

CMI LIMITED
42nd
Annual Report
2008 - 2009



CMI LIMITED

An ISO 9001 Company

<p><u>Board of Directors</u></p> <p>Amit Jain Parag Jain Pyare Lal Khanna Vijay Kumar Gupta Neeraj Goel Ramesh Chand</p>	<p><u>Designation</u></p> <p>Managing Director Promoter & Non Executive Director Non- Executive Independent Director Non- Executive Independent Director Non- Executive Independent Director Non-Executive Independent Director</p>
<p><u>Audit Committee</u></p> <p>Pyare Lal Khanna Parag Jain Neeraj Goel</p>	<p>Chairman Member Member</p>
<p><u>Remuneration Committee</u></p> <p>Neeraj Goel Parag Jain Pyare Lal Khanna</p>	<p>Chairman Member Member</p>
<p><u>Share Holder's / Investor's Grievance Committee</u></p> <p>Neeraj Goel Parag Jain</p>	<p>Chairman Member</p>
<p><u>Stock Exchanges</u></p>	<p>Delhi Stock Exchange Limited DSE House 3/1, Asaf Ali Road, New Delhi - 110 002.</p> <p>Bombay Stock Exchange Limited , 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400001.</p> <p>Ahmedabad Stock Exchange Limited, 1st Floor, Kamdhenu Complex, Opp. Sahajand College, NR Panjara Pole Ambawadi, Ahmedabad- 380015.</p>
<p><u>Auditors</u></p>	<p>M/s Manocha J. K. & Associates Chartered Accountants 27/55, Street No. 8, Vishwas Nagar, Shahdara, New Delhi - 110 032 Phone : 011 - 22389025 Regn. No. : 082442</p>
<p><u>Bankers</u></p>	<p>-Syndicate Bank, Yojna Vihar, New Delhi -Kotak Mahindra, New Delhi -State Bank of India, Krishna Nagar, Delhi -IDBI Bank, New Delhi -ABN AMRO Bank, New Delhi</p>
<p><u>Regd. Office</u></p>	<p>C-483, Yojna Vihar New Delhi-110092 Phone : 22151388</p>
<p><u>Works</u></p>	<p>Plot No. 71 & 82, Sector - 6, Faridabad, Haryana. Phone : 95129 - 4089309 to 4089312</p>

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Members of **CMI LIMITED** will be held on **Wednesday, the 30th day of September, 2009** at 11.30 a.m. at the Registered office of the Company at C-483, Yojna Vihar, Delhi – 110 092 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended 31st March, 2009 alongwith Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Pyare Lal Khanna, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
3. To appoint Mr. Neeraj Goel, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
4. To appoint M/s **Manocha J.K. & Associates, Chartered Accountants, Delhi**, the retiring Auditors, to hold office as Auditors from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration:

RESOLVED THAT M/s Manocha J.K. & Associates, Chartered Accountants, Delhi, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and Board of Directors, of the Company be and is hereby authorized to fix their remuneration.”

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the Section 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of shareholders in the General Meeting, the approval of the Company be and is hereby accorded for payment of commission to Mr. Vijay Kumar Gupta, Director of the Company, in accordance with and upto the limits laid down under the provisions of Section 309 (4) of the Act, computed in the manner specified in Section 309(5) for a period of 5 years from the financial year commencing 1st April 2009, in such manner and upto such extent as the Remuneration Committee of the Board may, from time to time, determine.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors and / or Remuneration Committee constituted by the Board be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and sign and file necessary Form / papers with appropriate authorities including Registrar of Companies, NCT of Delhi & Haryana”

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

"RESOLVED THAT pursuant to the Section of Section 310 of the Companies Act, 1956 and Article 110 of Articles of Association of the Company, consent of the Company be and is hereby accorded to increase the monthly remuneration of Mr. Amit Jain, Managing Director of the Company, from Rs. 91,667 (Rupees Ninety One Thousand Six Hundred and Sixty Seven Only) to Rs 1,25,000/- (Rupees One Lakh and Twenty Five Thousand Only) by way of salary with effect from 1st day of October, 2009, other terms and conditions remaining unchanged. The remuneration package proposed to be provided to Mr. Amit Jain is as follows :



Basic Salary	63,750.00
HRA (60% of Basic)	38,250.00
Education Allowance	2,250.00
Conveyance Allowance	10,000.00
Executive Attire Exp. (Reimbursement)	2,000.00
Professional Pursuit Exp. (Reimbursement)	2,000.00
Total	<u>1,18,500.00</u>
Insurance Premium	5,000.00
Medical Reimbursement	4,000.00
LTA Reimbursement	2,000.00
Total Emoluments	<u>1,25,000.00</u>

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution”

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

“**RESOLVED THAT** Mr. Parag Jain, who was appointed as an Additional Director on 16th February 2009 as per Article 80 of Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

“**RESOLVED THAT** Mr. Ramesh Chand, who was appointed as an Additional Director on 27th February, 2009 as per Article 80 of Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation.”

By Order of the Board

Place: Delhi
Date: 3rd September, 2009

Amit Jain
(Managing Director)

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
- Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
- Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2009 to Wednesday, 30th September, 2009, both days inclusive.
- The Explanatory statement pursuant to Section 173(2) of Companies Act, 1956, which sets out details relating to special business to be transacted at the meeting, is annexed hereto.



5. Members are requested:
- a) To intimate immediately for change of their address and bank particulars to the "RTA" in case shares are held in certificate form;

AND

In case the shares are held in dematerialized form, information should be passed on directly to their respective Depository Participant and not to the Company/RTA without any delay.

- b) To quote Ledger Folio Numbers / DP ID – Client ID in all their correspondence.
 - c) To bring their admission slips along with copy of the Reports and Accounts to the Annual General Meeting.
 - d) No gift or gift coupons will be distributed at the meeting
6. No amount of money is due & pending which is required to be transferred to unpaid or unclaimed dividend account or to Investor Education and Protection Fund.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Vijay Gupta, born on 15th December, 1949, possesses 38 plus years of rich experience in cable industry and marketing. He has been continuously developing new customers and new products for the Company and thereby submitting and executing various orders to the customers. With his association of more than eight years with the Company, the Company's revenue reached to new heights.

Since his association with the Company, he has been receiving commission from the Company on services provided by him. The Directors inducted Mr. Vijay Kumar Gupta as a Director of the Company on the Board of CMI w.e.f. 15th January, 2009.

The Board at its meeting held on 14th March, 2009 resolved to pay the commission to Mr. Vijay Kumar Gupta in accordance with and upto the limits laid down under the provisions of Section 309 (4) of the Act, computed in the manner specified in the Act, for a period of 5 years from the financial year commencing 1st April, 2009

The Board of Directors accordingly recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors other than Mr. Vijay Kumar Gupta is interested in this Resolution.

ITEM NO. 6

In the year 2002, when Mr. Amit Jain took over as Managing Director of the Company, the Company was struggling for its existence. During that period, due to heavy operational losses, the entire net worth of the Company was eroded and operations of the company were come to a halt. Mr. Amit Jain with his vision and entrepreneurial skills turnaround the Company from a loss making to a profit making Company. Under his leadership, CMI has forged many relationships and has grown significantly despite many hurdles. Because of his foresightness and professional approach, he is appointed as Managing Director for a period of five years from 1st October, 2007 to 30th September, 2012. As a Managing Director, he is responsible for overall management of the Company.

The Board of Directors of your Company at its meeting held on 30th June, 2009 on the recommendations of Remuneration Committee of the Company have resolved to enhance the monthly Remuneration payable to Mr. Amit Jain from Rs.91,667 (Rupees Ninety One Thousands Six Hundred and Sixty Seven Only) to Rs1,25,000/- (Rupees One Lakh and Twenty Five Thousands Only) with effect from 1st day of October, 2009 subject to the approval of the Members and in pursuance of the provisions of Schedule XIII and other applicable provisions of the Company Act, 1956.



The proposed remuneration payable to Mr. Amit Jain is quiet moderate compared to remuneration being paid at his level in the cable industry and the same is in comformity with Schedule XIII of the Act.

Mr. Amit Jain and Mr. Parag Jain are interested in the resolution to the extent of their relationship. The Board recommends the resolution at Item No. 6 for increase in his Remuneration for your approval.

ITEMNO. 7

The Board of Directors of your Company appointed Mr. Parag Jain as an Additional Director of the Company at their Meeting held on 16 th February 2009, pursuant to Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Article 80 of the Articles of Association of the Company. In terms of the said section, he holds office up to the ensuing Annual General Meeting.

It is proposed to appoint Mr. Parag Jain as Director of the Company, liable to retire by rotation.

The Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for office of Director of the Company.

The Board of Directors of your Company are of the view that it is desirable to avail guidance and advice of Mr. Parag Jain, Who is having rich experience and expertise in cable industry and Public Relations and accordingly, your Directors recommend the Resolution at ItemNo.7 for your approval.

None of the Directors except Mr. Parag Jain seeking appointment and Mr. Amit Jain and Mr. Pyare Lal Khanna to the extent of their relationship is concerned or interested in the said resolution.

ITEMNO.8

The Board of Directors of your Company appointed Mr. Ramesh Chand as an Additional Director of the Company at their Meeting held on 27th February, 2009, pursuant to Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Article 80 of the Articles of Association of the Company. In terms of the said section, he holds office up to the ensuing Annual General Meeting.

It is proposed to appoint Mr. Ramesh Chand as Director of the Company, liable to retire by rotation.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for office of Director of the Company.

