

# Annual Report **2017-18**

AN ISO 9001, ISO 14001 &  
OHSAS 18001 COMPANY  
CIN NO. L74899DL1967PLC018031

## Corporate Overview

Our Mission & Vision	03
Our Values	05
Chairman's Speech	07
Our Company	09

## Management Reports

Management Discussion & Analysis	13
Directors' Report	36
Corporate Governance Report	65

## Financial Statements

Standalone Financial Statements & Notes	88
Consolidated Financial Statements & Notes	146

Notice of AGM
---------------

200
-----





**CMI Limited**  
CABLES THAT EMPOWER

# Our Mission & Vision



# Mission

**“Sustainable growth through innovation”**

Our mission is to achieve sustainable growth by delivering high-quality, innovative products that meet new, undefined or existing market needs in unique ways. We achieve this by fostering innovation which helps us to stay ahead in the competition, provide meaningful differentiation and gain increased recognition in the wires and cables industry.



**“To maximize shareholders value through leadership position in the global specialty cable space”**

# Vision

Our vision is to become one of the world's leading cable manufacturers by utilizing state-of-the-art manufacturing facilities and best-in-class resource pool. We aim to be the first choice amongst significant players in the specialty cable manufacturing industry by delivering products which exceed customers' expectations. Our priority is to maximize shareholders value through product development, improved efficiency and open culture within the Company.

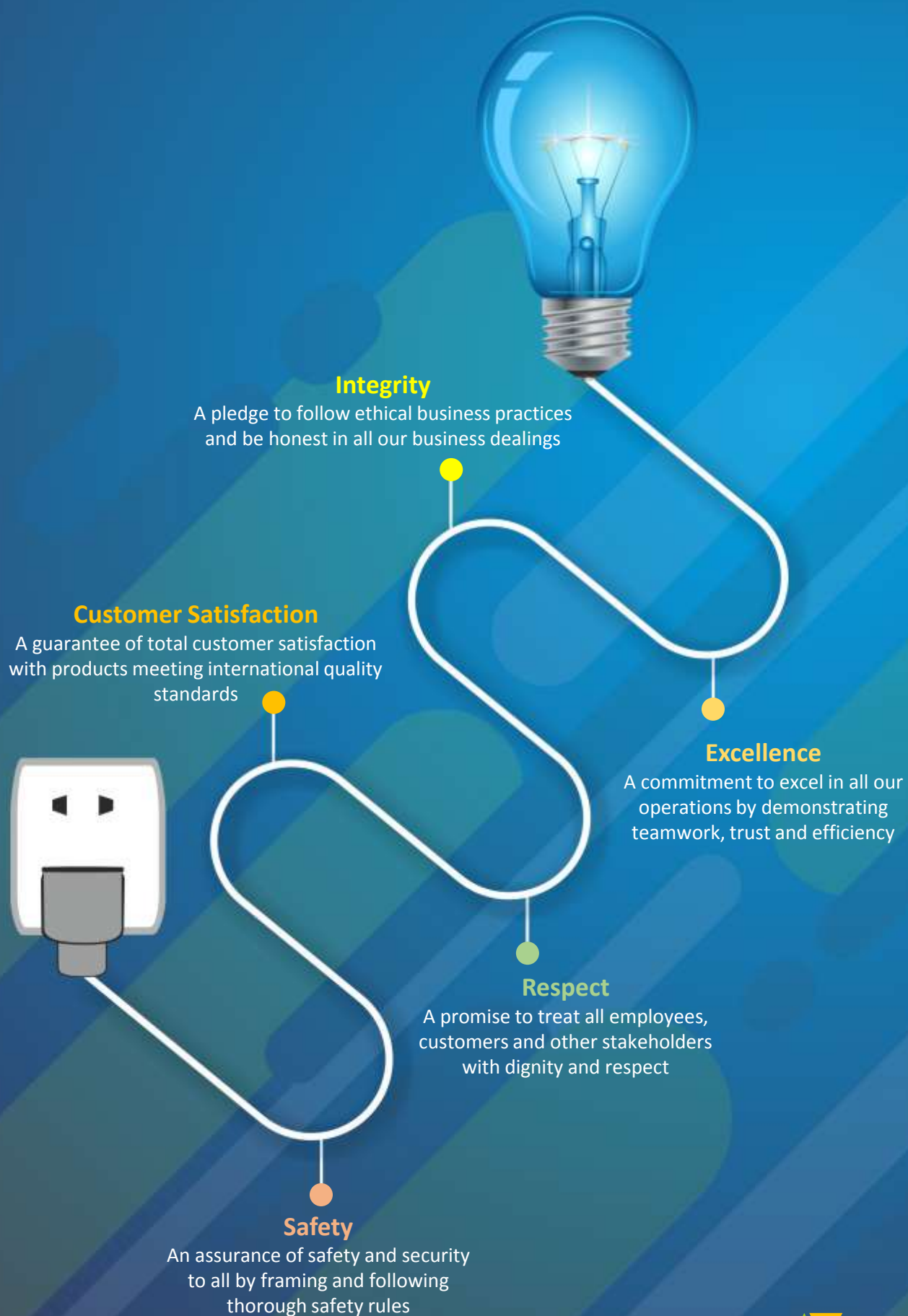




**CMI Limited**  
CABLES THAT EMPOWER

# Our Values









**CMI Limited**  
CABLES THAT EMPOWER

# Chairman's Speech





## Chairman's Speech

Dear Shareholders,

It gives me immense pleasure to report another year of excellent performance, underpinned by robust traction across the entire business of the Company. We embarked on our FY2017-18 journey with the agenda of growth and are pleased to share that we have taken strides in the right direction in the highly competitive Indian wire and cable market. The amalgamation of CMI Energy India Private Limited (CMIE) with CMI Limited is on the legal and regulatory course and is expected to be completed by this fiscal year end. The merger would improve economies of scale and facilitate in charting higher growth trajectory for the business, thereby enhancing shareholders value. Amid the positive macro environment, the Company posted an increase in profit before tax from Rs. 33.5 crores to Rs. 35.6 crores on a standalone basis. On a consolidated basis, profit before tax advanced 74.0% annually to Rs. 39.4 crores from Rs. 22.6 crores posted a year ago. What is particularly satisfying about this performance is that it came across verticals and regions, despite the effects of GST.

During the year, we focused on new product development with the emphasis on the latest technologies at our facilities. We are moving in the right direction to enhance the capacity utilization at our CMIE plant located at Baddi which has started to contribute substantially to our topline. We are on track to make the Baddi plant fungible by December 2018 which would provide us the prowess to manufacture a wide variety of cables. We are scaling-up our manufacturing and technological prowess to empower ourselves to meet the demand that we see opening across sectors, segments and regions. Our diversified portfolio of products has emerged as a key strength, which we shall focus even more in the future, to meet the niche needs of our growing clientele. Indian Railways continued to remain our top customer, while we explored new business avenues to diversify our revenue stream. We expect Baddi plant to receive approval from the Indian Railways in the near term which would further

boost our revenue stream. During the year, we bagged significant orders from Indian Railways, Bharat Heavy Electricals Limited and other PSUs. Continuous product innovation and high-performance solutions have enabled CMI Limited to establish itself as the preferred supplier for several clients in the private and public sectors. On the export front, we have already dispatched trial orders to many countries like Nepal, Bhutan, Sri Lanka, Bangladesh, Germany, UK, Singapore, Zambia, Switzerland, Egypt, Qatar, Dubai, etc. Based on the performance of these trial orders, we are hopeful to receive meaningful orders soon. A strong presence both in domestic and international



markets has further diversified and de-risked our business model. We are confident that our strong order book, execution capability and capable management team would help us to progress holistically, as we continue to chart new milestones of success in future.

With global economic growth showing improvement, India remained a bright star with an inspiring growth rate of 6.7%. The International Monetary Fund (IMF) expects the Indian economy to grow strongest amongst global economies in the near term, as short time jitters from the demonetization and the introduction of the Goods and Services Tax (GST) fade. With the incumbent government keen to pursue infrastructure reforms at an accelerated pace, the opportunities are exciting and immense. In this dynamic landscape, CMI Limited is fully geared up to make the most of the unfolding developments. The roadmap for future growth is charted and we are strategically poised to capitalize on the immense opportunities that are unfolding across the sectors we serve. Training and empowerment of people to take on the future opportunities are also high on our agenda, as we move responsibly forward on our strategic roadmap with an increasing focus on CSR activities.

We have taken a step forward to maximize shareholder value by recommending a final dividend of Rs. 1 per equity share for the financial year ended 31 March 2017. On this positive note, I would like to thank all stakeholders, including our vendors, customers, bankers, Central and State government bodies, business associates and employees, for their continued trust and support. We are committed to enhance the connection that we have built with you over the years to make our business a win-win proposition for all of us. Our present gains, we believe, are only the beginning of more exciting outcomes.

**Amit Jain**  
Chairman cum Managing Director





**CMI Limited**  
CABLES THAT EMPOWER

**Our  
Company**







## About Our Company

CMI Limited (hereinafter “the Company” / “CMI” / “CMI Limited”) is a leading manufacturer of various types of cables for industries such as Railways, Oil & Gas, Telecommunications, Energy, Industrial, Power, Petrochemicals, etc. We are headquartered in Delhi and are the recipient of prestigious ISO 9001, 14001 and OHSAS 18001 certifications. Our presence in the entire value chain of the wire and cable industry, starting from design, development and manufacturing to marketing and distribution of cables, makes us an integrated wire and cable player in the Indian market. We cater to the requirements of a broad spectrum of industries and clients through our diversified range of cables. Our comprehensive product portfolio includes electric cables for Railways, Metro projects, Utilities, Buildings, Data Transmission, Instrumentation, Submarine Cables, Control Cables, Special Cables and Extra High Voltage (EHV) Cables. We are one of the few approved vendors to supply signalling cables to Railways. We provide signalling cables and other safety cables to Railways and other government agencies which form our primary source of revenue. Our plants located at Faridabad and Baddi manufacture cables which conform to several domestic and international specifications. These plants possess state-of-the-art production lines along with R&D and testing facilities. Apart from the capabilities to serve clients across industries, the plant at Baddi is equipped to manufacture cables used in the solar power projects.



## General Corporate Information

<b>Registered Office Address</b>	Flat No. 501 - 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110 001  Phone: 011 - 49570000  Fax: 011 - 23739902
<b>Website</b>	<a href="http://www.cmilimited.in">www.cmilimited.in</a>
<b>Board of Directors</b>	Amit Jain - Chairman-cum-Managing Director  Vijay Kumar Gupta - Whole-time Director  Pyare Lal Khanna - Non-Executive Independent Director  Archana Bansal - Non-Executive Independent Director  Kishor Punamchand Ostwal - Non-Executive Independent Director  Manoj Bishan Mittal - Non-Executive Independent Director
<b>Chief Financial Officer</b>	Rattan Lal Aggarwal
<b>Company Secretary &amp; Compliance Officer</b>	Subodh Kumar Barnwal
<b>Statutory Auditors</b>	M/s Krishna Neeraj & Associates, Chartered Accountants  H No. 54, Rajendra Place,  New Delhi - 110 008
<b>Internal Auditor of the Company</b>	RajKumar
<b>Secretarial Auditor of the Company</b>	M/s Pooja Anand & Associates, Practicing Company Secretaries  101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh,  New Delhi - 110 005
<b>Bankers of the Company</b>	Syndicate Bank, RBL Bank, Yes Bank, IndusInd Bank, Bajaj Finance Limited
<b>Audit Committee</b>	Kishor Punamchand Ostwal - Chairman  Pyare Lal Khanna - Member  Vijay Kumar Gupta – Member
<b>Nomination and Remuneration Committee</b>	Pyare Lal Khanna - Chairman  Archana Bansal - Member  Manoj Bishan Mittal - Member
<b>Stake Holder Relationship Committee</b>	Pyare Lal Khanna - Chairman  Archana Bansal - Member  Vijay Kumar Gupta – Member
<b>Corporate Social Responsibility</b>	Pyare Lal Khanna - Chairman  Vijay Kumar Gupta - Member  Archana Bansal - Member
<b>Plant Address</b>	Plot No. 71 & 82, Sector - 6, Faridabad - 121 006, Haryana  Plant of CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company is located at Village - Bhatouli Khurd, Tehsil - Nalagarh, Baddi, District - Solan - 173 205, Himachal Pradesh

## Key Management Personnel of CMI Limited and CMI Energy India Private Limited

Sr. No.	Name	Designation
1	Munishvar Gaur	Group President
2	S. K. Chopra	General Manager, Business Development
3	S.R. Sarup	General Manager, Sales
4	P. Aggarwal	General Manager Technical
5	S. Suresh	General Manager, H V Cables
6	Mohit Madan	DGM, Marketing and Sales
7	Madhurendu Bajpai	AGM International Marketing
8	Aatif Rasheed Khan	AGM Sales and Marketing
9	Natique Quamar	AGM Technical
10	V.K. Maheshwari	President - Works, Faridabad
11	Shyam Kumar Sarswat	DGM Production
12	Rajesh Singh	G M Works, Baddi
13	Pawan Kumar Gupta	DGM HT Cable
14	Harendra Singh Tyagi	AGM LT Cable
15	Ayodhya Prased Pandey	AGM Maintenance
16	Ajit Pal Rana	AGM HR





**CMI Limited**  
CABLES THAT EMPOWER

# Management Discussion & Analysis





## Company Overview

CMI Limited has strengthened its foothold in the highly competitive and commoditized wire and cable industry in India with the acquisition of CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) in February 2016. The acquisition, expected to be completed this year, would position the Company to ride the opportunity wave presented by the burgeoning Indian economy. The Company has delivered excellent results in the past and has created high brand equity over the years, owing to its robust business model, the capability to adhere to domestic and international specifications and sharp business acumen of the management. The Company has created a niche for itself in the highly commoditized marketplace due to its continuous focus on delivering a broad range of quality products and in-house R&D capabilities.

With its tagline “Cables that empower” and with continuous focus on developing specialty products in the past years, the Company has served several elite clients in the infrastructure, solar, cement, power, oil & gas, telecom and other sectors including Indian Railways, Delhi Metro Corporation Limited, Schneider Electric, Larsen & Toubro Limited, Bharat Heavy Electricals Limited, Acme Cleantech Solutions, Bharat Oman Refineries Limited, Nuclear Power Corporation of India Ltd., Monte Carlo Limited, Kalindee Texmaco Rail and Engineering Limited, Subhashree Agni Cement, KASA Anlagen India Pvt. Ltd., Angelique International Limited, and various State Electricity Boards (SEBs). The Company has delivered robust results over the past few years and has clocked gross sales of Rs. 573.9 crores on a consolidated basis for the financial period ended 31 March 2018, up from Rs. 420.7 crores posted in the same period, previous year. The acquisition of CMIE has been synergistic and has helped the Company to widen

its product and customer portfolio, especially in the renewable, cement sector to name a few. The acquisition has provided the Company a platform and scale to bid for large projects which are expected to improve its order book going forward.

Armoured with the acquisition of CMIE, the Company has all the right ingredients in place to take meaningful strides in the pursuit to ride high on the opportunities emanating across business segment and sectors in India and global markets. CMI has emerged as the preferred vendor for many prestigious clients across industries due to its wide range of product portfolio (such as EHV Power Cables, MV Power Cables, Aerial Bunched Cables (ABC), LV Power Cables, LV Control Cables, Individual and Overall Shielded Cables, Overall Shielded Cables, Compensating Cables, Thermocouple Extension Cables, Railway Signaling Cables, ACSR and AAC Conductors, Industrial / Flexible & House Wires and Telecom Cables).



## Key Product Segments

The Company is one of the leading manufacturers of wires and cables, serving clients in India and abroad in various sectors, with all the latest certifications (ISO 9001, ISO 14001, OHSAS 18001). The broad segmentation of the products manufactured by the Company are as follows:

Types of Cables	Application
Quad Cables	Specialized safety cables used by Railways for counting incoming & outgoing axles / coaches at any particular section to ensure no coach is left behind.
Railway Signalling Cables	Used for transmitting signals to signal posts for smooth movement of trains.
Fire Survival Cables	Used to maintain circuit integrity in case of fire for 3 hours up to 950° C, to ensure transmission of signals to safety equipment.
Fire Retardant Low Smoke Zero Halogen (LSZH) Cables	Ensures better visibility and low toxicity in case of fire.
Highly Flexible Multi-core Copper Shielded Abrasion Resistant Thermoplastic Polyurethanes (TPU) Sheathed Cables	Used for gas insulated substations.
EHV/MV/HV/LV Power Cables	Used for supplying power.
LV Control Cables	Used for special purposes in various sectors.
Polythene Insulated Jelly Filled (PIJF) Telecom Cables	Used for last mile connectivity.
Fire Alarm & Communication Cables	Used for fire detection & alert equipment.
Ethylene Propylene Rubber (EPR)-Chloro-Sulfonated Polyethylene (CSP)-Polychloroprene (PCP)-Silicon Cables	Used at high temperature in mines, steel, ship building & wind energy generation industry.
Flexible and Building Wires	Building Wire cables - for building wiring on wall surface in conduit. Industrial wiring cables - for wiring of panel & other electrical equipment including UPS cabling.
Low voltage Cables and Instrumentation and Control cables	Used for power transmission, Single Transmission.
Aerial Bunch Cables	Used for power transmission and distribution.
High Voltage Cables	Used for power transmission.
Extra High Voltage Cables	Used for power transmission.
Overhead Conductors	Used for power transmission and distribution.

