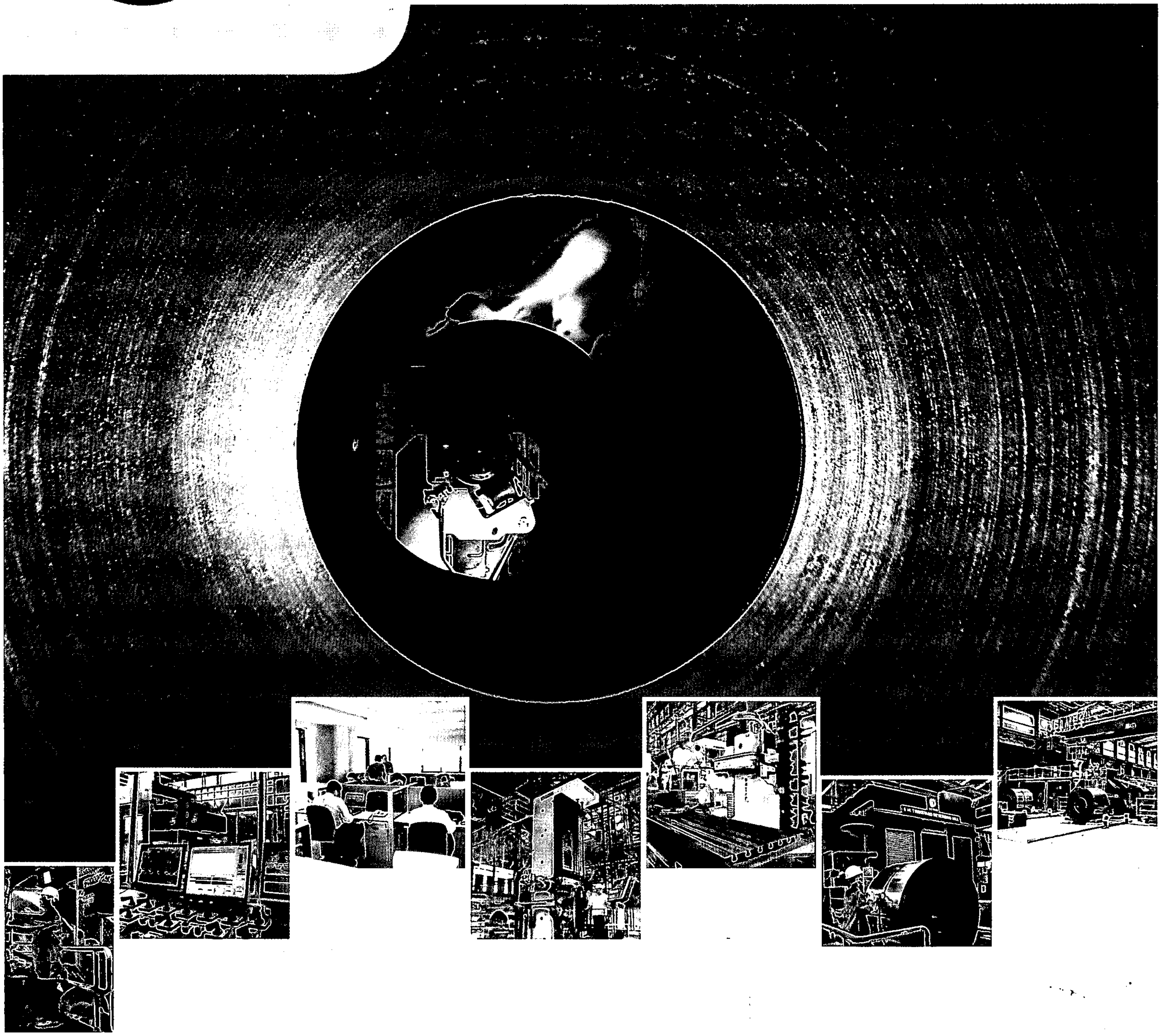
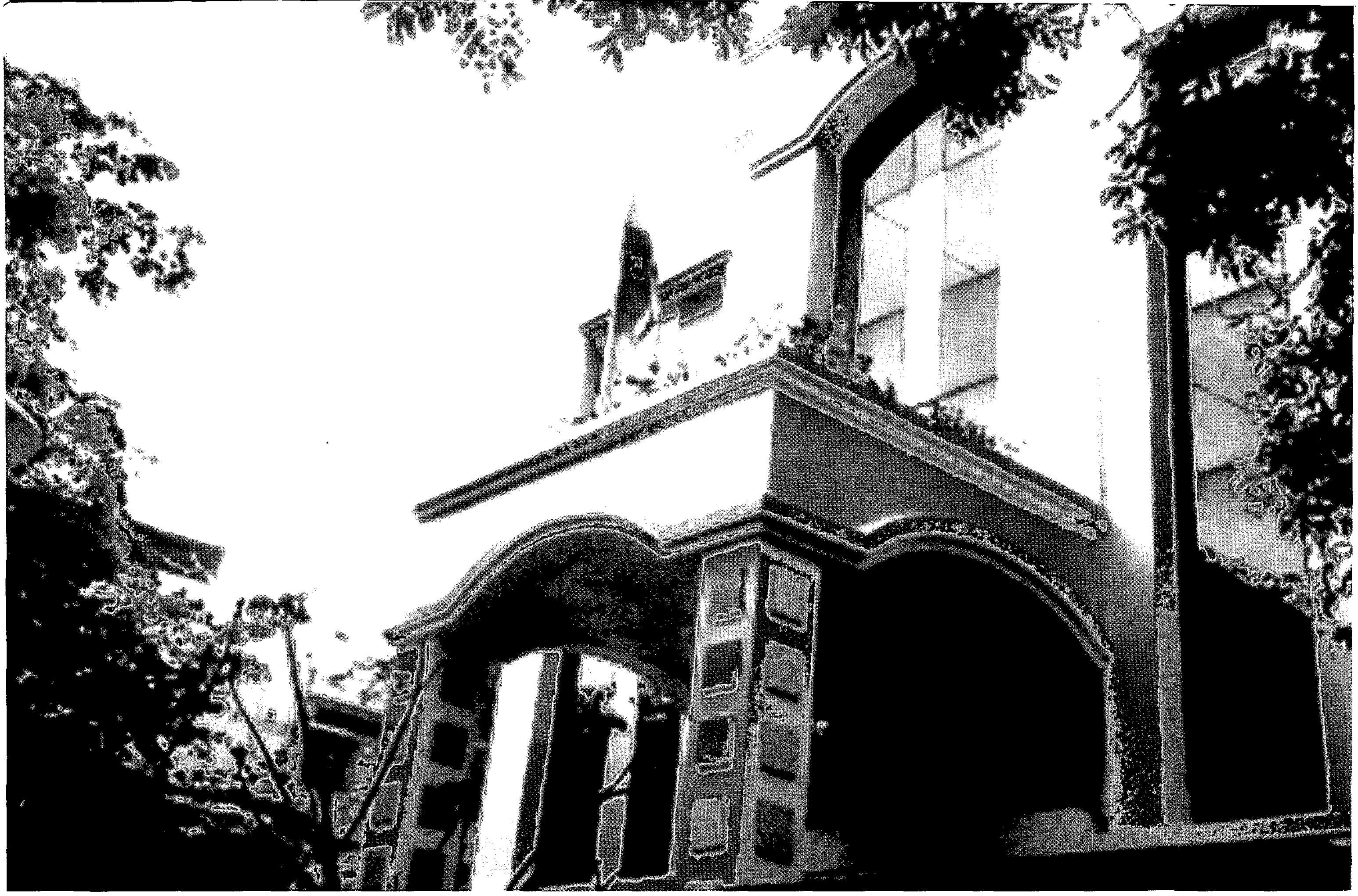
cmi INDUSTRY FPE



CMI FPE LIMITED

Annual Report 2008-2009



CMI FPE head office at Mumbai

Contents

BOARD OF DIRECTORS

Mr. Jean-Marc Kohlgruber
Mr. Rob Johnson
Mr. Yves Honhon
Mr. R. N. Tandon
Mr. K. R. Iyer
Dr. N. S. Datar
Mr. D. J. Balaji Rao
Mr. Raman M. Madhok

REGISTERED OFFICE

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

WORKSHOPS

(Unit No.I)
A-84, 2/3 MIDC,
Taloja Ind. Area,
Dist Raigad - 410 208

(Unit No.II)
SR. no 144/1/3,
Opp. Bhilosa Textile,
Nr. Alok industries,
Vill. Rakholi, Silvassa - 396 230

CORE MANAGEMENT TEAM

Mr. Jean Gourp
Mr. Ketan Apte
Mr. Satish Avhad
Mr. Tamal Dutta
Mr. Sunil Kamat
Mr. Vijay Karayi
Mr. Anand Kumar
Mr. K. Anil Kumar
Mr. Hemant Nikam

COMPANY SECRETARY

Mr. Kunal Trivedi

BANKERS

Canara Bank,
Syndicate Bank,
Union Bank of India

AUDITORS

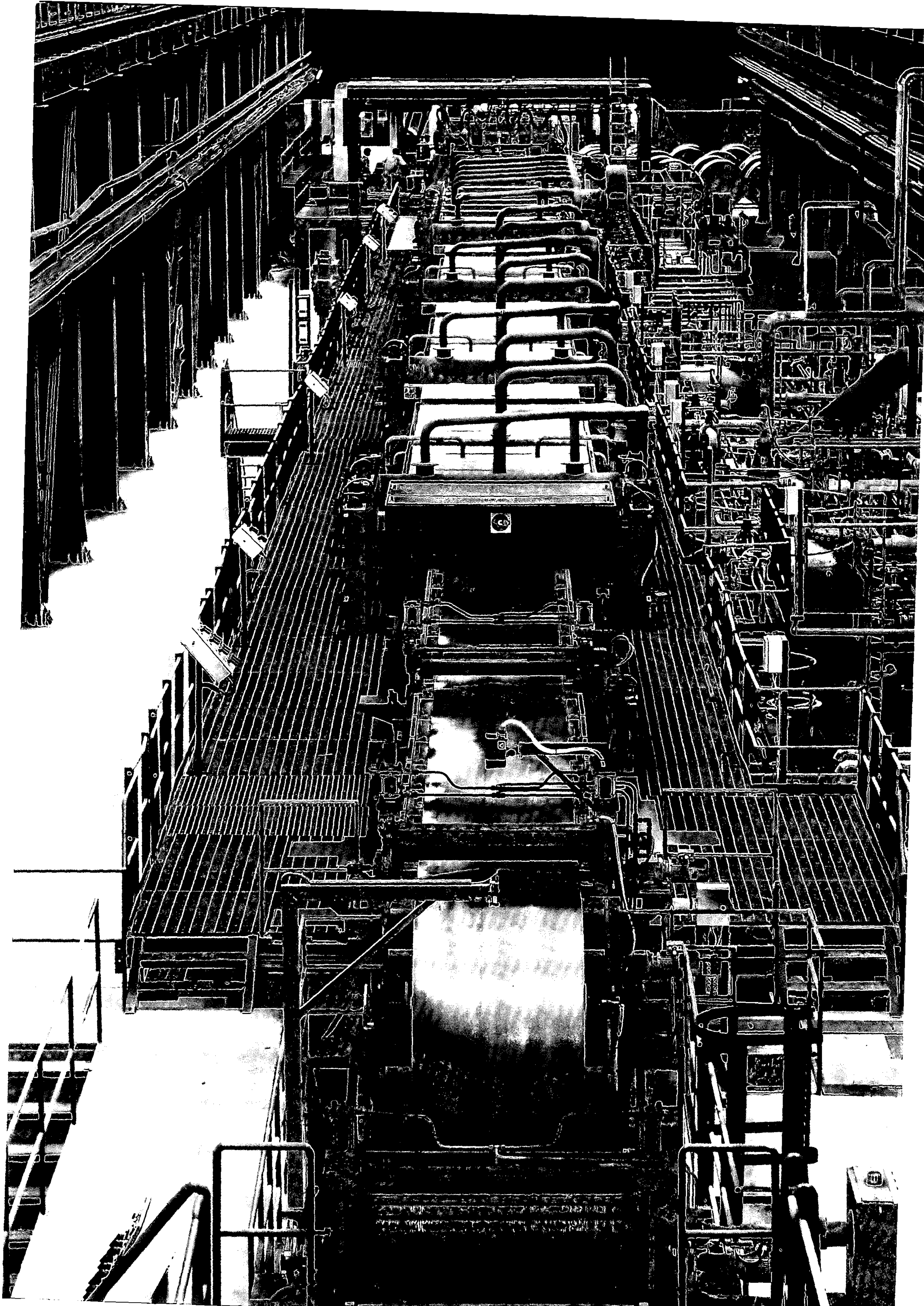
Deloitte Haskins & Sells
Chartered Accountants,
12, Dr. Annie Besant Road,
Opp Shiv Sagar Estate,
Worli, Mumbai – 400 018

LEGAL ADVISORS

PDS & Associates
Advocates & Solicitors
119, 11th Floor,
Mittal Chambers
Nariman Point,
Mumbai 400 021

REGISTRAR AND SHARE TRANSFER AGENT

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



Chairman's Message

Jean-Marc Kohlgruber
Chairman

Dear Shareholders,

It is indeed a pleasure to communicate with you all for the first time as Chairman of your company and place the Annual Report for the year 2008-2009.

The year gone by had been a historical one for the company. CMI Group (Cockerill Maintenance & Ingenierie) completed integration of your company on 25th June, 2008, and put into place a very robust Management Team of existing senior personnel who had performed exceedingly well at FPE duly supported by Rob Johnson, Managing Director & Jean Gourp, Chief Operating Officer from CMI Group. Several new initiatives were put into place to reap benefits of the new CMI-FPE combine. It is a matter of great satisfaction that inspite of global economic crisis, especially the steel industry with which the fortunes of your company are very closely linked, our order position continues to be very healthy. Many long time partners of FPE have continued and further reinforced their trust and relationship with the company with new orders, and new customers are engaging, thanks to the advanced technology, expertise and reach of CMI Group. The enhanced interaction between personnel of CMI Group and your company which had started soon after the signing of Share Purchase Agreement in January, 2008, resulted in exchange of ideas, thoughts, transfer of technology and contributed to a better offering of extended and consistent range of products and services to the customers globally in the downstream of steel industry.

We signed a historic agreement with Tata Steel for supply of a 6 high reversing cold rolling mill and an electrolytic cleaning line during the visit of King of Belgium in November, 2008. Earlier than that we had an opportunity to negotiate and sign the largest order in the history of the company with Bhushan Power & Steel Ltd. These orders confirmed to the customers that the combination of technologies of FPE and CMI is a natural alliance and offers all customers a value proposition for downstream steel products which not many others can give. We have also fabricated very successfully equipment for some of the CMI projects in USA, Brazil and Europe in the workshops of your company. The benefits envisaged from the integration will surely benefit all Shareholders alike as business grows in times to come. Your company now forms part of a very restricted circle of companies able to offer its clients a complex for cold steel making on top of this, its sales activities now cover all the continents across the globe.

I am of the firm opinion that India as a country will continue to shine as more impetus is given on infrastructure development by the Government, not withstanding worldwide financial and other problems. Steel production and consumption in India will be higher than previous years and with projected GDP of 7% or more next year, your company is bound to reap benefits of both public and private spending. Towards achieving this goal, several initiatives have been put into place including inducting new directors on the Board whose wise counsel and experience will guide future directions of the company. We are confident that inspite of the economic situation your company, well nurtured by late Mr. T.R. Mehta and his guiding principles and guidance of all stakeholders will continue its journey of excellence and growth with robust prosperity all around.

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

Yours Sincerely,
Jean-Marc KOHLGRUBER
Chairman

Managing Director's Message

Dear Shareholders,

Mr. Rob Johnson
Managing Director

The year that passed by was impacted by uncertain business climate that began in second quarter of the year. The worlds economy contracted at an unprecedented rate resulting in a material decline in worldwide steel consumption and related prices. In spite of this environment, we achieved several important milestones including a record for new order entry. My congratulations to the team for their performance in this difficult environment.

During the past year, we aligned our business strategies to match that of the prevailing business environment, minimizing negative impacts. We focused on our core activities and products while expanding our customer reach. Further, your company initiated many process changes which will prepare and position the company for future growth. These processes included implementation of a state of art enterprise resource system, newer risk assessment guideline with a focus on the customer, advanced design software which allows flexibility and new capabilities, a process of regular and systematic training of our people, maintaining our ISO - 9001: 2000 quality management system, and several others. These initiatives will position your company as a continued leader in our industry. Your company has always been a trusted partner for the customer and this will strengthen with these measures.

Your company also planned investment in our workshops to enhance our machinery capabilities and process efficiency. As we prepare ourselves for ISO-14001: 2004, our careful eye is on improving the standards for the environment, and the occupational health and safety of the employees.

In these times, leveraging human capital is a key strategy to achieve greater efficiency and effectiveness. Through a *professionally developed training program, we will further develop our leaders and star performers, utilizing them to move our* vision forward through both technical and non technical matters. We also introduced key performance indicators which are preparing our employees to meet future requirements of our industry and customers.

In the competitive landscape, we developed a stronger position through the strategic link with the CMI Group. With centuries of experience, the CMI Group contributed to our growth and development in both technical and non technical matters. Several new opportunities arose with successful endings due to guidance of CMI Group.

I would like to take this opportunity to thank the overwhelming support and trust given by all the stakeholders including the CMI Group who continues to be the major contributor to your company's operations. I am also thankful to the members of the board for their support and guidance.

Yours Sincerely,
Rob JOHNSON
Managing Director

From L to R: Mr. Jean-Marc Kohlgruber, Mr. Yves Honhon, Mrs. Nishi Metha and Late Dr. T.R. Metha, signing SPA

From Flat Products Equipments to CMI FPE

Flat Products Equipments (FPE) was promoted by Late Dr. Tilak Raj Mehta, a gold medalist in Metallurgy and a leading technocrat, in 1986 as a Private Limited Company to manufacture cold rolling mills, auxiliary equipment for the cold rolling industry, metal processing industry and to also cater to the increasing demands and technological advancements in the ferrous and non-ferrous industry.