The Board of Directors of your Company are of the view that it is desirable to avail guidance and advice of Mr. Ramesh Chand, who is having rich experience and expertise in Sociology and Finance related matters and accordingly, your Directors recommend the Resolution at Item No. 8 for your approval.

Mr. Ramesh Chand is interested in the Resolution relating to his appointment. None of the other Directors of your Company is interested in this Resolution.

Place: Delhi
Date: 3rd September , 2009

By Order of the Board
Amit Jain
(Managing Director)

**DIRECTORS' REPORT**

To,

The Members,
CMI Limited

Your Directors have enormous gratification in presenting the Forty Second (42nd) Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the financial year ended 31st March, 2009. The Company has performed extremely well during the year on various operational fronts and business parameters.

OVERALL REVIEW

During the year under report, there is 130% rise in turnover of the Company and despite rise in material prices the enhanced turnover helps the Company to book profit to the tune of Rs. 2.99 Crores. The improved performance helped the Company in achieving better discipline in all spheres. The broadened customer base, reliable suppliers and dedicated work force of the Company, will bring back the Company to its old position very soon.

FINANCIAL REVIEW

The working results of the Company for the year are as follows: -

PARTICULARS	31.03.2009 Amt. (In Rs.)	31.03.2008 Amt. (In Rs.)
Income	52,17,18,366	22,48,46,278
Less: Expenditure	49,18,03,698	20,50,37,289
Profit before Depreciation and Tax	2,99,14,668	1,98,08,990
Less: Depreciation	87,25,348	88,54,060
Profit Before Tax	2,11,89,320	1,09,54,930
Previous Year Adjustments	4,53,066	-
Fringe Benefit Tax	1,47,911	1,16,156
Net Profit for the year carried to the Balance Sheet	2,14,94,475	1,08,38,774

During the year under review, the turnover of the Company has reached to new heights i.e. Rs. 5217 Lakhs as compared to Rs. 2248 Lakhs in previous year. The net profit of the Company is also increased to Rs. 214.94 Lakhs as compared to Rs. 108.38 Lakhs in the previous year.

DIVIDEND

As brought forward losses yet not wipe out completely and Company needs further funds to meet out the deficiencies in working capital, therefore, the management is of the view that the profits earned during the year must be retained and redeployed for the operations of the Company.

No amount of money is due & pending which is required to be transferred to unpaid or unclaimed dividend account or to Investor Education and Protection Fund.

AUDITORS

M/s Manocha J.K. & Associates, Chartered Accountants, Delhi, who retires at the conclusion of this Annual General Meeting, are being eligible, offer themselves for re-appointment as Statutory Auditors of the Company. They have furnished a certificate to the effect that their re-appointment if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

**AUDITORS' OBSERVATION**

The Auditors' observations are self explanatory, which do not call for any further clarifications except the following:-

- The Company has not provided for gratuity liability to the tune of Rs. 42.49 lakhs as on 31st March, 2009.

As per the policy of the Company the same is accounted in the books of accounts on payment basis only, therefore, no liability is provided in the current year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and Articles of Association, Mr. Pyare Lal Khanna and Mr. Neeraj Goel, are liable to retire by rotation and being eligible offers their candidature for re-appointment.

Mr. Vijay Kumar Gupta and Mr. Abhishek Aggarwal were appointed as Directors of the Company in the Extra-ordinary General Meetings of the Members of the Company held on 15th January, 2009 and 24th January, 2009 respectively.

Mr. Parag Jain, was appointed as an Additional Director of the Company on 16th February, 2009 in respect of whom the Company has received a notice, in terms of Section 257 of the Companies Act, proposing his candidature for the office of Director.

Mr. Ramesh Chand, was appointed as an Additional Director of the Company on 27th February, 2009 in respect of whom the Company has received a notice, in terms of Section 257 of the Companies Act, proposing his candidature for the office of Director.

During the year, Mr. Abhishek Aggarwal resigned from the Directorship of the Company. w.e.f. 27th February, 2009.

FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits from the public. As on 31st March, 2009, the Company has neither any unclaimed amount nor any overdue amount of any deposit to any depositor pursuant to the provisions of Non-Banking Financial Companies (Reserve Bank Directions), 1997.

REVOCATION OF SUSPENSION OF TRADING IN SHARES

During the year under review, the Company has made all compliances required till date in conformity with various clauses of Listing Agreement signed with Bombay Stock Exchange Limited for revocation of suspension of trading in shares of the Company. The management of the Company is very much hopeful that the suspension will be lifted by the end of this year.

The Company also filed all documents in compliance with the Amnesty Scheme as introduced by Delhi Stock Exchange Association Limited in February 2009.

HUMAN RESOURCES

Your Company has put in place effective human resource acquisition and maintenance function, which is benchmarked along with best corporate practices designed to meet the organizational needs and it takes pride in its highly motivated manpower that contributed its best to the Company. The Employee's relations within the organization have been very cordial and harmonious during the year and Human Relation Policies were reviewed and upgraded in line with the Company's future objectives.

CORPORATE GOVERNANCE

It has always been the Company's endeavour to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The Compliance Report on Corporate Governance Report forms part of this Annual Report. The Practicing Company Secretaries Certificate on the Compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement forms part of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

The detailed analysis of the operating performance of the Company for the year, the state of affairs and the key changes in the operating environment has been included in the Management Discussion and Analysis Section which forms part of the Annual Report.

ISO CERTIFICATION

Your Company continues to uphold and maintain the prestigious ISO 9001 Certification for manufacture of PJFT, Dry Core, PVC, Instrumentation, Power Control and Networking Applications Cables. The Company continues to practice international quality standards, systems and procedures.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:-

- (i). In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there were no material departures.
- (ii). Appropriate Accounting Policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii). Proper and sufficient care have been taken 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.

PARTICULARS OF EMPLOYEES

As none of the employees was in receipt of remuneration more than Rs. 24,00,000/- per annum, if employed for the whole year or Rs. 2,00,000/- per month, if employed for part of the year. Therefore, the Company is not required to give information pursuant to Section 217(2A) of the Companies Act, 1956.

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure Of Particulars In The Report of Board Of Directors) Rules, 1988 forming part of the Directors' Report and is as under:

Conservation of Energy

The Company has taken adequate measures to ensure optimum use of all equipments so as to conserve energy.

Technology Absorption, Adaptation & Innovation

Continuous efforts are being made for product improvement and cost reduction. The company has not made any import of technology so far.

Foreign Exchange Earnings and Outgo

The company has not exported any of its products and there was no Foreign Exchange Earnings and Outgo during the year under review.

ENVIRONMENTAL REVIEW

The Company has a defined environmental policy which is being followed rigorously by one and all across the organization. There were no environmental issues at the CMI plant and the statutory compliance was in line with Governmental requirements.



The Pollution Control parameters as defined by the State Pollution Control Board were totally adhered and effluent discharge level was well within the prescribed limits. Air pollution has been tested and was in line with the requirement. Noise pollution level was contained by fixing all the generators in sound proof acoustic enclosures.

INDUSTRIAL RELATIONS

The Company has taken various steps to improve productivity across organization. Industrial relations remained harmonious at the manufacturing unit of CMI.

ACKNOWLEDGMENTS

Your Directors wish to take this opportunity to offer sincere appreciation and acknowledge with gratitude the support and co-operation extended by the clients, vendors, bankers, registrar and share transfer agent, business associates, financial institutions, media and their agencies and look forward to their continued support and assistance.

Your Directors also convey their gratitude to the Members of the Company for the confidence shown by them in the Company and thank the employees at all levels, who, through their untiring efforts, dedication, cooperation and commitment have enabled the company to achieve its strategic corporate objectives.

By Order of the Board

Amit Jain
Chairman of the Meeting

Place: Delhi

Date : 3rd September, 2009

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the CMI Group.

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders.

BOARD OF DIRECTORS

Composition

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non-Executive Directors, the latter including independent professionals. The present strength of the Board of Directors is six, of which one is an Executive Director.

Directors

The Board constitution, the attendance of the Directors at the meetings of the Board held during the financial year and at the last Annual General Meeting (AGM), numbers of other Directorship / Committee Membership held by them during the year 2008 - 2009 are tabulated below:



Name of Director	Category of Director	Number of Board Meetings		Attendance in Last AGM	No. of Director-ships in other Public Cos.	No. of Other Committee position as Member	No. of Other Committee position as Chairman
		Held*	Attended				
Mr. Amit Jain	Chairman cum Managing Director & Executive Promoter Director	30	30	Yes	One	None	None
Mr. Parag Jain**	Non Executive Promoter Director	25	24	Yes	None	None	None
Mr. Pyare Lal Khanna	Non Executive Independent Director	30	28	Yes	None	None	None
Mr. Abhishek Aggarwal###	Non Executive Independent Director	8	8	No	None	None	None
Mr. Vijay Kumar Gupta#	Non Executive Independent Director	11	11	No	One	None	None
Mr. Neeraj Goel	Non Executive Independent Director	30	24	Yes	None	None	None
Mr. Ramesh Chand***	Non Executive Independent Director	3	3	No	None	None	None

* Denotes number of meetings held during the tenure of directorship of each director.
 ** Mr. Vijay Kumar Gupta has been appointed as Director of the Company w.e.f. 15th January, 2009.
 # Mr. Parag Jain has been appointed as Additional Director of the Company w.e.f. 16th February, 2009.
 ## Mr. Abhishek Aggarwal has been appointed as Director of the Company w.e.f. 24th January, 2009 and Resigned on 27th February, 2009.
 *** Mr. Ramesh Chand has been appointed as Additional Director of the Company w.e.f. 27th February, 2009.
 -> Mr. Pyare Lal Khanna and Mr. Neeraj Goel, Directors are liable to retire by rotation and being eligible offers themselves for re-appointment.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The Company has defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner. **Thirty (30)** Board Meetings were held during the year 2008-2009 and the gap between two meetings did not exceed four months. The details of which are as follows:

- (1) 17th April, 2008; (2) 28th April, 2008; (3) 06th May, 2008; (4) 15th May, 2008; (5) 16th June, 2008; (6) 30th June, 2008; (7) 01st July, 2008; (8) 15th July, 2008; (9) 25th July, 2008; (10) 30th July, 2008; (11) 14th August, 2008; (12) 25th August, 2008; (13) 26th August, 2008; (14) 08th September, 2008; (15) 04th October, 2008; (16) 16th October, 2008; (17) 30th October, 2008; (18) 17th November, 2008; (19) 17th December, 2008; (20) 20th December, 2008; (21) 01st January, 2009; (22) 15th January, 2009; (23) 16th January, 2009; (24) 31st January, 2009; (25) 06th February, 2009; (26) 13th February, 2009; (27) 16th February, 2009; (28) 27th February, 2009; (29) 28th February, 2009; (30) 14th March, 2009.

**ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT OR SEEKING EXTENSION AT THE ANNUAL GENERAL MEETING.**

Name of Director	Mr. Parag Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Abhishek Aggarwal	Mr. Neeraj Goel	Mr. Ramesh Chand
Designation	Non Executive Promoter Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director
Date of Birth	2 nd March, 1968	13 th Aug, 1948	15 th Dec, 1949	14 th Feb, 1981	6 th Dec, 1975	15 th May, 1949
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	16 th Feb, 2009	30 th Sept, 2004	15 th Jan, 2009	24 th Jan, 2009	14 th Feb, 2002	27 th Feb, 2009
Qualifications	Having vast experience and expertise in PR and Overall functioning of the Company	Having more than 40 years of Grassroot level experience in Metals	Having very rich experience in Technical and Marketing	Done majors in MBA Finance	Having ten plus years of experience in Marketing	Done BSC and MA in Sociology and have expertise in Finance Management
Shareholding in CMI Limited as on 31-03-2009	Nil	Nil	8,770 (0.28%)	1,10,344 (3.61%)	Nil	Nil
Directorship in other Companies and Memberships of Committees	<ul style="list-style-type: none"> •Vardhman Cables India Private Limited •Lancer Telecom India Private Limited •RKJ Alloys & Conductors Private Limited •Parshawanath Cables Private Limited •Pearl Regency Real Estate Private Limited •RKJ Construction Private Limited •Imax Buildwell Private Limited •Jurasic Park Private Limited •Vishudh Metals Private Limited 	Nil	•CMI Telecom Limited	Nil	Nil	Nil

Code of Conduct

The code of conduct in line with the provisions of Clause 49 of the listing agreement has been framed / adopted by the Board is applicable to all members of the Board and Senior Management Executives. The members of Board /and Senior Management of the Company have affirmed compliance with the code of conduct.

Declaration as required under clause 49 of the Listing Agreement

As provided under Clause 49 of the Listing Agreement with the stock exchange, all the members of the Board and Senior Management Personnel have confirmed compliance with Code of Conduct of the company for the financial Year ended as on March 31, 2009.

Delhi
3rd September, 2009

Amit Jain
Managing Director

**COMMITTEES OF THE BOARD**

The Board has constituted three Committees of the Board – the Audit Committee, the Remuneration Committee and Shareholders'/Investors' Grievance Committee. The role and composition of these Committees, including the number of the meetings held and the related attendance are as follows:

A. AUDIT COMMITTEE

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and as per the provisions of the Listing Agreement.

The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services;
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - Compliance with Accounting Standards
 - Compliance with legal requirements concerning financial statements
 - Related party transactions;
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

**Composition**

The Audit Committee comprises three Non-Executive Directors, with two of them being Independent Directors. The Managing Director, the Head of Internal Audit and the representative of Statutory Auditors are Invitees to the Audit Committee and the Company Secretary is the Secretary to the Committee.

All members of the Committee are financially literate and two members have accounting and financial expertise. The names of the members of the Audit Committee, including its Chairman is as under :-

Name	Designation	Category
Mr. Pyare Lal Khanna	Chairman	Independent & Non-Executive Director
Mr. Neeraj Goel	Member	Independent & Non-Executive Director
Mr. Parag Jain	Member	Promoter & Non-Executive Director

Five Audit Committee Meetings were held during the year 2008-2009. The dates on which the said meetings held were as follows:

(1) 30th April, 2008 ; (2) 30th June, 2008 ; (3) 30th July, 2008 ; (4) 30th October, 2008 ; (5) 31st January, 2009.

The necessary quorum was present at the meetings.

B. REMUNERATION COMMITTEE

The Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Managing Director and the senior most level of management immediately below the Managing Director. It also recommends successions and appointments viz. the membership of the Board and the senior most level of executive management.

Composition

The Remuneration Committee comprises all Non-Executive Directors. The names of the members of the Remuneration Committee, including its Chairman are as follows:

Name	Designation	Category
Mr. Neeraj Goel	Chairman	Independent & Non-Executive
Mr. Pyare Lal Khanna	Member	Independent & Non-Executive
Mr. Parag Jain	Member	Promoter & Non-Executive

Two Remuneration Committee Meetings were held during the year 2008-2009. The dates on which the said meetings held were as follows:

(1) 30th April, 2008 ; (2) 30th October, 2008.

The necessary quorum was present at the meetings.

Remuneration Policy.

The Company firmly believes in attracting and retaining high caliber talent. The remuneration policy, therefore, takes into account the competitive circumstances so as to attract & retain quality talent.

Details of Remuneration of Directors for the financial year ending March 31, 2009:

(Rs. In Lakhs)

Director	Consolidated Salary	Supplementary Allowance	PF	Total	Sitting Fees
Amit Jain (Executive Director)	6.12	3.79	0.05	9.96	-

Mr. V.K. Gupta, who was appointed as Director of the Company w.e.f. 15th January, 2009, has been paid commission in professional capacity during the year under review.

Non-Executive Directors have not been paid any remuneration in any form, except Mr. V. K. Gupta, as stated above, during the financial year under review.

**C. SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE****Composition**

The Committee comprises of two Directors. The Chairman of the Committee is a Non-Executive Independent Director. The names of the members of the Investors Grievance Committee, including its Chairman as on 31st March 2009 are as follows: -

Name	Designation	Category
Mr. Neeraj Goel	Chairman	Independent & Non-Executive
Mr. Parag Jain	Member	Promoter & Non-Executive

Terms of Reference

The Committee oversees and reviews all matters connected with transfer of shares, split and issue of duplicate share certificates etc. The Committee also looks into redresses of Shareholders' /Investors' complaints /grievances pertaining to share transfers, non-receipt of annual reports, dividend payments and other miscellaneous complaints. The details of transfers / transmissions is placed before the Shareholders' / Investors' Grievance Committee for confirmation. The Board has delegated the powers of approving transfer etc. of securities to Managing Director of the Company.

There are no pending share transfers or any complaints as on 31st March 2009.

Seven Shareholders/Investors Grievances Committee Meetings were held during the year 2008-2009. The dates on which the said meetings were held were as follows:

(1) 31st May, 2008 ; (2) 26th June, 2008 ; (3) 10th September, 2008 ; (4) 23rd September, 2008 ; (5) 10th October, 2008 ; (6) 26th March, 2008 ; (7) 30th March, 2009.

The necessary quorum was present at the meetings.

SUBSIDIARY COMPANY

The Company has an unlisted Indian Subsidiary namely CMI Telecom Limited. The Company has not started its operations till yet.

PARTICULARS OF LAST THREE AGM's

39th	AGM for the Financial Year 2005 - 2006: ➤ Date ➤ Time ➤ Venue	➤ 30th September, 2006 ➤ 11.00 A.M. ➤ C-483, Yojna Vihar, Delhi-110092.	No Special Resolution passed at the Meeting
40th	AGM for the Financial Year 2006 - 2007: ➤ Date ➤ Time ➤ Venue	➤ 29th September, 2007 ➤ 11.00 A.M. ➤ C-483, Yojna Vihar, Delhi-110092	No Special Resolution passed at the Meeting
41st	AGM for the Financial Year 2007 - 2008: ➤ Date ➤ Time ➤ Venue	➤ 30th September, 2008 ➤ 11.00 A.M. ➤ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.	No Special Resolution passed at the Meeting
	Postal Ballot	In last AGM as well as in the ensuing AGM, no resolution is proposed which require approval by way of Postal Ballot.	

**PARTICULARS OF EXTRA-ORDINARY GENERAL MEETINGS HELD DURING THE FINANCIAL YEAR 2008-2009**

1. EOGM ➤ Date ➤ Time ➤ Venue	➤ 15th January, 2009 ➤ 11.30 A.M. ➤ C-483, Yojna Vihar, Delhi-110092	For appointment of Mr. Vijay Kumar Gupta as Director of the Company
2. EOGM ➤ Date ➤ Time ➤ Venue	➤ 24th January, 2009 ➤ 11.00 A.M. ➤ C-483, Yojna Vihar, Delhi-110092	For appointment of Mr. Abhishek Aggarwal as Director of the Company
Postal Ballot	In EOGMs, no resolution is proposed which require approval by way of Postal Ballot.	