## Global Economy

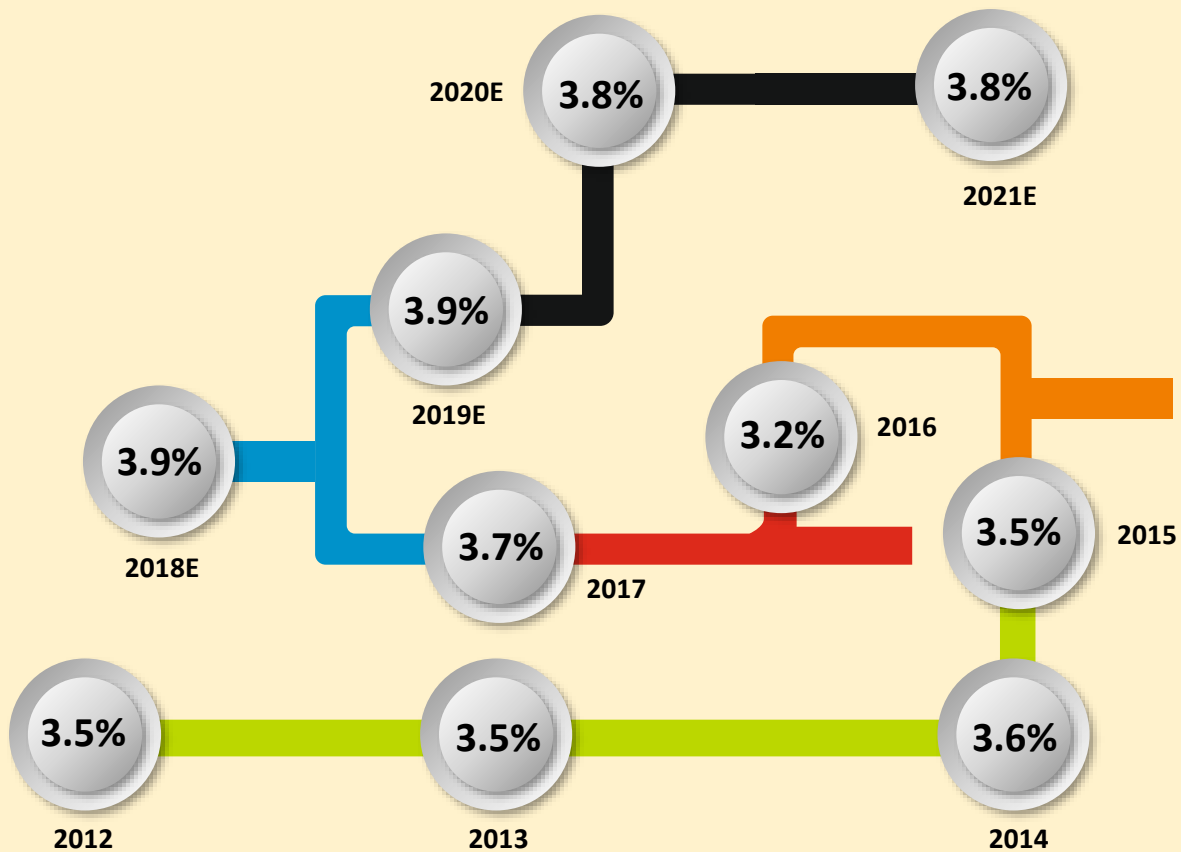
The global economy continued its slow and steady upward swing which was started around mid-2016, supported by a recovery in the US, the EU and Japan coupled with stabilizing Chinese economy. The real global GDP recorded the strongest growth rate since 2011, growing at 3.7% in 2017, after reporting a rise of 3.2% in 2016. Expansionary macroeconomic policies which were laid out in 2016 in many major economies supported the growth in global economic activity. In the US, factors such as tax reforms, improving consumer spending, falling unemployment rate, strengthening housing market and modest inflation fuelled the growth. European economy also enjoyed a notable recovery in 2017, supported by a combination of central bank stimulus, ultra-low interest rates with some countries having negative interest rates and overall improvement in the economic activity. Emerging economies also have witnessed an upswing in the economic activity, with Chinese economic activity remaining strong. The growth was mainly driven by increased expansion in the industrial sector along with stronger exports. The Commonwealth of Independent States (CIS) countries also witnessed moderate growth in their economic activities, while other emerging market economies, such as Russia and Brazil, reported a lacklustre performance following their emergence from deep recessions.

Global industrial production and trade also strengthened in 2017 as compared to 2015-16. Further, prices of global commodities such as oil and metals rose during the year with Brent crude oil prices gaining more than 30% during the year. The growth in oil prices was mainly attributed to a combination of tight supplies by OPEC and non-OPEC nations amid adherence to the production limits set in place in 2016 and strong demand for oil driven by global growth.

With global economic recovery reaching its two-year mark, the growth across advanced and emerging economies is becoming more uneven, mainly due to the combined effect of rising crude oil prices, increasing yields in the US, escalating trade tensions between the US and China, along with broader domestic political and policy uncertainty. According to the IMF, the global economy (real GDP) is expected to grow 3.9% in both 2018 and 2019, after reporting a growth of 3.2% in 2016 and 3.7% in 2017. The growth would largely be supported by favourable tax regime and fiscal expansion in the US, ongoing reforms along with accommodative macroeconomic policy in the EU and stabilizing Chinese economic activity.



## Global Economic Growth



The IMF expects the Indian economy to grow strongest amongst the global economies in the near-term as short time jitters from the demonetization and the introduction of the GST fade away. However, risks such

as higher oil prices on domestic demand and tightening monetary policy due to higher than expected inflation should remain in the near term.



## Indian Economy

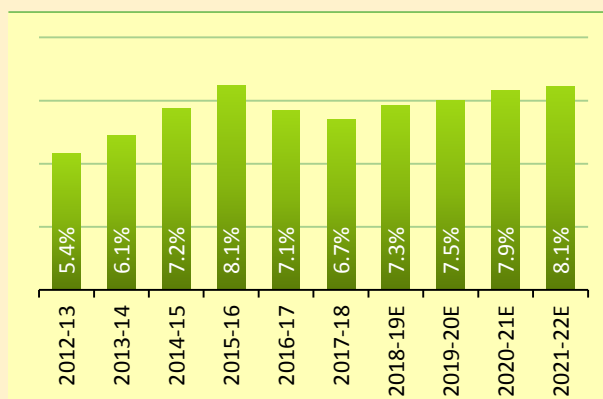
The Indian economy is on the path of robust growth with macroeconomic indicators including industrial production, stock market index, capital goods production, exports, etc. on the rise. The FY2017-18 was marked by several key policy initiatives which would help to strengthen the overall macroeconomic parameters, and thus paving the way for more sustainable growth environment in the future. In July 2017, the government of India implemented the landmark GST regime, thus rationalizing Indirect Tax structure, widening the tax collection and making India a common marketplace. We believe that the macroeconomic conditions in India remained strong in the recent times and we expect the Indian economic outlook to remain very attractive for FY2018-19. Additionally, with global economic growth showing an upward trend, the Indian economy stands to be the principal beneficiary. The Indian government in the last few years has pushed various reforms and public upliftment schemes including roll-out and subsequent amendments to the GST, Housing for All scheme, Insolvency and Bankruptcy Code (IBC), etc. While some of the reforms have already started to realize benefits,

other reforms would yield results in the years to come. Additionally, India's ongoing growth reform efforts have been well received by global agencies, with India's ranking on the World Bank's 2018 'Ease of Doing Business Index' rose sharply from 130 to 100.

During the first half of FY2017-18, the economic growth in India was marginally sluggish due to the disruption caused by the transition to the new GST regime, which had impacted the manufacturing sector adversely. The real GDP growth in the first and second quarter of FY2017-18 stood at 5.6% and 6.3%, respectively. However, during the second half of FY2017-18, the economic growth engine started to accelerate on the back of improved manufacturing and services sector activity, rising sales growth, pick-up in capacity utilization, a record agricultural harvest, along with stabilization of GST system. Moreover, the second half of FY2017-18 witnessed an improvement in investment activity with public sector spending remaining the prime driver of investment. The real GDP growth in the third quarter of FY2017-18 rebounded strongly to 7.0% and further accelerated to 7.7% in the fourth quarter of FY2017-18.



### India GDP Growth



Source: Ministry of Statistics and Program Implementation, Media Articles

Looking ahead, the Indian economy is expected to remain the fastest growing economy in the world, thus fuelling the overall global economic growth. According to the IMF, the Indian real GDP is estimated to increase by 7.3% in FY2018-19 and growth rate would further rise to 7.5% in FY2019-20, driven by growing investments and robust private consumption. The Indian economy would continue to benefit from a favourable macroeconomic environment, stability-oriented policies and key reforms implemented in the recent past. According to economic commentators, GST and the Insolvency and Bankruptcy Code would prove to be the game changers for the Indian economy in the coming years. Robust infrastructure spending, relaxation in FDI norms, improving business environment, Make In India campaign supporting manufacturing activity, strong domestic demand and ongoing regulatory reforms should provide the impetus for investments by domestic companies. According to the Economic Survey 2018-19, India would require about USD 4.5 trillion in the next 25 years for infrastructure development, thus fuelling overall economic growth and enhance community wellbeing.

Going forward, strong economic prospects, massive infrastructure spending along with robust domestic demand should provide a conducive growth environment for the domestic wire and cable industry.

### GST and Indian Wire and Cable Industry

The government of India rolled out the GST, a significant reform, in July 2017, creating the nation as a common marketplace. This has also helped in removing trade barriers between the states, improving economic efficiency, higher tax collection, thus supporting faster economic growth.

In the beginning, the government of India had levied 28% GST on wires, cables & electronic components which was way higher than 18.12% tax rate applicable before the GST roll-out. This had a crippling effect on domestic cable and wire manufacturers impacting their working capital requirements as most of the raw materials used for manufacturing of electrical cables and wires are taxed at 18% in the GST. However, with the help of IEEMA and its members, the government of India in their subsequent GST review meetings reduced GST rates to 18% on wires and cables.

Cables and wires form a vital part of any industrial capex. The power sector has been one of the primary consumers of cables along with railways and construction sector. In the coming years, growth in renewable power generation, extension and overhauling of transmission and distribution infrastructure should bode well for the strong growth of the electric cable and wire market in India. With indirect tax system in India becoming more transparent with an introduction of the GST, the overall economy and Indian cable and wire industry stands to be benefitted. Further, the Company can easily pass on any additional tax burden to its customers owing to the nature of products manufactured by the Company.

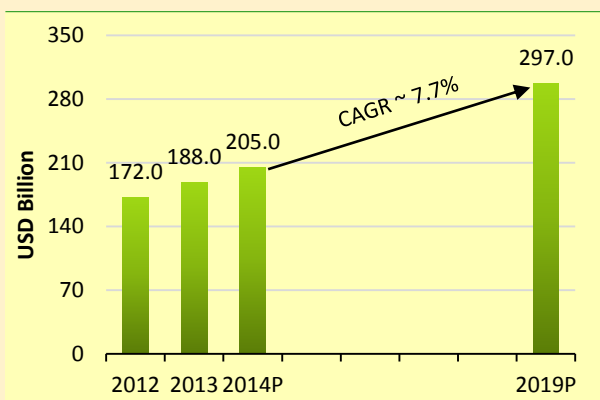
### Global Wire and Cable Market

Wires and cables industry have become an integral part of our digitally-enriched lives and established itself as one of the backbones of today's modern information age. Wire and cable products have a wide range of applications across the electric power industry, telecommunication, rail transit, automobiles, shipbuilding, construction and other industries, which are known as economic arteries.

According to BCC Research report, the global wire and cable market is estimated to grow at a CAGR of over 7% during the 2014-19 period. During the period, the market size for wires and cable would increase from an estimated USD 205 billion in 2014 to over USD 297 billion in 2019. The wire and cables market is divided into two segments: power cables and telecommunication cables. According to the report, a major part of the total wire and cable market is recorded for electricity cables or power cable segment, which is projected to grow at a CAGR of 7.5% during the forecasted period to touch a value of USD 219.7 billion by 2019. The growth would be primarily driven by global

economic expansion, rising demand for electricity and increased consumption in developing nations. The telecommunication cables segment is estimated to grow at a CAGR of 8.5% over 2014-19 to reach nearly USD 78 billion in 2019, on the back of robust expansion by optical fibre cables amid increasing demand for data transmission capacity.

#### Global Wire and Cable Market



Source: BCC Research

Looking ahead, with key end-use industries, such as power generation, transmission and distribution, telecommunication, construction, automobile, etc., demonstrating healthy growth trends along with strong demand in certain emerging countries and recovery of the Eurozone economies should bode well for growth in the global wire and cable market.

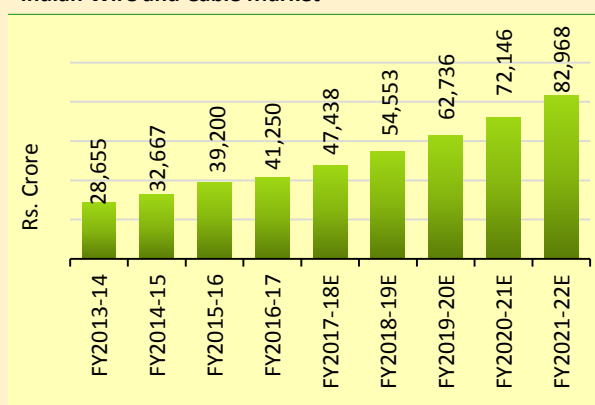


## Indian Wire and Cable Market

The wire and cable industry is a highly commoditized business in India, comprising several small and medium-size companies. The industry is expected to move towards a higher share of the organized market as compared to the unorganized market, as the wire and cable market matures, and the buyers become more educated. The retail segment of the low voltage market comprises the unorganized market, while the high voltage durable and specialty cables make up the organized market.

Over the past few years, the growing investment in railways, metro, power, telecom, renewable energy and smart cities have enabled the growth of the Indian wire and cable industry. According to data released by Indian Electrical and Electronics Manufacturers Association (IEEMA), the Indian wire and cable industry stood at around Rs. 41,250 crores in FY2016-17, representing a growth of 5.2% over the previous year. It is interesting to note that the CAGR of the last three years to FY2016-17 stood at around 13%. We believe that the industry drivers are well placed to drive the Indian wire and cable sector at a CAGR of about 15% over the next four-five years to touch around Rs. 82,968 crores in FY2021-22.

#### Indian Wire and Cable Market



Source: IEEMA Annual Reports, Industry Estimates

We expect a raft of factors to contribute to the growth of the wire and cable market in India and thus benefit our Company. Some of them are as listed below:

#### Robust planned capex in Indian Railways and metro projects

The Rs. 8.56 trillion capex plan over FY2015-19 is almost double the cumulative capex done over the last 15 years (FY1999 to FY2014) and nearly four times the capex done over the previous five years (FY2009-14). The massive capex in Indian Railways is expected to drive the demand for wire and cables in India. Additionally, it is anticipated that metro projects worth Rs. 2 trillion would come up for bidding in the coming years, which is likely to shore up the demand prospects for the sector.

#### Massive development of power sector in India

According to Crisil Research, Indian power sector is expected to attract investments to the tune of Rs. 9-9.5 trillion over the next five years (FY2019-23), with about Rs. 2.5-3 trillion in the transmission sector. Rapid industrial development and urbanization in the country, revamping of old T&D infrastructure, rural electrification and various government initiatives are some significant factors projected to keep the dynamics of the Indian wires and cable industry attractive.



**Growth in renewable power generation in India** - There is a push from the government to bring renewables into the mainstream of electricity production which is expected to create an enormous demand for electric wire and cable as most of these renewable energy resources are set up in places where proper transmission and distribution infrastructure is not available.

**Increased capex intensity in telecom sector** - Telecommunication service providers have continued to invest in their networks and modernize their existing network infrastructure. According to ICRA, capex intensity of telecom sector is expected to be over Rs. 50,000 crores per year in future, on the back of expected network improvements to keep pace with the robust data growth in India. The significant investment in the telecom sector is expected to drive the electric wire and cable market in India.

**Growing focus on smart cities** - According to the Housing and Urban Affairs ministry, the total proposed investment in the selected 100 cities under the Smart Cities Mission would be Rs. 2,05,018 crores. Such massive investment would open avenues for the Indian cable and wire industry.

## Railways

The Government of India has made commendable progress in initiating infrastructure creation over the last few years and has transformed itself an ailing state-run entity into a nimble-footed and a result-oriented entity. The amount of investments made in the previous three years is almost 75% of the total investments made on the railways during the past decade (FY2004-14 period). Also, the Ministry of Railways has been able to achieve over 90% of its planned investments over the last three years. While Indian Railway's historically indolent image had led to many doubting the government's grand plans, tangible success across multiple parameters like broad gauge commissioning, electrification, rolling stock manufacturing and increasingly positive commentary from numerous companies is turning sceptics into believers. All these efforts of the government coupled with the fact that the Indian Railways is one of the largest customers of the Company bodes well for the future growth prospects.



**Details of Investment break-up in Indian Railways (Rs. Billion)**

Particulars	FY2013	FY2014	FY2015	FY2016	FY2017
Construction of new lines	53.0	58.1	71.4	201.9	185.5
Gauge conversion	27.0	31.0	36.6	36.2	51.1
Line doubling	24.8	29.8	38.8	104.7	204.9
Yard remodelling	7.9	6.6	7.8	13.2	13.7
Rolling stock	183.7	175.0	164.9	193.8	259.9
Track renewals	54.3	49.9	53.7	43.7	49.7
Electrification projects	9.7	12.6	13.9	22.7	35.2
Other electrical works	1.5	1.2	1.1	1.1	6.6
Workshops	15.2	18.2	16.8	15.3	33.2
Passenger amenities	8.4	8.6	8.6	10.8	19.2
Investment in government commercial/public undertakings	6.0	6.3	5.4	8.6	26.0
Credits or recoveries	-	-	-	-	-
Investments in metropolitan transport projects	11.9	9.1	10.0	13.4	15.3
<b>Total Investments</b>	<b>503.8</b>	<b>539.9</b>	<b>587.2</b>	<b>935.2</b>	<b>1,210.0</b>

Source: RITES Limited DRHP; Please note that only key heads are included; total will not add up

The key rationale behind the investment plans post 2014 is driven by the investments targets proposed in the Railways Budget 2015 for the period FY2015 to FY2019. The details of the investment plan are provided in the table below:

**Capex in Key Segments FY15-19 - Total = Rs. 8,56,020 crores**

<b>Network Decongestion</b> (including DFC + electrification Doubling + electrification & traffic facilities)	199,320
<b>Network Expansion (including electrification)</b>	193,000
<b>National Projects (North Eastern &amp; Kashmir connectivity projects)</b>	39,000
<b>Safety (Track renewal, bridge works, ROB, RUB and S&amp;T)</b>	127,000
<b>Information Technology / Research</b>	5,000
<b>Rolling Stock (Locomotives, coaches, wagons - production &amp; maintenance)</b>	102,000
<b>Passenger Amenities</b>	12,500
<b>High Speed Rail &amp; Elevated corridor</b>	65,000
<b>Station redevelopment + logistic parks</b>	100,000
<b>Others</b>	13,200

Source: Indian Railways - Three Year Performance Report

Note: DFC - Dedicated Freight Corridor; ROB - Rail Overbridge; RUB - Rail Underbridge; S&T- Signal & Transmission



Out of the total Rs. 8.56 trillion investments envisaged from FY2015 to FY2019, Rs. 2.73 trillion of investments has already been made from FY2015 to FY2017. The current capex plan being followed during FY2015-19 is focused on improving freight carrying capacity via capacity augmentation to achieve network decongestion, improving the competitiveness of Indian Railways through cost optimization via electrification and improving customer experience so that hike in passenger tariffs become acceptable by increasing the outlay for safety, station redevelopment and passenger amenities.

The Indian Railways has also envisaged on other opportunities which are expected to drive investments. Some of them are listed below:

- **Dedicated Freight Corridor:** Dedicated Freight Corridor Corporation of India (DFCCIL), a wholly-owned SPV of Indian Railways is currently constructing the 3,350 km long freight corridor project including 1,800 Km as its Eastern arm between Ludhiana and Dankuni in West Bengal and its western arm between Dadri in Uttar Pradesh to Jawaharlal Nehru Port (JNPT) in Mumbai. The total investments for the two freight corridors are envisaged at Rs. 814.6 billion. The work is targeted for completion in phases between 2018 to 2020.
- **Capacity Augmentation on Saturated Trunk Routes:** The high-density routes of the Indian Railways are highly saturated, with many of the sections being utilized beyond 100% of capacity. Doubling/3rd line/quadrupling have been sanctioned on around 18,000 km of such routes at the cost of Rs. 1.6 lakh crores by 2022.
- **Gauge Conversion:** About 65,000 km of route network of Indian Railways comprises 5,734 km of meter gauge and narrow gauge. The ongoing program of uni-gauge is expected to be completed by 2022, except for about 775 km of hill and heritage lines and dead-end branch lines.
- **North-Eastern States:** The entire rail network of the North-Eastern states has been brought on the broad-gauge system during the last three years. As on June 2018, only three state capitals of Assam, Tripura and Arunachal Pradesh are connected by rail. By 2022, the state capitals of all the eight states are expected to be connected by rail. The works have been sanctioned and adequate funding is expected to be provided by the government.