FPE became a deemed public limited company u/s 43A of the Companies Act, 1956 in July 1992 and converted into a public limited company on October 26, 1993 and started catering steel industry whereby FPE undertook Greenfield projects and expansion and modernization of cold rolling mills and also got engaged in designing and implementation of turnkey projects of cold rolling mills, galvanizing lines, pickling lines and colour coating lines.

Over the years FPE have achieved many technological milestones in manufacture of galvanizing lines, 2-High & 4-High Skin Pass Mill, 4-High, 6-High & 20-High Cold Rolling mills with additional specifications such as "Mass flow AGC system", "Mill management system" etc., High speed continuous Pickling line, High speed Electrolytic cleaning line and many more. FPE have been also endowed with export achievement certificate by Government of Maharashtra for the year 1998-99, certificate for outstanding contribution to engineering exports from Engineering Export Promotion Council (EEPC) for the year 2000-01 and also award for export excellence from EEPC for the same year.

Late Dr.Tilak Raj Mehta has been internationally recognized for his significant contributions to the Steel Industry and India's Export initiatives by Indian as well as International Trade related bodies/ Associations.

In 2008 Late Dr. Tilak Raj Mehta a great visionary with a vision to safe guard the interest of shareholders took a right decision to hand over FPE to a Belgium based Group Cockerill Maintenance & Ingénierie (CMI) as he was not able to give full commitment for the betterment of the Company due to his increasing age & ongoing ill health.

CMI completed the acquisition of FPE on June 25, 2008. The name of the Company was subsequently changed to CMI FPE Limited.

Post acquisition, a dedicated integration team is addressing the task of sharing best practices between the two companies. An associated objective is to make the ways in which the companies are organised compatible.

As of current, CMI FPE Limited has a global footprint across Asia, Africa, Middle East, Europe, North America, South America, Russia and will therefore complement CMI's global presence.

Background of CMI

From John Cockerill to CMI

Founded in 1817 by John Cockerill, the CMI group remains in its original home in the Castle of the Prince Bishops and continues the tradition of this industrial genius who sparked an economic boom in Wallonia. A man of many interests who was constantly in contact with foreign countries, John Cockerill was a great industrial explorer who still inspires the taste for entrepreneurship and the drive to surpass oneself in his successors.

1817
John Cockerill began his industrial activity as part of the family business, which had moved to the Liege area to produce weaving looms. He quickly became interested in steam engines and built the first working steam locomotive in continental Europe.

1950-1980
Through successive mergers, Cockerill's steel business grew. Though overshadowed by this core business, the company's mechanical engineering activities continued developing in new fields, using the technique that has proven successful from the start: technological monitoring, patenting, and continual process improvement.

1982
Cockerill's Mechanical Construction Division became a subsidiary of Cockerill Sambre and was renamed Cockerill Mechanical Industries (CMI).

1995
Always highly responsive to market demands, CMI positioned itself as an industrial equipment expert in Maintenance and Services activities.

2002
Usinor,shareholder of the Walloon steel company Cockerill Sambre, sold CMI to an independent private consortium of shareholders. CMI then decided to keep the heritage of John Cockerill alive and became an autonomous group focused on equipment performance.Ever entrepreneurial, the Group embarked on a period of rapid growth.

2004
Cockerill Mechanical Industries became Cockerill Maintenance & Ingénierie. This name change highlighted CMI's determination to use the synergies between its two core specialities, Engineering and Maintenance, to their fullest.

2006
The Group passed the € 500 million mark in orders, thanks to acquisitions and the controlled expansion of its activity portfolio.

2008
CMI establishes itself in India and enters into the very exclusive circle of suppliers capable of providing industrial cold steel complexes. CMI exceeds the € 800 million mark turnover, having registered continuous growth since 2002. With a more extensive portfolio of products and services, more operations entities, more sites in more countries, plus the expertise of more and more employees, the Group bolsters its international base and reach.

Jean-Marc Kohlgruber
Chairman

Mr. Rob Johnson
Managing Director

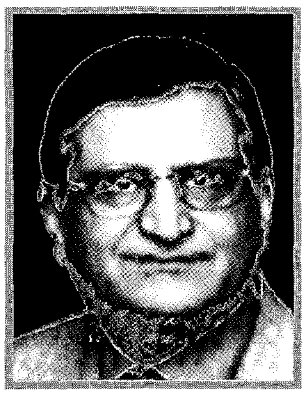
Mr. Yves Honhon
Director

Mr. R. N. Tandon
Director

Mr. K.R. Iyer
Director

Dr. N.S. Datar
Director

Mr. D. J. Balaji Rao
Director



Mr. Raman M. Madhok
Director

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF CMI FPE LIMITED (FORMERLY KNOWN AS FLAT PRODUCTS EQUIPMENTS (INDIA) LIMITED) WILL BE HELD ON SEPTEMBER 11, 2009 AT MEHTA HOUSE, PLOT NO. 64, ROAD NO. 13, MIDC, ANDHERI (E), MUMBAI 400093 AT 3.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009, the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on equity shares for the year ended on March 31, 2009.
3. Mr. K. R. Iyer retires by rotation and, in absence of any proposal for re-appointment of retiring Director or appointment of any other person in his place, no person to be appointed as Director in the Annual General Meeting.
4. Dr. N. S. Datar retires by rotation and, in absence of any proposal for re-appointment of retiring Director or appointment of any other person in his place, no person to be appointed as Director in the Annual General Meeting.
5. To appoint a Director in place of Mr. Yves Honhon, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration, and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, be and are hereby re-appointed as auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as mutually agreed."

SPECIAL BUSINESS:

7. **APPOINTMENT OF MR. D. J. BALAJI RAO AS A DIRECTOR**

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

   "RESOLVED THAT Mr. D. J. Balaji Rao, who was appointed by the Board of Directors as an Additional Director with effect from October 30, 2008 and who in terms of Section 260 of the Companies Act, 1956 holds office as such upto the date of Twenty Third Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 from a shareholder of the Company signifying his intention to propose Mr. D. J. Balaji Rao as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. **APPOINTMENT OF MR. RAMAN M. MADHOK AS A DIRECTOR**

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

   "RESOLVED THAT Mr. Raman M. Madhok, who was appointed by the Board of Directors as an Additional Director with effect from January 30, 2009 and who in terms of Section 260 of the Companies Act, 1956 holds office as such upto the date of Twenty Third Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 from a shareholder of the Company signifying his intention to propose Mr. Raman M. Madhok as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. **CONTRIBUTION TO THE PROVIDENT FUND ON BEHALF OF THE MANAGING DIRECTOR OF THE COMPANY WITH EFFECT FROM OCTOBER 1, 2008**

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

   "RESOLVED, subject to necessary statutory approvals, if any, under the provisions of the Companies Act, 1956 that the Company do contribute on behalf of Mr. Rob Johnson, Managing Director, with effect from October 1, 2008, a sum in aggregate not exceeding 12% of his basic salary to Provident Fund as per the rules laid down in this behalf under the Employees Provident Fund Scheme, 1952 and Employees Pension Scheme 1995 as amended;

RESOLVED FURTHER that a supplementary agreement as may be necessary or expedient, be executed by the Chairman or any other Director for and on behalf of the Company with Mr. Rob Johnson to give effect to this resolution."

10. APPLICATION TO CENTRAL GOVERNEMENT FOR WAIVER OF EXCESS PAYMENT MADE TO EX-EXECUTIVE DIRECTORS IN THE PAST

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

"RESOLVED, subject to necessary statutory approvals, if any, under the provisions of the Companies Act, 1956 that the Company do make an application to Central Government for waiver of excess payment made to Ex-Executive Directors Late Mr. Tilak Raj Mehta, Mrs. Nishi Mehta and Late Mr. D. D. Sengupta."

"RESOLVED FURTHER THAT the Company hereby authorizes Company Secretary to file all documents and to do all the acts as may be deemed necessary or expedient in this relation."

11. CHANGE IN PLACE OF KEEPING REGISTERS & INDEX OF MEMBERS AND OTHER RELATED BOOKS

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

"RESOLVED THAT pursuant to the provisions of section 163 and all other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members, Register of Debenture holders, Index of Debenture holders and other related books be kept at the premises of the Company's Registrar and Transfer Agents viz. Sharepro Services (India) Private Limited, 13AB, Samitha Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 and also at 912, Raheja Center, Free Press Journal Road, Nariman Point, Mumbai – 400 021."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members/Proxies, who attend the meeting, are requested to complete the attendance slip and deliver the same at the entrance of the meeting hall.
3. The register of members and share transfer books of the company will remain closed from September 4, 2009 to September 11, 2009 (both days inclusive).
4. Pursuant to clause 49 of the listing agreement, a brief profile of the Directors seeking re-appointment is given hereunder.

Mr. Yves Honhon

Name	Mr. Yves Honhon
Age	45 Years
Qualifications	Bachelor's Degree in Mathematics (State University of Liege, Belgium), Bachelor's Degree in Business Administration (State University of Louvain, Belgium), CEPAC (University of Brussels, Belgium).
Expertise	Vast Finance & Corporate Management experience.
Other Directorship	–

Mr. D. J. Balaji Rao

Name	Mr. D. J. Balaji Rao
Age	70 Years
Qualifications	Degree in Mechanical Engineering and PG Diploma in Industrial Engineering.
Expertise	Vast Industrial Engineering, Finance & Corporate Management experience.

Other Directorship	Name of the Company 1. Ashok Leyland Ltd. 2. Bajaj Auto Ltd. 3. 3M India Ltd. (Chairman) 4. Hinduja Foundaries Ltd. 5. Graphite India Ltd. 6. ICICI Prudential Trust. 7. JSW Energy Ltd. 8. Bajaj Holdings and Investment Ltd. 9. Bajaj FinServ Ltd. 10. Bajaj Auto Finance Ltd.

Mr. Raman M. Madhok

Name	Mr. Raman M. Madhok
Age	64 Years
Qualifications	BE (Hons) Mechanical
Expertise	Vast Engineering, Finance & Corporate Management experience.
Other Directorship	Name of the Company 1. Gea Process Engineering (I) Pvt. Ltd.

5. Dividend for the year ended March 31, 2009 as recommended by the Directors, if sanctioned at the Meeting will be paid on or before October 11, 2009 to those members whose names appear in the Company's Register of Members as on September 4, 2009. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
6. Members holding shares in physical form are requested to notify the change, if any, in their address and bank mandate details to the Company's Registrar and Share Transfer Agent. The members holding shares in the dematerialized form are requested to ensure that the bank account linked to their depository participant account is operative.
7. The final dividend for the year 2001-02 will become due for transfer to Investor Education and Protection Fund ("IEPF") in October 2009. The members who have not encashed their divided are requested to approach the Company. After transfer of the unclaimed dividend to IEPF, no claim shall thereafter lie against the Company or the said fund.
8. The members holding shares in physical form, who have not yet exchanged the old share certificates with the new one bearing new name of the Company, consequent to change of name of the Company are requested to approach the Company's Registrar and Share Transfer Agent.

By Order of the Board of Directors

Company Secretary

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

Place: Mumbai
Date: June 17, 2009

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO.7

Mr. D. J Balaji Rao was appointed as an Additional Director w.e.f. 30.10.2008. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. D. J Balaji Rao will hold the office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. D. J. Balaji Rao for the office of a Director. Mr. D. J. Balaji Rao was Deputy Managing Director of ICICI Bank Limited, Vice Chairman & Managing Director of SCICI Ltd. and Managing Director of IDFC Ltd., and has vast Finance & Corporate Management experience. Appointment of this Management expert on the Board of the Company will benefit the Company.

None of the other Directors of the Company are concerned or interested in the Resolution.

The Board recommends that the Resolution be passed as an Ordinary resolution.

ITEM NO.8

Mr. Raman M. Madhok was appointed as an Additional Director w.e.f. 30.01.2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Raman M. Madhok will hold the office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Raman M. Madhok for the office of a Director. Mr. Raman M. Madhok was Executive President in Zuari Industries Ltd., Executive Chairman in Gea Process Engineering (I) Pvt. Ltd., presently acts as a Non-Executive Director of Gea Process Engineering (I) Pvt. Ltd., and has vast Finance & Corporate Management experience. Appointment of this Management expert on the Board of the Company will benefit the Company.

None of the other Directors of the Company are concerned or interested in the Resolution.

The Board recommends that the Resolution be passed as an Ordinary Resolution.

ITEM NO. 9

The present Managing Director Mr. Rob Johnson being an expatriate did not have any retirement benefit in the local salary but in view of the recent legislation, the Company is contributing to the provident fund on behalf of the Managing Director w.e.f. October 1, 2008.

The Board of Directors at its Board Meeting held on June 17, 2009 approved the payment on behalf of Mr. Rob Johnson, Managing Director, with effect from October 1, 2008, of a sum in aggregate not exceeding 12% of his basic salary to Provident Fund as per the rules laid down in this behalf under the Employees Provident Fund Scheme, 1952 and Employees Pension Scheme 1995 as amended subject to the approval of the shareholders of the Company and subject to other statutory approvals under the provisions of the Companies Act, 1956.

Mr. Rob Johnson is deemed to be concerned or interested in the above mentioned Resolution with respect to varying his terms of remuneration.

None of the other Directors of the Company are in any way concerned or interested in the aforesaid Resolution.

The Board recommends that the Resolution be passed as an Ordinary Resolution.

ITEM NO. 10

The Company had paid excess remuneration to its Ex-Executives Directors in the past. Payment was made on a projected fund flow cash flow statement which did not fructify. The Company wants to waive the excess remuneration (including cars retained at the time when Late Mr. Mehta & Mrs. Mehta ceased to be Executive Directors) paid to its Executive Directors, Late Mr. Tilak Raj Mehta & Mrs. Nishi Mehta the founder promoters of the Company and Late Mr. D.D. Sengupta who have contributed immensely in the success of your Company and bringing your Company to such a great height. The application has been already made to the Central Government as it was statutorily required.

The Board of Directors at its Board Meeting held on June 17, 2009 approved the circular resolution passed on June 6, 2009, with few modifications, for waiver of excess payment made to its Ex-Executive Directors as mentioned herein above in the past.

None of the Directors of the Company are in any way concerned or interested in the aforesaid Resolution.

The Board recommends that the Resolution be passed as an Ordinary Resolution.

ITEM NO. 11

Under the provisions of the Companies Act, 1956, (the "Act") certain documents such as the Register and Index of Members, Register and Index of Debenture holders, other related books and papers etc., are required to be kept at the Registered Office of your Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of your Company is situated, with the approval of the Members to be accorded by a Special Resolution.

Sharepro Services (India) Private Limited, Mumbai is our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. The office of our RTA, where our operations are carried out hitherto is going for redevelopment. Hence, the approval of the Members is sought in terms of section 163(1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

None of the Directors of the Company are in any way concerned or interested in the aforesaid Resolution.

The Board recommends that the Resolution be passed as a Special Resolution.

By Order of the Board of Directors

Company Secretary

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

Place: Mumbai
Date: June 17, 2009

DIRECTOR'S REPORT

To
The Members
CMI FPE LIMITED
(Formerly Flat Products Equipments (India) Ltd.)

Your Directors have pleasure in presenting the Twenty Third Report on the business and operations of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2009.

1. FINANCIAL RESULTS

The following is the summary of financial performance of the Company during the year under review.

FINANCIAL RESULTS	Current Year 2008-2009 (Rs. in Lacs)	Previous Year 2007-2008 (Rs. in Lacs)
Sales and Other Income	**46,487.46**	32,887.88
Profit before Interest, Depreciation & Tax	**2,850.73**	2,658.44
Interest	**522.17**	670.22
Profit before Depreciation & Tax	**2,328.56**	1,988.22
Depreciation	**560.00**	540.58
Profit before Tax	**1,768.56**	1,447.64
Provision for Tax – Current	**1,700.00**	527.25
– Deferred	**(992.69)**	(7.75)
Tax relating to earlier year (net)	**753.95**	53.31
Fringe Benefit Tax	**39.47**	44.53
Profit after Tax	**267.83**	830.30
Balance brought forward from previous year	**1,196.78**	882.02
Profit available for Appropriation	**1,464.61**	1,712.32
Appropriation :-		
Proposed Dividend	**98.76**	98.76
Income Tax on Dividend	**16.78**	16.78
Transferred to General Reserve	**20.09**	400.00
Balance carried forward	**1,328.98**	1,196.78
	1,464.61	1,712.32

2. DIVIDEND

Your Directors recommend a dividend of Rs 2/- (Previous year Rs. 2/-) per equity share of face value of Rs. 10/-. The Dividend, if approved will absorb Rs.115.54 lacs including Tax on Dividend (Previous year Rs.115.54 lacs).

3. OPERATIONS

During the year under review your Company achieved net turnover of Rs.455.22 Crores against the preceding year's level of Rs.327.80 Crores. Sales includes export sales of Rs.332.41Crores against previous year's Rs.236.76 Crores. The Company's main thrust have been exports and have exported to countries like Colombia, UAE, China, Nigeria, Iran, Egypt, Malaysia, Turkey, Tunisia, Ethiopia and Belgium during the year. The profit after tax for the year is Rs.2.68 Crores against Rs.8.30 Crores for the previous year.

4. ACQUISITION OF THE COMPANY

The process of acquisition of the Company by Cockerill Maintenance & Ingénierie SA, ("CMI") was successfully completed during the year. As mentioned in the earlier report it was not only essential but also a win win combination for both CMI and the Company. The open offer closed on June 4, 2008 and the payment was made to the shareholders whose shares were accepted on pro rata basis. The Board underwent a reconstitution at its meeting held on 25-06-2008 wherein Late Mr. Tilak Raj Mehta & Mrs. Nishi Mehta (founder promoters) resigned as Chairman cum Managing Director & Whole time Director respectively. In the same meeting Mr. Jean-Marc Kohlgruber, Mr. Yves Honhon & Mr. Rob Johnson of CMI Group were appointed as Non-Executive Chairman, Non-Executive Director & Managing Director respectively.

