.00
Preference shares of ₹ 100/- each	**200,000**	**200.00**	200,000	200.00
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	**4,937,813**	**493.78**	4,937,813	493.78
Total	**4,937,813**	**493.78**	4,937,813	493.78
Refer Notes (i) to (iv) below				

Notes:

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	Number	**₹ in lacs**	Number	₹ in lacs
Shares outstanding at the beginning of the year	**4,937,813**	**493.78**	4,937,813	493.78
Shares issued during the year	**-**	**-**	-	-
Shares bought back during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**4,937,813**	**493.78**	4 ,937,813	493.78

(ii) Terms/rights attached to equity shares:

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

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

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

Particulars	**As at March 31, 2013**	As at March 31, 2012
Equity shares with voting rights	**Number of shares**	Number of shares
Cockerill Maintenance and Ingenierie S.A., 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, 2013		As at March 31, 2012	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares with voting rights				
Cockerill Maintenance and Ingenierie S.A.	**3,697,700**	**74.89%**	3,697,700	74.89%

Notes forming part of the financial statements

Note 4 Reserves and surplus

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Securities premium account	**1,466.27**	1,466.27
(b) General reserve		
Opening balance	**9,075.03**	8,965.42
Add: Transferred from surplus in Statement of Profit and Loss	**-**	109.61
Closing balance	**9,075.03**	9,075.03
(c) Surplus in the Statement of Profit and Loss		
Opening balance	**4,124.99**	3,425.42
Add: (Loss)/Profit for the year	**(99.36)**	1,096.12
Less: Dividend proposed to be distributed to equity shareholders	**-**	246.89
Tax on dividend	**-**	40.05
Transferred to General reserve	**-**	109.61
Closing balance	**4,025.63**	4,124.99
Total	**14,566.93**	14,666.29

Note 5 Long-term borrowings

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loan:		
From bank - Secured [Refer Note (i)]	**2,308.57**	333.33
Total	**2,308.57**	333.33

Note:

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

Particulars	Terms of repayment and security	As at March 31, 2013	As at March 31, 2012
Term loan from bank:			
HDFC Bank Limited	**Terms of repayment -** Repayment is made in 16 equal quarterly installments starting from the end of 12 months from the date of first drawal i.e. 15 March, 2012 bearing interest @ HDFC base rate + 2.5% for first year and subsequently HDFC base rate + 3% **Security -** First charge over all the immovable properties and movable fixed assets of the Company located at Taloja and second *pari passu* charge on all current assets of the Company both present and future.	**2,308.57**	333.33
Total		**2,308.57**	333.33

Notes forming part of the financial statements

Note 6 Other long-term liabilities

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Trade Payables:		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 27.2)	**57.54**	41.16
Total outstanding dues other than micro enterprises and small enterprises	**459.55**	884.04
	517.09	925.20
(b) Others:		
(i) Advances from customers (Refer Note 28.1)	**381.90**	512.32
	381.90	512.32
Total	**898.99**	1,437.52

Note 7 Long-term provisions

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits:		
(i) Provision for compensated absences	**414.07**	361.90
(ii) Provision for gratuity (net) (Refer Note 28.2)	**167.96**	99.46
	582.03	461.36
(b) Provision - Others:		
(i) Provision for warranties (Refer Note 28.9)	**378.59**	530.84
(ii) Provision for estimated losses on contracts (Refer Note 28.9)	**206.51**	51.92
	585.10	582.76
Total	**1,167.13**	1,044.12

Note 8 Short-term borrowings

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Loans from banks - Secured (Refer Note below for security details)		
(i) Cash credit/Working capital demand loan	**1,699.81**	-
(ii) Buyer's credit	**2,263.53**	-
Total	**3,963.34**	-

Note:

The above borrowings from banks are secured by first charge over all the immovable properties and movable fixed assets of the Company located at Silvassa and Andheri and second charge over all the immovable properties and movable fixed assets of the Company located at Taloja and first *pari passu* charge on all current assets of the Company both present and future.

Notes forming part of the financial statements

Note 9 Trade payables

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Total outstanding dues of micro enterprises and small enterprises (Refer Note 27.2)	**1,344.11**	1,030.09
Total outstanding dues other than micro enterprises and small enterprises	**13,395.08**	5,123.61
Total	**14,739.19**	6,153.70

Note 10 Other current liabilities

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt (Refer Note 5 for security details)	**577.14**	16.67
(b) Interest accrued but not due on borrowings	**37.89**	2.04
(c) Unpaid dividends	**16.70**	15.96
(d) Other payables		
(i) Statutory remittances	**428.55**	264.76
(ii) Value added tax payable	**22.48**	192.54
(iii) Payables on purchase of fixed assets	**70.89**	115.74
(iv) Contractually reimbursable expenses	**13.06**	18.16
(v) Interest accrued on service tax	**-**	1.06
(vi) Trade/security deposits received	**15.80**	12.80
(vii) Advances from customers [Refer Note (i)] (Refer Note 28.1)	**10,529.52**	14,014.52
(viii) Dues to customer on construction contracts (Refer Note 28.1)	**2,390.54**	1,877.91
(ix) Provision for gratuity (net) (Refer Note 28.2)	**12.30**	-
Total	**14,114.87**	16,532.16

Note (i): Advances from customers include from group companies:

Particulars	As at March 31, 2013	As at March 31, 2012
CMI M+W Engineering GmbH, Fellow Subsidiary	**806.56**	364.36
Cockerill Maintenance and ingenierie S.A, the Holding Company	**309.85**	-
Total	**1,116.41**	364.36