- **High-Speed Rail:** High-speed rail corridor (508 km) between Mumbai-Ahmedabad has been sanctioned at the cost of Rs. 1,080 billion with the financial and technical assistance of Japan. The project is funded to the tune of 81% by Japanese soft loan. The project is challenging and was initially scheduled to be completed in August 2023. This Ministry has set itself a target of finishing the work and commencing services by August 2022. When completed, the train services will run at a speed of 320 kmph and would transform Mumbai-Ahmedabad stretch into a single integrated economic corridor.
- **Semi High Speed:** The project for raising speed on the existing rail network between Delhi-Mumbai and Delhi-Kolkata at the cost of Rs. 180 billion has been appraised and recommended by Expanded Board of Railways and awaiting sanction of Cabinet Committee on Economic Affairs. After completion, the project has the potential of enhancing the speed of express train services to 160-200 kmph and thereby significantly reducing the travel time between these cities.
- **Electrification:** Around 50% of the broad-gauge route is electrified. The Railways has prepared Rs. 300 billion plans to electrify the complete rail network by FY2022. By going fully electric, the national transporter will save Rs. 105 billion every year because of fuel. The railways currently have an energy bill of Rs. 265 billion.

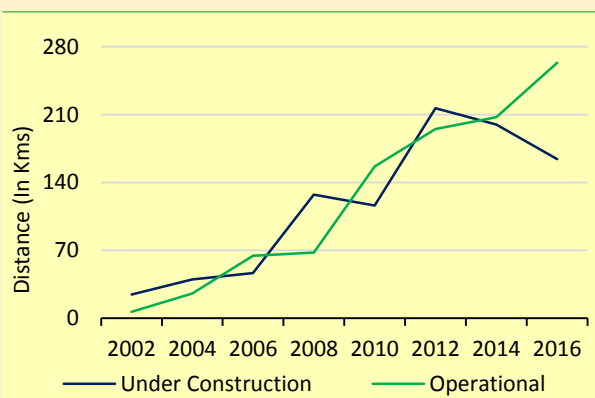
The Government of India has focused on investing in railway infrastructure by making investor-friendly policies and has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects. Also, the Indian Railway network is growing at a healthy rate and is expected to become the third largest in the world in the next five years. The management believes that significant capital expenditure planned over the coming years, numerous opportunities in the pipeline and healthy relationship with Indian Railways (being one of the largest customers of the Company) would help the Company to build strong order book in future.

## Metro Projects

Currently, India is experiencing an unprecedented transition from rural to urban living. The country's urban population has increased from 222 million in 1990, to 410 million in 2014 and 440 million in 2017. According to a United Nations report, India's urban population is estimated to rise to 814 million by 2050. The pace of urbanization has been so rapid that Delhi and Mumbai are now the 2nd and 6th most populous cities in the world. Due to the rapid urbanization, there has been significant pressure on the existing urban infrastructure, particularly transportation. The ill-effects of rapid urbanization are visible from severe traffic congestion in major Indian cities. Growing traffic and limited road space have reduced peak-hour speeds to 5 to 10 kmph in the central areas of many major Indian cities.

The Working Group on Urban Transport of the Planning Commission of India has recommended that cities with a population exceeding 2 million should initiate rail transit projects and cities exceeding 3 million people should construct metro rail systems. Several plans to develop numerous metro rail systems in major Indian cities have been put in place by the Ministry of Urban Development in collaboration with state governments. Around 40 such projects are under various stages of development or are already operational. This has led to the Indian metro sector being ranked as among the world's biggest ongoing infrastructure programs and is emerging as one of the best solutions for urban transportation.

### Metro Rail Growth



Source: Ministry of Housing and Urban Affairs

Key metro projects with a total length of 595 km in 13 cities including 10 new cities which are at various stages of planning and appraisal include Delhi Metro Phase IV- 103.93 km, Delhi & NCR - 21.10 km, Vijayawada - 26.03 km, Visakhapatnam - 42.55 km, Bhopal - 27.87 km,





Indore - 31.55 km, Kochi Metro Phase II - 11.20 km, Patna - 27.88 km, Guwahati - 61 km, Varanasi - 29.24 km, Thiruvananthapuram & Kozhikode (Light Rail Transport) - 35.12 km and Chennai Phase II - 107.50 km. It is expected that metro projects worth Rs. 2 trillion would come up for bidding in the coming years. The table below provides the list of metro projects which are expected to get completed till FY2022.

Name of the Metro	City	Kilometers	Project Cost (Rs. Million)
Bangalore Metro Phase 2	Bangalore	72.1	264,050
Extension of Chennai Metro Phase 1	Chennai	9.1	37,700
Nagpur Metro Rail Project	Nagpur	38.2	86,800
Ahmedabad Metro Rail Project Phase 1	Ahmedabad	36	107,730
Pune Metro Rail Project Phase 1	Pune	31.3	114,200
Mumbai Metro Line 2A	Mumbai	18.6	64,100
Mumbai Metro Line 2B	Mumbai	23.6	109,860
Mumbai Metro Line 3	Mumbai	32.5	231,360
Mumbai Metro Line 4	Mumbai	32.3	145,490
Thane Bhiwandi Kalyan Mono Rail	Thane	23.8	31,690
Jaipur Metro Phase 2	Jaipur	23.1	65,830
Kanpur Metro	Kanpur	25.0	132,210
Ludhiana Metro	Ludhiana	28.8	66,000
Chandigarh Metro	Chandigarh	37.6	136,000
<b>Total</b>		<b>431.8</b>	<b>1,593,020</b>

Source: RITES Limited DRHP

The government efforts to promote signalling equipment manufactured in India along with a robust pipeline of metro projects is a big positive for our Company and should place us in higher growth trajectory going forward. The management believes that even a small share of the overall spend for metro projects expected in the future should provide us an enormous opportunity to expand within this product segment.

## Power Transmission and Distribution Sector

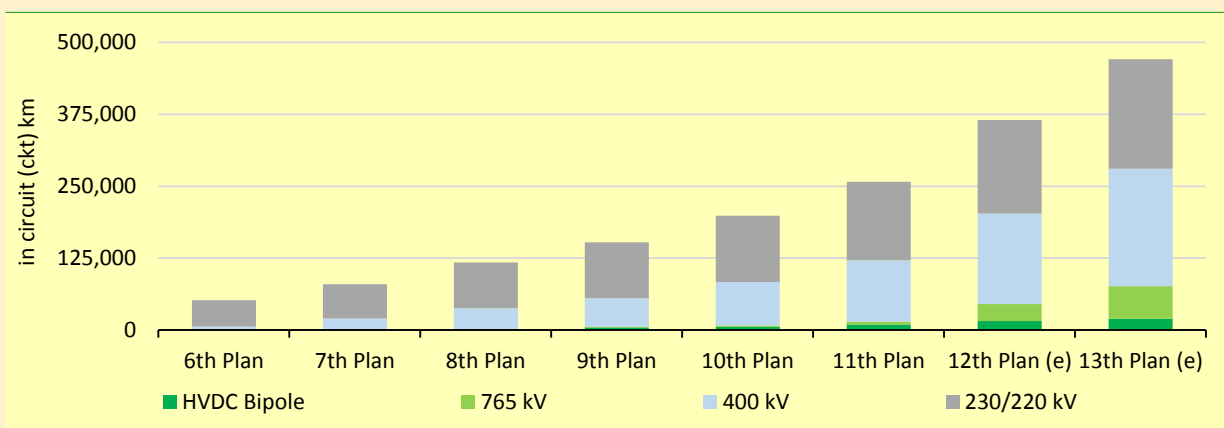
The growth of the power sector is key to the economic development of the country as it facilitates development across various sectors of the economy such as manufacturing, agriculture, commercial enterprises and railways. India's power sector has been going through a massive transformation, further aided by various government programmes such as the Integrated Power Development Scheme, the Deendayal Upadhyaya Gram Jyoti Yojana and the Ujwal Discom Assurance Yojana. During FY2017-18 (upto 30 November 2017), the peak demand stood at 164.1 GW and the installed capacity



was 330.8 GW, with generation mix of thermal (66.2%), hydro (13.6%), renewable (18.2%) and nuclear (2.0%).

An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. 13,820 circuit kilometres (ckm) of transmission lines were commissioned during FY2017-18 (April-November 2017) which is about 59.9% of the annual target of 23,086 ckm fixed for FY2017-18. Similarly, 50,805 MVA of transformation capacity of substations was added during FY2017-18 (April-November 2017) which constitutes 94.1% of the annual target of 53,978 MVA fixed for FY2017-18.

#### Growth in Transmission Sector



Source: CEA, Media Articles

Crisil Research, the industry research arm of credit ratings firm Crisil, has estimated that the Indian power sector would attract investments to the tune of Rs. 9-9.5 trillion over the next five years (FY2019-23). However, the share of investments by the generation segment is expected to be significantly lower at 30% over the forecast period, compared to 51% over the last five years. As investments in transmission were not undertaken while generation capacity was being built, particularly in the south and north-eastern region, the transmission sector needs investments soon to the tune of Rs. 2.5-3 trillion over the next five years.



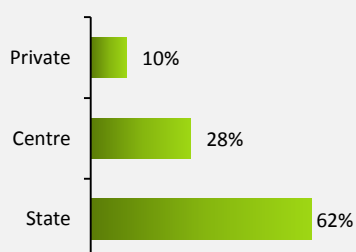
### A Rs. 2.5-3 trillion opportunity

Transmission may attract a major share of investments in power sector

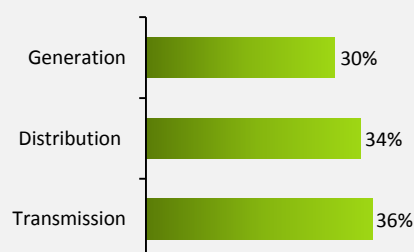
#### FY19-23: Rs. 9-9.5 trillion

(Estimated Investment in Power)

##### Where the Money is Coming from



##### Where the Funds are Going



#### Investments Planned in Power Transmission and Distribution Industry

Financial Year	Value of Projects to be Commissioned (Rs. Billion)
FY2018E	623.3
FY2019E	538.8
FY2020E	463.5

Source: Media Articles and RITES Limited DRHP

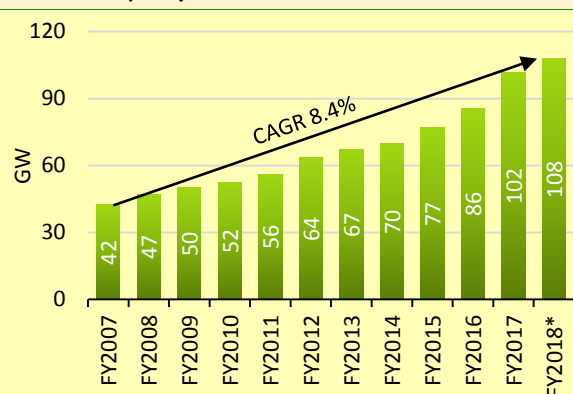


The management is optimistic about the growth of the power sector in India, especially the development of the transmission and distribution sector. With large-scale government-initiated expansion plans, the domestic power sector provides numerous opportunities to the Company which is expected to drive the overall profitability of the Company.

## Renewable Energy Sector

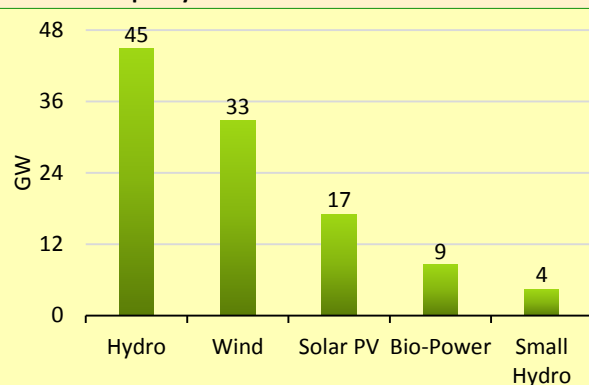
The installed renewable power generation capacity in India has increased steadily over the years, registering a CAGR of 8.39% over the FY2007-17 period. As of January 2018, total renewable power generation installed capacity in the country stood at about 107.8 GW. Over the years, there has been an increase in the percentage contribution of renewable energy to total installed capacity. In FY2013-14, the contribution stood at 12.9% which increased to 18.8% by January 2018. Meanwhile, India has the fourth largest installed capacity of wind power and the third largest installed capacity of concentrated solar power (CSP) in the world.

**Installed Capacity for Different RES**



Source: IBEF, February 2018, \*Data upto January 2018, RES - Renewable Energy Sector

**Installed Capacity for Different RES - FY2018\***

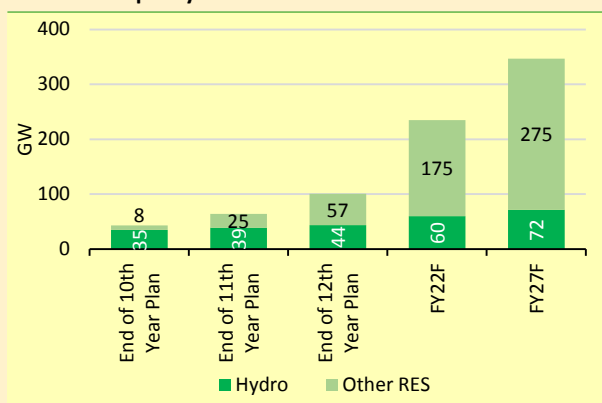


IBEF, February 2018, \*Data upto January 2018, RES - Renewable Energy Sector



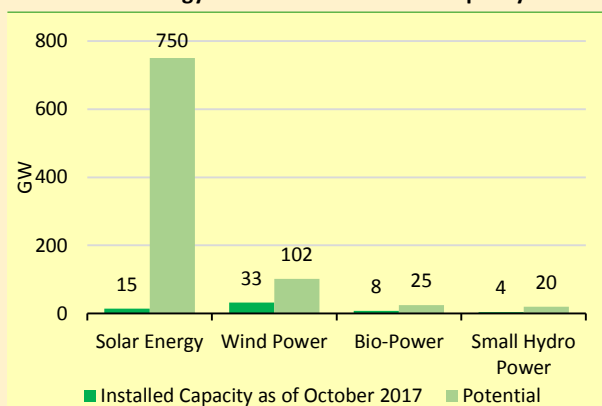
There is a vast untapped potential in the renewable energy sector in India. The country is estimated to have renewable energy potential of 900 GW from commercially exploitable sources viz. solar energy - 750 GW, wind power - 102 GW, bio-energy - 25 GW and small hydro - 20 GW. Recognizing this potential, the Government of India has formulated an action plan to achieve a total capacity of 60 GW from hydro power and 175 GW from other Renewable Energy Source (RES) (excluding large hydro projects) by March 2022, which includes 100 GW of solar power, 60 GW from wind power, 10 GW from biomass power and 5 GW from small hydro power. The Government of India is projecting a rapid 17.0% CAGR increase in other RES installed capacity to 275 GW by 2027, supported by a surge in solar power capacity addition. Additionally, it is estimated that renewables will comprise about 49% of India's power generation by 2040.

**Installed Capacity Across Five-Year Plans**



Source: IBEF, February 2018

**Renewable Energy Potential and Installed Capacity**



Source: IBEF, February 2018

There is also a push from the government to bring renewables into the mainstream of electricity production. In the Union Budget FY2018-19, Rs. 3,762 crores were allocated for grid-interactive renewable

energy schemes and projects which includes Rs. 2,045 crores for solar power. Additionally, 60 solar cities would be developed in India as a part of the Ministry of New and Renewable Energy's Solar Cities program. Moreover, the renewable energy space in India has become very attractive from an investors' perspective and has received FDI inflow of more than USD 6.26 billion upto December 2017. India has also ranked second in the Renewable Energy Attractiveness Index 2017, up from the seventh position in 2014, due to ample push from the government and improving market economics.

The management believes that the Indian renewable energy sector would display robust performance in the coming years, aided by the implementation of a wide range of schemes including fiscal and financial assistance and conducive policies by the government. With the product portfolio geared towards renewable energy generation sector, the Company is likely to be the principal beneficiary of growth prospects of the renewable energy industry.

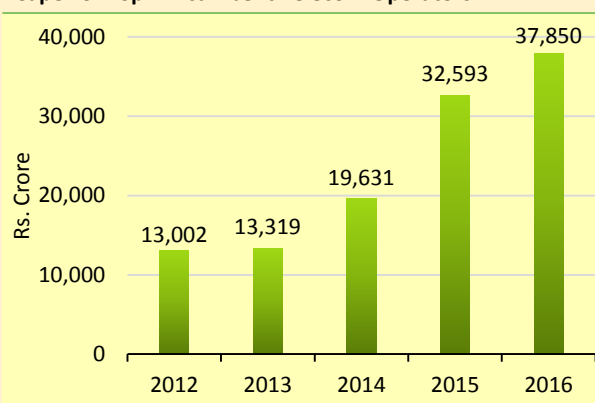




## Telecommunication Sector

Telecommunication service providers have continued to invest in their networks and modernize their existing network infrastructure. Operators capex investments stand at Rs. 8,500 crores during Q1 2017 and the below figure depicts the significant capex investment during the period 2012-2016. Operators have made these investments primarily to deploy new technologies like 4G and 4G-Advanced, to expand their fibre footprint and to acquire spectrum via spectrum auctions. Additionally, the Ministry of Communications has indicated that the 5G network in India will be rolled out by 2020 which is expected to increase capex by telecom operators in India.

**Capex of Top 4 Incumbent Telecom Operators**



Source: KPMG, August 2017

\*In addition to the above, a new greenfield operator has made over Rs. 150,000 crores of capital investments in the last five years

According to ICRA, a leading rating agency in India, capex intensity of telecom sector is expected to be over Rs. 50,000 crores per year, on the back of expected network improvements to keep pace with the robust data growth in India. The Digital India programme promoted by the government, increase in usage of e-wallets and banking applications are expected to increase the usage of mobile data consumption in the coming years. Bharti Airtel, a leading mobile operator in India, plans to spend Rs. 24,000 in FY2018-19 to stay ahead in the 4G game.

The Management believes that the telecommunications sector would drive the demand for a broad range of wire and cable products, as the telecom network operators continue to invest heavily in network infrastructure in the coming years. Going forward, the Company will continue to focus on this important area achieving a higher share of sales and profitability in the aforesaid segment.



## Smart Cities

The Prime Minister of India, Narendra Modi, launched Smart Cities Mission (SCM) on 2 June 2015 to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. Some of the core infrastructure elements in a Smart City include:

**Adequate water supply**

**Assured electricity supply**

**Sanitation including solid waste management**

**Efficient urban mobility and public transport**

**Affordable housing, especially for the poor**

**Robust IT connectivity and digitalization**

**Good governance, especially e-Governance and citizen participation**

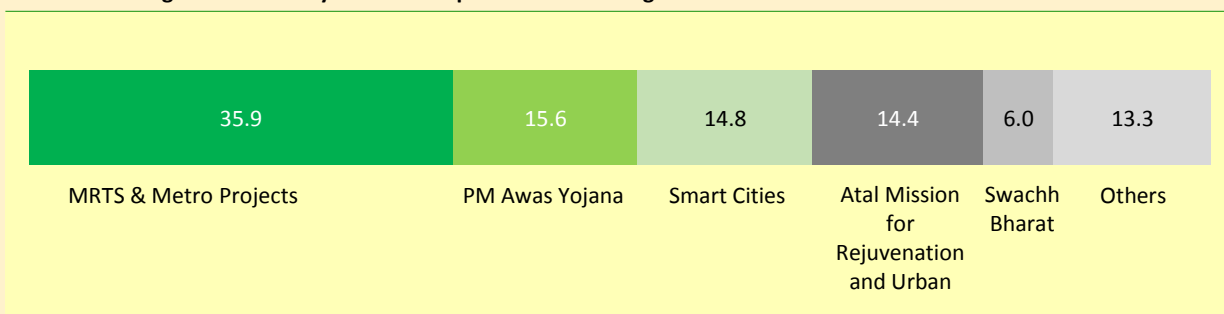
**Sustainable environment**

**Safety and security of citizens, particularly women, children and the elderly**

**Health and education**

The Smart Cities Mission would cover 100 cities and its duration will be five years (FY2015-16 to FY2019-20). The Mission is operated as a Centrally Sponsored Scheme (CSS) and the central government provides financial support to the Mission to the extent of Rs. 48,000 crores over five years, i.e. on an average Rs. 100 crores per city per year. An equal amount, on a matching basis, is contributed by the State/Urban Local Body (ULB). Therefore, nearly Rs. 1,00,000 crores of Government/ULB funds is available for Smart Cities development. SCM is carried out through a Special Purpose Vehicle (SPV), registered under the Companies Act, 2013, instead of through a municipal corporation, and encourages private investment. The seriousness of the government towards SCM can be gauged from the fact that it has the third highest allocation among urban ministry schemes.