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Shares of the Company are required to be compulsorily traded in dematerialized form and are available for trading under both the Depository Systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INF981B01011.

As on 31st March, 2009, 73.93% of the total paid up share capital amounting to 22,57,374 equity shares is held in Demat form and 26.07% of the total paid up capital amounting to 7,96,126 equity shares is held in Physical form. All demat request received during the year were processed and completed within 15 days from the date of receipt.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in Note No. 9 of Schedule 19 to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and intended to broaden the interest of the Company.
- In the preparation of the Financial Statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- Management Discussion and Analysis Report is set out in a separate section included in this Annual Report which forms part of this Report.
- The Trading of shares of the Company has been suspended on Bombay Stock Exchange Limited since June 2002 due to non-compliance of various routine compliance of the Listing Agreement. Revocation of suspension in trading of shares of the Company is under process and the same will be removed very soon.

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within a month of the end of each quarter for all fourth quarters. Such results are normally published in 'the pioneer' and in a vernacular newspaper, 'veer arjun' from Delhi.

COMPLIANCE OFFICER

Mr. Arun Kumar Singhal has been appointed as Company Secretary and Finance Controller of the Company w.e.f 1st of July, 2009 and he has also designated as Compliance Officer of the Company as required under the Listing Agreement with the Stock Exchanges.



GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting: ➤ Day and Date ➤ Time ➤ Venue	➤ Wednesday, 30th September, 2009 ➤ 11.30 A.M. ➤ C-483, Yojna Vihar, Delhi-110092
2.	For Financial Year 2009-10 : ➤ Accounting Period ➤ Un-audited financial results for the first three quarters ➤ Fourth quarter Results ➤ Annual General Meeting (Next Year)	➤ April 1, 2009 to March 31, 2010 ➤ Announcement within a month from the end of each quarter ➤ Announcement of Audited Accounts on or before June 30, 2010 ➤ September, 2010 (Tentative)
3.	Date of Book Closure	24th September, 2009 to 30th September, 2009 (both days inclusive)
4.	Dividend payment date	No Dividend recommended by the Board of Directors of the Company.
5.	Listing on Stock Exchanges:	Address
	➤ Delhi Stock Exchange Limited ➤ Bombay Stock Exchange Limited ➤ BSE Stock Code ➤ Ahmedabad Stock Exchange Limited	➤ DSE House, 3/1 Asaf Ali Road, New Delhi – 110002. ➤ 25 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 ➤ 517330 1 st Floor, Kamdhenu Complex, Opp. Sahajand College, NR Panjara Pole Ambawadi, Ahmedabad – 380015
<p><i>Note: During the year, the listing fees for the year 2005-06, 2006-07, 2007-08 and 2008-09, 2009-10 has been paid to Bombay Stock Exchange Limited and Delhi Stock Exchange Limited and the same is still pending for Ahmedabad Stock Exchange.</i></p>		
6.	Market Price Data for the financial year ended 31 st March, 2009:	As the shares of the Company are not actively traded in the Stock Exchanges during the current financial year, therefore the latest prices cannot be made available.
7.	Registrars and Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062. Telephone No. : 29961281 Facsimile No. : 29961284

8. Distribution of Shareholding as on 31 st March, 2009:					
Share holding of nominal value		No. of Share Holders		No. of Equity Sha	
Rs.		Total	% to Shareholders	Total	% to Share Capital
Upto -	5000	2677	87.77	4,52,395	14.82
5001 -	10000	173	5.67	1,46,413	4.80
10001 -	20000	81	2.66	1,25,929	4.12
20001 -	30000	26	0.85	67,315	2.20
30001 -	40000	14	0.46	50,490	1.65
40001 -	50000	18	0.59	88,900	2.91
50001 -	100000	27	0.89	2,13,665	7.00
1,00,001 and above		34	1.11	19,08,393	62.50
TOTAL		30,50	100.00	30,53,500	100.00



9. Categories of Shareholders as on 31st March, 2009			
Sl. No.	Category	No. of Shares held	% to Share holding
1.	Promoters and Promoter Group	11,12,570	36.44
2.	Foreign Institutional Investors	--	--
3.	NRIs & Foreign Nationals	14,4,800	4.74
4.	Mutual Funds & UTI	--	--
5.	Banks, FIs & Insurance Companies	--	--
6.	Bodies Corporate	27,73,79	9.08
7.	Clearing Members	--	--
8.	Public	15,18,751	49.74
	TOTAL	30,53,500	100.00

PLANT LOCATIONS

The Company's plant is located at Plot No. 71 & 82, Sector-6, Faridabad, Haryana.

ADDRESS FOR CORRESPONDENCE

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir,
New Delhi-110062
Telephone No. : 29961281
Facsimile No. : 29961284

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

For and on behalf of the Board

Place : Delhi
Date : 3rd September, 2009

Amit Jain
Chairman of the Meeting



MANAGEMENT DISCUSSION & ANALYSIS REPORT (2008-2009)

The Board of Directors take pleasure in presenting before you the Company's 42nd Annual Report for the financial year ending 31st March, 2009 along with Corporate Governance Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Signalling Cables

The efficiency of any railway system is dependent upon an infrastructure which provides besides all other requirements, an efficient signalling and communications systems. This is not only an inevitable requirement in terms of operations but also in terms of safety of the system itself.

As the Indian Railways are expanding and the Government focuses on this vital requirement for the growth of the Indian economy with new Railway lines at an outlay of Rs. 85,000 crores, the railway cable industry is certainly set to witness strong demand and growth. The setting up of the Western and Eastern Freight Corridors at an outlay of Rs. 25,000 crores on priority basis by the Government as well as allowing the setting up of private freight terminals shall be catalysts for the demand of Railway Signalling PIJF Cables, Axle Counter Quad Cables, etc. Another Rs. 20,000 Crores have been allocated for the Special Railway Safety Fund (SRSF) for upgradation of rolling stock, signaling and fault locating cables, amongst others.

In addition to this, the expansion and setting up of metro rail systems in various cities shall make further addition to the demand of signalling cables, power and other cables.

Power Cables

Cables play a small but significant part in infrastructure activities. The Power Sector is the backbone for sustained industrial growth and robust investments have been proposed towards building up capacities. For India to sustain its GDP growth at over 8%, it is estimated that the power sector should grow atleast 1.8 to 2 times of the GDP, translating to an addition of generation capacity by nearly 18,000 to 20,000 MW (Megawatts) each year.

Power cables play a crucial part in all three aspects of the power sector – generation, transmission and distribution. Power shortages on account of various factors such as pilferage, theft, equipment defaults and increasing amounts of power deficits has raised the demand for quality equipment. Consequently, the major cable manufacturers have ventured into manufacturing extra high voltage cables along with expanding capacities to meet the rising demand. Strong capacity addition plans have also been proposed for power generation during the eleventh and twelfth five-year plans. The Planning Commission of India (PCI) has proposed capacity addition of almost 78,000 MW, translating as opportunities in the range of Rs. 103 billion to Rs. 120 billion.

The Management is of the view, that the Industrial expansion plans will give boost the demand for cables from these sectors and accordingly thrust is been given to develop the facilities for these areas.

Export market covering Yemen, Kuwait, Sudan and Saudi Arabia is also having big potentials for cables and management is optimistic to shape up its exports plans with respect to these markets.

Telecommunication Cables

The wear & tear in the infrastructure of the Telecommunication service providers will generate replacement demands to maintain the existing infrastructure. Due to obsolete technology very few competitors are now left in this market and handsome business can be generated from this sector.



OPPORTUNITIES AND THREATS

- The Company is taking all steps to increase the efficiency and reduce the cost.
- The Company expects that new orders from domestic as well as foreign market will materialize.
- The Company has diversified its product mix to obtain orders from buyers in India and abroad.
- The Company is in need of infusion of fresh working capital funds to enhance its productions and other facilities.

OUTLOOK

The Indian economy is booming and high growth rate is expected in coming years. This trend is expected to continue during the years to come. The cable industry in India with strong investments proposed across sectors such as power, realty, industrial and telecom is expected to see a strong growth in coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

- The Internal Control System of the Company is adequate to provide assurance that all assets of the Company are accounted for and protected against any loss from unauthorized use or disposition and that all business transactions are recorded and reported in conformity with generally accepted accounting practices.
- The Internal Audit System of the Company is in accordance with the size and nature of the business.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Directors Report for the year 2008-2009 is giving a detailed view of the performance of the Company. The report being self-explanatory and does not require any further clarifications.

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

- Your Company recognizes the value of human resource, therefore, the human resource policies are framed in such fashion that they not only aim at achieving the organizational goal but also recognize and appreciate the individual interest of the employees. Thus, the Human Resource Development policies of the Company are in the best interest of the organization as well as employees of the Company.
- The Company believes in healthy competition. The relations of the Company with other Companies in the same industry are also very good.