Note 11 Short-term provisions

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits:		
Provision for compensated absences	**45.63**	41.44
	45.63	41.44
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	**98.60**	98.60
(ii) Provision for estimated loss on derivatives	**-**	190.76
(iii) Provision for warranties (Refer Note 28.9)	**852.91**	530.14
(iv) Provision for estimated losses on contracts (Refer Note 28.9)	**712.74**	520.51
(v) Provision for proposed equity dividend	**-**	246.89
(vi) Provision for tax on proposed equity dividend	**-**	40.05
	1,664.25	1,626.95
Total	**1,709.88**	1,668.39

Notes forming part of the financial statements

Note 12 Fixed assets

(₹ in lacs)

A. Tangible assets	Gross block					Accumulated depreciation				Net block	
	Balance as at April 1, 2012	Additions	Disposals	Borrowing cost capitalised*	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Land											
Freehold	834.08	171.12	-	-	1,005.20	-	-	-	-	1,005.20	
(Previous year)	(103.99)	(730.09)	(-)	(-)	(834.08)	(-)	(-)	(-)	(-)		(834.08)
Leasehold	353.85	-	-	-	353.85	22.64	5.65	-	28.29	325.56	
(Previous year)	(353.85)	(-)	(-)	(-)	(353.85)	(16.98)	(5.66)	(-)	(22.64)		(331.21)
(b) Buildings											
Flats	10.82	-	-	-	10.82	1.00	0.25	-	1.25	9.57	
(Previous year)	(10.82)	(-)	(-)	(-)	(10.82)	(0.75)	(0.25)	(-)	(1.00)		(9.82)
Factory road	117.49	3.83	-	-	121.32	17.98	5.17	-	23.15	98.17	
(Previous year)	(76.24)	(41.25)	(-)	(-)	(117.49)	(14.67)	(3.31)	(-)	(17.98)		(99.51)
Factory buildings	1,883.85	1,447.61	-	116.14	3,447.60	1,198.66	75.51	-	1,274.17	2,173.43	
(Previous year)	(1,860.60)	(23.25)	(-)	(-)	(1,883.85)	(1,124.45)	(74.21)	(-)	(1,198.66)		(685.19)
Office building	501.57	0.98	-	-	502.55	226.76	13.76	-	240.52	262.03	
(Previous year)	(501.57)	(-)	(-)	(-)	(501.57)	(212.30)	(14.46)	(-)	(226.76)		(274.81)
(c) Plant and Equipment											
Plant and equipment	2,800.31	1,259.62	14.01	102.33	4,148.25	2,251.97	150.82	13.82	2,388.97	1,759.28	
(Previous year)	(2,674.50)	(125.94)	(0.13)	(-)	(2,800.31)	(2,107.85)	(144.13)	(0.01)	(2,251.97)		(548.34)
Electrical installations	93.93	74.63	5.34	1.51	164.73	70.71	8.35	4.72	74.34	90.39	
(Previous year)	(98.91)	(-)	(4.98)	(-)	(93.93)	(71.49)	(3.81)	(4.59)	(70.71)		(23.22)
Quality control equipment	27.07	15.50	0.22	-	42.35	22.25	2.00	0.20	24.05	18.30	
(Previous year)	(27.67)	(1.76)	(2.36)	(-)	(27.07)	(23.63)	(0.64)	(2.02)	(22.25)		(4.82)
(d) Furniture and Fixtures	125.20	15.67	-	-	140.87	83.90	11.72	-	95.62	45.25	
(Previous year)	(122.49)	(2.71)	(-)	(-)	(125.20)	(75.03)	(8.87)	(-)	(83.90)		(41.30)
(e) Vehicles	67.27	16.72	-	-	83.99	28.23	11.08	-	39.31	44.68	
(Previous year)	(67.27)	(-)	(-)	(-)	(67.27)	(14.59)	(13.64)	(-)	(28.23)		(39.04)
(f) Office equipment	197.48	9.58	10.04	-	197.02	121.96	11.11	7.70	125.37	71.65	
(Previous year)	(194.61)	(6.09)	(3.22)	(-)	(197.48)	(111.04)	(12.31)	(1.39)	(121.96)		(75.52)
(g) Computers	525.28	53.78	90.37	-	488.69	365.41	77.36	89.33	353.44	135.25	
(Previous year)	(461.59)	(63.69)	(-)	(-)	(525.28)	(291.86)	(73.55)	(-)	(365.41)		(159.87)
Total	**7,538.20**	**3,069.04**	**119.98**	**219.98**	**10,707.24**	**4,411.47**	**372.78**	**115.77**	**4,668.48**	**6,038.76**	
(Previous year)	(6,554.11)	(994.78)	(10.69)	(-)	(7,538.20)	(4,064.64)	(354.84)	(8.01)	(4,411.47)		(3,126.73)

* Refer Note 28.3

(₹ in lacs)

B. Intangible Assets	Gross block				Accumulated amortisation				Net block	
	Balance as at April 1, 2012	Additions	Disposals	Balance as at March 31, 2013	Balance as at April 1, 2012	Amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Computer software - acquired	679.41	125.43	-	804.84	522.99	87.55	-	610.54	194.30	
(Previous year)	(538.01)	(141.40)	(-)	(679.41)	(439.11)	(83.88)	(-)	(522.99)		(156.42)
(b) Designs and drawings - acquired	468.10	-	-	468.10	468.10	-	-	468.10	-	
(Previous year)	(468.10)	(-)	(-)	(468.10)	(468.10)	(-)	(-)	(468.10)		(-)
Total	**1,147.51**	**125.43**	**-**	**1,272.94**	**991.09**	**87.55**	**-**	**1,078.64**	**194.30**	
(Previous year)	(1,006.11)	(141.40)	(-)	(1,147.51)	(907.21)	(83.88)	(-)	(991.09)		(156.42)

C. Depreciation and amortisation expense:

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation for the year on tangible assets as per Note 12 A	372.78	354.84
Amortisation for the year on intangible assets as per Note 12 B	87.55	83.88
Depreciation and amortisation	460.33	438.72