#### % Share Among Urban Ministry Schemes as per FY2018-19 Budget Estimates



Source: Media Articles

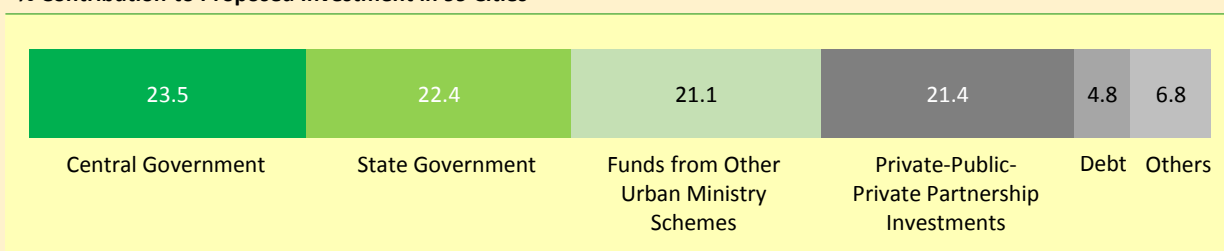
#### Annual Budgetary Allocations for the Smart Cities Mission (in Rs. crore)

Year	Budget Estimates	Revised Estimates	Actuals
FY2015-16	2,020.0	1,496.2	1,469.4
FY2016-17	3,205.0	4,598.5	4,493.6
FY2017-18	3,949.5	3,989.5	3,995.2
FY2018-19	6,169.0		(upto 09-02-2018)

Source: Ministry of Housing and Urban Affairs

Between January 2016 and June 2018, the government has selected 100 cities through a competitive process, based on their plans, and ranked them. So far, 86 cities have constituted city level SPVs and 64 cities have appointed Project Management Consultants (PMCs) for project preparation, tendering and implementation. According to the Housing and Urban Affairs ministry, the total proposed investment in the selected 100 cities under the Smart Cities Mission would be Rs. 2,05,018 crores. So far, 2,993 projects worth Rs.1,38,534 crores are in various stages of implementation. Implementation has commenced for 496 projects with a cost of Rs.18,760 crores, while 220 projects worth Rs. 3,112 crores have been completed. Tendering has started for 345 projects with the cost of Rs.19,131 crores and Detail Project Reports (DPRs) are being prepared for 1,932 projects worth Rs.97,528 crores.

#### % Contribution to Proposed Investment in 99 Cities



Source: Media Articles

India is investing in large sums (as much as USD 1 billion annually) to ensure that the fibre network growth would help the common man living in smart cities to have a better quality of life and access to all facilities. The Management believes that implementation of the SCM has opened enormous opportunities for the Company going forward and the Company is poised to benefit from the same.



## Outlook

The dynamically-evolving industry landscape, burgeoning opportunities in the form of the government's development schemes across sectors and the growing private industry demand for cables offers an exceptionally robust platform for our future growth. We believe that we are well-placed to leverage any potential opportunities arising in the wire and cable industry and

have laid the foundation for further expansion and progress through the entire value chain of our business. Additionally, our substantial operational capacity available at Baddi plant provides us the leeway to meet any significant potential demand for the Company's product. Finally, we believe that the opportunity matrix is vast and we are well prepared to grab a large chunk of the growing pie.



## PERFORMANCE

## Performance of the Company

### Operational Performance

During the year, the Company increased its production capacity and developed Catenary and Contact Wire, Multicore and Single Core Indoor and Railway Signalling Cable, thereby enhancing the existing product portfolio. With the acquisition of CMI Energy, the Company added new products to its portfolio such as ACSR, AAC Conductors, EHV Cables, MV and HV Cables, etc. to name a few.

The Company was able to expand its customer base and get new approvals for its products from some of the elite clients in the country. These approvals have opened up new avenues of business growth and revenue generation for the Company. Some of the approvals may be noted as under:

Sr. No.	Name of Utility	Products Approved
1	National Building Construction Corporation (NBCC)	HT Cables up to 33 kV LT Power Cable LT Control Cables Wires & Flexibles Fire Survival cables Telephone Cable
2	India Register of Shipping (IRS)	LT Power Cable LT Control Cable
3	BHEL-PEM	HT Power Cables LT Power cables LT Control cable PVC Wires
4	Gujarat State Fertilizers and Chemicals Ltd. (GSFC)	HT Cables LT Power/ Control Cables Flexible Wires

Sr. No.	Name of Utility	Products Approved
5	Haryana Vidyut Prasaran Nigam Ltd. (HVPNL)	HT Cables up to 11 KV LT Power/ Control Cables Flexible Wires
6	BHEL-EDN (Bangalore)	XLPE Cables
7	PWD-Lucknow	HT Cables up to 11Kv LT Power/Control Cables
8	CPWD	HT Cables LT Power Cables LT Control Cables Flexible Wires
9	SAIL Durgapur	Power & Control Cables PVC Insulated Cables LT XLPE Cables Instrumentation Cables
10	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	HT Cable LT Power Cable LT Control Cable LT AB Cable
11	Telangana State Power Generation Corporation Ltd. (TSGENCO)	LT Power cables Fire Survival Cables
12	Delhi Metro Rail Corporation (DMRC)	LV Power Cable (FRLS)
13	BHEL- ISG	HT XLPE Cables LT Power & Control Cables Instrumentation/ Signals/ Screened/ Telephone Special Cables
14	Neelanchal ISPAT Nigam Ltd. (Registration No. 12920172214VR006)	EHV Cables up to 66 KV HT Cables LT Power Cables (XLPE/PVC) Control Cables
15	Power Development Department, Jammu & Kashmir	HT Cables up to 33kV LT Control Cables HT AB Cable

### Financial Performance

On a standalone basis, the Company's gross sales stood at Rs. 394.7 crores in FY2017-18, an increase of 14.8% as compared to Rs. 343.80 crores in FY2016-17. The increase was supported by higher utilization, increase in average realizations and growth in all sectors and products. Net profit after tax for FY2017-18 stood at Rs. 22.9 crores, higher than Rs. 22.4 crores reported in FY2016-17. The total net worth of the Company stood at Rs. 134.3 crores in FY2017-18, showing an increase of 27.0% as compared to Rs. 105.7 crores in FY2016-17.

On a consolidated basis, gross sales climbed to Rs. 573.9 crores from Rs. 420.7 crores a year ago, while net profit fell from Rs. 30.1 crores in FY2016-17 to Rs. 25.8 crores posted in the current fiscal. The total net worth of the Company stood at Rs. 238.1 crores in FY2017-18, showing a rise of 15.2% as compared to Rs. 206.7 crores in FY2016-17.



### Internal Control Systems & Adequacy

The Company has in place a robust and streamlined system of internal controls, ensuring regular:

- Authorization, recording and reporting of transactions.
- Recording and safeguarding of assets against unauthorized use or disruption.
- Maintenance of proper accounting records and reliability of financial information.

Your Company has also designed and implemented various internal control policies to ensure achievement of aforesaid objectives. Audit Committee regularly reviews the internal control system to ensure implementation and effectiveness.

### Risks and Concerns

At CMI, we have a comprehensive risk management structure with benchmarks and reporting framework. Our objective is to identify, evaluate and counter potential risks through an institutionalized approach.

Nature of Risk	Risk Explanation	Risk Mitigation
<b>Sectoral Risk - Railways, Oil, Gas, etc.</b>	The Company's products are used primarily by railways, telecommunications and industrial segments. Any slowdown in these sectors can have a major impact on the demand for the Company's products.	The Company is continuously diversifying its product portfolio and expanding footprints in new sectors like Power Cables, Overhead Conductors, EHV Cables, etc.
<b>Peer Risk</b>	The Companies' products, in general, can face challenges from other competitors.	The Company has established history of satisfactory performance in the past on consistent basis which helps in retaining the customer. Besides this, the Company has expanded its product portfolio, thereby giving one stop solution to its customers and improving retention levels.
<b>Input Price Risk</b>	Excessive volatility in the Company's raw material prices can have an impact on its profitability.	The Company has put in place procurement process to mitigate the risk arising from volatility in raw material prices; the Company incorporates price escalation clauses in most of the contracts.
<b>Human Resource Risk</b>	The pool of competent human resources is critical to the Company's business operations.	The Company has a well-established HR strategy, focused on grooming and retaining the talent.

### Human Resources

CMI Limited is a growing organization and we believe our people are the key assets of our business. We believe in the mantra that a great organization is built on the plinth of good human resources. Recognizing the importance of human capital, CMI Limited runs various programmes to train, motivate and reward people working with it. The mantra has not only helped us to achieve growth, development and targets of the business but also aided us to gain and retain a stable position in the competitive wire and cables market. In the past year, the key focus of human capital initiatives has been on building capability and creating a culture which is performance oriented to accelerate business performance. The Company has a well-planned HR strategy, focused on nurturing and retaining talent. We continuously seek to hire like-minded talent to support our strong growth trajectory and work towards a common goal of professional enrichment. We continue to believe in trust, transparency, ethics, teamwork and improved employee productivity at all levels. During the year, industrial relations continued to be cordial. We want to place on records our appreciation for the commitment and efficient services rendered by all employees of the company, without whose whole-hearted efforts, the overall satisfactory performance of the company would not have been possible.



**CMI Limited**  
CABLES THAT EMPOWER

# Directors' Report





## DIRECTORS' REPORT

To,

**The Members of CMI Limited**

Your Directors are pleased present the 51st Annual Report together with the Company's Audited Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2018.

### Financial Performance Summary

(Rs. in Lakh)

Particular	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
<b>Financial Results</b>				
Total revenue	40,205.10	34,910.18	57,686.53	42,556.09
Less: Total Expenditure excluding Depreciation	36,508.76	31,429.51	52,700.25	39,280.26
Profit before Depreciation and Tax	3,696.34	3,480.67	4,986.28	3,275.83
Less: Depreciation	140.05	133.88	1,048.22	1,013.32
Add: Exceptional items	-	0.73	-	0.73
Add: Extra-ordinary items	-	-	-	-
Profit Before Tax	3,556.29	3,347.52	3,938.06	2,263.24
Less: Current Tax	(1,177.34)	(1,030.95)	(1,150.56)	(1,030.95)
Deferred Tax	(88.25)	(72.43)	(180.18)	1,774.68
Earlier Tax	-	-	(26.78)	-
Net Profit for the year carried to the Balance Sheet	2,290.70	2,244.14	2,580.54	3,006.97

### OVERALL REVIEW

During the financial year 2017-18 the performance of the company has been satisfactory. During financial year 2017-18, standalone turnover of the Company increased by 15.17%. The Profit before depreciation and tax (standalone) has increased by 6.20% while the Net Profit (standalone) has increased by 2.07%. The Company has adopted adequate cost control measures throughout the year, and has been aggressive in its quest for new business. This helped to deliver a decent revenue growth. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market. With stable government at centre, the long term outlook of cable industry is expected to be favorable, driven by Power Sector Reforms, Modernization of Railways, new Metro Railways and other Infrastructures Developmental Projects.

### DIVIDEND

The Directors are pleased to recommend payment of dividend on equity shares @ Re. 1/- per equity share ( 10%) for the financial year 2017-18 ( previous year Rs 1/- per share). The dividend on equity shares, if approved by Members, would involve payout of Rs 180.87 Lakhs including dividend distribution tax Pursuant to Regulation 43A of the SEBI ( Listing Obligations and Disclosure Requirements) Regulations , 2015 , the company has adopted The Dividend Distribution Policy which is also available on the website of the Company at [www.cmilimited.in](http://www.cmilimited.in).

### UNCLAIMED DIVIDEND

Pursuant to provisions of Section 124 (2) of the Companies Act, 2013 the statement containing the names, addresses and the details of the unpaid interim and final dividend as on 29.12.2017 (date of last Annual General Meeting) has been uploaded on the Company's website ([www.cmilimited.in](http://www.cmilimited.in)).



## RESERVES

During the year under review, Reserves and Surplus as at 31st March, 2018 stood at Rs. 11,922.81 Lakh on the basis of Standalone Financial Statement and Rs. 22,310.69 Lakh as per Consolidated Financial Statement.

## AUDITORS AND THEIR REPORT

M/s. Krishna Neeraj & Associates, Chartered Accountants, (Firm Registration No.023233N) was appointed as the Statutory Auditor by the members in the 49<sup>th</sup> Annual General Meeting of the Company for a term of 5 consecutive years i.e. to hold the office until the conclusion of the 54th AGM of the Company, subject to ratification of their appointment at every AGM if required under the Act.

Further, the ratification by shareholders in respect of their appointment as the Statutory Auditors of the Company is proposed at ensuing AGM of the Company and in respect of which they have furnished a certificate of their eligibility confirming that ratification of their appointment, if made, at the ensuing Annual General Meeting would be within the limits specified under Section 139(1) and 141 of the Companies Act, 2013 and the rules framed thereunder.

The observations made in the Auditors' Report on the audited accounts of the company for the year ended 31st March, 2018, are self explanatory and therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## COST AUDITOR

As per the requirement of Central Government and pursuant to provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, audit of cost records of the Company is being carried out. The Board of Directors, on recommendation of Audit Committee, has appointed M/s Ajay Kumar Singh and Co., Cost Accountants, as Cost Auditor to audit the cost records and accounts relating to cable manufacturing for the financial year ending March 31, 2019. As per the requirement of the aforesaid section, a resolution ratifying remuneration payable to Cost Auditors forms part of the Notice convening the 51st Annual General Meeting.

Your Company has maintained cost records and accounts as per Section 148 (1) of the Companies Act, 2013. Further, the Cost Audit Report for FY 2016-17 was filed on 21st December, 2017.

## INTERNAL AUDITOR

As per the requirement of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013, the Board of Directors on recommendation of Audit Committee has appointed Mr. Raj Kumar as an Internal Auditor of the Company.

Mr. Raj Kumar, Internal Auditor of the Company, presents report and makes presentation to the audit committee on internal audit, which is reviewed by the audit committee from time to time.

## SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s Pooja Anand & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2017-18.

- The Secretarial Audit Report for FY 2017-18 as submitted by Secretarial Auditor in Form MR-3 is annexed as Annexure-1. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the Company has spent Rs. 35.49 Lacs towards CSR which is less than the prescribed amount that the Company was required to spend pursuant to the provisions of Section 135 of the Companies Act, 2013 during the financial year under review but the Company is in process of conceptualizing a structured program in the FY 2018-19 to meet its CSR objective and to comply with the provisions of the aforesaid Section.

**INTERNAL CONTROL SYSTEM**

The Company has well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal control system comprises audit and compliance by in-house internal Audit Division. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditor to the Audit Committee of the Board.

**CREDIT RATING**

During the year under review the Company has improved its long term credit rating to CARE-BBB+. The BBB+ awarded by Care Analysis and Research Limited (CARE) reflects moderate degree of safety regarding timely servicing of financial obligation. The Company's short term credit rating has also improved to CARE A3+ by Care Analysis and Research Limited (CARE), reflecting moderate degree of safety regarding timely payment of financial obligations.

**SEGMENT WISE PERFORMANCE:**

Company operates only in one segment.

**RISK MANAGEMENT**

In compliance with the requirement of the Companies Act, 2013, the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges the Company has formulated Risk Management Policy. The Company manages the risk in line with current risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision making, and compliance with applicable laws and regulations.

**MATERIAL CHANGES:**

No material changes and commitments affecting the financial position of the company occurred between the end of financial year of your Company and the date of Director's Report. However,

The Company pursuant to provisions of Section 230 and 232 of Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, filed the Scheme of Amalgamation between CMI Energy India Private Limited (wholly owned Subsidiary Company) {"the Transferor Company"} and CMI Limited {"the Transferee Company"} before Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi, with effect from 01.03.2016 being the Appointed Date. The Transferor and the Transferee Companies have obtained the approval from their respective Board of Directors in their Board Meetings held on 21st May, 2018. The aforesaid Scheme was also approved by the Secured Creditors, Unsecured Creditors and Members of the Transferee Company and by the Secured and Unsecured Creditors of the Transferor Company in their meetings held on 28<sup>th</sup> July, 2018, under the supervision of the Hon'ble NCLT, Principal bench, New Delhi and in compliance with the provisions as stated in the Order dated 13.06.2018 duly issued by the Hon'ble NCLT. The Members of the Transferor Company accorded their approval by giving their No-Objection to the Scheme. The matter is pending with the Hon'ble NCLT for its final approval.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were checked and no reportable material weaknesses were observed.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on 31st March, 2018, the Company has one wholly-owned subsidiary, i.e. CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited) and pursuant to provisions of Section 129 (3) of the Companies Act, 2013, Regulation 33 and any other applicable provisions of SEBI Listing Obligations and Disclosure Requirements Regulations (LODR), 2015 and Indian Accounting Standards (Ind AS)-110, the Consolidated Financial statements of the Company including of its subsidiary company, duly audited by the Statutory Auditors of the Company, have been prepared and forms part of the Annual Report.

A report in Form AOC-1 stating the performance and financial position of its subsidiary Company pursuant to provision of Section 139 read with Rule 5 of Companies (Accounts) Rules, 2014 of the Companies Act, 2013 is annexed and marked as Annexure 2.

As on 31st March, 2018, the Company has a step down subsidiary in the name of CMI Agro Limited which is a wholly owned subsidiary of CMI Energy India Private Limited.

Further, pursuant to the provisions of section 136 of the Act, the Company's consolidated financial statements along with relevant documents and separate audited financial statement of subsidiaries are available on the website of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNELS:

### Change in Directorship

- During the year, Mr. Ramesh Chand, Non-executive Independent Director has resigned w.e.f 29th March, 2018 from the Board of Directors of the Company.
- As on date the Company has total 6 Directors with an Executive Chairman, which includes 2 Executive Directors, 4 Non-executive Independent Directors inclusive of 1 Women Director. The Board consists of following members:

Sr. No.	Name of Director	DIN	Designation
1	Mr. Amit Jain	00041300	Chairman cum Managing Director
2	Mr. Vijay Kumar Gupta	00995523	Whole-Time Director
3	Mr. Pyare Lal Khanna	02237272	Non-Executive Independent Director
4	Mrs. Archana Bansal	01129623	Non-Executive Independent Director
5	Mr. Kishor Punamchand Ostwal	00460257	Non-Executive Independent Director
6	Mr. Manoj Bishan Mittal	00282676	Non-Executive Independent Director

### Changes in Key Managerial Personnel

- Mr. Amit Jain, Chairman cum Managing Director; Mr. Vijay Kumar Gupta, Whole time Director; Mr. Rattan Lal Aggarwal, Chief Financial Officer and Mr. Subodh Kumar Barnwal, Company Secretary are the KMPs of the Company as per provisions of the Act.