CAUTIONARY STATEMENT

Statement made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

For and on behalf of the Board

**Place : Delhi
Dated : 3rd September, 2009**

**Amit Jain
Chairman of the Meeting**

**CERTIFICATE OF COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT****To the Members of CMI Limited**

We have examined the compliance of conditions of Corporate Governance by CMI Limited, for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

**for Grover Ahuja & Associates
Company Secretaries**

**Place : Delhi
Date : 3rd September, 2009**

**Ravi Grover
Partner
C.P. No. 3448**

CEO AND CFO CERTIFICATION**UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

We, Amit Jain, Managing Director and Arun Kumar Singhal, Finance Controller responsible for the finance and overall functions of the Company certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing 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 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For and on Behalf of the Board

**Place: Delhi
Date: 3rd September, 2009**

**Amit Jain
Managing Director**

**Arun Kumar Singhal
Company Secretary & Finance Controller**

**MANOCHA J.K. & ASSOCIATES
CHARTERED ACCOUNTANTS**

Office Add: 27/55, Street No. 8, Shahdara,
Delhi-110032, Phone No.22389025

AUDITORS' REPORT

The Members of
M/s CMI LIMITED
Delhi

1. We have audited the attached Balance Sheet of **CMI LIMITED** as at **31st March, 2009** together with the Profit and Loss Account and the Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Accounting Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 in so far as they apply to the Company ;
 - v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies & notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) In the case of the Profit and Loss Account, the Profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR MANOCHA J.K. & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE: DELHI
DATE: 30th June 2009

**J.K. MANOCHA
PROPRIETOR**

**Annexure to Auditors' Report**

Annexure referred to in Paragraph 3 of the Auditors' Report of even date to the Members of CMI Limited on the financial statement for the year ended 31st March, 2009.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not effected.
- ii) a) The stock of inventory has been physically verified, during the year, by the management of the Company. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.
- iii) a) As per information and explanation given to us, the Company has not granted loans to companies, firms or other parties covered under Section 301 of the Companies Act, 1956.
- b) As per information & explanation given to us, the Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and the details are as follows:-
- | | |
|--------------------------|----------------------|
| No. of Parties - | 8 |
| The maximum amount - | Rs. 2,302.01 Lakhs |
| involved during the year | |
| Year-end balance | - Rs. 1,512.63 Lakhs |
- c) The Terms and Conditions of unsecured loans taken from Companies, firms or other parties are not prima facie prejudicial to the interest of the Company.
- d) As per the explanation and information given to us, the Company has not paid any interest on the above loans.
- e) As per the information and explanation provided to us, the Company is repaying principal as per stipulation and there is no overdue amount.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods on the basis of examination of books of accounts and records of the Company and according to the information and explanation given to us, we have neither come across nor informed of any major weakness in the Internal Control system during the course of our audit.
- v. a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5, 00,000/- (Rupees Five Lacs) in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit as per the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the Cost Accounting records maintained by the Company in respect of manufacturing of cables pursuant to the order made by the Central Government for maintenance of cost accounting records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima-facie prescribed records have been made and maintained.



- ix. a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Excise Duty, Cess, Service Tax, Custom Duty and other material statutory dues applicable to it.
- Further, since the Central Government has till date not prescribed the amount of Cess payable under Section 441 A of the Companies Act, 1956, therefore we are not in a position to comment upon the regularity or otherwise on the Company in depositing the same
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales - tax, custom duty, excise duty, cess and other undisputed statutory dues were generally outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues in respect of income tax, wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the Company are more than fifty percent of the net worth of the Company. The Company has not incurred cash losses in current financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has no outstanding dues in respect of a financial institution or debenture holders.
- xii. As per the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- xiii. In our opinion, the Company is not a chit fund or Nidhi Mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by other from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi. As per information and explanation given to us, the Company has raised car loans to the tune of Rs. 18.88 Lacs during the year. The balance as on 31st March 2008 is 13.91 Lacs.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short-term basis have not been used to finance any long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised money by Public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit

FOR MANOCHA J.K. AND ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE : DELHI
DATE : 30 th June, 2009

J.K. MANOCHA
PROPRIETOR



CMI LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

Amount In Rupees

Description	Sch.	As at 31st March-09	As at 31st March-08
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,567,500	30,567,500
Reserves and Surplus	2	26,267,500	26,267,500
		<u>56,835,000</u>	<u>56,835,000</u>
LOAN FUNDS			
Secured Loans	3	44,749,230	10,252,305
Unsecured Loans	4	132,764,674	128,569,597
		<u>234,348,904</u>	<u>195,656,902</u>
TOTAL			
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	198,435,595	193,171,763
Less: Depreciation		142,150,670	133,942,843
		<u>56,284,925</u>	<u>59,228,920</u>
INVESTMENTS			
	6	504,596	504,596
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	81,214,647	74,461,334
Sundry Debtors	8	102,280,140	56,047,180
Cash and Bank Balances	9	20,800,197	23,545,159
Loans and Advances	10	33,227,393	29,434,305
		<u>237,522,377</u>	<u>183,487,977</u>
LESS: CURRENT LIABILITIES			
Current Liabilities	11	75,966,559	85,248,353
NET CURRENT ASSETS		<u>161,555,819</u>	<u>98,239,625</u>
MISCELLANEOUS EXPENSES			
(To the extent not written off or adjusted)	12		185,722
PROFIT AND LOSS ACCOUNT			
Profit/(Loss) for the Current Year		21,494,475	10,838,774
Loss carried forward from Previous Year		(37,498,039)	(48,336,813)
NET LOSS		<u>(16,003,564)</u>	<u>(37,498,039)</u>
TOTAL			
		<u>234,348,904</u>	<u>195,656,902</u>

As per our report of even date attached
 Manocha J. K. & Associates
 Chartered Accountants

19
 For and on behalf of the Board of Directors

J. K. Manocha
 Proprietor

Subodh Kr. Barnwal
 Company Secretary

Amit Jain
 Managing Director

Parag Jain
 Director

Place: Delhi
 Date: 30th June, 2009

**CMI LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Amount In Rupees

Description	Sch.	Year Ended 31st March-09	Year Ended 31st March-08
INCOME			
Net Sales	13	574,531,413	251,284,455
Less: Excise Duty		60,595,203	30,328,025
		<u>513,936,210</u>	<u>220,956,430</u>
: Other Income	14	1,998,110	3,721,142
: Creditors Written back		5,784,046	168,707
		<u>521,718,366</u>	<u>224,846,278</u>
EXPENDITURE			
Material, Manufacturing and Others Expenses	15	448,534,740	186,414,374
Personnel	16	9,298,436	7,712,526
Financial Expenses	17	3,132,791	4,768,132
Administrative and Selling Expenses	18	12,651,067	5,982,853
Debtors Written off		18,186,665	159,404
		<u>491,803,698</u>	<u>205,037,289</u>
PROFIT/(LOSS) BEFORE DEPRICIATION AND TAX		29,914,668	19,808,990
Less: Depreciation		8,725,348	8,854,060
		<u>21,189,320</u>	<u>10,954,930</u>
PROFIT/(LOSS) BEFORE TAXATION			
Less:-Taxation-Current Year		-	-
Previous Year Adjustments		(453,066)	-
Fringe Benefit Tax		147,911	116,156
NET PROFIT/(LOSS) FOR THE YEAR CARRIED TO THE BALANCE SHEET		21,494,475	10,838,774
As per our report of even date attached	19		

For Manocha J. K. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor

Subodh Kr. Barnwal
Company Secretary

Amit Jain
Managing Director

Parag Jain
Director

Place: Delhi
Date: 30th June, 2009



CMI LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Amount In Rupees

DESCRIPTION	As at 31st March '09	As at 31 st March '08
SCHEDULE 1		
SHARE CAPITAL		
AUTHORIZED		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
500,000 Redeemable Preference Shares of Rs. 100 each	50,000,000	50,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
3,053,500 (Previous year 3,053,500) Equity Shares of Rs. 10 each, fully paid up	30,535,000	30,535,000
Add: Forfeited Shares - Amount Originally Paid up	32,500	32,500
	<u>30,567,500</u>	<u>30,567,500</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
As per last year	8,000,000	8,000,000
SHARE PREMIUM		
As per last year	18,267,500	18,267,500
	<u>26,267,500</u>	<u>26,267,500</u>
SCHEDULE - 3		
SECURED LOANS		
FROM BANKS & OTHERS		
Reliance Consumer Finance- Agst. Hypothecation of Car	1,132,346	1,391,298
Barclays Bank-Agst Hypothecation of Car	451,705	-
ICICI Bank-Agst Hypothecation of Car	304,259	-
Syndicate Bank Loan - Secured by creating charge on Inventory, Book Debts and Factory Land & Building	42,860,920	8,861,007
	<u>44,749,230</u>	<u>10,252,305</u>
SCHEDULE - 4		
UNSECURED LOANS - LONG TERM		
- Directors & their Relatives	21,809,825	33,895,780
- Others	1,301,503	500,000
Intercompany Deposits - Group Companies	109,653,346	94,173,817
	<u>132,764,674</u>	<u>128,569,597</u>



CMI LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE 5

FIXED ASSETS

GROUP OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	Value at 1.04.2008	Addition During Year	Value at 1.04.2009	Upto 31.03.2008	For The Year	As At 31.03.2009	As At 31.03.2009	As At 31.03.2008
Land -Leashold	175,130	-	175,130	-	-	-	175,130	175,130
Factory Buildings	6,111,705	-	6,111,705	2,581,399	174,392	2,755,791	3,355,914	3,530,306
Plant & Machinery	174,314,378	3,291,848	177,606,226	120,807,028	7,835,041	128,642,069	48,964,157	53,506,666
Furniture & Fixture	1,757,603	20,843	1,778,446	1,441,312	35,662	1,476,974	301,472	307,933
Office Equipments	8,998,997	319,063	9,318,060	8,874,479	150,578	8,507,536	810,524	759,779
Vehicles	1,813,950	1,632,078	3,446,028	238,625	529,676	768,301	2,677,727	1,575,325
Total	193,171,763	5,263,832	198,435,595	133,942,843	8,725,348	142,150,670	56,284,925	59,855,139
Previous Year	191,194,929	1,976,834	193,171,763	125,088,784	8,854,060	133,942,843	59,855,139	66,106,146

Note : Excess Depreciation to the tune of Rs. 517,521 charged on Office Equipments reversed during the year and shown under the head previous year Adjustments.