Notes forming part of the financial statements

Note 13 Non-current investments

(₹ in lacs)

Particulars	As at March 31, 2013 Unquoted	As at March 31, 2012 Unquoted
Long-Term Investments		
Non-trade		
(a) Investment in equity instruments		
4,000 (As at March 31, 2012: 4,000) shares of ₹ 10/- each fully paid up in Elbee Services Limited (Book value ₹ 1/-)	-	-
34,000 (As at March 31, 2012: 34,000) shares of ₹ 10/- each fully paid up in Essem Coated Steels Limited (Book value ₹ 1/-)	-	-
100,000 (As at March 31, 2012: 100,000) shares of ₹ 10/- each fully paid up in Elbee Airline Limited (Book value ₹ 1/-)	-	-
	-	-
(b) Other non-current investment (At cost)		
10 (As at March 31, 2012: 10) shares of ₹ 50/- each fully paid up Highland Park Co-operative Housing Society Limited	**0.01**	0.01
	0.01	0.01
Total	**0.01**	0.01
Aggregate amount of unquoted investments	**0.01**	0.01

Note 14 Long-term loans and advances

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
(a) Capital advances	**39.54**	108.23
(b) Security deposits	**27.50**	90.01
(c) Loans and advances to employees	**1.93**	2.25
(d) Prepaid expenses	**0.05**	0.30
(e) Advance income tax (net of provisions)	**1,324.11**	815.30
(f) Balances with government authorities		
Value Added Tax credit receivable	**255.57**	207.52
Total	**1,648.70**	1,223.61

Note 15 Other non-current assets

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Long - term trade receivables - Unsecured, considered good (Refer Note 28.1)	**697.36**	2,053.78
(b) Accruals		
Interest accrued on deposits	**0.06**	0.04
(c) Others		
Fixed Deposit with Banks (restricted with maturity more than 12 months)	**10.87**	0.25
Total	**708.29**	2,054.07

Notes forming part of the financial statements

Note 16 Inventories

(At lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials	**1,265.64**	1,450.18
Goods-in-transit	**23.69**	25.52
	1,289.33	1,475.70
(b) Work-in-progress (Refer Note below)	**35.37**	33.24
(c) Finished goods*	**438.69**	301.91
(d) Stores and spares	**172.07**	205.97
Total	**1,935.46**	2,016.82

* Finished goods include excise duty of ₹ 265.91 lacs (As at March 31, 2012: ₹ 158.41 lacs) of which ₹ 244.86 lacs (As at March 31, 2012: ₹ 141.28 lacs) is pertaining to project stocks.

Note: Details of inventory of work-in-progress

Particulars	As at March 31, 2013	As at March 31, 2012
Spares components	**35.37**	33.24
Total	**35.37**	33.24

Note 17 Trade receivables

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	**1,097.37**	302.28
Doubtful	**121.88**	138.02
	1,219.25	440.30
Less: Provision for doubtful trade receivables	**(121.88)**	(138.02)
	1,097.37	302.28
Other Trade receivables*		
Unsecured, considered good	**25,307.36**	15,116.02
Doubtful	**637.39**	407.18
	25,944.75	15,523.20
Less: Provision for doubtful trade receivables	**(637.39)**	(407.18)
	25,307.36	15,116.02
Total	**26,404.73**	15,418.30

* Other trade receivables include retention monies of ₹ 11,040.28 lacs (As at March 31, 2012: ₹ 6,998.76 lacs) (Refer Note 28.1)

Notes forming part of the financial statements

Note 18 Cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	**2.89**	2.79
(b) Cheques on hand	**3.39**	-
(c) Balances with banks		
(i) In current accounts	**694.23**	373.88
(ii) In EEFC accounts	**-**	12.46
(iii) In deposit accounts	**-**	1,700.00
(iv) In earmarked accounts		
- Unpaid dividend accounts	**16.71**	16.06
- Balances held as margin money	**1,096.19**	907.50
Total	**1,813.41**	3,012.69
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	**700.51**	2,089.13

Note 19 Short-term loans and advances

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
(a) Loans and advances to related parties (Refer Note 28.5)	**273.13**	408.57
(b) Security deposits	**62.12**	2.00
(c) Loans and advances to employees	**18.26**	17.61
(d) Prepaid expenses	**98.70**	86.00
(e) Balances with government authorities		
(i) CENVAT credit receivable	**100.25**	230.67
(ii) Value Added Tax credit receivable	**453.98**	694.63
(iii) Service Tax credit receivable	**335.14**	116.14
(f) Others		
(i) Advances paid to suppliers	**1,989.23**	1,699.83
(ii) Loans to contractors	**0.36**	0.36
Total	**3,331.17**	3,255.81

Note 20 Other current assets

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Dues from customer on construction contracts (Refer Note 28.1)	**10,589.28**	9,964.08
(b) Accruals		
Interest accrued on deposits	**36.62**	41.21
(c) Others		
(i) Receivables towards gratuity	**10.76**	2.88
(ii) Other receivables	**-**	1.96
Total	**10,636.66**	10,010.13

Notes forming part of the financial statements

Note 21 Revenue from operations

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Sale of products [Refer Note (i) below]	**54,171.53**	36,658.29
(b) Sale of services [Refer Note (ii) below]	**1,272.21**	319.50
(c) Other operating revenues [Refer Note (iii) below]	**292.47**	193.63
	55,736.21	37,171.42
Less:		
Excise duty	**2,446.68**	1,991.72
Total	**53,289.53**	35,179.70