5. FIXED DEPOSIT

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

6. DIRECTORS

Mr. Tilak Raj Mehta and Mrs. Nishi Mehta resigned as Chairman cum Managing Director and Whole time Director respectively on 25-06-2008. However, Late Mr. Tilak Raj Mehta continued to be on the Board at the request of CMI but unfortunately he ceased to be a Director, as he expired on 10-11-2008. The Directors placed on record their appreciation of services rendered by Late Mr. Tilak Raj Mehta and Mrs. Nishi Mehta and their immense contribution as founders of the Company and taking the Company to great heights.

Mr. R. K. Chouhaan also resigned as Director on 25-06-2009 and the Directors placed on record their appreciation of services rendered by him.

Mr. Jean-Marc Kohlgruber and Mr. Yves Honhon were appointed as Directors and Mr. Rob Johnson as Managing Director on 25-06-2008.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K. R. Iyer & Dr. N. S. Datar retire by rotation at the ensuing Annual General Meeting, and in absence of any proposal for re-appointment of retiring Director(s) or appointment of any other person(s) in their place, no person(s) to be appointed as Director(s) in the Annual General Meeting, and Mr. Yves Honhon retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

Mr. D. J. Balaji Rao and Mr. Raman M. Madhok were appointed as Additional Directors w.e.f. 30-10-2008 and 30-01-2009 respectively and their term of office expires at the end of ensuing Annual General Meeting and being eligible offer themselves for reappointment as Directors.

7. ADDITIONAL INFORMATION PURSUANT TO PARA 3 AND 4C OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

As regards Auditors' Report relating to Note No. 12 of Schedule K- Notes on Accounts annexed to the Accounts, the legacy computer system which remained in force up to September 30, 2008 did not have the capability to generate relevant data. However, with deployment of SAP from October 1, 2008 the system provides for the capability and disclosures will be made in future.

8. MANAGERIAL REMUNERATION

As regards Auditors' Report relating to Note No. 18 of Schedule K- Notes on Accounts annexed to the Accounts, the Company has initiated the process of obtaining requisite approval from the Central Government.

9. LOAN TO LATE MR. TILAK RAJ MEHTA

As regards Auditors' Report relating to Note No. 18 of Schedule K- Notes on Accounts annexed to the Accounts, the Company is under process to make an application under section 621A of the Companies Act, 1956 for compounding.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the Annual Accounts for the year under review, the applicable accounting standards has been followed.

b) the Directors had selected such accounting policies and applied them consistently and made judgments 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 2008-2009 and of the profit of the Company for that period;

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

d) the Directors had prepared the annual accounts for the year ended on March 31, 2009 on a going concern basis.

11. INSURANCE

The insurable interest in all the properties of the Company including building, plant and machinery, stocks have been adequately insured.

12. DISCLOSURES

The information with regards to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to the Company's (Disclosures of particulars in the report of the Board of Directors) Rule, 1988 are given in Annexure 'A' forming part of this report.

13. PARTICULARS OF EMPLOYEES

The information as required u/s.217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule of 1975, as amended from time to time, forms part of this Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the information relating to the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

14. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance along with a certificate from the auditors are given in Annexure "B" forming part of this report. The Auditors have commented on Corporate Governance issues. The Board has since with effect from June 17, 2009 re-constituted the Shareholder / Investor's Grievance Committee and put in place review of legal and statutory compliance as a part of agenda in the Board meeting. Besides, in order to protect confidentiality of designs which are proprietary in nature, it was not possible for the Company to obtain comparable quotes for items purchased from related parties.

15. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a section on management discussion and analysis is given in Annexure "C" forming part of this report.

16. AUDITORS

Deloitte Haskins & Sells., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting. Deloitte Haskins & Sells., being eligible, have offered themselves for re-appointment and have confirmed that their appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

17. HEALTH AND SAFETY

The Company continues to accord high priority to health and safety of employees at all locations. During the year under review, the Company adopted Safety Health & Environment (SHE) Policy. The employees are encouraged to adopt a healthy, safe and environmentally conscious working style.

18. PERSONNEL

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

19. ACKNOWLEDEMENT

Your Directors record their sincere gratitude to the Central Government, Government of Maharashtra and Financial Institutions. The Company expresses it's thanks to the Bankers for their support and co-ordination in the form of excellent services rendered by them and Shareholders, Business Associates, Customers for their continued support and faith in the Company.

By Order of the Board of Directors

Mumbai
Dated: June 17, 2009

Rob Johnson
Managing Director

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

ANNEXURE "A" TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2009.

A. CONSERVATION OF ENERGY

Energy conservation is a continuous process and is one of the prime areas for control of cost. Steps taken by the Company are as under.

a) Energy Conservation Measures taken:

- Intensified ongoing checks and test on performance of electrical transformer plant and better load management.
- Electrical lighting in the department is decentralized for conservation.
- Improvement of Power Factor.

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

- Welding generators with rectifiers as and when required, flux welding introduced to reduce power consumption.

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

- The measures taken have resulted in savings in the cost of production.

d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries specified in the Schedule furnishing below:

FORM A

Disclosure of particulars with respect to conservation of energy

POWER AND FUEL CONSUMPTION	**2008-2009**	2007-2008
i Electricity:		
a. Purchased		
Units (Total) - KWH	**1625036**	1926870
Total Amount (Rs.in Lacs)	**77.65**	87.40
Rate / Unit (Rs.)	**4.78**	4.54
Consumption per unit of production	**N.A.**	N.A.
b. Own generation (DG set)		
Units (Total) – KWH	**37785**	48020
Total Amount (Rs.in Lacs)	**5.10**	6.89
Rate / Unit (Rs.)	**13.51**	14.34
Consumption per unit of production	**N.A.**	N.A.
ii Coal:	**–**	–
iii. Furnance Oil / H.S.D.:		
a. Purchased		
Units (Total) – Litres	**14600**	20313
Total Amount (Rs. in Lacs)	**5.65**	6.89
Rate / Unit (Rs.)	**38.62**	33.91
Consumption per unit of production	**N.A.**	N.A.
b. Own generation	**NIL**	NIL
iv. Others:	**NIL**	NIL

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form B furnished below:

FORM B

(Disclosure of particulars with respect to Technology Absorption)

RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R & D carried out by the Company:
   - Ongoing development of new product design/processes/materials/toolings, improvement of systems in existing products/processes in related manufacturing areas of industrial machinery, related electrical/ electronic products and systems.
   - Testing & Certification of existing products for conformity to new Indian/ international standards.
2. Benefits derived as a result of above R & D.
   - Indigenisation / Import substitution.
   - Cost reduction / improved utilization of material and energy.
   - Technology upgradation.
   - Enhancement in quality and service to the customers.
   - Development of new designs for products and processes.
   - Preparedness to counter competition in the changed liberalized environment.
3. Future Plan of Action:
   - Continuation of the present work in R&D for introduction of new products and processes, improvement in the existing products and processes in various areas in which the Company is operating.
   - Faster introduction of new products and R&D.
   - Strengthening infrastructure for R &D.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
   - Training of personnel abroad for exposure to the latest products/designs, manufacturing technologies and assembly practices.
   - Participating in national/international conferences, seminars and exhibitions.
   - Imparting training to personnel by foreign technicians in various manufacturing techniques.
   - Evaluation/adaptation/modification of imported designs/technologies to suit indigenous requirements, alternative materials/components.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, saving in foreign exchange etc.
3. Information regarding technology imported during the last 5 years.

   The requirement to furnish specified information on imported technology is not applicable as the Company has not imported any technology during the last five years reckoned from the beginning of the financial year 2008-09.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total exports during the year under review were Rs. 33241.04 Lacs as against Rs. 23675.59 Lacs. Information on Foreign Exchange earnings and outgo is specified in the notes to the accounts

Activities relating to exports and export plans: The Company is making continuous efforts to explore new foreign markets for products and services. The sales engineers are in constant touch with overseas market.

ANNEXURE "B" TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

CMI FPE's philosophy on Corporate Governance is aimed at assisting the Management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavour to attain balance among enhancement of stakeholder value and achievement of business objectives.

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

2. Board of Directors

(i) Composition (as on March 31, 2009):

The current strength of the Board of Directors of the Company comprises of eight Members. The Company has a Non-Executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The number of Non- Executive Directors (NEDs) is more than 50% of the total number of Directors. The day-to-day management of the Company is conducted by Mr. Rob Johnson, Managing Director subject to the supervision and control of the Board of Directors.

None of the Directors held Directorships in more than 15 Public Limited Companies. None of the Directors on the Board is a Member on 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 necessary disclosures regarding Committee positions have been made by the Directors.

(ii) Meetings and attendance:

Eight meetings of the Board of Directors were held during the year ended on March 31, 2009. These meetings were held on April 30, 2008, June 12, 2008, June 25, 2008, July 31, 2008, September 19, 2008, October 30, 2008, January 30, 2009 and March 30, 2009.

The information on composition and category of Directors as well as attendance of each Director at the meeting of the Board of Directors held during the year ended on March 31, 2009, last Annual General Meeting and their Directorships/Committee Membership in other public companies as of date is as under:

Name of director	Category/ Position	No. of board meetings attended	Attendance at last AGM	No. of other directorship(s)	Other committee position	
					Member	Chairman
Mr. Tilak Raj Mehta *	Executive (Promoter) / Chairman cum Managing Director	3	No	—	—	—
Mrs. Nishi Mehta *	Executive (Promoter)/ Whole time Director	3	No	—	—	—
Mr. Jean-Marc Kohlgruber **	Non-Executive (Promoter Group)/ Chairman	4	Yes	—	—	—
Mr. Rob Johnson **	Executive (Promoter Group)/ Managing Director	6	Yes	—	—	—
Mr. Yves Honhon **	Non Executive (Promoter Group)	5	Yes	—	—	—
Mr. R. N. Tandon	Independent & Non- Executive	8	Yes	—	—	—

Name of director	Category/ Position	No. of board meetings attended	Attendance at last AGM	No. of other directorship(s)	Other committee position	
					Member	Chairman
Mr. K. R. Iyer	Independent & Non-Executive	8	Yes	—	—	—
Dr. N. S. Datar	Independent & Non-Executive	7	Yes	4	2	1
Mr. R. K. Chouhaan *	Independent & Non-Executive	—	No	—	—	—
Mr. D. J. Balaji Rao #	Independent & Non-Executive	1	No	10	10	3
Mr. Raman M. Madhok #	Independent & Non-Executive	2	No	—	—	—

Notes:

1) The directorships exclude alternate directorships, directorships of private limited companies, bodies corporate incorporated outside India and those held in associations.
2) The committee positions pertain to position held on Audit Committee and Shareholders'/Investors Grievance Committee of public limited companies.
3) *Mr. Tilak Raj Mehta resigned as Chairman cum Managing Director on 25-06-2008; however he continued to be on the Board and ceased to be a Director on 10-11-2008 by virtue of death. Mrs. Nishi Mehta & Mr. R.K Chouhaan resigned on 25-06-2008.
4) **Mr. Jean-Marc Kohlgruber, Mr. Rob Johnson & Mr. Yves Honhon were appointed on 25-06-2008.
5) # Mr. D. J. Balaji Rao & Mr. Raman M. Madhok were appointed as Additional Directors on 30-10-2008 & 30-01-2009 respectively and their appointment will be regularized in the ensuing Annual General Meeting.

3. Audit Committee :

(i) Composition:

The Company's Audit Committee comprises of 3 Non-Executive Directors. Mr. Ravindra Nath Tandon, is the Chairman of the Committee, while Mr. K. R. Iyer and Dr. Narayan Sitaram Datar are the other members of the Committee.

The Company Secretary, acts as secretary to the Committee.

(ii) Meetings and attendance:

Five meetings of the committee were held during the year ended on March 31, 2009. These meetings were held on April 29, 2008, June 24, 2008, July 31, 2008, October 30, 2008 and January 30, 2009.The information with regard to attendance of the members is as under:

Name	Position held	Category	No. of meetings attended
Mr. Ravindra Nath Tandon	Chairman	Non–executive & independent director	5
Mr. K. R. Iyer	Member	Non–executive & independent director	5
Dr. Narayan Sitaram Datar	Member	Non–executive & independent director	5

(iii) Terms of Reference:

The role of the Audit Committee includes the following:

a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
c) Reviewing with management the financial statements before submission to the Board.

d) Reviewing with the management and the external and internal auditors, the adequacy of internal control systems.

e) Reviewing the adequacy of the internal audit function.

f) Discussion with internal auditors on any significant findings and follow up there on.

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

h) Discussions with External Auditors before the audit commences, the nature and the scope of Audit as well as have post audit discussion.

i) Reviewing the Company's financial and risk management policies.

4. Remuneration Committee and Details of Remuneration

(i) Composition, Meeting & attendance:

The Board of Directors has reconstituted its Remuneration Committee, which comprises of three Non–executive and Independent Directors namely Mr. Ravindra Nath Tandon, Chairman, and Mr. K. R. Iyer and Dr. Narayan Sitaram Datar as members. Two meetings dated 10/04/2008 and 31/07/2008 of the committee were held during the year under review, which was attended by all the members of the committee.

Note:- The committee was reconstituted on June 17, 2009 whereby Mr. Jean-Marc Kohlgruber, Mr. Yves Honhon and Mr. Raman M. Madhok were inducted in the committee and Dr. N. S. Datar was relieved of his duties due to pre-occupation / other comittments.

(ii) Terms of reference

The terms of reference of the committee are to decide the remuneration of the Executive Directors. It reviews the overall compensation policy, service agreements and other employment conditions of the Executive Directors with a view to retaining and motivating the best managerial talents. In determining the remuneration package of the Executive Directors, it evaluates the remuneration paid by comparable organizations and thereafter makes its recommendations to the Board in this regard. It also reviews the performance of the Executive Directors and recommends to the Board the quantum of annual increments/ commissions.

(iii) Remuneration and shareholding of Non-Executive Directors

The Non-Executive Directors at present are only paid sitting fees for attending meetings of the Board and Committee(s) thereof. Keeping in view industry practices, the Board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fees presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the Board and Committee(s) thereof held during the year ended on March 31, 2009 and the number of equity shares held by them in the Company as of date is as under:

Name	Sitting Fees (Rs.)	No. of shares held
Mr. Jean-Marc Kohlgruber*	—	NIL
Mr. Yves Honhon*	—	NIL
Mr. Ravindra Nath Tandon	84,000	NIL
Dr. Narayan Sitaram Datar	80,000	NIL
Mr. K.R. Iyer	84,000	NIL
Mr. D. J. Balaji Rao	20,000	NIL
Mr. Raman M. Madhok	40,000	NIL

During the year under review, the non-executive directors' neither had any other pecuniary relationship nor have entered into any other transaction *vis-à-vis* the Company. None of the non-executive directors hold any shares in the Company.

* Have voluntarily waived the acceptance of sitting fees.

(iv) Remuneration Policy

The Managing Director of the Company is paid remuneration as per the terms approved by the Board of

Directors of the Company confirmed by the shareholders of the Company and such other approvals as may be necessary. The remuneration structure comprises of basic salary, perquisites and allowances. The present Managing Director being an expatriate did not have any retirement benefit in the local salary but in view of a recent legislation, the Company is contributing to the provident fund on behalf of the Managing Director.

(v) Remuneration of Executive Directors

The remuneration paid/payable to Executive Directors of the Company for the year ended on March 31, 2009 summarized under major elements is as under:

(Rs. in lacs)

Name	Salary	Allowances & Perquisites	Contribution to PF / # Other funds	Commission	Total
Mr. Tilak Raj Mehta* Chairman cum Managing Director	42.50	7.08	295.77	NIL	345.35
Mrs. Nishi Mehta* Whole Time Director	17.00	2.83	118.53	NIL	138.37
Mr. Rob Johnson Managing Director	26.08	38.39	2.04	NIL	66.51

Notes:

1) All the above remuneration components except commission are fixed in nature. The payment of commission is considered and approved by the Remuneration Committee and the Board of Directors, based on internal norms for assessing the performance of Executive Directors that includes the Company's strategic business plans, current market trends and contribution of the Executive Directors in achieving the objectives of the Company.
2) The Company does not have any stock option scheme.
3) The appointment of the present Managing Director is for a period of 3 years from the date of his appointment. (in earlier years, the term of each Executive Director was for a period of 5 years from their respective date of appointment.)
4) The Company has entered into contract with each Executive Director setting out terms and conditions of appointment.
5) * Mr. Mehta resigned as Chairman & Managing Director but continued as member of the Board till 10-11-2008. Mrs. Mehta resigned on 25-06-2008.
6) # Other Funds include retirement benefits given to Late Mr. Tilak Raj Mehta & Mrs. Nishi Mehta.

5. Shareholders/ Investors Grievance Committee

The Committee deals with various matters relating to:

* transfer / transmission of shares ;
* issue of duplicate share certificate;
* review of shares dematerialized;
* monitors expeditious redressal of investors' grievances and
* all other matters related to shares.

(i) Mr.Dinesh Tripathi was the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee and is the Compliance Officer. During the year the Committee included officers of the Company. However, w.e.f. June 17, 2009 all the Members of this Committee are now Board Members and a sub committee has been formed comprising of officials of the Company in order to expedite share transfer process.

(ii) 28 complaints were received from shareholders during the financial year April '2008 to March '2009 all of which have been attended to before the end of the year, and believed to have been resolved to the satisfaction of the investors. The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction.

(iii) All complaints have been solved to the satisfaction of the shareholders.

(iv) No. of pending share transfers: NIL

6. General Body Meetings

The information relating to the location and time of last three Annual General Meetings and the Special Resolutions passed there at is as under:

Year	Location	Date	Time	Whether any Special Resolution passed
05-06	Mehta House, 64, Road No 13, MIDC, Andheri (E), Mumbai 400093	September 15, 2006	2.30 p.m.	Yes. Five special resolutions passed.
06-07	Mehta House, 64, Road No 13, MIDC, Andheri (E), Mumbai 400093	September 28, 2007	3.30 p.m.	Yes. One special resolution passed.
07-08	Mehta House, 64, Road No 13, MIDC, Andheri (E), Mumbai 400093	September 19, 2008	3.30 p.m.	Yes. Six special resolutions passed.