- Directors liable to retire by rotation

Mr. Vijay Kumar Gupta is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

None of the Directors are disqualified under the provisions of the Companies Act, 2013.

### Declaration by Independent Directors

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and under the SEBI (LODR), Regulations, 2015.



## Evaluation of the Board, its Committees and Individual Directors

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-executive Directors and Executive Directors.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors were assisted by the Nomination and Remuneration Committee. Some of the performance indicators based on which evaluation takes place are experience, expertise, knowledge and skills required for achieving strategy and for implementation of best governance practices which ultimately contributes to the growth of the Company in compliances with all policies of the Company.

### COMMITTEE OF THE BOARD

#### A. Audit Committee

As on 31.03.2018, the Composition of Audit Committee is as under:

Mr. Pyare Lal Khanna, Independent Director	Chairman
Mrs. Archana Bansal, Independent Director	Member
Mr. Vijay Kumar Gupta, Whole-time Director	Member

The Board of Directors in their meeting held on 21st May, 2018 approved the reconstitution of the Committee and thereafter the Committee comprises of the following members:

Mr. Kishor Punamchand Ostwal, Independent Director	Chairman
Mr. Pyare Lal Khanna, Independent Director	Member
Mr. Vijay Kumar Gupta, Whole-time Director	Member

The above composition duly meets the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

Mr. Subodh Kumar Barnwal acts as Secretary of the Committee.

All recommendations made by the Audit Committee were accepted by the Board.

#### B. Nomination & Remuneration Committee

In adherence of Section 178 of Companies Act, 2013, the Board of Directors of the Company in their Meeting held on November 20, 2015 approved a policy for determining Directors' appointment, their remuneration including criteria for ascertaining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3) based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the policy are formulating criteria for determining qualifications, positive attributes and independence of a director, identifying persons who are qualified to become Directors and who may be appointed in Senior Management and as KMPs of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal, recommending to the Board a policy relating to the remuneration of the Directors, Senior Management, KMP and other employees, as may be applicable, formulating criteria for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance, devising a policy on Board diversity, ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully, ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Composition of Nomination & Remuneration Committee comprises of Mr. Pyare Lal Khanna, Independent Director as Chairman, Mr. Manoj Bishan Mittal, Independent Director as Member and Mrs. Archana Bansal, Independent Director as Member of the Company.

The above composition duly meets the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

Mr. Subodh Kumar Barnwal acts as Secretary of the Committee.

Accordingly, in order to comply with the aforesaid provisions the following policies are available on the website of the Company

([http://www.cmilimited.in/img/pdf/NOMINATION\\_AND\\_REMUNERATION\\_COMMITTEE](http://www.cmilimited.in/img/pdf/NOMINATION_AND_REMUNERATION_COMMITTEE)):

- a) Policy for selection of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

#### C. Stakeholder Relationship Committee

In adherence with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholder Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending grievances of the shareholders.

The Composition of Audit Committee is as under:

Mr. Pyare Lal Khanna	Chairman
Mr. Vijay Kumar Gupta	Member
Mrs. Archana Bansal	Member

Mr. Subodh Kumar Barnwal acts as Secretary of the Committee.

#### D. Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee to discharge the duties stipulated under Section 135 of the Companies Act, 2013 which includes formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy indicating the amount to be undertaken by the Company as per Schedule VII of the Companies Act, 2013, recommendations of the amount of expenditure to be incurred and monitoring CSR Policy of the Company.

The Composition of Corporate Social Responsibility Committee is as under:

Mr. Pyare Lal Khanna	Chairman
Mr. Vijay Kumar Gupta	Member
Mrs. Archana Bansal	Member

Mr. Subodh Kumar Barnwal acts as Secretary of the Committee.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure 3** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the corporate governance report, which forms part of this report.

#### VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employee(s) are free to report violations of applicable laws and regulations and the Code of

Conduct. Employees may also report to the Chairman of the Audit Committee. During the financial year, no employee was denied access to the Audit Committee. The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld.

The policy is available on our website <http://www.cmilimited.in>

#### **PREVENTION OF SEXUAL HARASSMENT**

The Company, in its endeavour, for zero tolerance towards sexual harassment at the workplace, has adopted Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Policy. The Policy governs to maintain ethics, transparency and accountability by ensuring that the working environment at all our locations is conducive to fair, safe and harmonious relations based on mutual trust and respect between all associates of the Company. The Company has complied with provisions relating to constitution of Internal Compliant Committee ('ICC') under the policy which provides forum to all female personnel to lodge complaints herewith for redressal. The Policy aims to provide the effective enforcement of basic human right of gender equality and protection from sexual harassment and abuse.

During the year, there was no complaint lodged with the ICC.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements read together with Notes annexed to and forming an integral part of the financial statements.

#### **RELATED PARTY TRANSACTIONS:**

In adherence with provision of Section 188 and as per provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company entered into the Related Party Transactions during the financial year 2017-18 and Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) are included in **Form AOC - 2 (Annexure - 4)**. The Company has also entered into the transaction as per Indian Accounting Standard 24 (Ind AS-24) and the same has been disclosed in the Note 40 A and B of notes to the Financial Statements for the year ended 31st March, 2018.

#### **EXTRACT OF THE ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is a part of this Annual Report and is annexed as Annexure 5 and is also available on the website of the Company at <http://www.cmilimited.in>.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Director's Responsibility Statement, it is here by confirmed that :

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2018 the applicable accounting standards read with requirements set out under Schedule III of the Act have been followed and no material departures have been made from the same.
- ii. Appropriate Accounting Policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that year ended on that date except to the extent mentioned in notes to accounts.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on a going concern basis.
- v. The internal financial controls to be followed by the Company had been laid down and that such internal financial controls are adequate and were operating effectively.



- vi. The proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF MEETINGS:**

##### **Board Meeting:**

During the year ten (10) Board Meetings and one Independent Directors' Meeting were held. The details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between the two meetings.

#### **SHARE CAPITAL**

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited (NSE) and are traded on both the stock exchanges actively.

##### **a) EQUITY SHARES**

The Board of Directors of the Company at their meeting held on 17th April, 2017 have allotted 2,50,000 Equity Shares @ Rs.300/-per equity share (including premium of Rs 290/- per share), to promoter, on a preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.

The Company has filed listing application for listing of above said 2,50,000 Equity Shares and received Listing Approval of 2,50,000 Equity shares from the BSE Limited and National Stock Exchange of India Limited vide its letter no DCS/PREF/SD/PRE/1946/2017-18 dated May 24, 2017 and NSE/LIST/11601 dated May 26, 2017 respectively and received trading approval from BSE Limited and National Stock Exchange of India Limited vide its letter no DCS/PREF/TP/SD/4920/2017-18 dated 19th June, 2017 and NSE/LIST/12132 dated July 20, 2017 respectively.

The Company has made preferential allotment of shares during the year and duly complied the requirements of section 42 and 62 of the Companies Act, 2013. Accordingly, the amount raised have been applied for the purpose for which funds were raised.

As stated in the Notice of EGM dated 22.02.2017 in compliance with the requirements of SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009, the Company has utilized the amount received from preferential allotment for meeting the long term working capital requirements of the Company.

#### **DEPOSITS**

During the year under review, the Company has not accepted any deposits within the meaning of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules. The Company did not have any unclaimed or overdue deposits as on March 31, 2018.

#### **HUMAN RESOURCES**

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

#### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Company is committed to maintain highest standards of Corporate Governance and adhere to Corporate Governance requirement set out by SEBI. The Company has also implemented best Corporate Governance practices. Your Company has taken adequate steps to adhere to all the stipulations as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2017-18.

As per SEBI LODR Regulation

- A report on Corporate Governance Report is included as a part of this Annual Report.
- Certificate of the CFO and Managing Director, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measure and reporting of matters to the Audit Committee, is attached and forms part of this report.
- Certificate from the Practicing Company Secretaries confirming the compliance with the conditions of Corporate Governance is attached to this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

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

#### **HEALTH, SAFETY AND ENVIRONMENTAL (HSE) REVIEW**

CMI Limited is committed to maintain highest standards in the areas of Health, Safety and Environment. It has made good progress in these areas with no fatal accident reported during the Period.

With an aim to certify its operational location, CMI Limited, Plot No. 71 & 82, Sector-06, Faridabad, Haryana-121006 with the integrated Management system OHSAS 18001 and ISO 14001 - Occupational Health, Safety and Environment, CMI Limited has got externally accreditation for its said manufacturing location by M/s American Quality Assessors.

CMI Energy India Private Limited, wholly owned subsidiary of the Company having factory located at Village Bhatouli Khurd, Tehsil-Nalagarh, Baddi, District-Solan-173205, Himachal Pradesh has obtained certification of OHSAS 18001:2007 regarding Occupational Health and Safety Management System, ISO 14001-2015 for Environmental Management System from Gotek Global Certification Pvt. Ltd, and ISO 9001:2015 for quality management system from QMS Certification Services Pvt. Ltd.

#### **MANAGERIAL REMUNERATION**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is mentioned in **Annexure - 6**

No employees is in receipt of remuneration as specified under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The disclosure of particulars with respect to conservation of energy, technology absorption, research and technology and foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of the Directors' Report are as under:

##### **A. Conservation of Energy:**

###### **a) Energy conservation measures taken:-**

A number of energy conservation techniques were initiated and successfully implemented which helped in improving efficiency levels.

Some of the key initiatives were as follows:-

In the existing manufacturing units the Company continued various initiatives to conserve/reduce environmental impact, by adapting to green manufacturing and concept of "Reduce, Reuse and Recycle" viz.

- Efficient maintenance and daily monitoring of Capacitor Bank for improvement of Power Factor.
- Replacing energy inefficient equipment with new technologies which are efficient with AC Drives.

**b) The capital investment on energy conservation equipment or any other additional investments and proposals, if any, being implemented for reduction of consumption of energy:-**

No material capital investment on energy conservation equipment or any other investment was made for reduction of consumption of energy during the financial year and no separate records were kept for costs incurred on proper maintenance of all machineries and equipment.

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

The energy conservation measures maintained during the year have resulted into yearly saving and thereby lowered the cost of production by equivalent amount. These measures have also led to better pollution control, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

**B. Technology Absorption, Adaptation & Innovation :**

**a) Efforts, in brief, made towards technology absorption, adoption and innovation**

**Energy conservation, upgradation in manufacturing and efficiency improvement**

- Use of energy efficient LED and CFL lamps in whole plant.
- Recycling the vacuum Pump cooling water for environment saving.
- Company now updated with manufacturing of all types of cable.
- New and upgraded technology has been followed for energy conservation.

**b) Benefits derived as a result of the above efforts**

- Reduction in power usage and thereby reducing cost of production.
- Environmental saving.
- Improved efficiency and productivity.
- Cost and time saving.

**C. Research and Development:**

**Standalone basis:**

Specific areas in which R&D carried out by the Company	Product Development and process improvement
Benefits derived as a result of the above R&D	The company can manufacture all types of cable in the area in which it operates
Future plan of action	Technology Upgradation
Expenditure on R&D	Capital Expenditure: Rs. 3.13 Lakh Recurring Expenditure: Rs. 3.75 Lakh

**Consolidated basis:**

Specific areas in which R&D carried out by the Company	Product Development and process improvement
Benefits derived as a result of the above R&D	The company can manufacture all types of cable in the area in which it operates
Future plan of action	Technology Upgradation
Expenditure on R&D	Capital Expenditure: Rs . 3.13 Lakh Recurring Expenditure: Rs. 6.33 Lakh



**D. Foreign Exchange Earnings and Outgo:****a) Activities relating to export, initiative to increase exports, development of new export markets for Products and Services and Export Plan.**

- The Company has continued to maintain its focus and availed export opportunities based on economic considerations. The Company is continuously exploring new international markets and has exported sample orders. During the year on standalone and consolidated basis the Company has exports worth Rs.3.52 Lakh from export of Cables.

**b) Total Foreign Exchange Expenditure:**

- Standalone and Consolidated basis:

Amount in Rs. Lakh

<b>i. CIF value of imports</b>	<b>279.05</b>
--------------------------------	---------------

**ENVIRONMENTAL REVIEW**

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

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

**INDUSTRIAL RELATIONS**

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

**ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Investors, Vendors, Dealers, Registrar and Transfer Agent, Financial Institutions, Business Associates, Media and Employees at all levels in ensuring an excellent all around operational performance.

**By Order of the Board****CMI Limited****Amit Jain****Chairman cum Managing Director****DIN - 00041300****Date: 31.10.2018****Place: New Delhi**

Registered Office:

Flat No. 501 - 503, 5th Floor, New Delhi House,

27 Barakhamba Road, New Delhi - 110001

Email Id: info@cmilimited.in

## Annexure-1

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013, and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**CMI LIMITED**

Flat No. 501- 503, 5<sup>th</sup> Floor,

New Delhi House, 27 Barakhamba Road,

New Delhi - 110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CMI Limited (hereinafter called the Company/ CMI). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the CMI's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by CMI Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2018 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- i. The Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- vi. Applicable provisions of The Factories Act, 1948
- vii. Air (Prevention & Control of pollution) Act, 1981, Water (Prevention & Control of pollution) Act, 1974, Environment (Protection) Act, 1986, The Noise Pollution (regulation and control) Rules, 2000
- viii. Batteries (Management & Handling) Rules 2001, Amendment 2010
- ix. Provision of EDLI Scheme 1976 of the Employees Provident Fund and Miscellaneous Provisions Act 1952 and The Employees State Insurance Act, 1948
- x. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- xi. India Explosives Act, 1984
- xii. Payment of Wages Act 1936 and The Minimum Wages Act, 1948
- xiii. Contract Labour (Regulation & Abolition) Act 1970
- xiv. Payment of Bonus Act, 1965
- xv. The Industrial Employment Standing Orders Act, 1946
- xvi. Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/Regulations entered into by the Company with BSE Limited and National Stock Exchange;

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors along with the appointment of woman director during the financial year ended 31.03.2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of respective meeting.



**We further report that**

- The Company has spent Rs. 35.49 Lakh towards CSR which is less than the prescribed amount that the Company was required to spend pursuant to the provisions of Section 135 of the Companies Act, 2013, during the financial year under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

1. The Company had previously filed the Scheme of Amalgamation of CMI Energy India Private Limited, wholly owned Subsidiary Company, with CMI Limited with effect from 01.03.2016, being the Appointed Date, before the Hon'ble NCLT, New Delhi under the channel of fast track merger. The Hon'ble NCLT, vide its order dated 22<sup>nd</sup> December, 2017, has directed the Company to file application/ Scheme of Amalgamation in accordance with the provisions of Section 230 & 232 of the Companies Act, 2013. Accordingly, the Company has now submitted fresh application with Hon'ble NCLT for sanction of amalgamation of both the Companies.
2. The Board of Directors of the Company at their meeting held on 17th April, 2017 has allotted 2,50,000 Equity Shares @ Rs.300/-per equity share (including premium of Rs 290/- per share), to promoter, on a preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.
3. The Company has applied for the listing of above said 2,50,000 Equity shares and received Listing Approval from BSE Limited vide its DCS/PREF/SD/PRE//1946/2017-18 dated 24th May 2017 and from NSE vide letter NSE/LIST/11601 dated 26th May, 2017.

The Company has also got trading approval from BSE vide letter no. DCS/PREF/TP/SD/4920/2017-18 dated 19th June, 2017 and from NSE vide letter NSE/LIST/12132 dated 20th July, 2017.

**For Pooja Anand & Associates**  
**Company Secretaries**

**Mukul Tyagi**  
**Company Secretary**  
**M.No. 33949 CP No.: 16631**

**Date: October 31, 2018**

**Place: New Delhi**

**Annexure-2****FORM NO. AOC-I****Part "A": Subsidiaries**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule  
5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the Financial Statement of Subsidiary Companies:

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1	Name of the subsidiary	CMI Energy India Private Limited (Formerly known as General Cable Energy India Pvt. Ltd.)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is same
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year, in the case of foreign subsidiaries	Not Applicable
4	Share capital	12531.62 Lakh
5	Reserves & Surplus	(913.73 Lakh)
6	Total assets	32,043.33 Lakh
7	Total Liabilities	32,043.33 Lakh
8	Financial asset investments	25.00 Lakh
9	Turnover	22,190.75 Lakh
10	Profit/Loss before taxation	386.21 Lakh
11	Provision for taxation Deferred tax	91.93 Lakh
12	Profit/Loss after taxation	294.28 Lakh
13	Total comprehensive income for the year	295.82 Lakh
14	Proposed Dividend	Nil
15	% of shareholding	100%

**For Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

**Krishna K. Neeraj**

Partner

Membership No.: 506669

Date: 31.10.2018

Place: New Delhi

Registered Office:

 Flat No. 501-503, 5th Floor, New Delhi House  
 27, Barakhamba Road, New Delhi-110001
Email Id: [info@cmlimited.in](mailto:info@cmlimited.in)**By Order of the Board**

CMI Limited

**Amit Jain**

Chairman cum Managing Director

DIN: 00041300

**Subodh Kumar Barnwal**

Company Secretary

M. No.-21928

**Vijay Kumar Gupta**

Whole-Time Director

DIN: 00995523

**Rattan Lal Aggarwal**

C.F.O.

### Annexure 3

#### ANNUAL REPORT ON CSR ACTIVITIES

- **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company had constituted CSR Committee by the approval of the Board of Directors in their meeting held on 20th November, 2015. In pursuance of Section 135 read Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the Company framed CSR policy as a part of good Corporate philanthropy, which extends demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

The Company diligently volunteers and undertakes the objective as per the policy with the view of providing support to the marginalized cross section of the society through facilitation of opportunities carving the path for improved quality of life.

The detailed CSR Policy is available on the website of the Company i.e at <http://cmilimited.co.in/>.

- **The Composition of the CSR Committee**

The CSR committee is formed in accordance with the provisions of Section 135 read Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly its constitution comprises of following eminent and professional members who conceptualizes, structures, directs the implementation of CSR activities:

Mr. Pyare Lal Khanna, Non- Executive Independent Director	Chairman
Mrs. Archana Bansal, Non- Executive Independent Director	Member
Mr. Vijay Kumar Gupta, Whole Time Director	Member

- **Average net profit of the company for last three financial years**

**Rs. 2,150.98 Lakh**

- **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs. 43.02 Lakh**

- **Details of CSR spent during the financial year:**

During the financial year 2017-18, the Company spent sum of Rs.35.49 lakh in the field of education, towards CSR activities.

- **Total amount to be spent for the financial year: Rs. 43.02 Lakh**

- **Amount unspent, if any; Rs. 7.53 Lakh**



▪ Manner in which the amount was spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Providing Stationery items	Promoting Education	Delhi	Rs.43.02 Lakh	Rs. 35.49 Lakh	-	Amount was spent directly by the Company through agencies like Arya Bal Griha, Arya Kanya Sadan, Chhatravas Chandra Arya Vidya Mandir, Shirdi Sai Baba Temple etc.

During the first quarter of the financial year 2018-19, the Company spent sum of Rs.22.22 Lakh in the agencies like Adarsh Shiksha Sansthan for providing the education facilities to the children and building their promising future as part of Corporate Social Responsibility.

Accordingly, contribution in CSR projects such as training of youth to promote employability, providing functional literacy to adults, technology support to cancer research institutes and hospitals, training of women to encourage entrepreneurship, education of underprivileged children, construction of sanitation facilities in rural schools, support to disaster relief efforts etc. are proposed to be carried by the Company for the financial year 2018-19.