Notes:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Sale of products comprises:		
Cold Rolling Mill	**19,978.05**	14,305.30
Continuous Galvanizing Lines	**12,858.89**	6,923.01
Acid Regeneration Plant	**1,376.05**	1,117.44
Tension Levelling Line	**8.51**	63.63
Electrolytic Cleaning Line	**1,819.00**	309.52
Pickling Line	**1,179.55**	2,165.82
Colour Coating Line	**3,978.21**	3,713.99
Wet Flux Line	**5,336.32**	3,449.85
Others (including spares and excise duty)	**7,636.95**	4,609.73
Total - Sale of products	**54,171.53**	36,658.29
(ii) Sale of services comprises:		
Service - supervision charges	**81.32**	229.00
Service - erection charges	**1,190.89**	90.50
Total - Sale of services	**1,272.21**	319.50
(iii) Other operating revenues comprise:		
Sale of scrap	**67.21**	143.86
Duty drawback and other export incentives	**3.47**	-
Others:		
Liquidated damages received	**174.54**	20.32
Shared services income	**47.25**	29.45
Total - Other operating revenues	**292.47**	193.63

Notes forming part of the financial statements

Note 22 Other income

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest income [Refer Note (i) below]	**200.23**	374.73
(b) Other non-operating income [Refer Note (ii) below]	**561.49**	207.59
Total	**761.72**	582.32

Notes:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Interest income comprises:		
Interest from banks on deposits	**199.98**	374.37
Interest on loans and advances	**0.25**	0.36
Total - Interest income	**200.23**	374.73
(ii) Other non-operating income comprises:		
Profit on sale of fixed assets	**19.06**	-
Liabilities/provisions no longer required written back (Refer Note 28.11)	**431.85**	159.52
Provision for trade receivables no longer required written back	**67.72**	23.28
Miscellaneous income	**42.86**	24.79
Total - Other non-operating income	**561.49**	207.59

Note 23.a Cost of materials consumed

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening stock	**1,475.70**	1,213.56
Add: Purchases *	**23,742.57**	13,601.62
	25,218.27	14,815.18
Less: Closing stock	**1,289.33**	1,475.70
Cost of material consumed	**23,928.94**	13,339.48

* Cost of material consumed + Closing stock - Opening stock

Note:
Since the Company is a project management company and engaged in the business of putting up projects for its clients on turnkey basis, the Company is following percentage of completion method as prescribed under Accounting Standard-7 Construction contracts under which project stock, manufactured items and other direct cost are considered as project cost incurred till date. Inventory procured for a specific project is immediately booked to the project as consumed and is not considered as inventory. In view of the above, itemwise break-up for cost of materials consumed is not available in the system.

Notes forming part of the financial statements

Note 23.b Purchases of stock-in-trade

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Stock-in-trade comprises components for:		
Cold Rolling Mill	**6,391.82**	4,711.93
Continuous Galvanizing Lines	**3,048.10**	851.56
Acid Regeneration Plant	**904.74**	706.56
Tension Levelling Line	**114.09**	118.25
Electrolytic Cleaning Line	**554.87**	-
Pickling Line	**670.07**	631.41
Colour Coating Line	**746.23**	600.78
Wet Flux Line	**1,342.18**	1,167.93
Others	**375.59**	450.02
Total	**14,147.69**	9,238.44

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

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventories at the beginning of the year:		
Finished goods	**301.91**	273.74
Work-in-progress	**33.24**	18.62
	335.15	292.36
Inventories at the end of the year:		
Finished goods	**438.69**	301.91
Work-in-progress	**35.37**	33.24
	474.06	335.15
Net increase	**(138.91)**	(42.79)

Note 24 Employee benefits expense (Refer Note 28.13)

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	**3,774.79**	3,373.23
Contributions to: (Refer Note 28.2)		
Provident fund	**161.84**	144.13
Superannuation fund	**43.76**	39.07
Gratuity fund	**122.14**	24.39
Staff welfare expenses	**237.69**	223.90
Total	**4,340.22**	3,804.72

Notes forming part of the financial statements

Note 25 Finance costs

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest expense on:		
(i) Borrowings	**68.31**	10.37
(ii) Trade payables	**1.88**	0.41
(iii) Others		
- Interest on delayed/deferred payment of income tax	**0.12**	0.29
- Interest on delayed/deferred payment of service tax	**9.75**	2.80
- Interest on sales tax	**0.13**	-
(b) Other borrowing costs		
Bank Charges	**234.51**	166.10
Total	**314.70**	179.97

Note 26 Other expenses (Refer Note 28.13)

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	**663.56**	577.02
Increase of excise duty on inventory	**107.23**	87.47
Project related expenses (Refer Note 28.10)	**584.11**	418.54
Labour and processing charges	**1,622.97**	1,635.18
Erection expenses	**1,669.17**	679.95
Power and fuel	**181.47**	148.65
Repairs:		
- Buildings	**15.36**	7.99
- Plant and machinery	**39.03**	27.71
- Others	**134.18**	105.16
Rent (Refer Note 28.6)	**106.76**	119.08
Rates and taxes	**162.40**	133.97
Insurance	**56.58**	23.66
Commission on sales	**438.40**	78.91
Loss on sale / write off of fixed assets	**-**	2.49
Loss on exchange fluctuation (net)	**151.23**	777.87
Provision for doubtful trade receivables	**281.79**	-
Brand fees	**301.53**	200.65
Warranties (Refer Note 28.9)	**519.32**	320.28
Liquidated damages	**-**	4.25
Estimated losses on contracts (Refer Note 28.9)	**346.82**	(423.59)
Packing and forwarding expenses	**2,613.84**	733.75
Travelling and conveyance	**597.53**	478.67
Postage, telex and telephone expenses	**50.57**	49.61
Payments to auditors [Refer Note (i) below]	**69.95**	64.91
Legal and professional [Refer Note (ii) below]	**168.77**	170.21
Miscellaneous expenses	**308.30**	745.90
Total	**11,190.87**	7,168.29

Notes forming part of the financial statements

Note 26 Other expenses (contd.)