The Resolutions passed at the aforesaid Meetings were put to vote by show of hands. All Resolutions were passed unanimously. The Company has neither passed any Special Resolution through postal ballot during 2008-09 nor at present proposes to pass any Special Resolution through postal ballot during the current year.

7. Disclosures

1. The Company has not entered into any materially significant related party transactions with its Promoters, Directors or management or their relatives etc. that may have potential conflict with the interest of the Company at large. However due to specialized nature of transactions, no comparable transactions were available for verification of arm's length working for significant related party transactions.
2. The Company had not complied with the disclosure requirements with the Stock Exchanges under regulation 6(4), 7(3), 8(3) & 8(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The same have been disclosed in the Letter of Offer document. The consent order has been obtained for the same and prescribed penalty have been paid. The Company was in non compliance with clause 40A of the listing agreement (by 0.4% post acquisition). BSE vide its letter dated 02-04-2009 extended the time up to 30-04-2009. However, due to some unavoidable reasons it was not possible to be in Compliance till 30-04-2009. The same was intimated to BSE vide letter dated 28-04-2009 wherein a further extension of one month was sought. Subsequently the Company was fully in compliance with the provisions of clause 40A of the listing agreement on 27-05-2009.
3. The Board of Directors has laid down the code of conduct for Directors and Senior Management Personnel including all functional heads, which they are bound to observe in the course of conduct of business of the Company. This code of conduct has been posted on the website of the Company. Each Director of the Company and Senior Management Personnel including all functional heads, to whom the code has been made applicable, have affirmed their compliance with the code. A declaration by Mr. Rob Johnson, Managing Director, to this effect forms part of this report.
4. The Company has not established a formal whistle blower policy mechanism. However, there is a mechanism in place to address unethical conduct, if any, by employees vis-a-vis the standards stipulated in the code of conduct and work ethics. Moreover, no personnel of the Company have been denied any access to the Audit Committee.

8. Means of Communication

The Company regularly intimates its unaudited as well as audited Financial Results to the Stock Exchange, as soon as these are taken on record/approved. The Financial Results are published in leading English and Marathi dailies. The results are also available on website created by SEBI (EDIFAR) and will also be displayed on the Company's new website www.cmifpe.com. During the year, the Company has not made any presentation to institutional investors or to the analysts.

9. General Shareholder Information

AGM: Date, Time and Venue	September 11, 2009 at **3.30** p.m. at Mehta House, 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093.
Date of Book Closure	September 4, 2009 to September 11, 2009 (both days inclusive).
Dividend Payment Date	On or before October 11, 2009.
Financial year	April to March
Listing on Stock Exchanges	Bombay Stock Exchange Limited. 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The company has paid the annual listing fees for the period 1st April, 2009 to 31st March, 2010.
	The shareholders of the Company at their meeting held on 19-09-2008 accorded approval for delisting of equity shares from The Ahmedabad Stock Exchange Limited and The Delhi Stock Exchange Limited. The Company has complied with the necessary formalities for delisting. Subsequently the equity shares of the Company shall continue to be listed only on Bombay Stock Exchange Limited (BSE).
Stock Code	BSE Scrip Code: 500147 Scrip Name: CMIFPE
ISIN	The ISIN no. for dematerialization of the company's shares with NSDL and CDSL is INE515A01019.
Market Price Data	Annexure A
Performance in comparison to BSE Sensex	Annexure B
Registrar and Transfer Agents	Sharepro Services (India) Pvt. Ltd. 13 AB Samhita Warehousing Complex, 2nd Floor, Off Andheri Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (E), Mumbai 400072 Tel. No.: 67720300 Fax No.: 28591568
Distribution of Shareholding as on 31-03-2009.	Annexure C.
Shareholding pattern	Annexure D.
Dematerialization of shares	Annexure D.
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.	The Company has not issued any GDRs/ADRs/warrants or any other convertible instrument.
Plant Locations	Plants: Unit No. I A-84, 2/3 MIDC, Taloja Ind. Area, Dist Raigad - 410208 Maharashtra Unit No II Sr. No. 144/1/3, Opp. Bhilosa Textile, Nr. Alok Industries, Vill. Rakholi, Silvassa – 396230 Union Territory of Dadra & Nagar Haveli

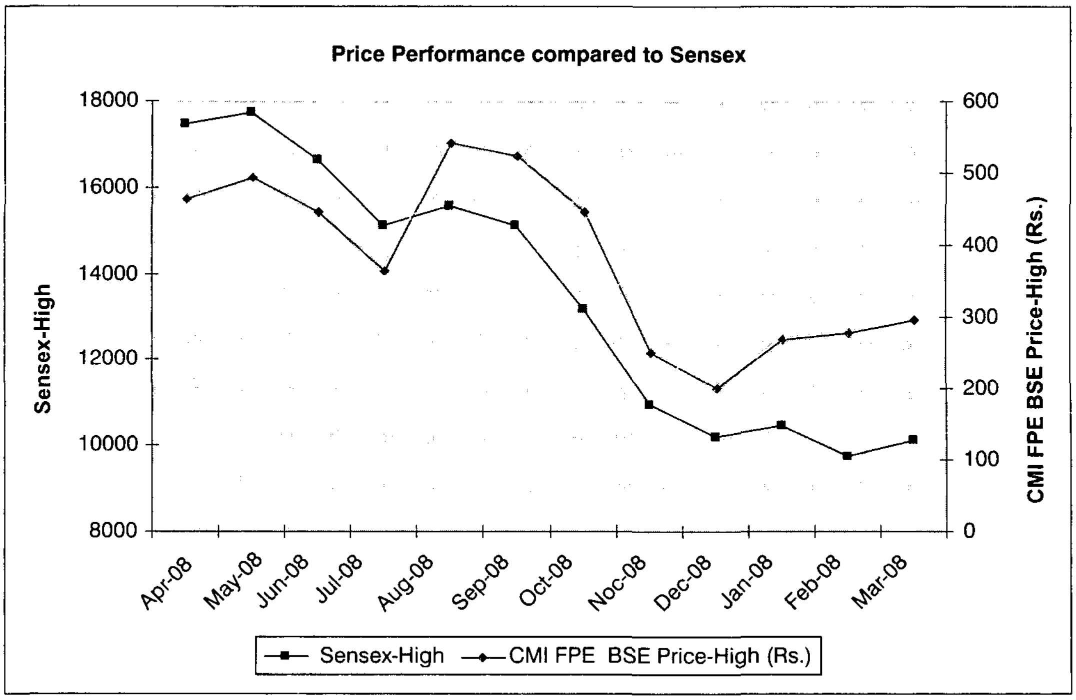
Address for correspondence	"Mehta House", Plot No. 64, Road No. 13, MIDC, Andheri (E), Mumbai 400093 Tel. No.022 66762727 Fax No.022 66762737 / 38 The investors may register their grievance on investors@cmifpe.com, an exclusive e-mail ID for registration of complaints by the investors.

Annexure A

The high and low prices of the company's equity shares (face value of Rs. 10 each) on Bombay Stock Exchange (BSE) during the financial year 2008-09 were as under:

	BSE	
Month	**High (Rs.)**	**Low (Rs.)**
April, 2008	465.00	415.00
May, 2008	495.00	398.00
June, 2008	447.95	298.25
July, 2008	365.00	263.00
August, 2008	543.00	330.00
September, 2008	525.00	408.55
October, 2008	446.95	210.25
November, 2008	253.30	192.05
December, 2008	203.20	173.90
January, 2009	271.10	160.00
February, 2009	279.50	179.40
March, 2009	298.00	237.00

Annexure B



Annexure C

Distribution of shareholding as on March 31, 2009 is as under:

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
Upto 500	*4055*	*94.390*	*380477*	*7.705*
501 – 1000	118	2.747	94342	1.911
1001 – 2000	60	1.397	89916	1.821
2001 – 3000	20	0.466	51714	1.047
3001 – 4000	13	0.303	46584	0.943
4001 – 5000	4	0.093	18115	0.367
5001 – 10000	10	0.233	69749	1.413
10001 and above	16	0.372	4186916	84.793
Total	**4296**	**100.000**	**4937813**	**100.000**

Annexure D

Shareholding pattern as on March 31, 2009 is as under:

Category	No. of shares	% holding
Promoters & Promoters Group	37,05,200	75.04
Mutual Funds, Banks & Insurance Companies	200	0.00
Foreign Institutional Investors (FII's)/OCB	1,850	0.04
NRIs	27,933	0.57
Domestic Companies	1,72,534	3.49
Resident individuals	10,30,096	20.86
Total	**49,37,813**	**100.00**

Dematerialization of shares:

Category	No. of shares	% of shares	No. of Sharehold-ers	% of Sharehold-ers
Electronic Form	48,55,457	98.33	3726	86.73
Physical Form	82,356	1.67	570	13.27
Total	***49,37,813***	***100.00***	***4296***	***100.00***

Non-Mandatory Requirements

1. The Board

   The present Chairman is a foreign national and Non-Executive Director. All Independent Directors significantly contribute to the deliberation of the Board and direction of the Company irrespective of duration of their tenure. The non-mandatory condition that Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a Company will be considered when deemed fit by the Board of the Company. The Board takes into account qualification and experience of each Independent Director, which would be of use to the Company and which would enable him to contribute to the Company in his capacity as Independent Director.

2. Remuneration Committee

   The Company has set up a Remuneration Committee comprising of three Independent Directors, which determines remuneration payable to the Executive Directors of the Company. The Committee was reconstituted on June17, 2009, wherein the strength of the Committee was increased to five which includes three Independent Directors and two Non-Executive Directors.

3. Shareholders rights

   The Company publishes its quarterly financial results in leading English and Marathi dailies.

4. Audit qualifications

   The Company has taken substantive steps to move towards a regime of unqualified financial statements.

5. Training and Evaluation

   The training of Board Members and evaluation of performance of Non-Executive Directors as envisaged under clause 49 of the listing agreement will be considered as and when such need arises.

6. Whistle Blower Policy

   The Company at present has not established formal whistle blower policy mechanism. However, there is a mechanism in place to address unethical conduct, if any, by employees vis-a-vis the standards stipulated in the code of conduct and work ethics. Moreover, no personnel of the Company have been denied any access to the Audit Committee.

DECLARATION

I hereby declare that the Directors and Senior Management Personnel including all functional heads of the company have affirmed compliance with the code of conduct for the year ended on March 31, 2009.

For CMI FPE Limited

Mumbai
June 17, 2009

Rob Johnson
Managing Director

ANNEXURE "C" to Directors' Report:

MANAGEMENT DISCUSSION & ANALYSIS:

The Management of CMI FPE Limited (Formerly Flat Products Equipments (India) Ltd.) presents below its analysis on performance of the Company for the year 2008-09 and an outlook for the future. The report conveys expectations on future performance based on the current business environment. These could vary based on future developments unreckoned presently.

Industry Structure & Developments:

The economies around the world are going through turbulent times. The overall recession in America and Europe has made an adverse impact on all the major economies of the world.

India was one of the fastest growing markets in the year 2007-2008, transforming the Country from a "Developing Economy" to an "Emerging Economy". Tough times are ahead for the world economy but India, being one of the emerging market economies with good growth fundamentals and with a strong past driven largely by investments and consumption demand, will be looked upon as a growth destination.

Outlook:

The management of CMI FPE is prepared to face the challenging environment and has taken measures to continue to maintain reasonable profits. The Company is focused to reduce cost and preserve capital in order to tide over this turbulent time. The steps being taken include effective management of foreign exchange risk, controlling costs and creating further all around operational efficiencies particularly through improved inventory and receivables management.

Considering that CMI FPE is essentially a projects Company, it becomes very important to closely monitor project cash flows. Systems have been strengthened for cash flow management.

As is well known, the per capita consumption of steel in India is significantly below international levels. It is expected that the newly formed Central Government would announce a slew of measures to boost infrastructure as part of Economic Policy initiatives. This would give a fillip to the Steel Industry and have a favourable impact on the Company's Operations going forward.

Review of Operations:

The Company maintained its focus on exports, which aggregated to 73.02% of net sales for F.Y. 2008-09 (Previous Year 72%). Also, the order entry in the year under review registered a significant increase.

CMI SA (Cockerill Maintenance & Ingénierie) completed the process of acquisition of a controlling stake in CMI FPE Ltd. on June 25, 2008. Post acquisition, a series of measures have been instituted to strengthen management control over the operations.

- All projects which are under negotiation and where the estimated contract value is in excess of a pre-determined threshold value, these are referred to the internal "Commitment Committee". The "Commitment Committee" carries out a risk appraisal of the captioned project and makes appropriate recommendations, which are considered at the time of finalization of the contract.
- Project review meetings are carried out on a quarterly basis in respect of projects under execution to ensure that project commitments are met in a timely manner. The primary purpose of such reviews is to identify early warning signals of constraints, if any, time overruns and cost overruns for appropriate corrective actions.
- There is a close monitoring of project cash flows.
- A structured performance management system based on key performance indicators (KPI's hereinafter) has been put in place recently. This was preceded by a detailed Strengths, Weaknesses, Opportunities and Threats (SWOT hereinafter) analysis for the entity. The company wide KPI's, which were a resultant of the SWOT analysis, have been cascaded to departments and employees. The KPI's are quite rigorously formulated for a specific set of employees of middle and senior management.
- There is a strong emphasis on in-house training as well as external training programs to equip people resources with the skills to take the company to the next level.
- The Indian entity has a carefully thought out plan to benchmark with global CMI practices in the areas of Engineering expertise, Global sourcing, Information Technology & Finance.

- A state of the art ERP system has been deployed effective October 1, 2008 across all Company's locations including workshops to ensure that visibility over the entity's business processes is possible in near real time. CMI FPE Ltd. has calibrated all its business processes on a state of the art ERP system. KPIs have been developed for each process mapped in the ERP system. These KPIs are tracked on a periodic basis to establish whether there is continuous improvement.
- The latest version of CAD / CAM software has been deployed to optimize the productivity of the Company's engineering team.
- The Company is already certified to the ISO 9001:2000 Quality Management System and has initiated next steps in preparing for certification to ISO's environmental and safety standards.
- CMI FPE is benchmarking with other group entities in the area of risk assurance.

Opportunities and Threats:

The Company, over the last 22 years, has acquired a global leadership position in the design, manufacture, erection and commissioning of Cold Rolling Mill Complexes and Auxiliary Equipments for the Cold Rolling Industry and the Metal Processing Industry.

In the coming months, the Company sees business opportunities as the India Steel Sector continues to grow. A committee has been constituted to script a business plan and thereafter to take substantive actions for certain specific areas.

The Company has a presence in both the domestic and export markets and this mitigates to some extent the impact of adverse economic conditions arising in any one of these markets at a time.

Risk Management:

Your Company adopts a comprehensive and integrated risk appraisal, migitation and management process. CMI FPE basically is a projects company. The average gestation time for each project is anywhere between 12 months to 36 months. The entity has in place a Commitment Committee which examines in great detail the various sources of risks and the risk mitigation stategies to be adopted just prepatory to finalization of contracts with the prospective customers. Business risk, financial risk, liquidity risk and market risks are the key risks reviewed by the Commitment Committee prior to their approving the various contract covenants. A standard checklist is adopted for this purpose. Once the project materializes, the various risks as well as risk mitigation strategies are reviewed on a periodic basis by the Company's Management Committee and emergent actions are taken on the basis of these discussions.

Major revenue and payment streams are tracked on a daily basis using SAP system. The Company accesses short term fund based facilities from its consortium bankers at a coupon linked to the Bank's PLR (the PCFC facility is as per RBI guidelines).

Until June 2009, your Company adopted internal balance sheet hedging to create offsetting exposures to whatever currency caused the currency risk. Balance sheet hedging simply requires netting out assets and liabilities with exposures to the same currency. Thereafter contractual hedging via financial contracts was selectively adopted as the mechanism to hedge the remaining exposures and is expected to be fully implemented in August of 2009.

Financial Performance:

During the year 2008-09, the total operating income at Rs.464.87 crores registered growth of 41% over the previous year. The profit before tax at Rs.17.69 crores grew by 22% over the previous year, while profit after tax at Rs. 2.68 crores reduced by 68% over the previous year. The earning per equity share of Rs.10 was Rs.5.42 as against Rs.16.82 in the previous year. Operationally, the interest cost at Rs.5.22 crores was 22% lower compared to the previous year due to disciplined inventory and receivables management. The company repaid bank borrowings and other loans to the extent of Rs.50.00 crores (net). This together with disciplined working capital management resulted in saving of Rs.1.48 crores in interest cost.

Industrial Relations & Human Resources Management:

The industrial relations remained cordial at all locations. The development of human resources is an ongoing imperative for the Company in order to prepare them for future responsibilities in terms of professional skills as well as business skills. It has a large pool of trained and capable employees who help customers on an ongoing basis to improve efficiency and effectiveness of the processes and equipments supplied by the Company at client sites.

Information Technology:

The Company is constantly assessing upgrading and fine tuning its information systems to cater to the growing information requirements of various users. It recognizes that information technology in the recent past has transformed from being an enabler to a key business driver because customers, suppliers and senior management needs consolidated real time information for quick and accurate decision making.

The Company has during the year increased its investments in cutting edge technologies, integration of software packages and is looking forward to working with different locations of CMI to improve customer satisfaction.

The Company's business process has been calibrated in a state of the art ERP system as explained earlier, which provides a high degree of visibility and transparency of the entity's business processes.

Internal Control Systems:

The Company has adequate internal control system to ensure complete compliance with standards, procedures, regulations and laws with the help of adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company commensurate with size and nature of the business. The systems ensure reliability of all financial and operational information and maintain integrity of the accounting system.

Post acquisition, the Company has initiated various measures to strengthen internal controls in line with the global standards mandated via the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework of internal control and the COSO Enterprise Risk Management framework – this is an ongoing process. To an extent, this has been partially achieved through calibration of key business process in the state of the art ERP system deployed, as explained earlier.

Cautionary Statement:

The Statements made in this report are forward looking and are made on basis of certain assumptions and expectations of future events.

The Company cannot guarantee that these forward looking statements will be realized though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements is subject to risk, uncertainties and even inaccurate assumptions which could thus differ materially from those projected in any such forward looking statements.