The Company is putting its continuous efforts to implement the above mentioned projects effectively

We hereby declare that implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company, as approved by the Board.

**Amit Jain**

(Chairman cum Managing Director)

**Pyare Lal Khanna**

(Chairman CSR Committee)

Date: 31.10.2018

Place: New Delhi

**ANNEXURE - 4****FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

**2. Details of material contracts or arrangements or transactions at arm's length basis**

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount (in Rs. Lakh)	Duration of the contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Committee, if any *	Amount paid as advances, if any
1	CMI Energy India Private Limited	Wholly-owned subsidiary	Job Work Charges	123.31	1 year		11.04.2017*	No
2	Wire House	Proprietorship concern of a relative of Director of the Company	Job Work Charges	20.92	1 year		11.04.2017*	No
3	CMI Energy India Private Limited	Wholly-owned subsidiary	Purchase	1,387.67	1 year		11.04.2017*	No
4	Dhruv Cables and Conductors	Partnership concern in which a Director of the Company is a partner	Purchase	2,379.72	1 year		11.04.2017*	No
5	Wire House	Proprietorship concern of a relative of Director of the Company	Purchase	151.29	1 year		11.04.2017*	No
6	Parshwanath Cables Pvt. Ltd.	A Company in which a relative of Director is a Director	Purchase	1,062.32	1 year		19.08.2017**	

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements / transactions	Amount (in Rs.)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Committee, if any *	Amount paid as advances, if any
7	CMI Energy India Private Limited	Wholly-owned subsidiary	Sale	3485.05	1 year	-	11.04.2017***	No
8	CMI Energy India Private Limited	Wholly-owned subsidiary	Purchase of PPE	16.27	1 year	-	11.04.2017*	No
9	Robotech Pvt. Ltd	A Company in which a Director of the Company is a Director	Sales	2.51	1 year	-	05.01.2018**	No
10	Dhruv Cables and Conductors	Partnership concern in which a Director of the Company is a partner	Sales	341.69	1 year	-	11.04.2017*	No
11	Wire House	Proprietorship concern of a relative of Director of the Company	Sales	17.12	1 year	-	11.04.2017*	No
12	Parshwanath Cables Pvt Ltd.	A Company in which a relative of Director is a Director	Sales	4113.45	1 year	-	19.08.2017**	No

\*Omnibus approval and fresh approval of the Audit Committee has been taken.

\*\* Fresh approval of the Audit Committee has been taken

\*\*\*Sale of raw material amounting to Rs. 11,414,810/-were made, prior to the date of obtaining omnibus approval of the members of the Audit Committee and accordingly pursuant to the provisions Section 188 of the Companies Act, 2013, the aforesaid transaction was ratified by the Board of Directors in their Board Meeting held on 11.04.2017, thereby complying the requirement of Section 188 of the Companies Act, 2013, further the approval of the audit committee was also obtained in their meeting held on 11.04.2017.

**By Order of the Board**

**CMI Limited**

**Amit Jain**

**Chairman cum Managing Director**

**DIN - 00041300**

**Date: 31.10.2018**

**Place: New Delhi**

Registered Office:  
Flat No. 501 - 503, 5th Floor, New Delhi House,  
27 Barakhamba Road, New Delhi - 110001  
Email Id: info@cmilimited.in





**Annexure- 5****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	<b>CIN</b>	L74899DL1967PLC018031
2	<b>Registration Date</b>	22 <sup>nd</sup> June, 1967
3	<b>Name of the Company</b>	CMI Limited
4	<b>Category/Sub-Category of the Company</b>	Company Limited by Shares
5	<b>Address of the Registered office of the Company</b>	501 - 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi – 110001
6	<b>Whether listed Company</b>	Yes
7	<b>Name, Address and Contact details of RTA, if any</b>	Beetal Financial & Computer Services Private Limited Add.: Beetal House, 3rd Floor, 99 Madangir, B/4, Local Shopping Centre, New Delhi - 110062 Tel: 011 - 29961281, 29961282

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Cables	27320	98.16%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited)	U31300DL2006FT C152190	Wholly Owned Subsidiary	100%	2(87)

**IV. PARTICULARS OF STEP DOWN SUBSIDIARY**

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
01	CMI Agro Limited	U01100DL2017PLC325696	Step down subsidiary	100% shares are held by CMI Energy India Private Limited which is a wholly owned subsidiary of the Company	2(87)

**V. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Demat	% of Total Shares	Physical	Demat	% of Total Shares	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/HUF	-	6,293,877	42.59	-	6,543,877	43.55	0.96
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any Other and their relatives, societies partnership firms, RBI, Employee welfare fund, EBIP/ESOS Trusts	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>6,293,877</b>	<b>42.59</b>	-	<b>6,543,877</b>	<b>43.55</b>	<b>0.96</b>
<b>(2) Foreign</b>							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>6,293,877</b>	<b>42.59</b>	-	<b>6,543,877</b>	<b>43.55</b>	<b>0.96</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	-	-	-	-	5,82,871	3.87	3.87
b) Banks / FI	-	21,585	0.15	-	8,502	0.04	(0.11)
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-
f) Insurance Companies	-	32,000	0.22	-	-	-	(0.22)
g) FIs	-	1,514,233	10.25	-	1,759,581	11.71	1.46
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>1,567,818</b>	<b>10.62</b>	-	<b>2,350,954</b>	<b>15.62</b>	<b>5.00</b>
<b>2. Non-Institutions</b>							
a) Bodies Corp.	20,700	1,433,858	9.84	20,600	1,451,967	9.79	(0.05)
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	315,256	2,506,096	19.09	303,146	2,218,482	16.85	(2.24)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20,000	1,563,786	10.72	20,000	1,160,748	7.85	(2.86)
c) Others							
-Directors	-	-	-	-	-	-	-
-ESOP/ESOS/ESPS	8,770	1,000	0.07	8,770	1,000	0.07	-
-HUF	-	-	-	-	-	-	-
-NRI	-	314,649	2.13	-	370,570	2.45	0.32
-Clearing Members	23,500	571,722	4.03	23,500	540,655	3.74	(0.29)
-Trust	-	136,425	0.92	-	12,838	0.08	(0.84)
	-	-	-	-	350	0.00	-
<b>Sub-total (B)(2):-</b>	<b>388,226</b>	<b>6,527,536</b>	<b>46.80</b>	<b>376,016</b>	<b>5,756,610</b>	<b>40.83</b>	<b>(5.96)</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>388,226</b>	<b>8,095,354</b>	<b>57.41</b>	<b>376,016</b>	<b>8,107,564</b>	<b>56.45</b>	<b>(0.96)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>388,226</b>	<b>14,389,231</b>	<b>100</b>	<b>376,016</b>	<b>14,651,441</b>	<b>100</b>	-

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	Amit Jain	50,93,877	34.47	-	5,093,877*	33.90	10.15	(0.57)
2	Dhruv Jain	5,00,000	3.38	-	500,000	3.33	-	(0.05)
3	Vishwa Prabha Jain	7,00,000	4.74	-	700,000	4.66	-	(0.08)
4	Himani Jain	-	-	-	250,000	1.66	-	1.66
Total		6,293,877	42.59	-	6,543,877	43.55	10.15	0.96

\*Out of 50,93,877 equity shares 1,525,000 equity shares have been pledged.

**iii. Change in Promoters' Shareholding (Specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	6,293,877	42.59	6,293,877	42.59
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease *	250,000	0.96	-	-
At the End of the year	6,543,877	43.55	6,293,877	42.59

\*Increase in shareholding of Promoters during the year is as follows:

Name	Shareholding at the beginning of year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
Amit Jain	5,093,877	34.47				5,093,877	33.90
Dhruv Jain	500,000	3.38		-		500,000	3.33
Vishwa Prabha Jain	700,000	4.74				700,000	4.66
Himani Jain	-	-		Increase	Preferential allotment of equity shares on 17.04.2017	250,000	1.66



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

Name	Shareholding at the beginning of the year		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year 31-03-2018	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
GMO Emerging Domestic Opportunities Fund	1,178,365	7.84	22.12.2017	27,730 - Increase	Transfer	12,06,095	8.03
HSBC Infrastructure Equity Fund			08.12.2017	1,49,204 - Increase	Transfer	5,82,871	3.88
			15.12.2017	1,00,000 - Increase			
			22.12.2017	73,073 - Increase			
			29.12.2017	40,000 - Increase			
			05.01.2018	1,20,000 - Increase			
			19.01.2018	5,000 - Increase			
			26.01.2018	45,000 - Increase			
			02.02.2018	4,135 - Increase			
			09.02.2018	1,311 - Increase			
			16.02.2018	25,143 - Increase			
			23.02.2018	10,000 - Increase			
			09.03.2018	10,005 - Increase			
CNI Research Limited	3,00,000	1.99	-	No Change in the shareholding pattern	-	3,00,000	1.99
GMO Emerging Markets Fund	2,93,346	1.95	-	No Change in the shareholding pattern	-	2,93,346	1.95
Prashant Omprakash Kothari	2,27,500	1.51	-	No Change in the shareholding pattern	-	2,27,500	1.51
Pulkit. N. Sekhsaria	1,55,000	1.03	-	No Change in the shareholding pattern	-	1,55,000	1.03
Kolon Investment Pvt Ltd	-	-	08.12.2017	46,074 - Increase	Transfer	1,38,835	0.92
			22.12.2017	20,000 - Increase			
			26.01.2018	20,000 - Increase			
			09.02.2018	20,000 - Increase			
			23.02.2018	16,968 - Increase			
			02.03.2018	3,032 - Increase			
			09.03.2018	4,843 - Increase			
			16.03.2018	5,157 - Increase			
Premier Investment Fund Limited	-	-	31.03.2018	2,761 - Increase	Transfer	1,22,800	0.82
			21.07.2017	5,000 - Increase			
			11.08.2017	5,000 - Increase			
			08.09.2017	10,000 - Increase			
			15.09.2017	20,000 - Increase			
			08.12.2017	10,000 - Increase			
			22.12.2017	30,000 - Increase			
			19.01.2018	12,300 - Increase			
			16.03.2018	15,000 - Increase			
			23.03.2018	15,500 - Increase			

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year 31-03-2018	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
SMC Global Securities Ltd	29,915	-	07.04.2017	2,403 - Decrease	Transfer	1,13,620	0.75
			14.04.2017	703 - Increase			
			21.04.2017	7,897 - Increase			
			28.04.2017	15,060 - Increase			
			05.05.2017	832 - Increase			
			12.05.2017	4,468 - Increase			
			19.05.2017	14,830 - Increase			
			26.05.2017	3,872 - Increase			
			02.06.2017	3,925 - Decrease			
			09.06.2017	5,050 - Decrease			
			16.06.2017	1,702 - Decrease			
			23.06.2017	800 - Decrease			
			30.06.2017	873 - Increase			
			07.07.2017	1,995 - Increase			
			14.07.2017	600 - Decrease			
			21.07.2017	160 - Decrease			
			28.07.2017	4,225 - Decrease			
			04.08.2017	5,115 - Decrease			
			11.08.2017	75 - Decrease			
			18.08.2017	955 - Increase			
			25.08.2017	3,655 - Decrease			
			01.09.2017	3,318 - Increase			
			08.09.2017	100 - Increase			
			15.09.2017	6,197 - Decrease			
			22.09.2017	721 - Decrease			
			30.09.2017	12,854 - Decrease			
			06.10.2017	801 - Decrease			
			13.10.2017	1,234 - Decrease			
			20.10.2017	5,050 - Increase			
			27.10.2017	1,047 - Decrease			
			03.11.2017	1,116 - Decrease			
			10.11.2017	2,032 - Increase			
			17.11.2017	1,048 - Increase			
			24.11.2017	11,135 - Increase			
			01.12.2017	8,865 - Decrease			
			08.12.2017	10,799 - Decrease			
			15.12.2017	664 - Increase			
			22.12.2017	930 - Increase			
			29.12.2017	4,055 - Decrease			
			05.01.2018	7,809 - Increase			
			12.01.2018	123 - Increase			
			19.01.2018	12,833 - Increase			
			26.01.2018	221 - Decrease			
			02.02.2018	341 - Decrease			
			09.02.2018	2,704 - Decrease			
			16.02.2018	507 - Increase			
			23.02.2018	689 - Increase			
			02.03.2018	1,405 - Decrease			
			09.03.2018	43,540 - Increase			
			16.03.2018	1,280 - Decrease			
			23.03.2018	23,862 - Increase			
			31.03.2018	40 - Decrease			
Mittal Capital Finvest Pvt Ltd	1,02,450	0.68	-	No Change in the shareholding pattern	-	1,02,450	0.68

**vi. Shareholding of others Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Vijay Kumar Gupta		8,770	0.06	8770	0.06
	Ramesh Chand		1,000	0.007	1000	0.007
Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease						
At the End of the year	Vijay Kumar Gupta		8,770	0.06	8,770	0.06
	Ramesh Chand		1,000	0.007	1,000	0.007

**vii. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakh)

	Secured Loans Excluding deposits		Unsecured Loans		Total Indebtedness	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<b>Indebtedness at the beginning of the financial year</b>						
i) Principal Amount	6,840.74	13,679.44	2,161.64	2,161.64	9,002.38	15,841.08
ii) Interest due but not paid						
iii) Interest accrued but not due						
<b>Total (i+ii+iii)</b>	6,840.74	13,679.44	2,161.64	2,161.64	9,002.38	15,841.08
<b>Change in Indebtedness during the financial year</b>						
• Addition	5,275.63	6,015.44	(83.41)	(83.41)	5192.22	5,932.03
• Reduction						
<b>Net Change</b>	5275.63	6,015.44	(83.41)	(83.41)	5192.22	5932.03
<b>Indebtedness at the end of the financial year</b>						
i) Principal Amount	12,116.37	19,694.88	2,078.23	2,078.23	14,194.6	21,773.11
ii) Interest due but not paid						
iii) Interest accrued but not due						
<b>Total (i+ii+iii)</b>	12,116.37	19,694.88	2,078.23	2,078.23	14,194.6	21,773.11

**viii. Remuneration of Directors and Key Managerial Personnel:****A. Remuneration to Managing Director, Whole Time Director and/or Manager**

(Amount in Lakh)

Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
	Amit Jain MD	V. K. Gupta WTD	Manager	
Gross salary				
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57.68	14.40	-	72.08
b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - as % of profit	-	-	-	-
Total	57.68	14.40	-	72.08
Ceiling as per the Act (in compliance with the provision of Schedule XIII Part II Section II(A))	10 % of Net Profit for all Executive Directors-Managing Director and Whole-time Directors 5% of Net Profit to any one Managing or Whole-time Director			

**B. Remuneration to other directors: Not paid any Remuneration**

Particulars of Remuneration	Name of Directors				Total Amount
(1) Independent Directors	-	-	-	-	-
• Fee for attending board/committee meetings					
• Commission					
• Others, please specify					
Total (1)	-	-	-	-	-
(2) Other Non-Executive Directors	-	-	-	-	-
• Fee for attending board/committee meetings					
• Commission					
• Others, please specify					
Total (2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-



**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD-**
*(Amount in Rs. Lakh)*

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Subodh Kumar (Company Secretary)	CFO Rattan Lal Aggarwal	Manager	Total
1	Gross salary		7.55	44.67	-	52.22
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-	
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...					
5	Others, please Specify	-	-	-	-	-
	Total	-	7.55	44.67	-	52.22

**ix. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**
*(Amount in Rs. Lakh)*

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ Court)	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**By Order of the Board**
**CMI Limited**
**Amit Jain**
**Chairman cum Managing Director**
**DIN - 00041300**
**Date: 31.10.2018**
**Place: New Delhi**
**Registered Office:**
**501-503, New Delhi House,**
**27 Barakhamba Road, New Delhi - 110001**
**Email Id: info@cmilimited.in**

### Annexure-6

**The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below**

The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (Rs. in lakh)	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Amit Jain Chairman cum Managing Director	57.68	47%	14:1
2.	Mr. V.K. Gupta, Whole Time director	14.40	26%	3:1
3.	Mr. Subodh Kumar Company Secretary	7.55	9%	2:1
4.	Mr. Rattan Lal Aggarwal CFO	44.67	Nil	11:1

- The percentage increase in the median remuneration of employees in the financial year 2017-2018 is 9%.
- There were 105 permanent employees on the rolls of Company as on March 31, 2018.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2016-17 was 8.65% whereas the increase in the managerial remuneration for the same financial year was 27.38%.
- The key parameters for any variable component of remuneration availed by the directors- Not applicable
- It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees are as per the Nomination and Remuneration Policy of the Company.
- Further no employees are in receipt of remuneration as prescribed under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence the aforesaid Section is not applicable on the Company.

**By Order of the Board**

**CMI Limited**

**Amit Jain**

**Chairman cum Managing Director**

**DIN - 00041300**

**Date: 31.10.2018**

**Place: New Delhi**

Registered Office:  
Flat No. 501 - 503, 5th Floor, New Delhi House,  
27 Barakhamba Road, New Delhi - 110001  
Email Id: info@cmilimited.in



  
**CMI Limited**  
CABLES THAT EMPOWER

# Corporate Governance Report





## CORPORATE GOVERNANCE REPORT

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by Regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Corporate Governance practices followed by the Company are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. The long-term strategic objectives and the Code of Conduct which articulate values, ethics, and business principles and serve as a guide to the Company, its Directors and Employees and an appropriate mechanism to report any concern pertaining to non-adherence to the said Code and addressing the same are also in place. The Company is in full compliance with the requirements of Corporate Governance under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Risk Management and internal control functions have been geared up to meet the progressive governance standards.

### BOARD OF DIRECTORS

#### i. Composition

The composition of Board of Directors of the company is balanced one, comprising Executive and Non-Executive Directors and the latter including independent professionals and a women Director. The Chairperson of the Board is an Executive Director pursuant to which half of Board constitutes of Independent Directors. The Company also complies with the provision of Section 149 read with Rule 3 of the Companies (Appointment and Qualification of Directors) along with the provisions of Regulation 17 of SEBI (LODR), 2015 and accordingly, its Board members comprises one Women Director.

The strength of the Board of the Directors as on 31.03.2018 is six, of which two are Executive Directors.

Category	No. of Directors	Percentage %
Executive Directors	2	33%
Non-Executive Independent Directors	4	67%
<b>Total</b>	<b>6</b>	<b>100%</b>



Name of the Director	Category	No. of Board Meetings during the year 2017-18		Whether attended last AGM held on December 29, 2017	No. of other Directorships held in Indian public companies*	No. of Committee positions as Members and as Chairperson in other Public Companies
		Held	Attended			
Mr. Amit Jain DIN 00041300	Chairman cum Managing Director	10	8	Yes	2	Nil
Mr. Vijay Kumar Gupta DIN 00995523	Executive Director	10	10	Yes	2	2
Mr. Pyare Lal Khanna DIN 02237272	Non - Executive Independent Director	10	10	No	2	2
Mr. Ramesh Chand** DIN 02759859	Non - Executive Independent Director	10	10	Yes	2	2
Mrs. Archana Bansal DIN 01129623	Non - Executive Independent Director	10	10	No	2	2
Mr. Kishor Punamchand Ostwal DIN 00460257	Non - Executive Independent Director	10	2	Yes	2	1
Mr. Manoj Bishan Mittal DIN 00282676	Non - Executive Independent Director	10	2	Yes	1	Nil

\* Directors of CMI Limited have been duly appointed as Directors as well as Chairman and members of Audit and Nomination and Remuneration Committee of CMI Energy India Private Limited, wholly owned subsidiary of CMI Limited, Listed Public Company and in CMI Agro Limited, step down subsidiary of CMI Limited.