Notes:

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Payments to the auditors comprises (net of service tax input credit):		
To statutory auditors		
For audit	**34.50**	34.50
For taxation matters*	**9.60**	8.26
For other services*	**24.95**	21.60
Reimbursement of expenses*	**0.90**	0.55
Total	**69.95**	64.91
* Payments to the auditors for taxation matters, other services and reimbursement of expenses include ₹ 3.60 lacs (Year ended March 31, 2012: ₹ 2.26 lacs), ₹ 1 lac (Year ended March 31, 2012: ₹ Nil) and ₹ 0.3 lac (Year ended March 31, 2012: ₹ Nil) respectively as payment made to an affiliated firm.		
(ii) Legal and professional includes (net of service tax input credit) :		
To cost auditors for cost audit	**1.40**	-
Total	**1.40**	-

Note 27 Additional information to the financial statements

(₹ in lacs)

Note Particulars	As at March 31, 2013	As at March 31, 2012
27.1 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Service tax*	**387.81**	362.53
Labour matter	**5.00**	5.00
Income tax	**88.62**	88.62
(b) Other money for which the Company is contingently liable		
Advance licence - custom duty elements	**1,346.13**	432.95
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	**229.40**	349.18

*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 issued a show cause Notice No. F.No.V(CH84)3-06/Dem./2009-10, dated 29.10.2009 for denial of wrongly availed Cenvat Credit of ₹ 140.41 lacs of service tax paid as input service during the period October 2007 to February 2008. The Commissioner of Central Excise, Customs and Service tax vide their order No.14/Dem./Vapi/2010, dated 12.04.2010 upheld the service tax liability of ₹ 247.40 lacs (As at March 31, 2012: ₹ 222.12 lacs) including interest of ₹ 106.97 lacs (As at March 31, 2012: ₹ 81.69 lacs) with additional penalty of ₹ 140.43 lacs (As at March 31, 2012: ₹ 140.43 lacs). An appeal has been filed by the Company before CESTAT, Ahmedabad vide appeal No.STS/326/2010. The Honorable CESTAT, Ahmedabad, has passed a stay order in favour of the Company and dispensed with the condition of pre-deposit of the duty and penalty amount to the tune of ₹ 387.81 lacs (As at March 31, 2012: ₹ 362.53 lacs) vide order No. 5/570/WZB/AHD/2011, dated 05.04.2011.

Notes forming part of the financial statements

Note 27 Additional information to the financial statements (contd.)

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

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

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**0.88**	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**1.86**	0.41
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**1.86**	0.41
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**1.86**	0.41
(vi) 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	**0.08**	0.01

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

27.3 Details on derivatives instruments and unhedged foreign currency exposures

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

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

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2013:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign currency in lacs	₹ in lacs	Foreign currency in lacs	₹ in lacs
Buy (Hedge of payables and expected future purchases)				
Canadian Dollar (CAD)	**1.48**	**81.89**	-	-
EURO	**14.96**	**1,097.03**	18.32	1,271.76
USD	**97.50**	**5,454.45**	49.75	2,608.66
Sell (Hedge of receivables and expected future sales)				
EURO	**19.31**	**1,457.49**	6.71	458.64
USD	**197.63**	**11,320.34**	132.50	6,664.89

Notes forming part of the financial statements

Note 27 Additional information to the financial statements (contd.)

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign currency in lacs	₹ in lacs	Foreign currency in lacs	₹ in lacs
Payables				
USD	**5.43**	**296.50**	5.37	276.27
EURO	**1.17**	**82.00**	2.50	171.91
UAE Dinar (AED)	**1.19**	**17.60**	-	-
Canadian Dollar (CAD)	**0.32**	**17.13**	-	-
Advance from customers				
USD	**73.61**	**3,979.23**	92.61	4,709.92
EURO	**6.17**	**426.12**	21.47	1,457.21
Receivables				
USD	**6.69**	**361.77**	21.28	1,082.38
EURO	**31.66**	**2,185.86**	35.96	2,440.76
Singapore Dollar (SGD)	**0.07**	**3.24**	-	-
Advance to suppliers				
USD	**1.72**	**93.82**	1.48	76.19
EURO	**3.42**	**238.48**	1.45	99.86

(₹ in lacs)

27.4	Value of imports calculated on CIF basis:	For the year ended March 31, 2013	For the year ended March 31, 2012
	Raw materials, components, stores and spares	**8,228.55**	5,451.70
	Capital goods	**616.90**	8.09

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.

(₹ in lacs)

27.5	Expenditure in foreign currency (on accrual basis):	For the year ended March 31, 2013	For the year ended March 31, 2012
	Commission on sales, Supervision & erection expenses, Design & engineering services and Consultancy charges	**372.66**	216.89
	Travelling expenses	**144.16**	121.84
	Brand and Technology Fees [including Income tax deducted ₹ 30.29 lacs (Year ended March 31, 2012: ₹ 20.94 lacs)]	**302.90**	209.42
	Interest	**5.98**	2.30
	Others	**53.81**	15.02

Notes forming part of the financial statements

Note 27 Additional information to the financial statements (contd.)

27.6	Details of consumption of imported and indigenous items:	**For the year ended March 31, 2013**	For the year ended March 31, 2012
	Imported		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**4,689.64**	4,884.78
	% of consumption	**12.11%**	21.10%
	Indigenous		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**34,050.55**	18,270.16
	% of consumption	**87.89%**	78.90%
	Total		
	Raw materials, components, stores and spares consumed (₹ in lacs)	**38,740.19**	23,154.94
	% of consumption	**100.00%**	100.00%

Note: Amount of indigenous consumption is balancing figure. See Note in 27.4 above.