The Board of Directors of the Company assumes no responsibility in respect of the forward looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly, update any forward looking statements on the basis of subsequent developments, information, future events or otherwise.

CEO / CFO CERTIFICATION

To the Board of Directors
CMI FPE Limited

We have reviewed the financial statements, read with cash flow statement of CMI FPE Limited for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that;

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

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

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

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

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

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

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

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

MANAGING DIRECTOR

CHIEF INFORMATION OFFICER & CFO

Mumbai
Dated: June 17, 2009

Auditors' Certificate on Corporate Governance

TO:

THE MEMBERS OF CMI FPE LIMITED,

We have examined the compliance of conditions of Corporate Governance by CMI FPE Limited (hereinafter referred to as the 'Company'), for the financial year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, *subject to the exceptions detailed below:*

i) As required by clause 49(G(iii)) of the listing agreement, during the year the Shareholder/ Investor Grievance committee did not comprise of Board members in its entirety and was chaired by a person other than a Non-executive Director;

ii) As required by clause 49(IVA), arm's length working for significant related party transactions approved by the Audit committee were not available for verification due to non-availability of comparable transactions;

iii) As required by clause 49(1C(iii)) of the listing agreement there was no process in place for the Board to review periodical compliance reports for all applicable laws and regulations for the first nine months of the financial year;

we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner
Membership No. 15458
Place : Mumbai
Date : June 17, 2009

REPORT OF THE AUDITORS TO THE MEMBERS OF CMI FPE LTD (Formerly Flat Products Equipments (India) Ltd.)

1. We have audited the attached Balance Sheet of CMI FPE Limited (formerly Flat Products Equipments (India) Ltd.) as at March 31, 2009, the Profit and Loss Account and also the Cash flow Statement for the year ended 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 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. a) *As stated in Note 12 of Schedule K, no disclosure has been made in respect of additional quantitative and value information of raw materials consumed, opening and closing stocks, project revenues, purchases, sales, opening and closing stock of manufactured goods; actual production, licensed and installed capacities; purchases and sales made and opening and closing stock of traded goods; giving breakup in respect of each class of goods as required by Schedule VI of the Companies Act, 1956 due to non-availability of accurate and reliable data.*

   b) *As stated in Note 18 of Schedule K, the excess managerial remuneration amounting to Rs.406.26 lacs paid to two former whole-time directors (one of whom has since deceased) is in excess over the limit, specified under the relevant provisions of the Companies Act, 1956 and subject to the approvals of the Shareholders in General meeting and Central Government, for waiver of recovery. Further, as stated in Note 18(b) the said two former directors had retained three cars of the company at the time when they ceased to be the whole time directors on June 25, 2008; the written down value of such assets was Rs 16.02 lacs, this is subject to approvals of the Shareholders in general meeting and the Central government for waiver of recovery.*

   c) *As stated in Note 22 of Schedule K, approval of the Central Government has not been obtained for the loan amount of Rs.60 lacs given (and repaid) during the year to the former Chairman and Managing Director (since deceased).*

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) *Subject to our comments in Para 4(a) and 4(b) above, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;*

   b) *Subject to our comments in Para 4(a) and 4(b) above, in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;*

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

6. *Subject to our comments* in the aforesaid paragraphs 4(a) and (b) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) In the case of the Balance Sheet, of the statement of position of the Company as at March 31, 2009;

ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

7. On the basis of written representations received from the Board of Directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the members of the Board of Directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner
Membership No.: 15458
Place: Mumbai
Date: June 17, 2009

Annexure to the Auditors Report

(Referred to in paragraph (3) of our report of even date)

The nature of the Company's business/ activities during the year is such that clauses (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(i) In respect of its fixed assets :

(a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.

(b) We are informed that the Company has formulated an annual programme of physical verification of all the fixed assets over the period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by management during the year and we are informed that *discrepancies that were noticed on such verification are being reconciled and would be adjusted in future upon completion of reconciliation*.

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

(ii) In respect of its inventories :

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

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

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. *As explained to us, material discrepancies noticed on physical verification are attributable to earlier years and have been properly dealt with, in books of account.*

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not granted or taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, paragraphs 4 (iii) (b), 4 (iii) (c), 4 (iii) (d), 4(iii) (f) and 4(iii) (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services (project revenues) and we have not observed any continuing failure to correct major weaknesses in internal control system.

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

a. The particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register, maintained under the said section have been so entered.

b. Where each of such transactions are in excess of Rs 5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time other than those entered into with sole/special nature supplier.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

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

(viii) As per information and explanations produced before us, the company is not required to maintain cost accounting records under Sec 209(1)(d) of the Companies Act, 1956.

(ix) In respect of Statutory Dues :

a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues with the appropriate authorities and there were no undisputed amounts payable in respect of such dues which were in arrears, as at March 31, 2009 for a period of six months from the date they became payable.

b. According to the information and explanation given to us, details of dues of sales tax, wealth tax, service tax, customs duty, excise duty, income-tax and cess which have not been deposited as on March 31, 2009 on account of any dispute are given below:

Name of statute.	**Nature of dues.**	**Amount (Rs.)**	**Period to which the amount relates.**	**Forum where dispute is pending.**
Central Excise Act 1944.	Excise duty – Cenvat credit (including penalty)	183.94 lacs	2007-08	Central Excise and Gold Appellate Tribunal.
Provident Fund Act 1952.	Provident Fund applicability	15.45 lacs	2008-09	Regional Provident Fund Office.

(x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations furnished before us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

(xiv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were *primafacie*, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(xv) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, have *prima facie*, not been used during the year for long term investment. No long term funds have been used to finance short term assets during the year.

(xvi) To the best of our knowledge and belief and according to the explanations given to us, there was no significant fraud on or by the Company, noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner
Membership No.: 15458
Place: Mumbai
Date: June 17, 2009

CMI FPE LIMITED
(Formerly Flat Products Equipments (India) Ltd.)

BALANCE SHEET AS AT MARCH 31, 2009

(Rs. In Lacs)

	SCHEDULE		As At March 31, 2009		As At March 31, 2008
SOURCES OF FUNDS :					
Shareholders' Funds					
Share Capital	A	**493.78**		493.78	
Reserves and Surplus	B	**8,134.17**	**8,627.95**	7,981.88	8,475.66
Loan Funds					
Secured Loans	C	**3,074.10**		6,073.69	
Unsecured Loans	D	**2,500.00**	**5,574.10**	4,499.99	10,573.68
Deferred Tax Liability (Net) [Refer Note 5 of Schedule K]			**-**		62.26
Total			**14,202.05**		19,111.60
APPLICATION OF FUNDS :					
Fixed Assets	E				
Gross Block		**6,974.04**		7,626.84	
Less : Depreciation / Amortisation		**4,070.27**		4,241.60	
Net Block		**2,903.77**		3,385.24	
Capital Work In Progress		**0.30**	**2,904.07**	-	3,385.24
Investments	F		**11.60**		62.63
Deferred Tax Asset (Net) [Refer Note 5 of Schedule K]			**930.43**		-
Current Assets, Loans and Advances	G				
Inventories		**1,722.99**		8,189.79	
Sundry Debtors		**20,946.80**		10,497.10	
Cash and Bank Balances		**3,671.38**		1,965.98	
Loans, Advances and Deposits		**6,781.27**		6,159.89	
		33,122.44		26,812.76	
Less: Current Liabilities and Provisions	H				
Liabilities		**19,557.92**		10,614.97	
Provisions		**3,208.57**		534.06	
		22,766.49		11,149.03	
Net Current Assets			**10,355.95**		15,663.73
Total			**14,202.05**		19,111.60
Significant Accounting Policies and Notes to the Accounts	K				

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

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner

Place : MUMBAI
Date : JUNE 17, 2009

For and on behalf of the Board

Yves Honhon
Director

Rob Johnson
Managing Director

Kunal Trivedi
Company Secretary

Vijay Karayi
Chief Information Officer & CFO

Place : MUMBAI
Date : JUNE 17, 2009

CMI FPE LIMITED
(Formerly Flat Products Equipments (India) Ltd.)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. In Lacs)

	SCHEDULE	For the Year ended March 31, 2009	For the Year ended March 31, 2008
INCOME :			
Gross Sales		**45,983.90**	33,962.56
Less: Excise Duty		**462.05**	1,182.80
Net Sales		**45,521.85**	32,779.76
Other Income	I	**965.61**	108.12
TOTAL		**46,487.46**	32,887.88
EXPENDITURE :			
Manufacturing and Other Expenses	J	**43,601.47**	30,229.44
Interest		**522.17**	670.22
Depreciation / Amortisation		**560.00**	540.58
		44,683.64	31,440.24
Profit Before Prior Period Adjustments & Tax		**1,803.82**	1,447.64
Prior Period Adjustments (Net) (Refer Note 23 of Schedule K)		**35.26**	-
Profit Before Tax		**1,768.56**	1,447.64
Provision for Taxation			
– Current Tax		**1,700.00**	527.25
– Deferred Tax		**(992.69)**	(7.75)
– Tax Relating to Earlier Years (Net) (Refer Note 7 of Schedule K)		**753.95**	53.31
Fringe Benefit Tax		**39.47**	44.53
Profit After Taxation		**267.83**	830.30
Add: Balance Brought forward from Previous Year		**1,196.78**	882.02
Balance Available for Appropriation		**1,464.61**	1,712.32
APPROPRIATION :			
Proposed Dividend		**98.76**	98.76
Provision for Taxation on Dividend		**16.78**	16.78
Transferred to General Reserves		**20.09**	400.00
Balance Carried to Balance Sheet		**1,328.98**	1,196.78
Earning per share (EPS) [Refer Note 20 of Schedule K]			
Basic and Diluted Earning per Share		**5.42**	16.82
Equity share, face value of Rs.10/- each			
Significant Accounting Policies and Notes to the Accounts	K		

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

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner

Place : MUMBAI
Date : JUNE 17, 2009

For and on behalf of the Board

Yves Honhon
Director

Rob Johnson
Managing Director

Kunal Trivedi
Company Secretary

Vijay Karayi
Chief Information Officer & CFO

Place : MUMBAI
Date : JUNE 17, 2009

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming part of the Balance Sheet

Schedule A : Share Capital (Rs. In Lacs)

	As At March 31, 2009	As At March 31, 2008
Authorised		
8,000,000 Equity Shares of Rs.10/- each	**800.00**	800.00
200,000 Preference Shares of Rs.100/- each	**200.00**	200.00
	1,000.00	1,000.00
Issued, Subscribed & Paid-Up		
4,937,813 Equity Shares of Rs.10/- each fully paid-up [Of the above 3,697,700 Equity Shares 74.89% (previous year Nil) are held by Cockerill Maintenance and *Ingénierie SA, the Holding Company*]	**493.78**	493.78
Total	**493.78**	493.78

Schedule B : Reserves & Surplus (Rs. In Lacs)

		As At March 31, 2009		As At March 31, 2008
Securities Premium Account				
Balance as per previous Balance Sheet		**1,466.27**		1,466.27
General Reserve				
Balance as per previous Balance Sheet	**5,318.83**		4,918.83	
Add: Transferred from Profit and Loss Account	**20.09**		400.00	
		5,338.92		5,318.83
Profit and Loss Account		**1,328.98**		1,196.78
Total		**8,134.17**		7,981.88

Schedule C : Secured Loans (Rs. In Lacs)

		As At March 31, 2009		As At March 31, 2008
Long Term Loans				
Financial Institutions & Others				
Machinery / Car Finance				
From Bank, Financial Institution and Others		**33.98**		122.35
Short Term Loans and Advances from Bank				
Packing Credit / Bills Discounted	**1,170.83**		4,369.22	
Cash Credit	**1,869.29**		1,582.12	
		3,040.12		5,951.34
Total		**3,074.10**		6,073.69

Notes:

1. Machinery / Car finance are to be secured by hypothecation of specific asset covered under such loans.
2. Short Term Loans from banks including cash credit is secured by hypothecation of stocks and book debts and secured by first *pari passu* charge on the fixed assets of the Company and equitable mortgage of land at Taloja, Silvassa and Andheri.

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)
Schedules forming part of the Balance Sheet

Schedule D : Unsecured Loans

(Rs. In Lacs)

	As At March 31, 2009	As At March 31, 2008
Short Term Loans and advances		
From Bank	**2,500.00**	4,499.99
Total	**2,500.00**	4,499.99

Schedule E : Fixed Assets

(Rs. In Lacs)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	Cost as on April 01, 2008	Additions / Adjustments	Deductions / Adjustments	Cost as on March 31, 2009	Up to March 31, 2008	For the year	Deductions / Adjustments	Up to March 31, 2009	As at March 31, 2009	As at March 31, 2008
Tangible Assets										
Freehold Land	103.99	-	-	**103.99**	-	-	-	-	**103.99**	103.99
Leasehold Lands	353.85	-	-	**353.85**	-	5.66	-	**5.66**	**348.19**	353.85
Flats	10.82	-	-	**10.82**	-	0.25	-	**0.25**	**10.57**	10.82
Designs & Drawings	468.10	-	-	**468.10**	468.10	-	-	**468.10**	-	-
Factory Roads	31.99	18.03	-	**50.02**	7.82	1.43	-	**9.25**	**40.77**	24.17
Factory Buildings	1,916.29	11.42	96.33	**1,831.38**	908.14	96.23	47.65	**956.72**	**874.66**	1,008.15
Office Building	496.00	-	-	**496.00**	164.78	16.56	-	**181.34**	**314.66**	331.22
Plant & Machinery	3,013.43	4.54	526.67	**2,491.30**	2,014.19	195.96	458.10	**1,752.05**	**739.25**	999.24
Electrical Installations	101.57	-	2.66	**98.91**	57.84	5.98	1.90	**61.92**	**36.99**	43.73
Quality Control Equipments	32.52	-	3.68	**28.84**	27.34	0.71	3.55	**24.50**	**4.34**	5.18
Office Equipments	259.92	13.84	64.51	**209.25**	133.82	17.42	50.39	**100.85**	**108.40**	126.10
Computers	353.06	49.31	112.05	**290.32**	214.85	88.32	85.19	**217.98**	**72.34**	138.21
Furniture	137.21	1.67	48.68	**90.20**	87.90	8.56	44.37	**52.09**	**38.11**	49.31
Motor Car	64.69	10.81	64.69	**10.81**	28.17	4.51	31.03	**1.65**	**9.16**	36.52
Computers (Lease Asset)	21.35	-	-	**21.35**	11.85	3.80	-	**15.65**	**5.70**	9.50
Intangible Assets										
Goodwill	9.15	-	9.15	-	9.15	-	9.15	-	-	-
Software	252.90	166.00	-	**418.90**	107.65	114.61	-	**222.26**	**196.64**	145.25
Total	7,626.84	275.62	928.42	**6,974.04**	4,241.60	560.00	731.33	**4,070.27**	**2,903.77**	**3,385.24**
Previous Year	6,920.57	767.78	61.51	**7,626.84**	3,739.27	540.58	38.25	**4,241.60**	**3,385.24**	
Capital work in progress									**0.30**	-
								Total	**2,904.07**	3,385.24

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming part of the Balance Sheet

Schedule F : Investments (Rs. In Lacs)

		As At March 31, 2009		As At March 31, 2008
Long Term Investments (At Cost less diminution in the value, other than temporary)				
Quoted				
Syndicate Bank (3,025 Equity Shares of Rs.10/- each fully paid-up. Market value as on March 31, 2009 Rs.48.00 Per Share)	**1.51**		1.51	
Union Bank of India (9,172 Equity Shares of Rs.10/- each fully paid-up. Market value as on March 31, 2009 Rs.147.25 Per Share)	**10.09**	**11.60**	10.09	11.60
Unquoted				
Elbee Services Limited (4,000 Equity Shares of Rs.10/- each fully paid-up)	**7.62**		7.62	
Essem Coated Steels Limited (34,000 Equity Shares of Rs.10/- each fully paid-up)	**3.40**		3.40	
Elbee Airline Limited (100,000 Equity Shares of Rs.10/- each fully paid-up)	**40.00**		40.00	
Highland Park Co Op Hsg. Society Ltd (50 Equity Shares of Rs.10/- each fully paid-up)	**0.01**		0.01	
		51.03		51.03
		62.63		62.63
Less: Provision for Diminution in value of investments		**51.03**		-
Total		**11.60**		62.63

	Book Value		Market Value	
	March 31, 2009	**March 31, 2008**	March 31, 2009	March 31, 2008
Aggregate of Quoted Investments	**11.60**	**11.60**	14.96	15.20
Aggregate of Unquoted Investments	-	**51.03**	N.A.	N.A.
	11.60	**62.63**		

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming part of the Balance Sheet

Schedule G : Current Assets, Loans and Advances (Rs. In Lacs)

		As At March 31, 2009		As At March 31, 2008
Inventories :				
Valued at lower of cost and net realisable value				
Raw Materials	1,410.17		2,394.73	
Work In Progress *	20.19		3,108.20	
Finished Goods (Including Excise Duty)	292.63		2,686.86	
		1,722.99		8,189.79
* Work In Progress valued at an estimated value of work completed on each project and certified by the management				
Debtors :				
Unsecured and Considered Good:				
More Than Six Months	5,944.19		6,279.43	
Other Debts	10,148.71		4,217.67	
	16,092.90		10,497.10	
Due From Customer on Construction Contract	4,853.90		-	
	20,946.80		10,497.10	
Considered Doubtful: [Including doubtful dues from customer on construction contract]	794.98		-	
	21,741.78		10,497.10	
Less: Provision for Doubtful Debts	(794.98)		-	
		20,946.80		10,497.10
Cash and Bank Balances :				
Cash on Hand	3.74		13.40	
Balance With Scheduled Banks				
In Current Accounts	3,107.86		808.32	
In Fixed Deposit Accounts	559.78		1,144.26	
		3,671.38		1,965.98
Loans, Advances and Deposits :				
(Unsecured and Considered Good)				
Advances Recoverable in Cash or in kind or for value to be received	2,269.18		1,768.13	
Interest Accrued but not Due	17.95		22.00	
Loans to Employees	51.39		40.75	
Note: Due from Wholetime Directors Rs.Nil (Previous Year - Rs.Nil); Maximum balance outstanding during the year Rs.60 Lacs (Previous Year - Rs.12.09 Lacs)				
Advances Paid to Suppliers	1,738.36		1,678.70	
Advances paid to Company under the same Management	1,165.88		1,451.14	
[Maximum balance outstanding during the year Rs.1876.41 Lacs (Previous Year - Rs.1583.82 Lacs)]				
Deposits With Government and Others	1,536.96		1,174.25	
Advance Income Tax and T.D.S. (Net of Provisions)	1.55		24.92	
		6,781.27		6,159.89
Total		33,122.44		26,812.76