CMI LIMITED

SCHEDULES ANNEXED TO AND FORMATIONG PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

DESCRIPTION	Amount In Rupees	
	As at 31st March '08	As at 31st March '08
SCHEDULE 6		
INVESTMENTS		
Quoted and Fully paid up Equity Shares - Dena Bank 300 (Previous year 300) Equity Shares of Rs. 10 each fully paid up (Market Value as on 31.03.2009 Rs.32.24/- each)	4,656	4,656
Unquoted and Fully paid up Equity Shares of CMI Telecom Ltd., (a wholly owned subsidiary) 44994 Equity Shares of Rs. 10 each fully paid up	499,940	499,940
	504,596	504,596
SCHEDULE - 7		
INVENTORIES		
(As per inventories taken, valued and certified by the Management)		
i) Stores and Spares	1,350,000	2,501,090
ii) Raw Materials	17,857,186	25,126,983
iii) Finished Goods (including Excise Duty)	12,153,639	9,959,462
iv) Work-in-Progress	49,853,822	36,873,799
	81,214,647	74,461,334
SCHEDULE - 8		
SUNDRY DEBTORS		
(a) Debt outstanding for a period exceeding six months		
(i) Considered Good	6,317,211	17,424,532
- Fully Secured	Nil	Nil
- Secured by personal security of debtors	Nil	Nil
(ii) Considered Doubtful	Nil	Nil
(b) Others Debts		
(i) Considered Good	95,962,929	38,622,648
- Fully Secured	Nil	Nil
- Secured by personal security of debtors	Nil	Nil
(ii) Considered Doubtful	Nil	Nil
Less: Provision	Nil	Nil
	102,280,140	56,047,180
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash in hand	2,707,334	972,365
Balances with Banks		
In Current Accounts - with Scheduled Banks	527,377	1,346,278
In Current Accounts - with Other Banks	372,314	243,374
Fixed Deposits		
Fixed Deposits (Pledged with Banks)	17,178,172	20,968,142
Fixed Deposits (With Customers)	15,000	15,000
	20,800,197	23,545,159
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received to be received	26,715,786	25,344,351
Advance FBT	146,457	87,650
Service Tax	-	8,785
Prepaid Insurance	245,505	15,988
Security Deposits	2,595,131	2,595,131
Balance with Central Excise-Excise Duty	1,911,237	45,890
Excise Deposit - CESTAT Matter	50,000	-
Tax Deducted at source:		
Current Year	248,851	388,415
Previous Years	1,314,427	948,095
	33,227,393	29,434,305

**CMI LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009**

Amount In Rupees

DESCRIPTION	As at 31st March '09	As at 31 st March '08
SCHEDULE 11		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors		
Micro, Small & Medium Enterprises	3,540,572	1,513,404
Others	43,771,225	73,901,070
Statutory Dues	6,219,839	7,514,450
Other liabilities	812,032	945,776
Provision for Expenses	72,110	144,786
Advances from Customers and Others	21,402,870	1,112,711
Provision for FBT	147,911	116,156
	<u>75,966,559</u>	<u>85,248,353</u>
SCHEDULE-12		
<u>MISCELLANEOUS EXPENSES</u>		
(To the extent not written off or adjusted)	-	185,722
	-	<u>185,722</u>
SCHEDULE-13		
<u>SALES</u>		
Sales (Net)	573,631,608	251,109,177
Export Sales	899,805	175,278
	<u>574,531,413</u>	<u>251,284,455</u>
SCHEDULE - 14		
<u>OTHER INCOME</u>		
Discount Received	512,588	222,281
Freight Rebate	-	5,235
Job Work Income	50,412	194,900
Misc. Income	246,704	174,588
Commission Income (TDS - Previous Yr. Rs. 264,748/-)	-	2,345,378
Interest Received. (IDS Rs.2,48,851/- Previous Yr. Rs. 1,23,667/-)	1,188,406	778,760
	<u>1,998,110</u>	<u>3,721,142</u>
SCHEDULE - 15		
<u>MATERIAL, MANUFACTURING AND OTHER EXPENSES</u>		
Raw Material consumed (Excluding Excise)	434,708,106	202,923,030
(Increase)/Decrease in stock of Finished Goods & Work in Progress)	(15,504,138)	(27,839,768)
Stores & Spares and Packing Material consumed	10,535,046	2,610,397
Power and Fuel	7,258,945	2,009,773
Job Work Charges	5,760,294	4,422,709
Other Manufacturing expenses	1,697,109	1,705,296
Repairs to Buildings	445,053	-
Repair & Maintenance Assets	132,670	311,476
Repairs to Plant and Machinery	3,501,655	271,461
	<u>448,534,740</u>	<u>186,414,374</u>
SCHEDULE - 16		
<u>PERSONNEL</u>		
Director's Remuneration	612,000	498,100
Salaries, Wages, Bonus and Other Benefits	7,620,544	6,207,031
Contribution to Provident and Other Funds	914,861	894,481
Workmen and Staff Welfare Expenses	151,031	112,914
	<u>9,298,436</u>	<u>7,712,526</u>

**CMI LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009**

Amount In Rupees

DESCRIPTION	As at 31st March '09	As at 31st March '08
SCHEDULE 17		
<u>FINANCIAL EXPENSES</u>		
Interest on Term Loan	1,574,704	440,968
Interest on C C Limit	1,140,136	-
Interest on Car Loan	234,906	115,159
Interest on L/C Discounting	-	21,785
Interest on Syndicate (FDR Loan / Bank Interest)	3,512	26,007
Interest on Loan to Dena Bank as per OTS	162,678	4,164,213
Finance Charges	16,854	-
	3,132,791	4,768,132
SCHEDULE - 18		
<u>ADMINISTRATIVE AND SELLING EXPENSES</u>		
Selling Expenses	2,010,329	648,022
Meeting Expenses	48,304	24,000
Bank Commission & Other Charges	2,412,969	231,906
Donation	125,100	2,100
Freight & Cartage Outward (Net)	598,427	184,382
Legal & Professional Fees	1,794,415	1,354,118
Listing Compliance & Fees	80,812	58,016
Misc. Expenses	131,000	82,551
Rent	2,090,000	644,000
Auditors' Remuneration & Refreshment	60,609	80,000
Miscellaneous Expenditure Written off	185,722	655,560
Interest paid on Statuary Dues	10,169	54,386
Lease Rent (Car)	346,356	88,476
Photo State Charges	21,600	17,400
Postage & Courier Charges	65,284	59,548
Property Tax	40,331	148,317
Security Service Charges	258,037	153,549
Advertisement and Publicity	61,918	56,500
Periodicals	10,069	2,982
Computer Expenses	36,456	22,080
Conveyance Expenses	278,615	204,810
Festival Expenses	66,423	84,720
Round Off / Diff	818	1,762
Insurance Expenses	58,802	33,033
Fees & Subscription	36,300	194,609
Printing & Stationery	222,483	137,004
Telephone Charges	236,048	202,520
Tour & Travelling	687,289	431,498
Trade Mark Expenses	11,000	-
Recruitment Expenses	17,250	-
Clearing & Forwarding Expenses	76,079	-
Service Tax On Freight	395,259	125,005
Sales Tax Demand for the Yr. 2004-05	176,794	-
	12,651,067	5,982,853

**SCHEDULE - 19****SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES**

1. The Financial Statement is prepared under the historical cost convention, on going concern concept and in compliance with the relevant accounting principles, accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. The Company follows the Mercantile System of accounting and recognizes Income and Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes.
2. **Fixed Assets**
Fixed Assets are stated at cost of acquisition inclusive of cost of installation and other incidental expenses related thereto and are net of CENVAT credits availed thereon.
3. **Investments**
Investments are classified into long - term investments and current investments. Long term investments stated at cost and provision wherever required is made to recognize any decline, other than temporary, in valuation of such investments. Current investments are stated at the lower of cost or market value.
4. **Revenue Recognition**
Revenue from the sale of goods is accounted for on the basis of actual dispatches of goods. Sales are inclusive of excise duty but net of Sales Tax and VAT. Materials returned/rejected are accounted for in the year of return/rejection.
5. **Foreign Currency Transactions**
The transactions in foreign currencies recorded at the exchange rates prevailing on the date of the transaction. Monetary liability / assets on account of foreign currency are converted at the exchange rates prevailing as at the end of the year. Exchange differences are appropriately dealt within the profit & loss account.
6. **Depreciation**
Depreciation has been provided on single shift basis on Fixed Assets on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for Fixed Assets of PVC Cable Division for which written down value method has been adopted.
7. **Valuation of Inventories**
 - a) Raw Materials, Store & Spares and Packing Material are valued at lower of cost, based on FIFO basis (net of CENVAT Credit) or net realizable value.
 - b) Work in progress is valued at their estimated absorption cost (net of CENVAT). Cost of Stock in process includes cost of raw material and estimated overheads up to the stage of completion.
 - c) Finished goods are valued at lower of cost of production or net realizable value. Cost of finished goods includes cost of raw material, excise duty, cost of manufacturing, cost of conversion and other cost incurred in finishing the goods.
 - d) Scrap is valued at estimated net realizable value.
8. **Excise Duty**
Excise duty liability on finished goods lying in the factory is accounted for and the corresponding amount considered for the valuation thereof.
9. **Retirement benefits**
Liability in respect of retirement benefit is provided for and/or funded and charged to profit and loss account as follows: -

Gratuity: - Liability in respect of Gratuity, which was covered under Group Gratuity Scheme with the Life Insurance Corporation of India in the previous year, has been terminated and now the company is providing the gratuity at the time of actual payment to the employee and 1/5th of the same is written off during the year and rest in the coming years.