\*\* Mr. Ramesh Chand resigned as Non-Executive Independent Director w.e.f 29th March, 2018.

Ten Board Meetings were held during the year 2017-18 and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

11th April, 2017, 17th April, 2017, 30th May, 2017, 29th June, 2017, 19th August, 2017, 13th September, 2017, 22nd November, 2017, 5th January, 2018, 10th February, 2018 and 29th March, 2018.

The necessary quorum was present for all the meetings.

- ii. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- iii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other.
- iv. During the year 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

- v. All Independent Directors are familiarized with their roles, rights and responsibilities towards the Company and with the industry norms enabling them to understand the Business model as per the varied competitive environment in which the Company operates. Further, to enhance the growth, the consistent efforts are made by the Company to acquaint them with the overall performance of the Company by making provision for co-ordination in each and every segment and department of the Company. The details of the familiarization programme of the Independent Directors are available on the website of the Company [www.cmilimited.in](http://www.cmilimited.in).

**vi. ADDITIONAL INFORMATION IN TERMS SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS ON 31st March, 2018**

Name of the Director	Mr. Amit Jain	Mr. Vijay Kumar Gupta	Mr. Pyare Lal Khanna	Mrs. Archana Bansal	Mr. Kishor Punamchand Ostwal	Mr. Manoj Bishan Mittal
Designation	Chairman cum Managing Director	Executive Director	Non - Executive Independent Director	Non - Executive Independent Director	Non - Executive Independent Director	Non - Executive Independent Director
Date of Birth	15 <sup>th</sup> October, 1973	15 <sup>th</sup> December, 1949	13 <sup>th</sup> August, 1948	07 <sup>th</sup> September, 1973	31 <sup>st</sup> December, 1963	14 <sup>th</sup> September, 1966
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	1 <sup>st</sup> October, 2002	15 <sup>th</sup> January, 2009	30 <sup>th</sup> September, 2004	1 <sup>st</sup> May, 2015	29 <sup>th</sup> July, 2016	29 <sup>th</sup> July, 2016
Qualification & Experience	He is a graduate and has rich experience in cable manufacturing Industry	He is a mechanical engineer having more than 40 years experience in Technical and Marketing	Having more than 40 years of Grassroot level experience in Metal Industry	She is a graduate having rich experience in Business	He is a Chartered Accountant with vast experience in business, economy and financial matters	He is a Chartered Accountant having vast experience in business, economy and financial matters
Shareholding in CMI Limited as on 31-03-2018	5,093,877 (33.90%)	8,770 (0.06%)	Nil	Nil	Nil	85,075 (0.57%)
Directorship in other Companies and Membership of Committees (Excludes the Directorships in Indian Private Limited Companies & Foreign Companies and Alternate Directorship)	2 (Director in CMI Energy India Pvt. Ltd and CMI Agro Limited)	4 (Director and Member of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd and Director in CMI Agro Ltd )	4 (Director and Chairman of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd and Director in CMI Agro Ltd )	4 (Director and Member of Audit Committee and Nomination and Remuneration Committee of CMI Energy India Pvt. Ltd and Director in Gold Coin Investment Company Limited)	3 (Managing Director in CNI Research Limited; Director in Neil Information Technology Limited and Member in Audit Committee of CNI Research Limited)	1 (Being Director in Force Capital Markets Limited)
DIN	00041300	00995523	02237272	01129623	00460257	00282676

\*Excludes the Directorships in Indian Private Limited Companies & Foreign Companies and Alternate Directorship.

\* Directors of CMI Limited have been duly appointed as Directors as well as Chairman and members of Audit and Nomination and Remuneration Committee of CMI Energy India Private Limited, wholly owned subsidiary of CMI Limited, Listed Public Company. Directors of the aforesaid Wholly owned subsidiary of CMI Limited have also been appointed in CMI Agro Limited, step down subsidiary of CMI Limited.

**vii. MEETINGS OF INDEPENDENT DIRECTORS**

In terms of Schedule IV of the Companies Act, 2013 and as per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Independent Directors have to meet at least once in a year, without the presence of Executive Directors or Management representatives.

As per the aforesaid provision, the Independent Directors met once during the Financial Year on 31st March, 2018, to consider and discuss inter alia, the following activities to be undertaken by them:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the parameters for evaluation of Independent Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**RETIREMENT OF DIRECTOR BY ROTATION, RE-APPOINTMENT AND NEW APPOINTMENT OF DIRECTOR**

Brief resume of Directors being reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board are furnished hereunder:

**1. Mr. Vijay Kumar Gupta, retires by rotation at the 51st Annual General Meeting of the Company and being eligible offers himself for re-appointment.**

- Mr. V.K. Gupta, Whole-time Director, a Mechanical Engineer (B.E.) from Delhi College of Engineering Delhi having more than 40 years experience in the field of Cable is just a One Stop Solution Man for Cable. He has attained this Stature by virtue of knowledge in the area of Design / Production / Marketing of Cables covering the vast range of Power / Control / Instrumentation / Communication / PIJF Telecom Cable.
- He was appointed as Director w.e.f February 29, 2016 in CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company and in CMI Agro Limited, step down subsidiary of CMI Limited w.e.f November 6, 2017.

## COMMITTEES OF THE BOARD

The Board has constituted Four Committees - the Audit Committee, the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The role and composition of these Committees, including the number of meetings held are as follows:

### ❖ AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;
- Reliability of financial and other management information;
- Compliance with relevant national laws and regulations.

The Audit Committee is empowered, pursuant to these terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek information from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee is entrusted with the responsibility to supervise the company's financial control and reporting processes and inter alia perform the following functions:

- Overseeing the Company's financial reporting processes and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services.
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - Qualifications in the draft audit report, if any;
  - Significant adjustments arising out of audit;
  - Compliance with legal requirements concerning financial statements;
  - Related party transactions ;
  - Scrutiny of inter corporate loans and advances;
  - Approval of appointment of CFO or any other person heading Finance function after assessing the qualification, experience and background etc. of the candidate.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;



- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency which monitors the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing the adequacy of the Internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audits;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

### Composition

The Audit Committee comprises two Non-Executive Independent Directors and one Executive Director and the composition is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations, 2015. The Managing Director, the head of internal audit and the representatives of statutory auditors are Invitees to the Audit committee and the Company Secretary is the Secretary to the committee.

All members of the committee are financially literate and two members have accounting and financial expertise.

The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 29th December, 2017 to answer Shareholder's queries.

The names of the members of the Audit Committee, including its chairman is as under

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Ramesh Chand (Chairman)*	Independent, Non-Executive	9	9
Mr. Pyare Lal Khanna (Member)	Independent, Non-Executive	9	9
Mr. Vijay Kumar Gupta (Member)	Executive Director	9	9

Nine Audit Committee Meetings were held during the year 2017-2018. The dates on which the said meetings were held are as follows:

11th April, 2017, 30th May, 2017, 29th June, 2017, 19th August, 2017, 13th September, 2017, 22nd November, 2017, 5th January, 2018, 10th February, 2018 and 29th March, 2018.

The Necessary quorum was present for all the meetings.

\*Mr. Ramesh Chand resigned as Non-Executive Independent Director w.e.f 29th March, 2018. The resignation was accepted by the Board of Directors in their Board Meeting held on 29th March, 2018. Consequently the Audit Committee was reconstituted and as on 31.03.2018 the committee had following members:

Name	Category
Mr. Pyare Lal Khanna (Chairman)	Independent, Non Executive
Mrs. Archana Bansal (Member)	Independent, Non Executive
Mr. Vijay Kumar Gupta (Member)	Executive director

The Board of Directors in their meeting held on 21st May, 2018 approved the reconstitution of the Committee and thereafter the Committee comprises of the following members:

Name	Category
Mr. Kishor Punamchand Ostwal, Independent Director	Chairman
Mr. Pyare Lal Khanna, Independent Director	Member
Mr. Vijay Kumar Gupta, Whole-time Director	Member

#### ❖ NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee, in line with the requirements of the Companies Act, 2013 and as per Regulation 19 of SEBI LODR, Regulations, 2015, as amended from time to time.

The Nomination and Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Executive Director. It also recommends successions and appointments for the membership of the Board and the Senior management.

##### a. Functions

- i. The broad terms of reference of the Remuneration Committee are as under:
  - To approve the annual remuneration plan of the Company regarding the Executive Director;
  - To approve the remuneration and commission/incentive payable to the Executive Directors for each financial year;
  - To approve the remuneration and annual performance bonus payable to the Executive Director of the Company for each financial year;
  - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve;
  - Identify persons who are qualified to become directors and who may be appointed in senior management; (Functional Heads are covered in Senior Management);
  - Formulate the criteria for determining qualifications, positive attributes and independence of a director and the Board;
  - Recommend to the Board their appointment and removal,
  - Recommend to the Board a policy, relating to the remuneration of the Director, Key Managerial Personnel and other employees;
  - Carry out evaluation of every director's performance.

## b. Composition

The Nomination and Remuneration committee comprises of 3 Non-Executive Independent Directors. The composition of the Nomination and Remuneration Committee and the details of meeting attended by its members are given below:

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Pyare Lal Khanna (Chairman)	Non-Executive Independent Director	4	4
Mr. Ramesh Chand (Member)*	Non-Executive Independent Director	4	4
Mrs. Archana Bansal (Member)	Non-Executive Independent Director	4	4

Four Nomination & Remuneration Committee Meetings were held. The dates on which the said meetings were held are as follows:

19th August, 2017; 22nd November, 2017; 10th February, 2018 and 29th March, 2018.

The Necessary Quorum was present at the meetings.

\*Mr. Ramesh Chand resigned as Non-Executive Independent Director w.e.f 29th March, 2018. The resignation was accepted by the Board of Directors in their Board Meeting held on 29th March, 2018. Consequently, the Nomination and Remuneration Committee was reconstituted comprising of the following members:

The Nomination and Remuneration Committee was reconstituted comprising of following members:

Name	Category
Mr. Pyare Lal Khanna (Chairman)	Non - Executive Independent Director
Mrs. Archana Bansal (Member)	Non - Executive Independent Director
Mr. Manoj Bishan Mittal	Non - Executive Independent Director

## c. Remuneration Policy

The Company's Nomination and Remuneration Policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals is measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to the Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are normally effective from April 1, each year. The Remuneration Committee decides on the commission payable to the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the performance of the Company as well as that of the each Executive Director.

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

No sitting fee is paid to any Director.

Details of Remuneration of Directors and Key Managerial Personnel (KMP) for the financial year ending March 31, 2018: (Rs. In Lakh)

Director	Salary and Allowance
Mr. Amit Jain (Chairman cum Managing Director)	57.68
Mr. Vijay Kumar Gupta (Whole-Time Director)	14.40
Mr. Subodh Kumar Barnwal (Company Secretary)	7.55
Mr. Rattan Lal Aggarwal (w.e.f. December 2016) (Chief Financial Officer)	44.67

**d. Presently, the Company does not have a scheme for grant of stock options.**

**e. Non - Executive Directors have not been paid any remuneration.**

**f. Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

#### ❖ STAKEHOLDERS RELATIONSHIP COMMITTEE

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI LODR Regulations, 2015 read with section 178 of the Act.

##### Composition

Presently the Committee comprises of three Directors. Mr. Pyare Lal Khanna, the Chairman of the Committee is a Non-Executive Independent Director. Details of the meeting duly attended by the Chairman and Members of the Stakeholders Relationship Committee, held during the year 2017-18 are as follows:

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Pyare Lal Khanna (Chairman)	Non-Executive Independent Director	8	8
Mr. Ramesh Chand (Member)*	Non-Executive Independent Director	8	8
Mrs. Vijay Kumar Gupta (Member)	Whole-Time Director	8	8

Eight Stakeholders Relationship Committee Meetings were held during the year 2017-2018. The dates on which the said meetings were held were as follows:

3rd May, 2017; 11th May, 2017; 24th May, 2017; 31st May, 2017; 12th August, 2017; 22nd November, 2017; 10th February, 2018 and 29th March, 2018.

The necessary quorum was present at the meetings.

\*Mr. Ramesh Chand resigned as Non-Executive Independent Director w.e.f 29th March, 2018. The resignation was accepted by the Board of Directors in their Board Meeting held on 29th March, 2018. Consequently the Stakeholder Relationship Committee was reconstituted comprising of following members:



Name	Category
Mr. Pyare Lal Khanna (Chairman)	Non - Executive Independent Director
Mrs. Archana Bansal (Member)	Non - Executive Independent Director
Mr. V. K. Gupta	Executive Director

### Terms of Reference

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

There were no pending share transfers or any complaints as on 31st March, 2018. Any complaints or query may be made on [info@cmilimited.in](mailto:info@cmilimited.in).

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirement of Section 135 of the Companies Act, 2013, the Company has constituted 'Corporate Social Responsibility Committee' to look into the Corporate Social Responsibility Policy of the Company. The broad terms of reference of the committee are as follows:

- Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time.

### Composition

Presently the Committee comprises of 3 Directors. Details of the members of the Committee and the meetings duly attended by them during the financial year 2017-18 are as follows:

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Ramesh Chand (Chairman)*	Non - Executive Independent Director	04	04
Mr. Pyare Lal Khanna (Member)	Non - Executive Independent Director	04	04
Mr. Vijay Kumar Gupta (Member)	Whole-Time Director	04	04

Four Corporate Social Responsibility Committee Meetings were held during the year 2017-2018. The dates on which the said meetings were held were as follows:

19th August, 2017; 22nd November, 2017; 10th February 2018 and 29th March, 2018

\*Mr. Ramesh Chand resigned as Non-Executive Independent Director w.e.f 29th March, 2018. The resignation was accepted by the Board of Directors in their Board Meeting held on 29th March, 2018. Consequently, the Corporate Social Responsibility Committee was reconstituted comprising of following members:

Name	Category
Mr. Pyare Lal Khanna (Chairman)	Non- Executive Independent Director
Mrs. Archana Bansal (Member)	Non- Executive Independent Director
Mr. Vijay Kumar Gupta (Member)	Executive Director

## GENERAL MEETING

### a. Location and time where the last three Annual General Meetings were held and Special Resolution passed thereat:

Details	Date	Time	Venue	Details of Special Resolutions Passed at AGM
48 <sup>th</sup> AGM for the Financial Year 2014-15	29 <sup>th</sup> September, 2015			*Increase in remuneration of Managing Director *Increase in remuneration of Whole Time Director *Re-appointment of Mr. Amit Jain as Chairman cum Managing Director and approval for increase in remuneration
49 <sup>th</sup> AGM for the Financial year 2015-16	28 <sup>th</sup> September, 2016	11.30 A.M.	Lajwaab Banquet Hall, Vikas Marg, Delhi - 110092	*Increase in remuneration of Mr. Vijay Kumar Gupta, Whole-time Director *Inter-corporate Loan, Investment, Guarantee and Security by the Company
50 <sup>th</sup> AGM for the Financial year 2017-18	29 <sup>th</sup> December, 2017			*Increase in remuneration of Mr. Amit Jain, Chairman cum Managing Director of the Company. *Re-appointment of Mr. Vijay Kumar Gupta as Whole-time Director of the Company

### b. Extra Ordinary General Meeting:

No Extra Ordinary General Meeting was held during the year 2017-2018.

### c. Postal Ballot:

No Postal Ballot was conducted during the year 2017-18.

## DISCLOSURES

- During the financial year under review, the Company has not entered into any transaction of the material nature with its Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- During the financial year under review, there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority.
- The Company is following the Indian Accounting Standards (Ind AS) which provides a true and fair view of the business of the Company and there are no statutory audit qualifications in this regard.
- The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.
- All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. Other than the transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

- f. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (LODR) Regulations, 2015 for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has also been put up on the website of the Company
- g. The Company has also adopted Policy on determination of 'material' subsidiaries which has also been available on the website of the Company.
- h. The Company has duly fulfilled the following discretionary requirements as prescribed in schedule II Part E of the SEBI (LODR) Regulations, 2015.
  - i. The Auditors' Report on statutory financial statements of the Company is unqualified.
  - ii. The Internal Auditor of the Company makes presentations to the audit committee on their reports.
- i. Code of Conduct

The members of the Board and Senior Management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2018. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI (LODR) Regulations, 2015 on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

#### **SUBSIDIARY COMPANIES**

As on 31.03.2018, the Company has a wholly owned subsidiary company - CMI Energy India Private Limited and step down subsidiary - CMI Agro Limited. The Audit Committee reviewed the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meeting along with a report on significant developments of the unlisted subsidiary companies are placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies as on 31st March, 2018, except CMI Energy India Pvt Ltd as wholly owned subsidiary and CMI Agro Limited as step down subsidiary.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.

#### **MEANS OF COMMUNICATION**

##### **a) Quarterly results**

The Company publishes its limited reviewed unaudited standalone and consolidated financial results on a quarterly basis. In respect of fourth quarter, the Company publishes the audited standalone and consolidated financial results for the complete financial year.

##### **b) Newspapers**

The First, Second, Third quarterly financial results were published in the English and Hindi Pioneer and audited financial results for the fourth quarter were published in the English and Hindi Business Standard.

##### **c) Website**

The financial results and the official press releases of the Company are displayed on the website of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and also on the website of the Company <http://www.cmilimited.in> under the investors section.

**CMI CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading ('CMI Code') in the shares and securities of the Company. The CMI Code, inter alia, prohibits purchase/ sale of shares of the Company by its management and staff while in possession of unpublished price sensitive information in relation to the Company. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of CMI Limited, and cautioning them of the consequence of violations. The Company Secretary has been appointed as Compliance Officer.