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming part of the Balance Sheet

Schedule H : Current Liabilities and Provisions (Rs. In Lacs)

		As At March 31, 2009		As At March 31, 2008
Current Liabilities :				
Sundry Creditors				
Total outstanding dues of micro enterprises and small enterprises (2008: Total outstanding dues of small scale industrial undertakings) [See Notes 11 of Schedule K]	**186.12**		385.11	
Total outstanding dues of creditors other than micro enterprises and small enterprises (2008: Total outstanding dues of creditors other than small scale industrial undertakings)	**5,412.95**		5,186.91	
Unpaid Dividend [there are no amounts due and payable to Investor Education and Protection Fund]	**13.05**		13.40	
Other Liabilities	**608.04**		574.40	
Due to Customer on Construction Contract	**5,058.18**		-	
Advance Received From Customers	**8,279.58**		4,455.15	
		19,557.92		10,614.97
Provisions :				
Proposed Dividend	**98.76**		98.76	
Provision for Tax on Proposed Dividend	**16.78**		16.78	
Provision for Loss on Contract	**125.40**		-	
Provision for Custom Duty on Bonded Goods	**297.16**		-	
Provision for Warranties	**975.37**		-	
Provision for Employee Benefits	**513.94**		261.29	
Provision for Bonus	**105.44**		-	
Provision for Fringe Benefit Tax (Net of Payments)	**1.47**		4.13	
Provision for Taxation (Net of Payments)	**1,074.25**		153.10	
		3,208.57		534.06
Total		**22,766.49**		11,149.03

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming Part of Profit and Loss Account

Schedule I : Other Income (Rs. In Lacs)

	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Other Income :		
Interest Received [Including TDS: Rs.12.70 Lacs (Previous year: Rs.13.93 Lacs)]	**60.80**	66.74
Exchange Rate Gain (Net)	**786.51**	-
Dividend Received	**0.45**	0.22
Commission Write Back	**71.32**	-
Other Miscellaneous Income	**46.53**	41.16
Total	**965.61**	108.12

Schedule J : Manufacturing and Other Expenses (Rs. In Lacs)

		For the Year ended March 31, 2009		For the Year ended March 31, 2008	
(i)	Raw Materials and Bought-Out Components Consumed		**26,561.17**		22,395.27
(ii)	Increase/Decrease In Stock-In-Trade				
	Opening Stocks:				
	Work-In-Progress	**3,108.20**		4,079.39	
	Finished Goods (Including Excise Duty)	**2,686.86**		-	
		5,795.06		4,079.39	
	Excise Duty on Finished Goods (Opening)	**(338.62)**			
	Excise Duty on Finished Goods (Closing)	**110.68**			
		5,567.12		4,079.39	
	Less: Closing Stock:				
	Work-In-Progress	**20.19**		3,108.20	
	Finished Goods (Including Excise Duty)	**292.63**		2,686.86	
		312.82		5,795.06	
			5,254.30		(1,715.67)
(iii)	Project Related Expenses (Refer Note 21 of Schedule K)		**610.55**		459.02
(iv)	Labour and Processing Charges		**833.58**		1,711.22
(v)	Erection Expenses		**1,053.43**		586.18
(vi)	Payment to and Provisions for Employees:				
	Wages, Salaries and Bonus	**2,717.43**		2,081.48	
	Contribution to Provident Fund and other funds	**265.39**		182.26	
	Staff Welfare Expenses	**106.02**		125.49	
			3,088.84		2,389.23

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedules forming Part of Profit and Loss Account

Schedule J : Manufacturing and Other Expenses (Contd.) (Rs. In Lacs)

	For the Year ended March 31, 2009		For the Year ended March 31, 2008	
(vii) Manufacturing, Administrative and Selling Expenses:				
Power and Fuel	**124.73**		125.45	
Repairs:				
- Building	**7.75**		4.64	
- Plant & Machinery	**15.26**		15.69	
- Others	**45.50**		39.68	
Rent	**53.55**		14.80	
Rates and Taxes	**105.76**		146.96	
Insurance	**47.27**		96.82	
Commission on Sales	**624.76**		1,037.39	
Loss on Sale/Scrap of Assets/Written off	**147.71**		3.07	
Diminution In Value of Long Term Investments	**51.03**		-	
Loss on Exchange Fluctuation (Net)	**-**		550.57	
Provision for Doubtful Debts	**794.98**		-	
Warranties	**975.37**		-	
Liquidated Damages	**170.08**		80.71	
Loss on Contract	**125.39**		-	
Packing and Forwarding Expenses	**1,458.81**		852.47	
Travelling and Conveyance	**390.66**		437.49	
Postage, Telex and Telephone Expenses	**46.20**		45.17	
Legal and Professional Fees	**319.22**		370.98	
Bank Charges	**269.36**		247.34	
Auditors Remuneration	**67.10**		22.50	
Miscellaneous Expenses	**359.11**		312.46	
		6,199.60		4,404.19
Total		**43,601.47**		30,229.44

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Schedule forming part of Accounts as at and for the Year ended March 31, 2009.

Schedule – K

NOTES ON ACCOUNTS

1. **Nature of Operations:**

   CMI FPE Limited - formerly Flat Products Equipments (India) Ltd. ("the Company") was incorporated on May 28, 1986 as a Private Company. On October 26, 1993 the Company was converted into a Public Company. The principal activities of the Company comprise manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants and pickling lines for ferrous and non-ferrous industries world wide.

2. **Statement of Significant Accounting Policies:**

   (A) Basis of Preparation:

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

   (B) Use of Estimates:

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

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

   (C) Change in Accounting Policies:

   In the current year, the Company has changed the method of accounting in the following areas so as to fall in line with the applicable Accounting Standards relevant to those areas:

   Effect of changes in Accounting Policies:

   Balance carried forward in current period Rs.**1,328.98** lacs as reflected in the Profit and Loss Account is after considering the changes in certain accounting practices in the areas detailed below to fall in line with the prevailing Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The effect of the below mentioned changes has been reflected below:

   i) Cumulative financial effect for change in the method of recognition of contract revenue and contract cost by adopting the percentage of completion method as prescribed under AS -7 Construction Contracts from the dispatches method followed earlier has resulted in a higher revenue by Rs.**217.58** lacs as on March 31, 2009 (including for previous years);

   ii) Cumulative financial effect for change in method of recognition of contract losses whereby it is probable that total contract costs will exceed total contract revenue as prescribed under AS -7 Construction Contracts has resulted in a higher charge by Rs. **125.39** lacs as on March 31,2009 (including for previous years);

   iii) Cumulative financial effect for change in method of recognition of employee benefits by adopting the actuarial valuation method envisaged in AS–15 (revised) Employee Benefits in respect of gratuity and leave benefits, from the estimated arithmetical basis followed earlier has resulted in a higher charge by Rs.**252.65** lacs as on March 31, 2009 (including for previous years);

iv) Cumulative financial effect for change in classification of computer equipment, earlier classified under office equipment, but now classified as computer equipment has resulted in a higher charge by Rs.**92.50** lacs as on March 31, 2009 (including for previous years);

v) Cumulative financial effect for change in method of recognition of provision for warranties by adopting accrual basis as required under AS-29 Provisions, Contingent Liabilities and Contingent Assets, from the earlier method when warranty claims were booked as and when received and admitted has resulted in a higher charge by Rs.**975.37** lacs as on March 31, 2009 (including for previous years);

vi) Cumulative financial effect for change in method of recognition of provision for doubtful debts by estimating doubtful receivables, from the earlier practice of writing off debts when a receivable was considered irrecoverable has resulted in a higher charge by Rs.**794.98** lacs as on March 31, 2009;

vii) Provision for employees' bonus has been made on accrual basis during the current year as compared to the accounting on payment basis followed in earlier years. Consequently, the charge for the year is higher by Rs.**105.44** lacs;

viii) Provision for customs duty on bonded raw materials has been made during the current year as compared to the accounting on payment basis followed in earlier years. Consequently, the charge for the year is higher by Rs.**297.16** lacs;

On account of above mentioned changes in accounting policies, pre-tax Profit and Reserves are lower by Rs.**2,425.91** lacs (including for previous years).

Note:

Due to adoption of percentage of completion method in accordance with AS-7 Construction Contracts, project inventory gets charged to the Profit and Loss Account, although it may be physically present at the workshop. Whilst under the 'dispatches method' all project inventory was recognised within the account head "inventory" even when it is purchased for specific projects. Value assigned to inventory is lower on account of change from "dispatches method" to "percentage of completion method" to comply with mandatorily applicable Accounting Standard for recognition of revenues from contracts i.e. AS - 7 (Revised) on Construction contracts.

(D) Fixed Assets:

i. Tangible Assets:

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

ii. Intangible Assets:

Intangible assets are stated at their cost of acquisition less accumulated amortization and accumulated impairment losses thereon. An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The cost of an intangible asset is allocated over the best estimate of its useful life on a straight line basis, a basis that reflects the pattern in which the assets economic benefits are consumed.

(E) Depreciation:

Depreciation is provided on written down value method in accordance with Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired or sold during the year is provided on pro-rata basis as per the provisions of the Companies Act, 1956. In respect of the following tangible assets, the following straight line method depreciation rates applied are different to the rates prescribed by Schedule XIV:

Sr. No.	Asset	Rate Applied	Schedule XIV
1.	Flats	1.72% (SLM)	1.63%(SLM)

(F) Impairment:

An asset is considered to be impaired in accordance with Accounting Standard 28 on Impairment of Assets when at Balance Sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Profit and Loss Account.

(G) Investments:

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

(H) Income Taxes:

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

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

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

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

(I) Inventories:

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

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

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

(iv) Inventory includes goods lying with vendors for job work and goods in transit.

(J) Central Excise Duty:

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

(K) Revenue Recognition:

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

Revenues from long term contracts are recognized on the percentage of completion method, in proportion that the contract cost incurred for the work performed up to the reporting date bear to the estimated total contract costs.

Construction Contracts are accounted for in accordance with the Accounting Standard 7 (Revised) on Accounting for Construction Contracts. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date (the percentage of completion method).

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

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

Contract revenue accrued in excess of billing amounting to Rs.**4,853.89** lacs (after providing for doubtful debts of Rs.**421.87** lacs) has been reflected as "due from customers on construction contracts" under the head "Currents assets, loans and advances". While billing in excess of Contract revenue accrued amounting to Rs.**5,058.18** lacs has been reflected as "due to customers on construction contracts" under the head "Current Liabilities and Provisions".

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

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

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

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

Export benefits are recognised in the Profit and Loss Account when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

(L) Foreign Currency Transactions:

i. *Initial recognition.*

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

ii. *Conversion.*

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

iii. *Exchange differences.*

   Exchange differences arising on settlement of monetary items or on reporting the monetary items at the rates different from those at which they were initially recorded are recognised during the year in which they arise.

iv. Forward exchange contracts are entered into for minimizing risks (not intended for trading and speculative purposes). The premium or discount arising at the inception of forward exchange contract is recognised over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the year in which the exchange rate changes. Any Profit and Loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

(M) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the flow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is to be made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

Post-Sales Warranties

The Company provides its clients with a fixed-period warranty on all contracts. Cost associated with such contracts are accrued at the time related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumption.

(N) Provision for Doubtful debts:

Specific provision for doubtful debts is made where collection of debtors is uncertain.

(O) Liquidated damages/Warranty costs are provided as per Management's estimates on a case to case basis.

(P) Employee Benefits:

i) Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund, ESIC and Labour Welfare Fund are recognized in the Profit and Loss Account.

ii) Defined Benefit Plan/Long term compensated absences:

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

(Q) Leases:

Operating Lease

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

(R) Earnings Per Share:

Earnings per share are calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3. Contingent liabilities:

(Rs. in Lacs)

	Particulars	2008-2009	2007-2008
1.	Bank Guarantees – Performance guarantee given to customers	**8,956.82**	13,037.85
2.	Letter of Credit to suppliers	**125.81**	1,688.88
3.	Claims against the Company not acknowledged as debts		
	(a) Excise duty (including interest and penalty)*	**183.94**	141.74
	(b) Provident Fund **	**15.45**	-
	(c) Income Tax***	**10.17**	-
	(d) Income Tax****	**22.00**	-

*(a) In the preceding year Central Excise Department had rejected the Company's rebate claim and Cenvat credit aggregating Rs.141.74 lacs. On appeal, rebate claim of Rs.70.87 lacs was allowed. However, on receipt of first appellate order the Central Excise department has issued during F.Y. 2008-09 a demand

notice for Rs.183.94 lacs comprising Cenvat credit disallowance of Rs.70.87 lacs, penalty of Rs.70.87 lacs and penal interest approximating Rs.42.21 lacs. The matter has been appealed before CESTAT for recovery.

**(b) As a principal employer, notice under section 7A of the Provident Fund Act, 1952 has been served upon the Company by the Assistant Provident Fund Commissioner, Vapi in connection with the applicability of certain provisions of the Provident Fund Act, 1952 to contractors, whose services are not hired on a regular basis. In the opinion of the Management, the possible liability, approximated at Rs.15.45 lacs, excluding any possible penalty under the said Act, is the liability of contractors and are confident that necessary steps will be taken by the contractors to meet this liability.

***(c) In respect of Block assessment for the period April 1,1996 to December 12, 2002, penalty of Rs.10.17 lacs imposed by the Assessing Officer, was deleted by CIT Appeals order dated May 12, 2006 and upheld by ITAT order dated August 4, 2008. The department has filed an appeal in Bombay High Court which was intimated to us on June 15, 2009. This matter has still not come up for hearing.

****(d) Similarly, for Assessment Year 2002-03 matter relating to disallowance of certain expenses and deduction under Section 80HHC of Income Tax Act, 1961 amounting to Rs.22 lacs, Income tax department had filed appeal with Bombay High Court.This matter has still not come up for hearing.

Based on legal opinion obtained from the attorneys and advice of solicitors, the Management does not foresee an outflow of resources embodying economic benefits to settle the aforesaid matters. Accordingly, no provisions are deemed necessary in connection with the above.

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

(Rs. in Lacs)

	Particulars	2008-2009
1.	Contract Revenue recognized during the year (Net of excise)	**43,223.05**
2.	Aggregate amount of contract costs incurred and recognized profits (less recognized losses)	**43,097.70**
3.	Customer advances outstanding for contracts in progress	**8,279.58**
4.	Retention money due from customers for contracts in progress	**7,227.18**
5.	Amount due from customers	**4,853.89**
6.	Amount due to customers	**5,058.18**

Previous year figures are not given in absence of availability of comparative data.

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

(Rs. in Lacs)

ITEMS	2008–2009	2007–2008
Timing differences in accounting and tax depreciation.	**(25.63)**	(62.26)
Amount of disallowance u/s 43B, to be allowed on payment basis.		
Provision for Leave encashment	**111.42**	–
Provision for Sick leave encashment	**15.03**	–
Provision for Earned leave	**10.86**	–
Provision for Bonus	**35.84**	–
Provision for LTA and medical expenses	**0.16**	–
Provision for Doubtful debts	**270.21**	–
Provision for Expenses (custom duty on bonded goods)	**101.00**	–
Provision for Loss on contract	**42.62**	–
Provision for Gratuity	**37.38**	–
Provision for Warranties	**331.53**	–
Total Amount of disallowance	**956.05**	–
Total Deferred Tax Asset / (Liability)	**930.42**	(62.26)

6. Provision for commission on Sales aggregating Rs.949.68 lacs on certain contracts (including Rs.443.21 lacs provided during the current year 2008-2009) has been reversed during 2008-09 in the Profit and Loss Account (Rs. 71.32 lacs reversal included in Other Income and Rs. 435.15 lacs reversal set-off against receivable balance outstanding on certain contracts), on the basis of mutual agreement between the Company and the agents. Accordingly, profit after tax for the year and reserves are higher by Rs.949.68 lacs than what those would have been had the provision for commission not been reversed.

7. The Income-tax department conducted a survey u/s 133A at the Company's premises on January 16, 2009 for matter relating to accounting year 2006-07 and 2007-08 (Assessment years 2007-08 and 2008-09). As a result, the Company has revised its income tax returns for these two years and paid additional Income-tax of Rs.6.31 crores owing to disallowable expense during the current year and the same amount has been expensed in the Profit and Loss Account on prudence. However till date no assessment order or demand notice has been received from income tax department for this amount.