(₹ in lacs)

27.7	Earnings in foreign exchange:	**For the year ended March 31, 2013**	For the year ended March 31, 2012
	Export of goods calculated on FOB basis	**7,052.19**	7,524.45
	Export of services	**171.63**	187.00

Note: The total export sales (made under long-term contracts) of ₹ 20,067.83 lacs (Year ended March 31, 2012: ₹ 9,490.38 lacs) comprise of sale of goods amounting to ₹ 7,052.19 lacs (Year ended March 31, 2012: ₹ 7,524.45 lacs) on FOB basis, to the extent identified from the records maintained in the ordinary course of business as above and balance sales on CFR/CIF/DAP/DDP basis.

27.8	Amounts remitted in foreign currency during the year on account of dividend:	**For the year ended March 31, 2013**	For the year ended March 31, 2012
	Amount of dividend remitted in foreign currency (₹ in lacs)	**184.89**	739.54
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	**1**	1
	Total number of shares held by them on which dividend paid	**3,697,700**	3,697,700
	Year to which the dividend relates	**2011-2012**	2010-2011
	Currency in which amount remitted	**EURO**	EURO

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards

28.1 Details of contract revenue and costs:

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Details of contract revenue and costs:		
Contract revenue recognised during the year	**51,869.37**	33,640.80
Aggregate of contract costs incurred and recognised profits (less recognised losses)	**51,522.54**	34,064.39
Advances from customers (Refer Notes 6 and 10)	**10,911.42**	14,526.84
Retention monies for contracts in progress (Refer Notes 15 and 17)	**11,737.64**	9,052.54
Gross amount due from customers for contract work (asset) (Refer Note 20)	**10,589.28**	9,964.08
Gross amount due to customers for contract work (liability) (Refer Note 10)	**2,390.54**	1,877.91

28.2 Employee benefit plans:

Employee benefit expenses include the following:

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Defined contribution schemes		
Company's contribution to Provident fund	**161.84**	144.13
Company's contribution to Superannuation fund	**43.76**	39.07
Defined benefit schemes - Gratuity		
Components of employer expense		
Current service cost	**45.34**	44.04
Interest cost	**34.23**	29.66
Expected return on plan assets	**(20.69)**	(14.07)
Actuarial losses/(gains)	**64.43**	(35.24)
Total expense recognised in the Statement of Profit and Loss (Refer Note 24 and Note 28.13)	**123.31**	24.39
Actual contribution and benefit payments for the year		
Actual benefit payments	**(27.29)**	(7.63)
Actual contributions	**42.51**	79.96
Net liability recognised in the Balance Sheet		
Present value of defined benefit obligation	**475.72**	357.23
Fair value of plan assets	**(295.46)**	(257.77)
Net liability recognised in the Balance Sheet	**180.26**	99.46
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**357.23**	322.78
Current service cost	**45.34**	44.04
Interest cost	**34.23**	29.66
Actuarial losses/(gains)	**66.21**	(31.62)
Benefits paid	**(27.29)**	(7.63)
Present value of DBO at the end of the year	**475.72**	357.23
Change in fair value of assets during the year		
Plan assets at beginning of the year	**257.77**	167.75
Expected return on plan assets	**20.69**	14.07
Actual company contributions	**42.51**	79.96
Actuarial gain	**1.78**	3.62
Benefits paid	**(27.29)**	(7.63)
Plan assets at the end of the year	**295.46**	257.77
Actual return on plan assets	**22.48**	17.69

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Composition of the plan assets is as follows:		
(percentage or value)		
Insurer managed funds*	**100.00%**	100.00%
Actuarial assumptions		
Discount rate	**8.05%**	8.65%
Expected return on plan assets	**7.50%**	7.50%
Salary escalation	**8.00%**	8.00%
Attrition		
Age (Years)		
21-30	**5.00%**	5.00%
31-40	**3.00%**	3.00%
41-59	**2.00%**	2.00%
Mortality tables	**Indian Assured Lives Mortality (2006-08) Ult**	LIC (1994-96)
Estimate of amount of contribution in the immediate next year (₹ in lacs)	**50.00**	50.00

Experience adjustments (₹ in lacs)

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Gratuity					
Present value of DBO	**475.72**	357.23	322.78	257.51	235.30
Fair value of plan assets	**295.46**	257.77	167.75	152.15	125.33
Funded status (Deficit)	**(180.26)**	(99.46)	(155.03)	(105.36)	(109.97)
Experience (gain)/loss adjustments on plan liabilities	**36.75**	(13.27)	22.82	10.55	80.64
Experience gain/(loss) adjustments on plan assets	**1.78**	3.62	(11.55)	0.69	11.18

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

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

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

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

(₹ in lacs)

28.3	Details of borrowing costs capitalised	For the year ended March 31, 2013	For the year ended March 31, 2012
	Borrowing costs capitalised during the year		
	- as capital work-in-progress	**34.27**	2.04
	- capitalised during the year	**217.94**	-
	Total	**252.21**	2.04

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.4 Segment information

Geographical Segments:

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

Secondary Segments:

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

(₹ in lacs)

