

**CMI LIMITED**

AN ISO 9001, ISO 14001  
& BS ISO 45001 COMPANY  
CIN No. L74899DL 1967 PLC018031

**Regd. Office :**  
PD-II, Jhilmil Metro Station,  
Jhilmil Industrial Area,  
Delhi-110095  
Phone : 011-49570000

**Works :** Baddi, Himachal Pradesh-173205 (India)  
Faridabad, Haryana-121006 (India)

**CMI/CS/2024-25/****October 07, 2024**

**BSE Corporate Compliance & Listing Centre**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
**MUMBAI-400001**

**Listing Department**  
**National Stock Exchange of India**  
'Exchange Plaza', Bandra Kurla Complex,  
**MUMBAI-400051**

**BSE Scrip Code: 517330/ NSE Scrip Code: CMICABLES**

**Sub: Announcement pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

Sir,

As informed earlier vide our intimation dated August 03, 2023 regarding the initiation of corporate insolvency resolution process ("CIRP") in the case of CMI Limited ("the Company") under Section 7 of The Insolvency and Bankruptcy Code, 2016, filed by the Financial Creditor Canana bank and initiating the Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 ("IBC").

In compliance with Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company (Power Suspended) as per the provision of the insolvency and Bankruptcy Code, 2016, today, i.e. 7<sup>th</sup> October, 2024, has, inter alia, upon authorisation of Mr. Deepak Maini, Resolution Profession of the Company, approved the following:

1. Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2024 is enclosed as **Annexure-1;**
2. Audit Report on the financial results for the quarter and year ended 31<sup>st</sup> March, 2024 is enclosed as **Annexure-2;**
3. Statement on Impact of Audit Qualifications (for audit report with modified opinion) as **Annexure-3;**

The Meeting commenced at 03:00 P.M. and concluded at 05:45 P.M.

This is for your information and record.

Thanking you,  
For **CMI LIMITED**

**TANYA KUKREJA**  
**COMPANY SECRETARY**

**CMI LIMITED**AN ISO 9001, ISO 14001  
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Phone : 011-49570000**ANNEXURE -1**Works : Baddi, Himachal Pradesh-173205 (India)  
Faridabad, Haryana-121006 (India)**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2024**

(Rs. in Lakhs)

Sr.No.	PARTICULARS	Quarter Ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
1	a) Revenue from operations	877.74	835.40	1,016.83	2,908.04	2,203.57
	b) Other Income	49.62	5.02	111.05	67.40	155.74
	<b>Total Income</b>	<b>927.36</b>	<b>840.42</b>	<b>1,127.88</b>	<b>2,975.44</b>	<b>2,359.30</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	716.07	678.53	312.51	2,140.85	1,237.63
	b) Purchase of stock-in-trade	-	-	9.00	-	9.00
	c) Changes in inventories of Finished goods, Stock-in-trade and Work-in-progress	-	-	1,472.90	272.84	1,963.15
	d) Employee benefits expenses	84.53	61.24	71.69	254.77	228.37
	e) Finance costs	81.99	0.04	(2,413.28)	82.12	73.63
	f) Depreciation and amortisation expenses	204.75	209.22	230.13	844.58	921.56
	g) Other Expenses	129.45	46.18	292.63	385.85	644.99
	<b>Total Expenses</b>	<b>1,216.79</b>	<b>995.21</b>	<b>(24.42)</b>	<b>3,981.01</b>	<b>5,078.33</b>
3	<b>Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>(289.43)</b>	<b>(154.79)</b>	<b>1,152.30</b>	<b>(1,005.57)</b>	<b>(2,719.03)</b>
4	Exceptional items	-	-	(9,371.65)	-	(9,025.46)
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>(289.43)</b>	<b>(154.79)</b>	<b>(8,219.35)</b>	<b>(1,005.57)</b>	<b>(11,744.49)</b>
6	<b>Tax Expenses:</b>					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	(0.84)	83.45	(160.30)	173.01	735.48
	<b>Total Tax expenses</b>	<b>(0.84)</b>	<b>83.45</b>	<b>(160.30)</b>	<b>173.01</b>	<b>735.48</b>
7	<b>Net Profit / (Loss) for the period (5-6)</b>	<b>(290.28)</b>	<b>(71.34)</b>	<b>(8,379.66)</b>	<b>(832.57)</b>	<b>(11,009.02)</b>
8	<b>Other Comprehensive Income / (Loss):</b>					
	a) Items that will not be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
	b) Items that will be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
	<b>Other Comprehensive Income / (Loss) for the period (Net of tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Total Comprehensive Income for the period, net of tax (7+8)</b>	<b>(290.28)</b>	<b>-</b>	<b>(8,379.66)</b>	<b>(832.57)</b>	<b>(11,009.02)</b>
10	Paid-up equity share capital (Face value Rs.10/ each)	1,602.74	1,602.74	1,602.74	1,602.74	1,602.74
11	Other equity	-	-	-	(15,153.78)	(14,305.62)
12	<b>Earning per equity share (EPS) (not annualised)</b>					
	a) Basic (Rs.)	(1.81)	(0.45)	(52.28)	(5.19)	(68.69)
	b) Diluted (Rs.)	(1.81)	(0.45)	(52.28)	(5.19)	(68.69)