Superannuation Fund: - Liability in respect of Superannuation is covered with Life Insurance Corporation of India. Premium in respect of superannuation fund is not payable for the current year. Thus, no amount has been charged to profit and loss account.

Leave Encashment: - As determined on the basis of accumulated leave to the credit of employees at the period ended.

10. Taxes on Income

No provision for Deferred Tax liabilities / assets have been created for timing differences on account of Losses & Depreciation as the management does not foresee the profit to be arising in the near future as per past performance.

The Company has not recognized deferred tax assets in the books of accounts as there is not a virtual certainty supported by the convincing evidence that such assets shall be realized in subsequent years.

11. Use of Estimates

The financial statements were prepared in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting year. Although these estimates are based upon the best knowledge of the management of current events and actions, actual results could differ from these estimates.

12. Impairment of Assets

No provision for impairment of assets is required since the management is of the opinion that the recoverable amount of fixed assets is equal to the amount at which they are stated in the Balance Sheet.

13. Borrowing Cost

The cost of borrowing is charged to revenue.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent Liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation on a reliable estimate of the amount of the obligations cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

15. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below: (Rs. in Lacs)

	March 31, 2009	March 31, 2008
a) Counter guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of advances)	418.85	120.03
b) Liability on non fulfillment of export obligation	Nil	15.18
c) Liability in respect of Gratuity	42.49	37.87
d) Liability in respect of Sales Tax Demand for the year 2005-06	4.07	Nil



2. In the opinion of Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
3. The expenditure incurred in the previous years in respect of Gratuity was amortized for a period of five years and during the financial year one-fifth of such expenditure has been charged to the profit and loss account. The net loss is understated by the un-amortized portion i.e. Rs. 1,85,722/-, the details of which are as follows:-

	March 31, 2009 (in Rs.)	March 31, 2008 (in Rs)
Opening balance	1,85,722	8,41,282
Adding made during the year	-	-
	<u>1,85,722</u>	<u>8,41,282</u>
Less : Debited to Profit and Loss Account un-amortised portion	(1,85,722)	(6,55,560)
	<u>Nil</u>	<u>1,85,722</u>

During the year, Gratuity payments were made after withdrawing from the available corpus in the LIC Policy. The available balance as on 31st March, 2009 in said policy is of Rs. 13.97 Lacs (Rupees Thirteen Lacs and Ninety Seven Thousand only). After adjusting the available balance in the said policy the gratuity liability to the tune of Rs. 42.49 Lacs (Rupees Forty Two Lacs and Forty Nine Thousand only) as on 31st March, 2009 is yet to be provided in the books of accounts.

4. As on the date of Balance Sheet, the Company does not have any dues to be paid to Dena Bank on account of Secured Loan taken from it and hence the Bank has vacated its charge over the assets, of what so ever nature, of the Company, w.e.f. 17th April 2008. During the year under review, the Company has paid interest for delayed payment to the tune of Rs. 1.63 lacs as per the terms & conditions of one-time settlement with the said Bank.
5. Auditors' remuneration (Inclusive services tax) includes the following:

	March 31, 2009 (Rs. In Lacs)	March 31, 2008 (Rs. In Lacs)
Payment to Auditor		
a) Audit Fees	0.50	0.89
b) Other Services	0.15	0.00
Total	0.65	0.89

6. Director's Remuneration – Remuneration, perquisites, etc. paid to the directors' during the current year Rs. 9,96,200/- and previous financial year Rs. 4,98,100/-.

Mr. Vijay Kumar Gupta, who was appointed as Director of the Company, effective 15th January 2009 has been paid commission during the current year Rs. 1,75,230/- and previous financial year Rs. Nil.

7. Foreign Currency Receipts & Expenditure – Nil
8. The Company has manufactured various types of Cables during the year under review; therefore there are no separate reportable segments as per Accounting Standard 17.

**9. RELATED PARTY DISCLOSURES**

Disclosure details pertaining to related party transactions entered into during the year in terms of Accounting Standards AS – 18 “Related Party Disclosures” as issued by ICAI:-

I. Key Managerial Personnel

Mr. Amit Jain Managing Director

II. Parties where control exists

CMI Telecom Limited Subsidiary Company

Details of transactions under the ordinary course of business between Company and the related parties during the year and the status of outstanding balances as on 31st March 2009 is as follows

(Rs. in lacs)

Particulars	Name of the Company/ Other Related Parties	Relationship	March 31, 2009	March 31, 2008
Unsecured Loans Received	Parshwanath Cables Pvt. Ltd.	Common Director	129.47	159.92
	Vardhman Cables India (P) Ltd.	Common Director	762.41	630.93
	R.K.J. Alloys & Conductors Pvt. Ltd.	Common Director	93.56	113.71
	Lancer Telecom (India) Pvt. Ltd.	Common Director	0.93	37.18
	Wireco India	Common Director	110.16	99.10
	Amit Jain	Managing Director	107.38	146.59
	Parag Jain	Director	47.96	49.01
Chamma Jain	Director's Relative	62.75	44.25	
Advances Received	Vardhman Cables India (P) Ltd.	Common Director	205.00	0.00
Job Work	Wireco India	Common Director	5.50	3.36
Directors' Remuneration	Amit Jain	Managing Director	9.96	4.98
Commission paid in Professional capacity	Vijay Kumar Gupta	Director	1.75	---



CMI LIMITED

10. Additional Information pursuant to paragraphs 3&4 of the Schedule VI of the Companies Act, 1956

A' Installed Capacity

(Rs in Lacs)

Sl. No.	Particulars	Unit	Installed Capacity (Per Annum)	
			As at 31.03.09	As at 31.03.08
1	Jetty Filled Cables	CKM	2,408,000	2,408,000
2	Other Cables		Not ascertainable	Not ascertainable

Note:- Installed Capacity is as certified by the management.

B Production

Sl. No.	Particulars	Unit	Current Year	Previous Year
			Quantity	
1	Jelly Filled Cables	M	1,845,925.00	1,564,800.00
2	Power Cables	M	1,491,045.00	1,037,905.00
2	Others Cables	M	1,039,428.00	986,985.00
	Total		4,376,398.00	3,589,690.00

C Raw Material Consumption

Sl. No.	Particulars	Unit	Current Year		Previous Year	
			Quantity	Amount	Quantity	Amount
1	Copper	MT	612.35	2278.68	343.42	1,155.40
2	Compound & Master Batch	MT	471.93	496.30	413.88	334.46
3	Steel Wire & Strips	MT	1396.94	1037.42	568.80	295.48
4	Others	MT	683.88	640.03	303.47	269.99
	Total			4452.43		2055.33

D Quantitative information on Stock

Sl. No.	Particulars	Unit	Closing Stock As at 31.03.09		Closing Stock As at 31.03.08	
			Quantity	Amount	Quantity	Amount
1	Jelly Filled Cables	M	62.968	121.54	27891	19.13
2	Power Cables	M	-	Nil	16891	24.23
3	Other Cables	M	-	Nil	33110	43.68
4	Scrap	KG	Nil	Nil	Nil	Nil
	Total			121.45		87.04

E Income - Sales

Sl. No.	Particulars	Unit	Current Year		Previous Year	
			Quantity	Amount	Quantity	Amount
1	Manufactured Goods					
a	Jelly Filled Cables	M	1,810,848	2958.84	152.65	376.93
b	Power Cables	M	1,507,955	1924.68	1037.9	1,507.70
c	Other Cables	M	1,072,538	861.79	986.99	628.21
	Total of 1		4,391,341	5,745.31	2177.45	2512.84
2	Others					
	Scrap	MT	1.5	1.91	Nil	Nil
	Total of 2				0.00	0.00
	Total [1+2]		4391342.50	5747.22	2177.540	2512.48

F Breakup of consumption of Raw Material and Stores and Spares into imported and indigenous

Sl. No.	Particulars	Current Year		Previous Year	
		Amount	Percentage %	Amount	Percentage %
Raw Material					
a	Imported	Nil	0.00%	164.43	8.00%
b	Indigenous	4,452.43	100.00%	1,890.90	92.00%
	Total	4,452.43	100.00%	2,055.33	100.00%
Stores and Spares					
a	Imported	Nil	0.00%	Nil	0.00%
b	Indigenous	105.35	100.00%	26.10	100.00%
	Total	105.35	100.00%	26.10	100.00%



11. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as below:

Sl. No.	Particulars	March 31, 2009	March 31, 2008
(a)	Net Profit / (loss) as per Profit & Loss Account (Rs.)	2,11,89,320	1,09,54,930
(b)	Average No. of Ordinary Shares outstanding	3053500	3053500
(c)	EPS (Basic & Diluted) (Rs.) [(a)/(b)]	6.94	3.59
(d)	Face Value of each equity share (Rs.)	10	10

12. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.

13. Sundry Debtors, Sundry Creditors, Loans & Advances and other advances are taken as per books subject to confirmation from parties.

14. Previous year figures have been regrouped /rearranged wherever considered necessary.

15. The Consolidated financial statements of the Company and its Wholly Owned Subsidiary Company are annexed and no separate schedule and notes to accounts have been prepared for the same. The Schedules and notes to accounts annexed with the main balance sheet to be referred for any purposes.