8. **Information in respect of Related Parties:**

1. **Enterprises controlling the Company.**
Party where control exists.
Cockerill Maintenance & Ingénierie SA (Holding Company)

2. Other Related Parties with whom transactions have taken place during the year:

a) **Fellow Subsidiaries.**
1. CMI Industry Automation Private Limited (w.e.f. June 25, 2008)
(Formerly NT Strips and Automation Private Limited)
2. CMI India Engineering Private Ltd.(w.e.f June 25, 2008)

b) **Key Managerial Personnel.**
1. Mr. Rob Johnson – Managing Director (Since June 25, 2008)
2. Late Mr. Tilak Raj Mehta – Chairman and Managing Director (upto June 25, 2008 and ceased to be Director from November 10, 2008).
3. Mrs. Nishi T. Mehta – Whole time Director (upto June 25, 2008 and ceased to be director thereafter).

c) **Relatives of Key Managerial Personnel (KMP)**
1. Mrs. Rithu Kochhar (Upto June 25, 2008 and ceased to be KMP thereafter)
2. Mrs. Reema Katariya (Upto June 25, 2008 and ceased to be KMP thereafter)
3. Mrs. Ruhi S. Chauhan (Upto June 25, 2008 and ceased to be KMP thereafter)

d) **Enterprise over which Key Managerial Personnel/Relatives of Key Managerial Personnel are able to exercise significant influence.**
1. Niraj Metals and Alloys Private Limited (upto November 10, 2008)
2. R.S. Global Shipping (I) Limited (upto November 10, 2008)
3. CMI Industry Automation Private Limited (upto June 25, 2008)
(Formerly NT Strips and Automation Private Limited)

Nature of transactions during the year	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises over which Key Management Personnel/Relatives of Key Management Personnel are able to exercise significant influence
Rendering of Services Previous Year	**–** –	**–** –	**0.28** –	**–** –	**0.14** –
Purchase of Goods Previous Year	**–** –	**–** –	**1,885.01** –	**–** –	**667.22** (2,861.90)
Receiving of Services Previous Year	**–** –	**–** –	**337.08** –	**–** –	**269.07** (550.51)
Sale of Goods Previous Year	**161.28** –	**–** –	**0.83** –	**–** –	**–** (50.46)
Sale of Fixed Assets Previous Year	**–** –	**–** –	**21.20** –	**–** –	**–** (30.38)
Remuneration Previous Year	**–** –	**–** –	**–** –	**550.23** (402.82)	**–** –
Travelling Expenses Previous Year	**–** –	**–** –	**–** –	**–** –	**–** (22.75)
Expense Reimbursement Previous Year	**0.68** –	**–** –	**18.00** –	**–** –	**–** –
Advance Received Previous Year	**556.14** –	– –	– –	– –	– –
Other Expenditure Previous Year	**3.27** –	**–** –	**–** –	**–** –	**–** –
Interest paid Previous Year	**–** –	**–** –	**–** –	**–** (2.59)	**–** (0.73)
Receivables Previous Year	**0.68** –	**–** –	**1,166.71** –	**–** –	**–** (1,482.87)
Payables Previous Year	**3.27** –	**–** –	**–** –	**–** –	**36.97** –

The significant related party transactions are as under:

Nature of transactions	Enterprise controlling the Company	Amount Rs. in Lacs	Companies under common control including Fellow Subsidiaries	Amount Rs. in Lacs	Key Management Personnel/ Relatives of Key Management Personnel	Amount Rs. in Lacs	Enterprises over which Key Management Personnel/Relatives of Key Management Personnel are able to exercise significant influence	Amount Rs. in Lacs
Rendering of Services			CMI Industry Automation Pvt. Ltd.	0.28 (Nil)			NT Strips and Automation Pvt Ltd.	0.14 (Nil)
Purchase of Goods			CMI Industry Automation Pvt. Ltd.	1,885.01 (Nil)			NT Strips and Automation Pvt Ltd.	580.24 (2,116.39)
							Niraj Metals and Alloys Pvt Ltd.	86.97 (724.57)
Receiving of Services			CMI Industry Automation Pvt. Ltd.	337.08 (Nil)			R.S. Global Shipping India Ltd.	269.07 (550.51)

Nature of transactions	Enterprise controlling the Company	Amount Rs. in Lacs	Companies under common control including Fellow Subsidiaries	Amount Rs. in Lacs	Key Management Personnel/ Relatives of Key Management Personnel	Amount Rs. in Lacs	Enterprises over which Key Management Personnel/Relatives of Key Management Personnel are able to exercise significant influence	Amount Rs. in Lacs
Sale of Goods	CMI SA	161.28 (Nil)	CMI Industry Automation Pvt. Ltd.	0.83 (Nil)			S. V. Steels and Alloys Pvt Ltd. NT Strips and Automation Pvt Ltd.	- (5.15) - (43.09)
Sale of Fixed Assets			CMI Industry Automation Pvt. Ltd.	21.20 (Nil)			Tilak Raj Mehta Sanjay Chauhan	- (25.50) - (4.88)
Expense Reimbursement	CMI SA	0.68 (Nil)	CMI India Engineering Pvt Ltd.	18.00 (Nil)				
Advance Received	CMI SA	556.14 (Nil)						
Other Expenditure	CMI SA	3.27 (Nil)						
Remuneration					Tilak Raj Mehta Nishi T. Mehta Rob Johnson D.D Sengupta	345.35 (240.96) 138.36 (95.76) 66.52 (Nil) - (49.09)		
Interest Paid					Tilak Raj Mehta Nishi T. Mehta	- (0.80) - (1.78)	Flat Coaters India Ltd.	- (0.73)
Travelling Expenses							R. S. Global Shipping India Ltd	- (22.75)
Receivables	CMI SA	0.68 (Nil)	CMI Industry Automation Pvt. Ltd.	1,166.71 (Nil)			NT Strips and Automation Pvt Ltd.	- (1,451.14)
Payables	CMI SA	3.27 (Nil)					Niraj Metals and Alloys Pvt Ltd. R.S Global Shipping India Ltd.	19.15 (NIL) 17.82 (NIL)

Note: Previous years figures are given in brackets as above.

9. Provisions:

(Rs. in Lacs)

Sr. No.	Nature	Opening Balance as on 01.4.2008	Provision created during the Year	Provision utilized / reversed during the Year	Closing Balance as on 31.3.2009
1.	Provision for Warranties	Nil	1,598.14	(622.78)	975.36
2.	Provision for Loss on Contract	Nil	125.39	Nil	125.39
3.	Provision for Custom duty on bonded goods	Nil	309.16	(12.00)	297.16
4.	Provision for Doubtful Debts	Nil	1,261.25	(466.27)	794.98
5.	Provision for Contingencies	Nil	2,355.64	(2,355.64)	Nil
6.	Provision for Bonus	Nil	105.44	Nil	105.44
7.	Provision for Leave Benefit	261.29	339.61	(196.92)	403.98

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

a) Expected timing of any resulting outflow of economic benefits – over the next 2-3 years.

b) Indication of uncertainty of these outflows – due to estimates and depending on the actual claims for warranties that may be received in future or circumstances that may arise in future concerning provisioning for estimated loss on contracts.

c) There is no amount of any expected reimbursement in respect of these provisions.

10. Employee Post Retirement Benefits:

Staff Costs include the following:

Defined Contribution Schemes	**(Rs. in Lacs) 2008-2009**
Company's contribution to Provident Fund	**109.75**
Company's contribution to Management Superannuation	**39.99**
Defined Benefit Schemes	**Gratuity**
a. Liability Recognised in the Balance Sheet	
i) Present Value of Funded Obligation	
As at April 1, 2008	**153.70**
Service cost	**16.45**
Interest cost	**13.00**
Actuarial (Gain) / loss on obligations	**90.55**
Benefits paid	**(38.40)**
As at March 31, 2009	**235.30**
Less:	
ii) Fair Value of Plan Assets	
As at April 1, 2008	**139.00**
Expected Return on Plan Assets less Loss on Investments	**9.62**
Actuarial Gain on Plan Assets	**11.18**
Employers' Contribution	**3.93**
Benefits paid	**(38.40)**
As at March 31, 2009	**125.33**
Present Value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan	**109.97**
(In case this amount is an Asset, the value of the same would be restricted to present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan)	
b. Expense during the year	
Service cost	**16.45**
Interest cost	**13.00**
Expected Return on Plan Assets	**(9.62)**
Actuarial (Gain) / Loss	**79.37**
	99.20
Actual Return on Plan Assets	**-**

	(Rs. in Lacs) 2008-2009
c. **Break up of Plan Assets as a percentage of total Plan Assets**	
(Percentage or Value)	100.00%
Insurer Managed Funds*	
	100.00%
The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The Directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.	
d. **Principal Actuarial assumptions**	
Rate of Discounting	7.95%
Expected Return on Plan Assets	7.50%
Rate of increase in Salaries	8.00%
Attrition Rate	
Age (Years)	
21-30	5.00%
31-40	3.00%
41-59	2.00%

The Company expects to contribute Rs.10,00,000 to its Gratuity plan.

In assessing the Company's Post Retirement Liabilities the actuary monitors mortality assumptions and uses up to-date mortality tables, the base being the LIC 1994-96 ultimate tables.

Note:

The Actuary has expressed inability to provide disclosure information in respect of employee leave benefits.

Since Provision for Gratuity was created on arithmetical basis in the last year, previous year's figures have not been disclosed.

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

The above information is certified by the Actuary and relied upon by the auditors.

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

Sr. No.	Particulars	(Rs. in Lacs) 2008-2009	(Rs. in Lacs) 2007-2008
(i)	The Principal amount and the interest due thereon remaining unpaid to any supplier:		
	Principal amount	112.25	Nil
	Interest thereon	1.83	Nil
(ii)	The amount of interest paid by the buyer in terms of Section 16, along with the amounts of payment made to the supplier beyond the due date.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	4.97	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	6.80	Nil

Sr. No.	Particulars	(Rs. in Lacs) 2008-2009	(Rs. in Lacs) 2007-2008
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	**Nil**	Nil

Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

12. Additional Information pursuant to para 3 and 4C of part II of Schedule VI of the Companies Act, 1956.

Licensed Capacity – Nil (See note below)

Installed Capacity – See note below

Actual Production – The legacy computer system which remained in force upto September 30, 2008 did not have the capability to generate relevant data. However, with the deployment of SAP from October 1, 2008 the system provides for the capability and disclosures will be made in future.

LICENSED CAPACITY:

Note:

Workshop situated at Taloja

The Department of Industrial Development, Secretariat for Industrial Approvals have advised vide their communication dated April 28, 1989 that the Company's application for grant of an industrial license for manufacture of various equipment is exempt from the licensing provisions of the I (D&R) Act in terms of Notification No.: 629(E) dated June 30, 1988. They have however registered the Company's proposal in accordance with the aforesaid notification for manufacture of 30 numbers of equipment of various types.

Workshop situated at Silvassa

An Industrial Entrepreneurs Memorandum has been submitted to the Central Government in the Secretariat for Industrial Approvals for the purpose of record (in respect of proposals covered by Notification No.: 477(E) dated July 25, 1991) relating to manufacture of 50 numbers of equipment of various types, for which an acknowledgment has been received.

INSTALLED CAPACITY

Note : The Company manufactures large custom designed Metal Processing Equipments, Cold Rolling Machinery and spares thereof. Hence installed capacity and actual production is difficult to quantify.

Break up of Gross Sales:

(Rs. in Lacs)

DESCRIPTION	2008- 2009	2007-2008
Cold Rolling Mills	**29,355.06**	13,425.60
Galvanizing Lines	**1,877.38**	11,768.65
Metal Processing Lines	**6,854.92**	5,805.68
Equipments for CRM/CGL	**4,916.67**	1,142.20
Equipments for Metal Processing Lines	**Nil**	Nil
Boughtouts	**Nil**	Nil
Other Sales	**2,979.88**	1,820.43
TOTAL	**45,983.91**	**33,962.56**

Note:

The Additional quantitative and value information in respect of each class of goods comprising goods manufactured, raw materials consumed, opening and closing stocks, project revenues (item 3(ii)(a) of part II to Schedule VI of the Companies Act,1956);purchases,sales,opening and closing stock of traded goods (item 3(ii) (b));actual production, licensed and installed capacities (item 4 C) have not been disclosed due to non-availability of accurate and reliable data for the full year. The legacy computer system which remained in force upto September 30, 2008 did not have the capability to generate relevant data. However, with the deployment of SAP from October 1, 2008 the system provides for the capability and disclosures will be made in future.

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

(Rs. in Lacs)

Particulars	**2008-2009**	**2007-2008**
Raw materials, components, stores and spares	**8,751.75**	6,022.48
Capital Goods	**Nil**	161.01

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

(Rs. in Lacs)

Particulars	**2008-2009**	2007-2008
Commission on sales, supervision of erection & Design and engineering services	**707.23**	1,042.44
Travelling	**67.12**	32.50

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

(Rs. in Lacs)

Particulars	**2008-2009**	**2007-2008**
Export of Goods on F.O.B basis	**4,116.16**	23,675.59
Services (Export of Services)	**706.04**	-

Note : The total export sales of Rs.34,542.31 lacs comprises of sale of goods amounting to Rs.4,116.16 lacs on F.O.B basis as above and balance sales on CFR/CIF basis.

16. Remittance in foreign currency on account of dividend to non-resident shareholder: (Net of tax deducted at source wherever applicable)

Final Dividend	**2008-2009**	**2007-2008**
i. Number of Shareholder (CMI SA)	**1**	NA
Final Dividend	**2008-2009**	**2007-2008**
ii. Number of Shares on which dividend paid	**36,97,700**	NA
iii. Period/Year to which the dividend relate	**2007-2008**	NA
iv. Amount Remitted	**73,95,400**	NA
v. Currency in which amount Remitted	**EURO**	NA

17. Auditors' Remuneration (on accrual basis):

(Rs. in Lacs)

		2008-2009	**2007-2008**
(a)	Audit Fees for the year ended March 31, 2009 (including Group reporting for period ended December 31, 2008)	**34.50**	15.00
(b)	Tax Audit Fees	**6.00**	3.00
(c)	Limited Review	**15.50**	4.50
(d)	Audit of opening Balance Sheet as at June 30, 2008	**9.00**	Nil
(e)	Corporate Governance	**1.50**	Nil
(f)	Certificates	**0.10**	Nil
(g)	Out of Pocket Expenses	**0.50**	Nil
	Total	**67.10**	22.50

18. Managerial Remuneration:

(Rs. in Lacs)

	2008- 2009	2007-2008
Managing Director and Whole time directors		
Remuneration		
Salaries	**85.58**	351.28
Perquisites and Allowances	**48.31**	16.87
Contribution to Gratuity, Provident Fund, Leave encashment and Superannuation	**416.34***	34.67*
Total	**550.23**	402.82

* Leave encashment and Gratuity in respect of late Mr. T.R. Mehta and Mrs. Mehta.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

(Rs. in Lacs)

Particulars	2008-2009	2007-2008
Profit Before Tax	**1,768.56**	1,447.64
Add :		
Depreciation as per accounts	**560.00**	540.58
Managerial Remuneration	**550.23**	402.82
Loss on disposal of Fixed Assets not allowable as per provision to section 349	**147.71**	3.07
Sundry Debit balances written off	**-**	0.84
Provision for Doubtful Debts	**794.98**	39.93
Director's Fees	**3.08**	-
Total	**3,824.56**	2,434.88
Less:		
Depreciation under Section 350	**511.77**	540.58
Profit on Sale of Assets	**-**	17.87
Credit Balances written back	**22.00**	8.66
Sales Tax refund	**3.19**	-
Net Profit as per Section 349 of the Companies Act, 1956	**3,287.60**	1,867.77

Particulars	**(Rs. in Lacs) 2008-2009**
a) Limit of 10% of Net Profit for April 1, 2008 to June 25, 2008 as per Sections 198 and 309 of Companies Act, 1956 applicable to Late Mr. T. R. Mehta and Mrs. Mehta	**77.46**
i) Actual remuneration paid	**483.72**
ii) Excess remuneration paid (including gratuity, leave encashment, etc.)	**406.26**
The above excess is subject to approvals of the Company in General Meeting and the Central Government for waiver of recovery.	
(b) 5% of Net Profit for June 26, 2008 to March 31, 2009 as per Section 198 and 309 of Companies Act, 1956 in respect of Managing Director.	**125.65**
Actual remuneration paid to the Managing Director	**66.51**

Notes:

(a) The appointment of the Managing Director was approved in the Annual General Meeting held on September 19, 2008. An application has been made to the Central Government pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, for which approval is awaited.

(b) The Company's three cars have been retained by the two former directors, namely, Late Mr.T.R. Mehta and Mrs.Nishi T. Mehta when they ceased to be the whole time directors of the Company on June 25, 2008. The book written down value of the cars was Rs.16.02 lacs, whilst this is not an allowable item for managerial remuneration under the Companies Act, 1956, this is subject to the approval of the Company in General Meeting and the Central Government, for waiver.

19. Segment Information:

(1) Geographical Segments:

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

(2) Secondary Segments:

As the Company's business activity fall within a single business segment, the disclosure requirement of Accounting Standard (AS-17) for secondary segment reporting is not applicable.

Segmental Reporting:

			(Rs. in Lacs)
	Export	**Domestic**	**Total**
REVENUE			
External Revenue	33,241.04	12,153.74	45,394.78
Previous Year	**23,150.93**	**9,628.83**	**32,779.76**
Inter-segment Revenues	-	-	-
Previous Year	-	-	-
Total Revenue	33,241.04	12,153.74	45,394.78
Previous Year	**23,150.93**	**9,628.83**	**32,779.76**
SEGMENT RESULT	14,727.49	2,956.81	17,684.30
Previous Year	**5,188.87**	**1,349.96**	**6,538.83**
Unallocated Corporate Expenses (net)	-	-	(15,572.68)
Previous Year	-	-	**(4,511.22)**
Operating Profit	-	-	2,111.63
Previous Year	-	-	**2,027.61**
Interest Expense	-	-	(522.17)
Previous Year	-	-	**(670.22)**
Other Income	-	-	179.10
Previous Year	-	-	**90.26**
Income Taxes	-	-	(1,500.73)
Previous Year	-	-	**(617.34)**
Profit from Ordinary activities	-	-	267.83
Previous Year	-	-	-
Extra Ordinary Items	-	-	-
Previous Year	-	-	-
Net Profit	-	-	267.83
Previous Year	-	-	**830.30**
OTHER INFORMATION			
Segment Assets	11,035.17	24,989.79	36,024.96
Previous Year	**8,171.16**	**22,001.93**	**30,173.09**
Unallocated Corporate Assets	-	-	943.58
Previous Year	-	-	**1,260.27**
TOTAL ASSETS	-	-	36,968.54
Previous Year	-	-	**31,433.36**

			(Rs. in Lacs)
	Export	Domestic	Total
Segment Liabilities	6,727.13	14,848.09	21,575.22
Previous Year	**2,576.00**	**8,399.02**	**10,975.02**
Unallocated Corporate Liabilities	-	-	1,075.72
Previous Year	-	-	**1,346.73**
TOTAL LIABILITIES	-	-	22,650.95
Previous Year	-	-	**12,321.75**
Capital Employed	-	-	14,317.59
Previous Year	-	-	**19,111.60**
Capital Expenditure	-	-	275.63
Previous Year	-	-	**767.78**
Depreciation and Amortization	-	-	560.00
Previous Year	-	-	**540.58**

20. Earnings Per Share:

(Rs. in Lacs)

		2008-2009	2007-2008
(A)	Profit after tax available to Equity Shareholders	267.83	830.30
(B)	Weighted average number of Equity Shares	49,37,813	49,37,813
(C)	Basic and Diluted Earnings Per Share (Rs.)	5.42	16.82
(D)	Nominal value of Shares (Rs.)	10	10

21. Project expenses include:

(Rs. in Lacs)

Sr. No.	Nature of Expense	2008-2009	2007-2008
1.	Design & Engineering Charges	38.12	93.76
2.	Testing & Inspection	11.36	7.78
3.	Transport Charges (Inward)	102.95	310.05
4.	Custom Duty (on Bonded goods)	297.16	NIL
5.	Crane Hire Charges	21.61	47.43
6.	Clearing & Forwarding Expenses (Import)	139.35	NIL
	Total	**610.55**	**459.02**

22. Loan to former Chairman and Managing Director:

A loan of Rs. 60.00 lacs was given during the year to the former Chairman and Managing Director Late Mr. T.R. Mehta. Whilst the loan has been repaid to the Company during the year, the making of the loan is subject to the approval of the Central Government under provisions of Section 295 of the Companies Act, 1956. The application under section 621A for compounding is under process.