For CMI LIMITED

Auth. Signatory

DEEPAK MAINI.  
(Insolvency Professional)  
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Works Faridabad : Plot No. 71 &amp; 82, Sector 6, Faridabad -121006 (Harayana), E-mail : worksfbd@cmlimited.in

Works Baddi : Village: Bhatauli Khurd, Baddi, Tehsil: Naagarh, Dist.: Solan, ( Himachal Pradesh), 173205 E-mail: worksbaddi@cmlimited.in

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(Rs. in Lakhs)

Statement of Assets and Liabilities	Year ended 31st March, 2024	Year ended 31st March, 2023
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	12103.61	12,946.30
(b) Capital work-in-progress	287.09	287.09
(c) Investment Properties	246.66	247.17
(d) Other Intangible Assets	-	-
(e) Financial Assets		
(i) Investments	0.03	0.03
(ii) Loans	121.69	121.69
(iii) Others	0.00	-
(f) Deferred Tax Assets (Net)	8530.32	8,357.32
(g) Other Non Current Assets	282.28	282.28
<b>Total Non-Current Assets</b>	<b>21,571.69</b>	<b>22,241.88</b>
<b>Current Assets</b>		
(a) Inventories	1130.93	844.19
(b) Financial Assets		
(i) Trade Receivables	5444.60	5,031.31
(ii) Cash and Cash equivalents	119.56	60.00
(iii) Other Bank Balances	512.93	61.63
(iv) Loans	0.00	-
(v) Other Current Financial Assets	0.00	-
(c) Current Tax Assets (Net)	37.01	48.68
(d) Other Current Assets	3161.25	3,210.25
<b>Total Current Assets</b>	<b>10,406.27</b>	<b>9,256.06</b>
<b>Total Assets</b>	<b>31,977.96</b>	<b>31,497.94</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	1603.07	1,603.07
(b) Other Equity	(15,153.78)	(14,305.62)
<b>Total Equity</b>	<b>(13,550.71)</b>	<b>(12,702.55)</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	669.19	3,413.21
(ii) Lease Liabilities	119.98	119.98
(b) Provisions	12.86	1.36
<b>Total Non-Current Liabilities</b>	<b>802.02</b>	<b>3,534.55</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	37,432.59	34,723.82
(ii) Lease Liabilities	2.48	2.48
(iii) Trade Payables		
-Total outstanding dues of Micro Enterprises and Small Enterprises	367.81	-
-Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	3,364.29	3,194.39
(iv) Other Financial Liabilities	3,417.53	2,599.15
(b) Other Current Liabilities	141.95	138.33
(c) Provisions	-	7.77
(d) Current Tax liabilities (Net)	-	-
<b>Total Current Liabilities</b>	<b>44,726.65</b>	<b>40,665.94</b>
<b>Total Liabilities</b>	<b>45,528.67</b>	<b>44,200.49</b>
<b>Total Equity and Liabilities</b>	<b>31,977.96</b>	<b>31,497.94</b>

For CMI LIMITED

*Deepak Maini*

Auth. Signature

DEEPAK MAINI  
(Insolvency Professional)  
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Faridabad, Haryana-121006 (India)**Statement of Cash Flows for the Year ended 31st March, 2024**