16. Information required in terms of part IV of the Schedule VI to the Companies Act as complied by the company is attached.

Schedule 1 to 19 form part of the accounts.

For Manocha J. K. & Associates
Chartered Accountants

For & on behalf of the Board of Directors

J. K. Manocha
Proprietor

Subodh Kr. Barnwal
(Company Secretary)

Amit Jain
(Managing Director)

Parag Jain
(Director)

Place: Delhi
Date: 30th June 2009

**CMI LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	For the period ended 31.03.09	For the period ended 31.03.08
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary item	21,642,386	10,954,930
Add:		
Depreciation	8,725,348	8,854,060
Interest & Bank Commission paid	5,545,760	5,000,038
Miscellaneous Expenditure written off	185,722	655,560
Debtors written off	18,186,665	159,404
Previous Year Adjustments	453,066	-
Provision for FBT	-	-
Less:		
Interest Receipt	1,188,406	778,760
Creditors Written Back	5,784,046	168,707
Operating Profit before extraordinary items and Working Capital Changes	47,766,495	24,676,525
Adjustments for		
(Increase)/Decrease in Trade and Other Receivables	(50,026,049)	(29,860,503)
(Increase)/Decrease in Inventories	(6,753,313)	(36,465,701)
Increase/(Decrease) in Trade and Other Payables	(9,281,794)	13,863,011
Cash Generated from Operations	(18,294,661)	(27,786,668)
Less:		
Provision for FBT	(147,911)	(116,156)
Cash Generated from Operations before Extra-ordinary Items	(18,442,572)	(27,902,824)
Add:		
Extraordinary items		
Bad debts written off	(18,186,665)	(159,404)
Creditors written back	5,784,046	168,707
Previous Year Adjustments	(453,066)	-
Net Cash used in Operating Activities	(31,298,257)	(27,893,521)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets	(5,263,832)	(1,976,834)
Depreciation written back	517,521	-
Interest Received	1,188,406	778,760
	(4,592,947)	(1,198,074)
C FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings/Repayments/FDR	34,496,925	(37,257,555)
Increase / (Decrease) in unsecured loans	4,195,077	80,105,137
Interest & Bank Commission Paid	(5,545,760)	(5,000,038)
Net Cash from Financing Activities	33,146,242	37,847,544
NET INCREASE IN CASH & CASH EQUIVALENTS (A + B + C)	(2,744,962)	8,755,949
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	23,545,159	14,789,211
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20,800,197	23,545,160

Notes: (1) Of the above amount, an amount of Rs. 17,178,172/- (Previous Year Rs. 20,968,142/-) is pledged with Banks and is not available for free use by the Company.
(2) Above Cash Flow Statement has been prepared under the indirect method set out in the Accounting Standard-3 (Revised) specified in the Companies Standard Rules, 2006.
(3) Previous year figures have been regrouped wherever necessary.

Auditors' Report:

We have examined the cash Flow Statement of CMI Limited for the period ended 31st March, 2009. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

For Manocha J. K. & Associates
Chartered Accountants

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor
Place: Delhi

Subodh Kr. Barnwal
Company Secretary

Amit Jain
Managing Director

Parag Jain
Director



CMI LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 OF CMI LIMITED (HOLDING COMPANY)
ALONG WITH CMI TELECOM LIMITED (WHOLLY OWNED SUBSIDIARY)

Amount In Rupees

Description	Sch.	As at 31st March-09	As at 31st March-08
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	31,067,500	31,067,500
Reserves and Surplus	2	26,267,500	26,267,500
		57,335,000	57,335,000
LOAN FUNDS			
Secured Loans	3	44,749,230	10,252,305
Unsecured Loans	4	132,764,674	128,569,597
		234,848,904	196,156,902
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	198,435,595	193,171,763
Less: Depreciation		142,150,670	133,942,843
		56,284,925	59,228,920
INVESTMENTS			
	6	504,596	504,596
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	81,214,647	74,461,334
Sundry Debtors	8	102,280,140	56,047,180
Cash and Bank Balances	9	21,246,376	23,994,747
Loans and Advances	10	33,227,393	29,434,305
		237,968,557	183,937,566
LESS: CURRENT LIABILITIES			
Current Liabilities	11	75,969,317	85,251,162
NET CURRENT ASSETS		161,999,240	98,686,404
MISCELLANEOUS EXPENSES			
(To the extent not written off or adjusted)	12	14,175	202,732
PROFIT AND LOSS ACCOUNT			
Profit/(Loss) for the Current Year		21,488,282	10,832,530
Loss carried forward from Previous Year		(37,534,250)	(48,366,780)
NET LOSS		(16,045,967)	(37,534,250)
TOTAL		234,848,904	196,156,902

As per our report of even date attached
 Manocha J. K. & Associates
 Chartered Accountants

19

For and on behalf of the Board of Directors

J. K. Manocha
 Proprietor
 Place: Delhi
 Date: 30th June, 2009

Subodh Kr. Barnwal
 Company Secretary

Amit Jain
 Managing Director

Parag Jain
 Director

**CMI LIMITED****CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT MARCH 31, 2009 OF CMI LIMITED (HOLDING COMPANY)
ALONGWITH CMI TELECOM LIMITED (WHOLLY OWNED SUBSIDIARY)**

Amount In Rupees

Description	Sch.	Year Ended 31st March-09	Year Ended 31st March-08
INCOME			
Sales	13	574,531,413	251,284,455
Less: Excise Duty		60,595,203	30,328,025
		<u>513,936,210</u>	<u>220,956,430</u>
Add:			
: Other Income	14	1,998,110	3,721,142
: Creditors written back		5,784,046	168,707
		<u>521,718,366</u>	<u>224,846,278</u>
EXPENDITURE			
Material, Manufacturing and Others Expenses	15	448,534,740	186,102,898
Personnel	16	9,298,436	7,712,526
Financial Expenses	17	3,132,791	6,300,572
Administrative and Selling Expenses	18	12,657,260	4,768,132
Debtors Written off		18,186,665	159,404
		<u>491,809,891</u>	<u>205,043,532</u>
PROFIT/(LOSS) BEFORE DEPRICIATION AND TAX		29,908,475	19,802,746
Less:- Depreciation		8,725,348	8,854,060
PROFIT/(LOSS) BEFORE TAXATION		21,183,127	10,948,686
Less:-Taxation-Current Year		-	-
Previous Year Adjustments		(453,066)	
Fringe Benefit Tax		147,911	116,156
NET PROFIT/(LOSS) FOR THE YEAR		21,488,282	10,832,530

CARRIED TO THE BALANCE SHEET

As per our report of even date attached
For Manocha J. K. & Associates
Chartered Accountants

19

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor

Subodh Kr. Barnwal
Company Secretary

Amit Jain
Managing Director

Parag Jain
Director

Place: Delhi
Date: 30th June 2009

CMI LIMITED



(BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE)

1. Registration Details

Registration No.	: 55-18031	State Code	: 55
CIN No.	: L74899DL 1985PLC018031		
Balance Sheet Date	: (D/M/Y) 31/03/2009		

2. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	: Nil	Rights Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	: 310315463	Total Assets	: 310315463
-------------------	-------------	--------------	-------------

Sources of Funds

Paid-up Capital	: 30567500	Reserves & surplus	: 26267500
Secured Loans	: 44749230	Unsecured Loans	: 132764674

Application of Funds

Net Fixed Assets	: 56284925	Investment	: 504596
Net Current Assets	: 161555819	Misc. Expenditure	: Nil
Accumulated Losses	: (16,003,564)		

4. Performance of Company (Amount in Rs. Thousand)

Turnover (incl. Other income)	: 521718366	Total Expenditure	: 491803698
Profit Before Tax	: 21189320	Profit After Tax	: 21494475
Earning per Share (Rs.)	: 6.94	Dividend	: Nil

5. Generic Names of the two Principal Products of the Company (As per monetary terms)

Item Code	: 8544		
Product Description	: Jelly Filled Communication Cables		
Item Code	: 8544		
Product Description	: Insulated Wire and Cable		

Registered Office : C-483, Yojna Vihar,
New Delhi - 110092

DP ID	
Client ID	

**42nd ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

L.F. No.	
No. of Shares held	

I/We hereby record my / our presence at the 42nd Annual General Meeting of the Company held on Wednesday, 30th, September, 2009 at 11.30 a.m. at C - 483, Yojna Vihar, Delhi - 110 092

Name of the Member (In Block Letters)	
Signature of the Member	
Name of the Proxy (In Block Letters)	
Signature of the Proxy	

Note : Members / Proxyholders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the meeting Hall. No Attendance Slip will be issued at the time of Meeting.

Signature of the Member/ Authorised Representative

Signature of the Proxy

Photocopy of Attendance Slip Shall not be entertained.

.....Tear Here

CMI LIMITED

Registered Office : C - 483, Yojna Vihar,
New Delhi - 110092

**42nd ANNUAL GENERAL MEETING
PROXY FORM**

I/ Wein
The district ofbeing a member/members of
the CMI Limited, hearby appoint Mr./ Miss/ Mrs.....of
.....or falling him/her,
Mr/Miss/Mrs.....in the district of.....as my/
out proxy to vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held on
Wednesday, 30th, September,2009

Signed this.....day of.....2009

Affrix Rs. 1 Revenue

BOOK-POST

if undelivered, please return to :

CMI LIMITED

Registered Office : C-483, Yojna Vihar,
New Delhi - 110092