Particulars	**For the year ended March 31, 2013**		
	Overseas	**India**	**Total**
Revenue			
External revenue	17,817.07 (12,948.38)	35,179.99 (22,037.69)	52,997.06 (34,986.07)
Inter-segment revenue	- (-)	- (-)	- (-)
Total	**17,817.07** **(12,948.38)**	**35,179.99** **(22,037.69)**	**52,997.06** **(34,986.07)**
Segment result	2,312.91 (3,285.66)	2,941.46 (3,441.56)	5,254.37 (6,727.22)
Unallocable expenses (net)			5,893.98 (5,494.38)
Operating (expense)/income			(639.61) (1,232.84)
Finance cost			314.70 (179.97)
Other income			761.72 (582.32)
(Loss)/Profit before taxes			(192.59) (1,635.19)
Tax (Income) /expense			(93.23) (539.07)
Net (loss)/profit for the year			**(99.36)** **(1,096.12)**
Other information			
Segment assets	7,584.66 (10,173.72)	42,577.21 (27,763.57)	50,161.87 (37,937.29)
Unallocable assets			3,877.87 (4,392.00)
Total assets			**54,039.74** **(42,329.29)**
Segment liabilities	6,743.54 (7,773.90)	28,096.49 (19,009.78)	34,840.03 (26,783.68)
Unallocable liabilities			4,139.00 (385.54)
Total liabilities			**38,979.03** **(27,169.22)**
Other information			
Capital expenditure			2,449.02 (2,726.70)
Depreciation and amortisation			460.33 (438.72)
Non-cash expenses other than depreciation and amortisation (net)			817.87 (-48.00)*

*Represents Non-cash Income (net)

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

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.5 Related party transactions

28.5 a Details of related parties:

Description of relationship	Names of related parties
Holding Company	Cockerill Maintenance & Ingenierie S.A.
Fellow Subsidiaries (with whom Company has made transactions during the year)	CMI Industry Automation Private Limited CMI UVK GmbH CMI Engineering (Beijing) Co. CMI M+W Engineering GmbH
Key Management Personnel (KMP)	Mr. Jean Gourp - Managing Director (upto April 15, 2013 and thereafter Executive Director till April 30, 2013) Mr. Raman Madhok - Managing Director (upto August 23, 2011)

Note: Related parties have been identified by the Management.

28.5 b Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013:

(₹ in lacs)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Total
Purchase of goods	-	5,176.61	-	5,176.61
	(13.04)	(3,097.66)	(-)	(3,110.70)
Receiving of services	21.94	17.06	-	39.00
	(-)	(14.37)	(-)	(14.37)
Sale of goods	-	224.78	-	224.78
	(-)	(7.19)	(-)	(7.19)
Shared services income	-	53.09	-	53.09
	(-)	(32.48)	(-)	(32.48)
Capital Expenditure	6.80	-	-	6.80
	(-)	(-)	(-)	(-)
Remuneration	-	-	115.56	115.56
	(-)	(-)	(256.43)	(256.43)
Dividend paid	184.89	0.28	-	185.17
	(739.54)	(1.10)	(-)	(740.64)
Brand and technology fees	302.90	-	-	302.90
	(209.42)	(-)	(-)	(209.42)
Expenses reimbursement received	3.28	27.21	-	30.49
	(-)	(1.20)	(-)	(1.20)
Expenses reimbursement paid	50.95	0.55	-	51.50
	(38.29)	(124.63)	(-)	(162.92)
Balances outstanding at the end of the year:				
Trade receivables	-	101.31	-	101.31
	(-)	(8.87)	(-)	(8.87)
Loans and advances	-	273.13	-	273.13
	(-)	(408.57)	(-)	(408.57)
Advance received from customers	309.85	806.56	-	1,116.41
	(-)	(364.36)	(-)	(364.36)
Trade payables	188.65	216.78	-	405.43
	(76.32)	(421.77)	(-)	(498.09)

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

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.5 c The significant related party transactions are as under:

Nature of transactions	Fellow subsidiaries	₹ in lacs	KMP	₹ in lacs
Purchase of goods	CMI Industry Automation Private Limited	5,114.77 (3,097.66)		
	CMI UVK GmbH	61.84 (-)		
Receiving of services	CMI Industry Automation Private Limited	17.06 (5.85)		
	CMI Engineering (Beijing) Co.	- (8.52)		
Sale of goods	CMI Industry Automation Private Limited	13.49 (7.19)		
	CMI M+W Engineering GmbH	211.29 (-)		
Shared services income	CMI Industry Automation Private Limited	53.09 (32.48)		
Remuneration			Jean Gourp	115.56 (137.92)
			Raman Madhok	- (118.51)
Dividend paid	CMI Industry Automation Private Limited	0.28 (1.10)		
Expenses reimbursement received	CMI Industry Automation Private Limited	27.21 (1.20)		
Expenses reimbursement paid	CMI Industry Automation Private Limited	0.55 (0.54)		
	CMI Engineering (Beijing) Co.	- (0.66)		
	CMI UVK GmbH	- (123.43)		
Trade receivables	CMI Industry Automation Private Limited	16.06 (8.87)		
	CMI M+W Engineering GmbH	85.25 (-)		
Loans and advances	CMI Industry Automation Private Limited	273.13 (408.57)		
Advance received from customers	CMI M+W Engineering GmbH	806.56 (364.36)		
Trade payables	CMI Industry Automation Private Limited	216.78 (297.06)		
	CMI UVK GmbH	- (124.71)		

Note: During the year there were no amounts required to be written off and written back from such parties.