23. Prior period adjustments:

(Rs. in Lacs)

Prior Period Expenses:	2008-2009	2007-2008
• Sales tax refund receivable-excess refund of sales tax (accounting year 2007-08) recognised in the previous year, reversed during the year 2008-09	40.88	Nil
• Central Excise Duty paid under protest in earlier years not considered receivable, charged of in current year.	21.49	Nil
• Central Excise dispute account – excess reversed	4.30	Nil
Prior Period Income:		
Sales tax refund receivable (Silvassa) – accounted in current year	(3.19)	Nil
Commission on sales– excess expense provided in the previous year, now reversed.	(28.22)	Nil
Total	**35.26**	**Nil**

24. Capital Commitments:

(Rs. in Lacs)

Particulars	2008-2009	2007-2008
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	46.36	--

25. Open Exposures not hedged – Details of receivables, advances received, payables and advances paid in foreign currency;

The Company has not entered into Forward Exchange Contracts.

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

Amounts receivable in foreign currency on account of the following:

(Rs. in Lacs)

Export of goods	2008-2009	5,036.12	USD 10,547,039
		4,495.16	EURO 6,931,032
	2007-2008	5,811.57	USD 14,485,479
		2,476.91	EURO 3,904,484

Amounts received in advance in foreign currency on account of the following:

(Rs. in Lacs)

Export of goods	2008-2009	412.20	USD 872,829
		2,242.62	EURO 3,503,686
	2007-2008	1,616.33	USD 4,028,748
		700.55	EURO 1,104,265

Amounts payable in foreign currency on account of the following:

(Rs. in Lacs)

Import of goods	2008-2009	393.68	USD 830,705
		151.90	EURO 236,342
		30.87	CAD 68,400
	2007-2008	336.24	USD 838,084
		92.87	EURO 146,394

Advance paid in foreign currency on account of the following:

(Rs. in Lacs)

Advance paid	2008-2009	2.31	GBP 3,190
	2007-2008	13.41	GBP 16,798
		7.90	YEN 1,971,580
		27.31	CAD 68,400

26. Operating Leases:-

The Company has entered into leave & license agreement for its senior managerial personnel for a period of eleven months to twenty four months. Amount debited to Rent account under "Manufacturing and Other expenses" amounts to Rs. 53.55 lacs (previous year Rs.14.80 lacs).

Future minimum lease obligations for aforesaid leave and license covenants are detailed below

(Rs. in Lacs)

Sr No.	Particulars	2008-09
(i)	Not later than one year	120
(ii)	Later than one year and not later than five years	102
(iii)	Later than five years	Nil

27. Subsequent to year end, there was a petition filed against the Company and its officers, by a set of minority shareholders before the CLB, Mumbai Bench under sections 397 & 398 of the Companies Act,1956. The Company strongly refutes the allegation of the petitioners for financial mismanagement that jeopardizes the interest of the minority shareholders.

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

For and on behalf of the Board

Yves Honhon
Director

Rob Johnson
Managing Director

Kunal Trivedi
Company Secretary

Vijay Karayi
Chief Information Officer & CFO

Place: Mumbai
Date: June 17, 2009

CMI FPE LIMITED
(Formerly Flat Products Equipments (India) Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENEDED MARCH 31, 2009

		2008-2009	(Rs. In Lacs) 2007-2008
A	**Cash flow from operating activities :**		
	Net Profit before tax	**1,768.56**	1,447.64
	Adjustments for :		
	Depreciation/Amortisation	**560.00**	546.24
	Provision for Doubtful Debts	**794.98**	-
	Provision for Warranties	**975.37**	-
	Provision for Loss on Contract	**125.39**	-
	Provision for Custom Duty on Bonded Goods	**297.16**	-
	Provision for Employee Benefits	**252.65**	98.03
	Provision for Bonus	**105.44**	-
	Diminution in Value of Long Term Investments	**51.03**	-
	Interest Expense	**522.17**	670.22
	Interest Income	**(60.80)**	(66.74)
	Dividend Received	**(0.45)**	(0.22)
	Unrealised Foreign Exchange Gain / (Loss)	**(441.87)**	306.76
	Profit/Loss on sale of asset (Net)	**173.54**	(14.80)
	Operating profit before working capital changes	**5,123.17**	2,987.13
	Adjustments for :		
	Trade and other receivables	**(11,519.56)**	1,475.14
	Inventories	**6,466.80**	(3,059.93)
	Trade and other payables	**8,895.44**	(2,721.41)
	Cash generated from operations	**8,965.85**	(1,319.07)
	Direct taxes paid (including fringe benefit tax) [Net of Refunds]	**(1,551.56)**	(1,047.14)
	Net cash from / (used in) operating activities	**7,414.29**	(2,366.21)
B	**Cash flow from investment activities**		
	Purchase of fixed assets	**(273.07)**	(514.68)
	Interest Received	**64.85**	68.61
	Dividend Received	**0.45**	0.22
	Sale of fixed assets	**23.55**	32.40
	Net cash used in investment activities	**(184.22)**	(413.45)
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	**8.06**	589.16
	Repayment of long term borrowings	**(96.43)**	(779.73)
	Proceeds from short term borrowings	**5,183.05**	21,082.71
	Repayment of short term borrowings	**(10,094.26)**	(16,881.28)
	Interest Paid	**(517.65)**	(670.22)
	Dividend and dividend tax paid	**(115.54)**	(519.93)
	Net cash (used in) / from financing activities	**(5,632.77)**	2,820.71
	Net increase in cash and cash equivalents	**1,597.30**	41.05
	Cash and cash equivalents as at the beginning of the year	**1,944.74**	1,903.69
	Cash and cash equivalents as at the end of the year	**3,542.04**	1,944.74

Notes:

1	Cash and cash equivalents comprise of the following:		
	Cash on Hand	**3.74**	13.40
	Bank Balances	**3,107.86**	808.32
	Deposits	**559.78**	1,144.26
		3,671.38	1,965.98
	Unrealised Foreign Exchange Loss / (Gain)	**(129.34)**	(21.24)
		3,542.04	1,944.74

2 Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) " Cash Flow Statement" as notified under Companies (Accounting Standard) Rules, 2006.

3 Previous year figures have been recast/restated wherever necessary.

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants

A. S. Varma
Partner

Place : MUMBAI
Date : JUNE 17, 2009

For and on behalf of the Board

Yves Honhon
Director

Rob Johnson
Managing Director

Kunal Trivedi
Company Secretary

Vijay Karayi
Chief Information Officer & CFO

Place : MUMBAI
Date : JUNE 17, 2009

CMI FPE LIMITED (Formerly Flat Products Equipments (India) Ltd.)

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.	39921	State Code	11
Balance Sheet Date	31032009		

II CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	NIL

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

Total Liabilities	1420205	Total Assets	1420205
SOURCES OF FUNDS			
Paid-up Capital	49378	Reserves and Surplus	813417
Secured Loans	307410	Unsecured Loans	250000
APPLICATION OF FUNDS			
Net Fixed Assets	290407	Investments	1160
Net Current Assets	1035595	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deferred Tax Asset (Net)	93043

IV PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover	4648746	Total Expenditure	4471890
Profit/(Loss) before Tax	176856	Profit/(Loss) after Tax	26783
Earning Per Share (Rs.)	5.42	Dividend Rate %	20

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	8455.90.00
Product Description	Metal Cold Rolling Mill
Item Code No. (ITC Code)	8479.90.90
Product Description	Galvanising Line
Item Code No. (ITC Code)	8479.90.90
Product Description	Metal Processing Line

CMI FPE LIMITED

(Formerly Flat Products Equipments (India) Ltd.)

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

PROXY FORM

DP ID No.:
LF No. / CL ID No.:

I/We ______________________________ of ______________________________

being a member(s) of CMI FPE Limited hereby appoint ______________________________ of ______________________________ or failing him/her ______________________________ of ______________________________ as my/our proxy to attend & vote for me/us and on my/our behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on **September 11, 2009** at **3.30 p.m.** at **"Mehta House", Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai 400 093** and at any adjournment thereof.

As witness my/our hand(s) this ________ day of ____________ 2009.

Affix Re. 1/- Revenue Stamp

____

[(Signature of the Shareholder(s)]

No. of Shares held: ______________

Notes:

1. The Proxy Form must be duly filled & signed by the registered shareholder and must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time scheduled for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.

CMI FPE LIMITED

(Formerly Flat Products Equipments (India) Ltd.)

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

ATTENDANCE SLIP

DP ID No.:
LF No. / CL ID No.:

I/we hereby record my/our presence at the 23rd ANNUAL GENERAL MEETING of the Company on **September 11, 2009 at 3.30 p.m.** at **"Mehta House", Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai 400 093**

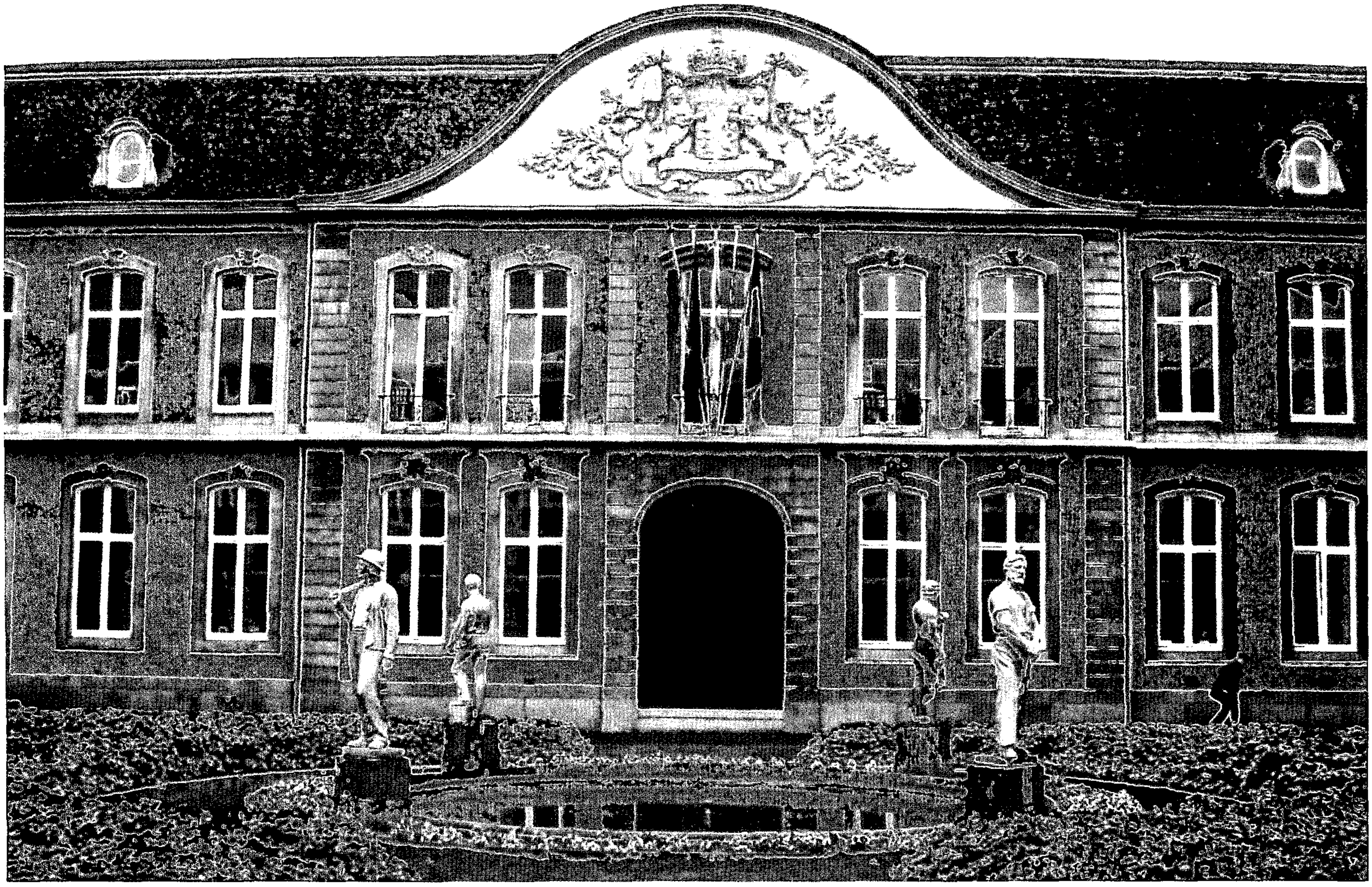
NAME & ADDRESS OF THE SHAREHOLDER(S): ______________________________

SIGNATURE OF THE SHAREHOLDER(S) OR THE PROXY ATTENDING THE MEETING:

If Shareholder, please sign here	If Proxy, please sign here

Notes:

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



The headquarters of the CMI Group are located at Seraing (Belgium), in the castle where John Cockerill lived from 1817.

The Communication Department would like to thank all those
who contributed to the creation of this Annual report.

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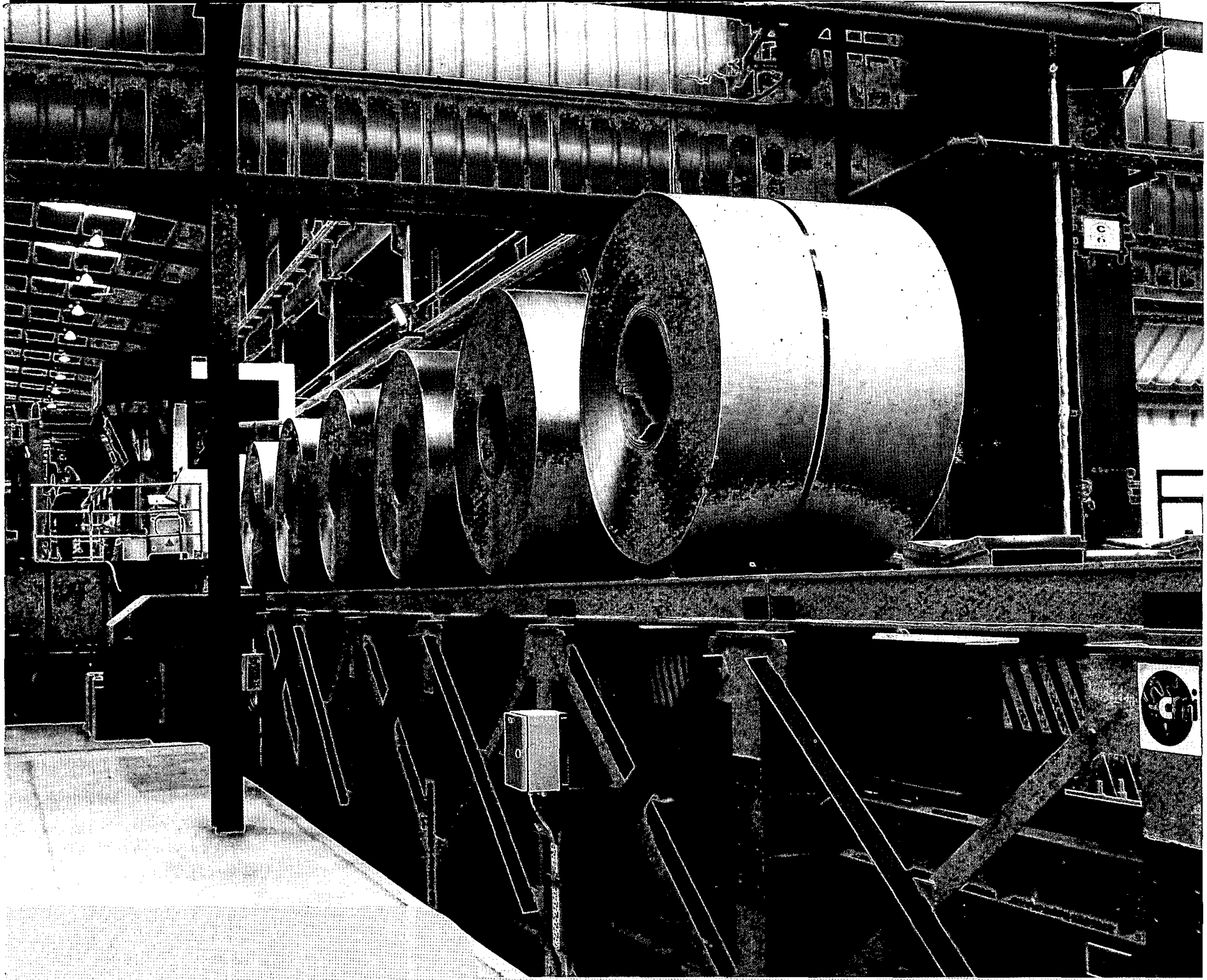

Cockerill Maintenance & Ingénierie

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