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax	(1,005.57)	(11,744.49)
Adjusted for:		
Depreciation and amortization expense	844.58	921.56
(Profit)/Loss on sale of property, plant and equipment	-	(376.36)
Deferred Employee Cost & Fair Value FVOCI Equity Adjustments	(0.00)	(0.00)
Rental Income	(40.16)	(20.52)
Interest expense	82.12	73.63
Interest income	(18.60)	(34.91)
<b>Operating profit/ (loss) before working capital changes</b>	<b>(137.64)</b>	<b>(11,181.10)</b>
<b>Movements in working capital:</b>		
Decrease/(increase) in trade receivables	(413.29)	6,033.48
Decrease/(increase) in inventories	(286.74)	2,822.97
Decrease/(increase) in other assets	49.00	1,937.49
(Decrease)/increase in trade payables and other liabilities	1,359.71	1,830.97
(Decrease)/increase in other provisions	3.76	(67.58)
<b>Cash generated from/ (used in) operations</b>	<b>574.79</b>	<b>1,376.23</b>
Excess/(Short) provision for taxes for earlier year	(15.59)	-
Direct Taxes Paid	11.67	(22.34)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>570.87</b>	<b>1,353.89</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(1.38)	(101.56)
Proceeds from disposal of property, plant and equipment	-	1,234.94
Decrease/(increase) in non-current investments	(0.00)	0.00
Decrease/(increase) in other non-current assets	0.00	20.36
Decrease/(increase) in other bank balances	(451.30)	235.36
Decrease/(increase) in other non current financial assets	(0.00)	22.66
Rental Income	40.16	20.52
Interest received	18.60	34.91
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(393.94)</b>	<b>1,467.20</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of long-term borrowings (Net)	(2,744.02)	(2,013.94)
Proceeds/(Repayment) of short-term borrowings (Net)	2,708.77	(697.57)
Payment of Lease Liabilities	(0.00)	(3.64)
Proceeds from issue of Equity Share Capital (Including Premium)	-	-
Interest paid	(82.12)	(73.63)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(117.39)</b>	<b>(2,788.79)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>59.56</b>	<b>32.31</b>
Cash and cash equivalents at the beginning of the year	60.00	27.69
<b>Cash and cash equivalents at the end of the year</b>	<b>119.55</b>	<b>60.00</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
-In current accounts	105.87	40.77
-In unpaid dividend accounts	13.60	13.60
-In deposit accounts	-	-
Cash in hand	0.09	0.09
<b>Total cash and cash equivalents [Refer Note No. 16]</b>	<b>119.56</b>	<b>60.00</b>

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flows'.

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For CMI LIMITED

Auth. Signatory

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**Notes**

1. The Company has informed vide announcement dated August 03, 2023, the Hon'ble National Company Law Tribunal, Delhi Bench, ("NCLT") vide its order dated July 28, 2023 ("Order"), pronounced on August 01, 2023, has admitted the application filed by Canara Bank ("Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with rules and regulations framed thereunder ("the Code").  
Furthermore, the Hon'ble National Company Law Tribunal, Delhi Bench, ("NCLT") has also approved the appointment of Mr. Deepak Maini as the Interim Resolution Professional/Resolution Professional ("IRP/RP") to conduct the CIRP of the Company admitted under section 7 of the Insolvency and Bankruptcy Code 2016.  
During CIRP, the power of the board is suspended as per the Insolvency and Bankruptcy Code, 2016, and the company operates under the guidance and direction of the Resolution Professional.
2. The above financial results have been approved by the Board of Directors of the Company (Power Suspended) as per the provision of the insolvency and Bankruptcy Code, 2016 on 7<sup>th</sup> October, 2024, upon authorization of Mr. Deepak Maini, Resolution Profession of the Company.
3. The financial results for the financial year ended March 31, 2024 have been audited by the Statutory Auditors of the Company. The Statutory Auditors have expressed a modified opinion on the above results.
4. These financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
5. There is no separate reporting segment as per the Indian Accounting Standard (Ind-AS 108) on segment reporting.
6. The Figures of the last quarter are the balancing figures in respect of financial results between audited figures of the financial year ended March 31, 2024 and the published year to date figures upto 3rd quarter i.e. December 31, 2023 of the current year, which were subjected to limited review.
7. Previous year / periods figures have been regrouped / reclassified, wherever necessary.