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.6 Operating Lease:

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

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

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Future minimum lease payments		
not later than one year	**11.14**	60.00
later than one year and not later than five years	**-**	10.00
later than five years	**-**	-
Total	**11.14**	70.00
Lease payments recognised in the Statement of Profit and Loss	**106.76**	119.08

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

28.7 Earnings per share:

Earnings per share:	For the year ended March 31, 2013	For the year ended March 31, 2012
Basic and Diluted		
Net (loss)/profit for the year attributable to the equity shareholders (₹ in lacs)	**(99.36)**	1,096.12
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 (₹)	**(2.01)**	22.20
Earnings per share - Diluted (₹)	**(2.01)**	22.20

28.8 Deferred tax (liabilities)/assets arising due to timing differences comprise of:

(₹ in lacs)

Items	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax liabilities		
Timing difference in accounting and tax depreciation	**(77.06)**	-
Tax effect of items constituting deferred tax liabilities	**(77.06)**	-
Tax effect of items constituting deferred tax assets		
Timing difference in accounting and tax depreciation	**-**	17.04
Provision for doubtful trade receivables	**258.08**	176.89
Provision for warranties	**53.47**	63.14
Provision for compensated absences	**153.87**	129.24
Provision for bonus	**45.85**	35.42
Provision for excise duty on finished goods	**39.40**	15.47
Provision for gratuity	**18.26**	23.41
Unrealised loss on mark-to-market	**-**	61.89
Carried forward business losses	**123.86**	-
Tax effect of items constituting deferred tax assets	**692.79**	522.50
Deferred tax assets (net)	**615.73**	522.50

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.9 Details of provisions

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

(₹ in lacs)

Particulars	As at April 1, 2012	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2013
Provision for warranties	1,060.98 (895.69)	519.32 (320.28)	31.58 (33.13)	317.22 (121.86)	**1,231.50** (1,060.98)
Provision for estimated losses on contracts	572.43 (996.02)	346.82 (305.21)	- (-)	- (728.80)	**919.25** (572.43)
Provision for custom duty on bonded goods	- (20.60)	- (-)	- (20.60)	- (-)	**-** (-)
Total	**1,633.41** (1,912.31)	**866.14** (625.49)	**31.58** (53.73)	**317.22** (850.66)	**2,150.75** (1,633.41)

Note: Figures in brackets relate to the previous year.

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

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for warranties	**853.78**	530.14
Provision for estimated losses on contracts	**712.75**	520.51

28.10 Project related expenses comprise:

(₹ in lacs)

Nature of expense	For the year ended March 31, 2013	For the year ended March 31, 2012
Design and engineering charges	**77.27**	31.16
Testing and inspection	**33.79**	20.17
Transport charges (inward)	**280.75**	215.79
Service charges	**-**	8.52
Crane hire charges	**67.24**	68.00
Clearing and forwarding expenses (import)	**123.62**	65.69
Technology fees	**1.37**	8.77
Cess on technology fees	**0.07**	0.44
Total	**584.11**	418.54

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

(₹ in lacs)

Nature of expense	For the year ended March 31, 2013	For the year ended March 31, 2012
Reversal of provision for warranties	**317.22**	121.86
Reversal of provision for employee benefits	**108.55**	34.14
Credit balance written back	**6.08**	3.52
Total	**431.85**	159.52

Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

28.12 The Company has also entered into an agreement with CMI SA for providing knowhow, access to various industrial processes, development and implementation of strategy, access to best practices for business operations, exploitation of knowledge for new business initiatives, access to new global business opportunities, etc. The agreement is effective from January 1, 2010.

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 effective from January 1, 2010 and the tenure of the agreement is 5 years.

(₹ in lacs)

Particulars	**For the year ended March 31, 2013**	For the year ended March 31, 2012
Technology fees	**1.37**	8.77
Brand fees	**301.53**	200.65

28.13 The expenses disclosed under the Statement of Profit and Loss are net of the following amounts as stated below which have been capitalised under fixed assets:

(₹ in lacs)

Particulars	**For the year ended March 31, 2013**	For the year ended March 31, 2012
Salaries and wages	**75.80**	-
Provident fund	**2.89**	-
Superannuation fund	**1.46**	-
Gratuity fund (Refer Note 24 and Note 28.2)	**1.17**	-
Staff welfare expenses	**0.47**	-
Travelling and Conveyance	**6.89**	-
Miscellaneous Expenses	**4.41**	-
Total	**93.09**	-

28.14 The Company has been taking active steps and is hopeful of recovery of an amount of ₹ 2,788.61 lacs (As at March 31, 2012: ₹ 2,447.01 lacs) receivable from a foreign customer which has remained outstanding for over three years for several reasons. By way of abundant caution, it has also made adequate provision therefor in the books of account.

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

For and on behalf of the Board of Directors

Jean-Marc Kohlgruber
Chairman

Sanjoy Kumar Das
Managing Director

Yves Honhon
Director

Akash Ohri
Chief Financial Officer

Sanjay Kumar Mutha
Company Secretary

Place : Mumbai
Dated : May 29, 2013

CMI FPE LIMITED

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

PROXY FORM

TWENTY-SEVENTH ANNUAL GENERAL MEETING – JULY 31, 2013

Regd. Folio No.:
DP ID No.:
CL ID No.:

I/We ______________________________ of ______________________________ being a member(s) of the Company hereby appoint ______________________________ of ______________ or failing him/her ______________________________ of ______________ as my/our proxy to attend and vote for me/us on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on July 31, 2013 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai 400 093 and at any adjournment thereof.

As witness my/our hand(s) this________day of __________, 2013.

Affix One Rupee Revenue Stamp

____

[Signature of the Shareholder(s)]

No. of Shares held: ______________

Notes:

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

CMI FPE LIMITED

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

ATTENDANCE SLIP

TWENTY-SEVENTH ANNUAL GENERAL MEETING – JULY 31, 2013

Regd. Folio No.:
DP ID No.:
CL ID No.:

I/ we hereby record my/our presence at the 27th ANNUAL GENERAL MEETING of the Company held on Wednesday, July 31, 2013 at 2.30 p.m. at Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai 400 093.

NAME OF THE SHAREHOLDER(S): ______________________________

____

No. of Share(s) held : ______________________________

Signature ______________________________

NAME OF THE PROXY HOLDER/AUTHORISED REPRESENTATIVE: ______________________________

____

Signature ______________________________

Notes:

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

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

Produced by: The Communication Department of CMI FPE Ltd.,
in collaboration with Synergy Creations,
under the guidance of CMI Group, Communication Department.