The above financial results of the Company are available on the Company's website [www.cmilimited.in](http://www.cmilimited.in) and also at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Date: 07.10.2024

Place: Delhi

For and behalf of Board  
For CMI LIMITED

Amit Jain  
Auth. Signatory  
Chairman/Chief Managing Director  
(Power Suspended)  
DIN-00041300

Deepak Maini  
Resolution Professional  
CMI Limited

(Reg. No. IBBI/IPA-001/IP-P00676/2017-2018/11149)

DEEPAK MAINI  
(Insolvency Professional)  
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# J MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS



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## INDEPENDENT AUDITORS 'REPORT

To the Members of **CMI LIMITED**  
(CIN: L74899DL1967PLC018031)

### **Report on the Audit of the Standalone Financial Statements**

#### Qualified Opinion

We have audited the accompanying standalone financial statements of CMI LIMITED (the 'Company'), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Opinion paragraph below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit/loss (including other comprehensive income ) changes in equity and its cash flows for the year ended on that date.

#### Basis for qualified opinion

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

Based on our review conducted as above, we have noticed following points to our attention in the accompanying statement of audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies which required to disclosed under the act including the manner in which it is to be disclosed, or that it contains any material misstatement:

- a) The Company is under corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).
- b) **Going Concern Concept**  
The accumulated losses of the company as at the close of 31st March 2024 amounting to Rs. 15,153.78 lakhs as against which the paid-up capital of the company is Rs.1603.07 Lakh and the losses has totally eroded the net worth of the company. The company has been incurring continues losses for the past many years.
- c) The Company has not complied the disclosure for the following as per IND-AS,
  - a. IND-AS-19: The Company has not identified, measured, quantified and disclosure the gratuity and leave encashment and its impact on the current financial statements.
- d) Liabilities may arise under litigation with the income tax department, TDS and GST department could not be ascertained and calculated due to details not available with us.
- e) The fixed assets register is not available hence value is taken at book value as balance brought forward from previous years and physical verification report is also not available for the same.
- f) Confirmation of loan account, bank account and investments not available and account balance subject to reconciliation.
- g) Quantitative details of stock not available however, value of stock is taken at book value as balance brought forward from previous years.
- h) Balances of Current Assets and Current Liabilities are subject to confirmation and any recovery from Current Assets has not been ascertained.

Our opinion above on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's letter, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Directors' Report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated.

Key audit matter	How the matter was addressed in our audit
<p data-bbox="284 230 715 259">Revenue - Performance Obligations</p> <p data-bbox="284 282 815 712">The company is in the business of manufacturing various types of Cables and sells to customers through institutional globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies, albeit a specific point in time can often be established. Consequently, the company has analyzed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognized as revenue.</p>	<p data-bbox="842 230 1385 320">Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul data-bbox="853 324 1390 786" style="list-style-type: none"> <li data-bbox="853 324 1390 414">• Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li data-bbox="853 418 1390 600">• Selecting a sample from each type of contract with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li data-bbox="853 604 1390 694">• Tested sample of sales transactions for compliance with the company's accounting principles.</li> <li data-bbox="853 698 1390 786">• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>
<p data-bbox="284 819 687 848">Revenue — Variable Consideration</p> <p data-bbox="284 880 823 999">Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives, and rebates accrued by customers based on sales.</p> <p data-bbox="284 1028 823 1146">At the reporting date, the company estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p data-bbox="842 819 1385 909">Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul data-bbox="853 938 1385 1785" style="list-style-type: none"> <li data-bbox="853 938 1385 1120">• Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li data-bbox="853 1149 1385 1294">• Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li data-bbox="853 1301 1385 1514">• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li data-bbox="853 1520 1385 1700">• Analyzing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li data-bbox="853 1706 1385 1785">• Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>

**Emphasis of Matter**

*Attention is invited to Note 22(ii) under Explanatory Notes to Financial Statements regarding Financial Liabilities-Non-Current Borrowings. As loan accounts with company's lenders had turned*



*NPA during the financial year, resultantly the updated loan account statements after the NPA date are not available in some cases hence the liabilities have been recognised on the basis of latest available loan account statements and balances therein, the company has not accounted for liabilities towards banks/financial institutions beyond the NPA dates.*

#### **Responsibilities of Management for the standalone financial statements**

**The company is in CIRP Process under the insolvency and Bankruptcy Code, 2016 ("the IBC") vide order of Hon'ble NCLT dated 28.07.2023. Managements and Board of Directors of the Company (Power Suspended) as per the provisions of the IBC working under authorization of Mr. Deepak Maini, Resolution Professional of the Company, approved the following Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditors' responsibilities for the audit of the standalone financial statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

### **Report on other legal and regulatory requirements**

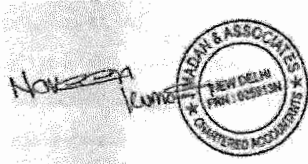
1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we disclaim our opinion on the matters specified in paragraphs 3 and 4 of the Order based on data unavailability.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Insofar as the modification on maintaining an audit trail in the accounting software is concerned, refer paragraph (i) (vi) below.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is

disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 1' to this report.
- (g) In our opinion, the managerial remuneration for the year ended 31 March 2024 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 26 to the standalone financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2024;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2024
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief and read with note 45(g) to the standalone financial statements, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented that, to the best of its knowledge and belief and read with note 45(h) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures performed that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.

- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, however the same has not been operated throughout the year, i.e. audit trail feature was starting during the year and has been continued for the remaining part of the financial year. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For J MADAN & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration Number: 025913N



Naveen Kumar  
Partner  
Membership Number: 536759

UDIN: 24536759BKCKZN7319

Place: New Delhi  
Date: 07<sup>th</sup> October, 2024

## **Annexure 1 to Independent Auditors' Report**

Referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date to the members of CMI LIMITED.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')**

We have audited the internal financial controls with reference to standalone financial statements of CMI LIMITED (the 'Company') as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

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

#### **Auditors' responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

#### **Meaning of internal financial controls with reference to standalone financial statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that

(1)	pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2)	provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
(3)	provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

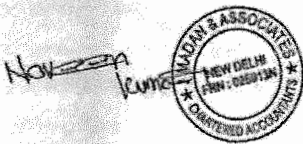
**Inherent limitations of internal financial controls with reference to standalone financial statements**

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

**Opinion**

We disclaim our opinion in regard to adequacy of internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, due to non-availability of information regard to controls framed and implemented.

For J MADAN & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration Number: 025913N



Naveen Kumar  
Partner  
Membership Number: 536759

UDIN: 24536759BKCKZN7319

Place: New Delhi  
Date: 07<sup>th</sup> October, 2024

**CMI LIMITED**AN ISO 9001, ISO 14001  
& BS ISO 45001 COMPANY  
CIN No. L74899DL 1967 PLC018031Regd. Office :  
PD-II, Jhilmil Metro Station,  
Jhilmil Industrial Area,  
Delhi-110095  
Phone : 011-49570000Works : Baddi, Himachal Pradesh-173205 (India)  
Faridabad, Haryana-121006 (India)**ANNEXURE - 3****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024  
(for audit report with modified opinion)**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualification s)
	1.	Turnover / Total income	2,975.44	2,975.44
	2.	Total Expenditure	3,981.01	3,981.01
	3.	Net Profit/(Loss)	(832.56)	(832.56)
	4.	Earnings Per Share	(5.19)	(5.19)
	5.	Total Assets	31,977.96	31,977.96
	6.	Total Liabilities	45,528.67	45,528.67
	7.	Net Worth	(14,294.99)	(14,294.99)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<b>Audit Qualification:</b>			
	<b>Details of Audit Qualification:</b>			
	<ul style="list-style-type: none"> <li>The Company is under corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).</li> <li>Going Concern Concept: The accumulated losses of the company as at the close of 31st March 2024 amounting to Rs. 15,153.78 lakhs as against which the paid-up capital of the company is Rs.1603.07 Lakh and the losses has totally eroded the net worth of the company. The company has been incurring continues losses for the past many years.</li> <li>The Company has not complied the disclosure for the following as per IND AS 19: The Company has not identified, measured, quantified and disclosed the gratuity and leave encashment and its impact on the current financial statements.</li> <li>Liabilities may arise under litigation with the income tax department, TDS and GST department could not been ascertained and calculated due to details not available with us.</li> <li>The fixed assets register is not available hence value is taken at book value as balance brought forward from previous years and physical verification report is also not available for the same.</li> <li>Confirmation of loan account, bank account and investments not available and account balance subject to reconciliation.</li> <li>Quantitative details of stock not available however, value of stock is taken at book value as balance brought forward from previous years.</li> <li>Balances of Current Assets and Current Liabilities are subject to confirmation and any recovery from Current Assets has not been ascertained.</li> </ul>			
	a. Type of Audit Qualification : Qualified Opinion			
	b. Frequency of qualification: Second time			

	<p>c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p>
	<p>d. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <ul style="list-style-type: none"> <li>• The Company is under corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).   <p>Reply: The Hon'ble National Company Law Tribunal, Delhi Bench, ("NCLT") vide its order dated July 28, 2023 ("Order"), pronounced on August 01, 2023, has admitted the application filed by Canara Bank ("Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with rules and regulations framed thereunder ("the Code") for an alleged amount of default of Rs. 164.86 Crore and accordingly the corporate insolvency resolution process ("CIRP") has commenced of the Company, CMI Limited ("Company") with effect from July 28, 2023.</p> <p>Furthermore, the Hon'ble National Company Law Tribunal, Delhi Bench, ("NCLT") has also approved the appointment of Mr. Deepak Maini as the Resolution Professional ("RP") to conduct the CIRP of the Company under section 16 of the Insolvency and Bankruptcy Code 2016.</p> </li> <li>• <b>Going Concern Concept:</b> The accumulated losses of the company as at the close of 31st March 2024 amounting to Rs. 15,153.78 lakhs as against which the paid-up capital of the company is Rs.1603.07 Lakh and the losses has totally eroded the net worth of the company. The company has been incurring continues losses for the past many years.   <p>Reply: The auditor have opined upon the going concern nature of the company due to consistent losses being incurred since the inception of Covid-19 due to the resultant market disruptions, minimal operations in the factory and risk carried by the company due to non-execution of orders by the company after Covid-19. The company could not honor its financial commitment towards its lenders.</p> <p>Pursuant whereof, one of the lender's, filed an application against the company under section 7 of the Insolvency and Bankruptcy Code, 2016, read with rules and regulations framed thereunder ("the Code") which has since been admitted by Hon'ble NCLT, New Delhi vide its order dated 28.07.2023. However, the business segment carries potential and the company can be revived in future. During the course of CIRP, the company is operating on some job work arrangement and has been meeting its liabilities incurred during CIRP period.</p> </li> <li>• The Company has not complied the disclosure for the following as per IND AS 19: <ul style="list-style-type: none"> <li>○ The Company has not identified, measured, quantified and disclosure the gratuity and leave encashment and its impact on the current financial statements.</li> </ul> </li> </ul>



	<p>Reply: Ascertainment of actuarial liability as laid down under Ind AS — 19 involves considerable cost which is difficult for the company to with stand considering the status of Company being undergoing CIRP. Hon'ble National Company Law Tribunal, Delhi Bench, ("NCLT") vide its order dated July 28, 2023 ("Order"), pronounced on August 01, 2023, has admitted the application filed by Canara Bank ("Financial Credito[r]") under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with rules and regulations framed thereunder ("the Code").</p> <ul style="list-style-type: none"> <li>• <b>Liabilities may arise under litigation with the income tax department, TDS and GST department could not been ascertained and calculated due to details not available with us.</b> Reply: To the best of our knowledge, all the compliance to the applicable laws have been made during the CIRP process however we are also informed that pursuant to the admission of the CIRP, certain claims have been filed by various statutory authority before the Resolution professional (RP), which to our understanding have been dealt by the RP as per applicable law.</li> <li>• <b>The fixed assets register is not available hence value is taken at book value as balance brought forward from previous years and physical verification report is also not available for the same.</b> Reply After the initiation of the CIRP, the assets of the company are under custody &amp; control of the RP which has been valued after physical verification by the IBBI registered valuers for the purpose of CIRP.</li> <li>• <b>Confirmation of loan account, bank account and investments not available and account balance subject to reconciliation.</b> Reply Confirmation of loan account, bank account and investments not available and account balance subject to reconciliation as the company is under CIRP.</li> <li>• <b>Quantitative details of stock not available however, value of stock is taken at book value as balance brought forward from previous years.</b> Reply The records which are practically possible having regard to the nature of the products and the volume of the business have been maintained and provided.</li> <li>• <b>Balances of Current Assets and Current Liabilities are subject to confirmation and any recovery from Current Assets has not been ascertained.</b> Reply Balances of Current Assets and Current Liabilities are subject to confirmation and any recovery from Current Assets has not been ascertained as the Company is CIRP.</li> </ul>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Same as mention under SI II a and no other comments have been made by the Auditors</p>

iii.	<b>Signatories:</b>	For CMI LIMITED <i>Deepak Maini</i> Auth Signatory
	• CEO/Managing Director/Resolution Professional:	
	• CFO : NA	
	• Audit Committee Chairman : NA	
	• Statutory Auditor:	
Place: New Delhi		
Date: 07.10.2024		

*Deepak*



DEEPAK MAINI  
(Insolvency Professional)  
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Address : C-100, Sector-2, Noida, U.P.-201301