**COMPLIANCE OFFICER**

Mr. Subodh Kumar Barnwal, Company Secretary of the Company is the Compliance Officer of the Company as required under the SEBI (LODR) Regulations, 2015. Contact details 011-49570000 & E-mail ID [cmics@cmilimited.in](mailto:cmics@cmilimited.in)



**GENERAL SHAREHOLDER INFORMATION**

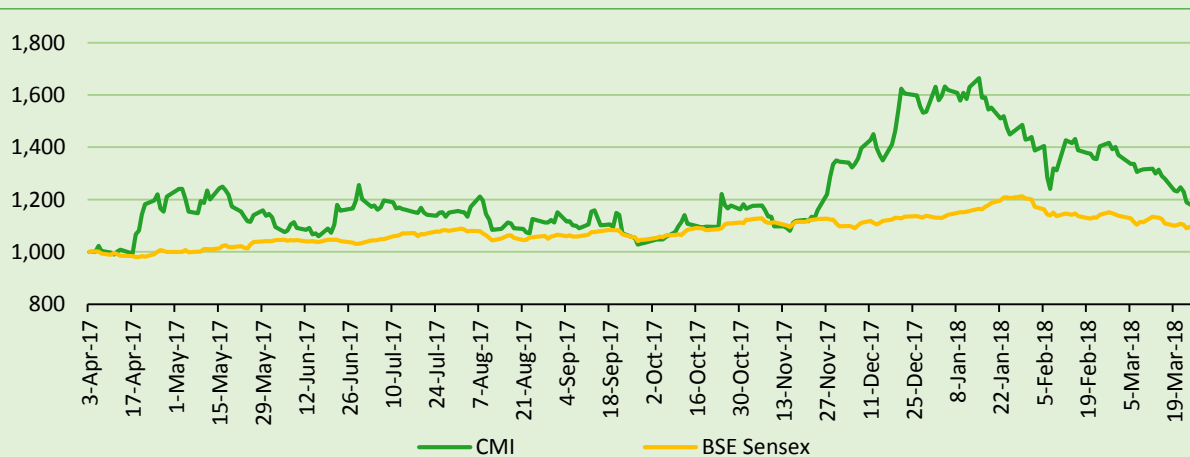
1.	Annual General Meeting:	
	<ul style="list-style-type: none"> <li>Day and Date</li> <li>Time</li> <li>Venue</li> </ul>	<ul style="list-style-type: none"> <li>Thursday, 29th November, 2018</li> <li>11.30 am</li> <li>Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88</li> </ul>
2.	Financial Calendar for 2017-18:	
	<ul style="list-style-type: none"> <li>Accounting Period</li> <li>Un-audited financial results for the year ended March 31, 2018 are as follows:</li> <li>First quarter</li> <li>Second quarter</li> <li>Third quarter</li> <li>Fourth quarter and annual</li> </ul>	<ul style="list-style-type: none"> <li>April 1, 2017 to March 31, 2018</li> <li>13.09.2017</li> <li>22.11.2017</li> <li>10.02.2018</li> <li>30.05.2018</li> </ul>
	Financial Calendar for 2018-19:	
	<ul style="list-style-type: none"> <li>Accounting Period</li> <li>Un-audited financial results for the first three quarters</li> <li>Fourth quarter Results</li> <li>Annual General Meeting (Next Year)</li> </ul>	<ul style="list-style-type: none"> <li>April 1, 2018 to March 31, 2019</li> <li>Announcement within 45 days from the end of each quarter</li> <li>Announcement of Audited Accounts on or before May 30, 2018.</li> <li>September, 2019 (Tentative)</li> </ul>
3.	Date of Book Closure	Friday, 23rd November, 2018 to Thursday, 29th November, 2018
4.	Dividend payment date	The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 22 <sup>nd</sup> November, 2018 and to all members in respect of shares held in physical form after giving effects to valid transfers in respect of transfer requests lodged with the Company on or before the close of the business hours on 22 <sup>nd</sup> November, 2018.
5.	<b>Listing on Stock Exchanges:</b>	<b>Address</b>
	<ul style="list-style-type: none"> <li>BSE Limited</li> <li>BSE Stock Code</li> <li>National Stock Exchange of India Limited</li> <li>Symbol</li> </ul>	<ul style="list-style-type: none"> <li>25th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001</li> <li>517330</li> <li>Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051</li> <li>CMICABLES</li> </ul>
<i>Note: During the year, the listing fees for the year 2017-2018 has been paid to BSE Limited &amp; National Stock Exchange of India Limited</i>		
6.	Registrars and Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 99 Madangir Behind Local Shopping Centre Near Dada HarsukhDassMandir New Delhi-110062. Telephone No. : 29961281 Facsimile No. : 29961284

### MONTHLY HIGH AND LOW OF THE SHARES TRADED ON BSE

The monthly high and low prices of every month during the financial year 2017-18 are given below:

Month	BOMBAY STOCK EXCHANGE LIMITED		
	High (Rs.)	Low (Rs.)	Volume (in Numbers)
April 2017	225.05	170.50	11,17,649
May 2017	236.55	197.50	5,87,867
June 2017	233.80	191.00	5,10,179
July 2017	224.40	199.50	2,94,452
August 2017	225.50	191.10	1,38,985
September 2017	223.00	183.75	2,49,046
October 2017	226.60	186.00	3,66,311
November 2017	251.30	193.25	4,86,693
December 2017	307.55	236.20	6,75,851
January 2018	308.00	253.55	5,08,366
February 2018	275.95	220.10	2,32,917
March 2018	269.00	207.60	1,81,039

Performance of Share Price of the Company in comparison to the BSE Sensex



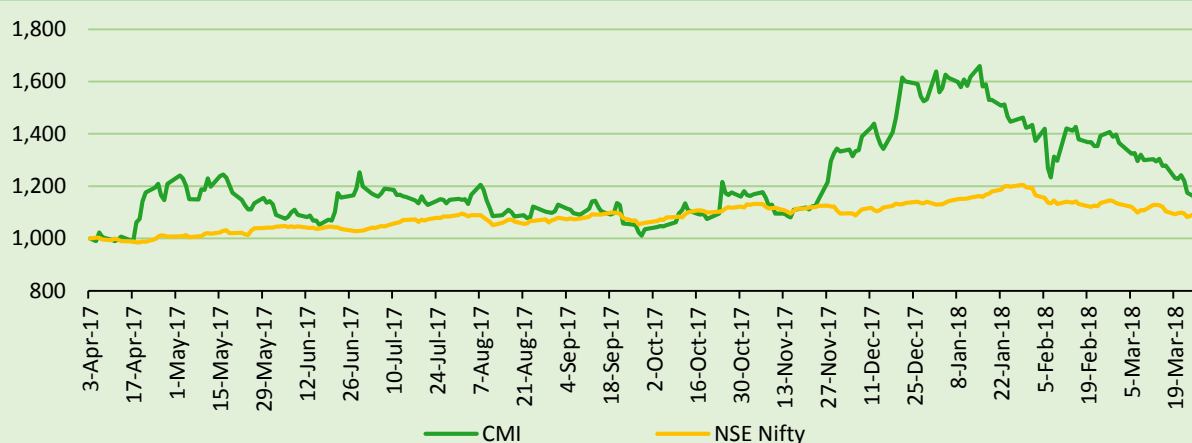
Note: The Chart depicts share price and indices indexed to 1000 as on the first working day of 2017-18

### MONTHLY HIGH AND LOW OF THE SHARES TRADED ON NSE

The monthly high and low prices of every month during the financial year 2017-18 are given below:

Month	NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
	High (Rs.)	Low (Rs.)	Volume (in Numbers)
April 2017	224.80	170.65	28,88,312
May 2017	236.70	195.00	16,30,391
June 2017	234.70	190.00	21,80,929
July 2017	221.50	202.00	9,29,354
August 2017	225.00	194.05	8,83,161
September 2017	222.00	180.05	10,87,288
October 2017	226.80	172.00	14,26,219
November 2017	252.65	193.40	18,50,596
December 2017	306.80	236.00	37,20,320
January 2018	307.90	251.00	23,11,582
February 2018	269.90	223.10	14,51,503
March 2018	262.00	205.25	5,98,420

Performance of Share Price of the Company in comparison to the NSE Nifty



Note: The Chart depicts share price and indices indexed to 1000 as on the first working day of 2017-18

## SHARE TRANSFER SYSTEM

A Committee of Directors has been constituted to approve the transfer, transmission, issue of duplicate share certificates and allied matters. The Company's Share Transfer Agent, Beetal Financials & Computer Services Private Limited, has adequate infrastructure to process the above matters.

A predetermined process cycle at regular interval ensures transfer of shares (in physical form) within the stipulated time limit. In compliance with the requirement of SEBI (LODR) Regulations, 2015 periodic certificates issued by a Practicing Company Secretary are filed with the Stock Exchanges.

### Shares in electronic form and Physical form as on 31.03.2018:

Sr. No.	Particulars	No. of Shares	% of Total Issued Capital
1	Held in dematerialized form in CDSL	18,00,755	11.98
2	Held in dematerialized form in NSDL	1,28,50,686	85.52
3	Physical	3,76,016	2.50
<b>Total No. of shares (1+2+3)</b>		<b>15,027,457</b>	<b>100</b>

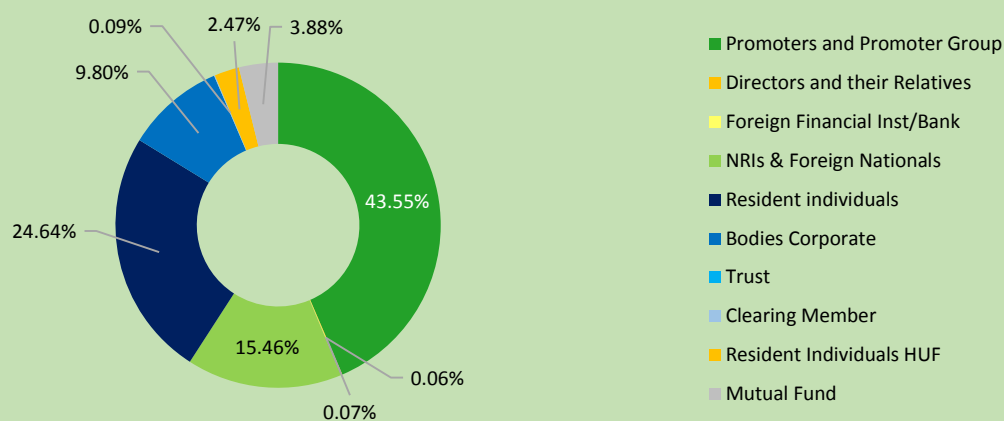
### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:

Share holding of nominal value	No. of Share Holders	No. of Equity Shares	
(In Rupees)	Total % to Shareholders	Total Share	% to Capital
Up to - 5,000	8526 88.17%	10,51,346	6.99%
5001 - 10,000	526 5.45%	4,23,144	2.82%
10001 - 20,000	282 2.92%	4,32,706	2.88%
20001 - 30,000	91 0.94%	2,32,224	1.55%
30001 - 40,000	42 0.44%	1,50,069	0.99%
40001 - 50,000	44 0.45%	2,08,235	1.39%
50001 - 1,00,000	81 0.84%	5,88,400	3.92%
1,00,001 and above	77 0.79%	1,19,41,333	79.46%
<b>TOTAL</b>	<b>9,669 100.00%</b>	<b>1,50,27,457</b>	<b>100.00%</b>



**CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2018:**

Sl. No.	Category	No. of Shares held	% to Share holding
1.	Promoters and Promoter Group	65,43,877	43.55
2.	Directors and their Relatives	9,770	0.07
3.	Foreign Financial Inst/Bank	8,502	0.06
4.	NRIs & Foreign Nationals	23,23,736	15.46
5.	Resident individuals	37,02,376	24.64
6.	Bodies Corporate	14,72,567	9.80
7.	Trust	350	0.00
8.	Clearing Member	12,838	0.09
9.	Resident Individuals HUF	3,70,570	2.47
10.	Mutual Fund	5,82,871	3.88
<b>TOTAL</b>		<b>1,50,27,457</b>	<b>100.00</b>

**Shareholding pattern**

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Shares of the Company are required to be compulsorily traded in dematerialized form and are available for trading under both the Depository Systems in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INE981B01011.

As on 31st March, 2018, 97.50% of the total paid up share capital aggregating to 14,651,441 equity shares out of total 15,027,457 Equity Shares are held in Demat form and 2.50% i.e. 3,76,016 equity shares of the total paid up capital aggregating to 15,027,457 Equity Shares are held in Physical form. All demat request received during the year were processed and completed within 15 days from the date of receipt.

**PLANT LOCATIONS**

The Company's plant is located at Plot No. 71 and 82, Sector - 06, Faridabad, Haryana-121006.

Plant of CMI Energy India Private Limited (formerly known as General Cable Energy India Private Limited), wholly owned subsidiary of the Company is located at Village Bhatauli Khurd, Baddi, Solan-173205, Himachal Pradesh.

**ADDRESS FOR CORRESPONDENCE**

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062

Telephone No: 29961281-83 Facsimile No: 29961284

E-mail: beetal@beetalfinancial.com

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

**DEPOSITORY SERVICES**

Shareholders may write to our RTA or to their respective Depositories for guidance on depository services.

**ADDRESS FOR CORRESPONDENCE WITH DEPOSITORY****National Securities Depository Limited**

Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Telephone: 022-24994200, Fax: 022-24972993/ 24976351

E-mail: info@nsdl.co.in, Website: www.nsdl.co.in

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 001

Telephone: 022-22723333, Fax: 022-22723199/ 22722072

E-mail: investors@cdslindia.com, Website: www.cdslindia.com

## CODE OF CONDUCT

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Chairman cum Managing Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2018, the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Date: 31.10.2018

Place: New Delhi

AMIT JAIN

Chairman cum Managing Director

DIN: 00041300

## COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members of CMI Limited

We have examined the compliance of conditions of Corporate Governance by CMI Limited, for the year ended on 31st March 2018 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us, and representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

**For Pooja Anand & Associates**  
**Company Secretaries**

**Date: 31.10.2018**

**Place: New Delhi**



## COMPLIANCE CERTIFICATE

To,

The Members of CMI Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entities code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity 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 the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Amit Jain  
(Chairman cum Managing Director)

Rattan Lal Aggarwal  
(Chief Financial Officer)

Date: 31.10.2018

Place: New Delhi



**CMI Limited**  
CABLES THAT EMPOWER

# Standalone Financial Statements & Notes



## Independent Auditor's Report

To the Members of CMI LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of CMI Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 the Statement of Changes in Equity of the Company in accordance with 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone 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 March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 29-June-2017 expressed an unmodified opinion.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KRISHNA NEERAJ & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 023233N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**CA. Krishna K. Neeraj**  
**Partner**  
**Membership No. 506669**



### Annexure 'A'

#### The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- i.
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. The company has not granted loans to body corporates covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2018 for a period of more than six months from the date they became payable except Service Tax payable of Rs. 4.78 Lakh
  - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes except the following

Financial Years	Law	Amount (Rs. Lakh)
Prior Years	TDS	0.33

- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- xv. In our opinion and according to information and explanations given to us, The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KRISHNA NEERAJ & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 023233N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**CA. Krishna K. Neeraj**  
**Partner**  
**Membership No. 506669**

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

We have audited the internal financial controls over financial reporting of CMI Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KRISHNA NEERAJ & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 023233N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**CA. Krishna K. Neeraj**  
**Partner**  
**Membership No. 506669**



## Standalone Balance Sheet

as at 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	7	1,046.82	716.67	670.21
(b) Capital work in progress	7	-	235.18	220.87
(c) Investment Property	8	945.75	950.74	955.73
(d) Other Intangible assets	9	16.42	33.74	51.05
(e) Financial assets				
(i) Investments	10	1,225.61	1,217.29	1,039.73
(ii) Loans	11	4,653.33	4,404.97	8,705.95
(f) Deferred Tax Assets (Net)	12	151.71	238.36	485.79
(g) Other non-current assets	13	38.66	52.65	76.79
		<b>8,078.30</b>	<b>7,849.60</b>	<b>12,206.12</b>
<b>II Current assets</b>				
(a) Inventories	14	8,793.10	6,586.86	4,513.10
(b) Financial assets				
(i) Trade receivables	15	13,494.02	11,320.66	6,420.38
(ii) Cash and cash equivalents	16	137.07	28.33	14.03
(iii) Other bank balances	17	882.25	773.60	508.93
(iv) Loans	11	4,894.08	2,011.79	24.72
(c) Other current assets	18	2,027.82	942.98	588.33
		<b>30,228.34</b>	<b>21,664.22</b>	<b>12,069.49</b>
<b>TOTAL ASSETS</b>		<b>38,306.64</b>	<b>29,513.82</b>	<b>24,275.62</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III Equity</b>				
(a) Equity share capital	19	1,503.07	1,478.07	1,408.07
(b) Other equity	20	11,922.81	9,091.48	6,823.53
<b>Total equity</b>		<b>13,425.88</b>	<b>10,569.55</b>	<b>8,231.60</b>
<b>LIABILITIES</b>				
<b>IV Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	809.71	996.53	6,206.31
(ii) Other Financial Liabilities	22	302.40	338.44	-
(b) Provisions	23	64.54	78.57	58.74
		<b>1,176.65</b>	<b>1,413.54</b>	<b>6,265.04</b>
<b>V Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	13,246.10	7,862.11	4,729.97
(ii) Trade payables	25	6,430.18	6,955.46	3,497.23
(iii) Other financial liabilities	26	428.87	537.03	554.93
(b) Other current liabilities	27	396.92	148.80	82.90
(c) Provisions	23	43.07	35.82	25.74
(d) Current Tax Liabilities (Net)	28	3,158.97	1,991.51	888.21
		<b>23,704.11</b>	<b>17,530.73</b>	<b>9,778.98</b>
<b>Total liabilities</b>		<b>24,880.76</b>	<b>18,944.27</b>	<b>16,044.02</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,306.64</b>	<b>29,513.82</b>	<b>24,275.62</b>

Summary of significant Accounting policies

3

The accompanying notes (1-55) are an integral part of the financial statements

As per our report of even date attached  
For Krishna Neeraj & Associates  
Chartered Accountants  
FRN: 023233N

For and on behalf of the Board of Directors

Krishna K. Neeraj  
Partner  
Membership No.: 506669

Amit Jain  
Managing Director  
DIN: 00041300

Vijay Kumar Gupta  
Whole-Time Director  
DIN: 00995523

Subodh Kumar Barnwal  
Company Secretary  
M. No.-21928

Rattan Lal Aggarwal  
C.F.O.

Place: New Delhi  
Date: 30-05-2018

## Statement of Profit & Loss

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars		Note	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue from operations	29	39,465.22	34,380.16
II	Other income	30	739.87	530.01
III	<b>Total income (I+II)</b>		<b>40,205.10</b>	<b>34,910.18</b>
IV	<b>Expenses</b>			
(a)	Cost of raw material consumed	31	27,975.79	24,525.50
(b)	Purchase of stock in trade		3,801.42	1,059.99
(c)	Changes in inventories of finished goods, stock in trade and work-in-progress	32	(1,031.33)	(1,245.62)
(d)	Excise duty on sale of goods		1,118.20	3,656.97
(e)	Employee benefit expense	33	478.62	423.23
(f)	Finance costs	34	2,070.22	1,364.47
(g)	Depreciation and amortization expense	35	140.05	133.88
(h)	Other expenses	36	2,095.84	1,644.97
	<b>Total expense</b>		<b>36,648.81</b>	<b>31,563.39</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>3,556.28</b>	<b>3,346.78</b>
VI	Exceptional items	37	-	0.73
VII	<b>Profit before tax (V+VI)</b>		<b>3,556.28</b>	<b>3,347.51</b>
VIII	<b>Income tax expense</b>			
(a)	Current tax		(1,177.34)	(1,030.95)
(b)	Deferred tax		(88.24)	(72.42)
	<b>Total tax expense</b>		<b>(1,265.58)</b>	<b>(1,103.37)</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>2,290.70</b>	<b>2,244.14</b>
X	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
(i)	Remeasurements of post-employment defined benefit obligations		(5.04)	0.10
(ii)	Change in fair value of FVOCI equity instruments		(0.06)	0.03
(iii)	Income tax effect		1.59	(0.04)
	<b>Other comprehensive income for the year, net of tax</b>		<b>(3.51)</b>	<b>0.09</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>2,287.19</b>	<b>2,244.23</b>
XII	<b>Earnings per share in Rs.</b>	42		
	Basic earnings per equity share		15.26	15.46
	Diluted earnings per equity share		15.26	15.39

Summary of significant Accounting policies

3

The accompanying notes (1-55) are an integral part of the financial statements

As per our report of even date attached  
For Krishna Neeraj & Associates  
Chartered Accountants  
FRN: 023233N

For and on behalf of the Board of Directors

Krishna K. Neeraj  
Partner  
Membership No.: 506669

Amit Jain  
Managing Director  
DIN: 00041300

Vijay Kumar Gupta  
Whole-Time Director  
DIN: 00995523

Place: New Delhi  
Date: 30-05-2018

Subodh Kumar Barnwal  
Company Secretary  
M. No.-21928

Rattan Lal Aggarwal  
C.F.O.

## Cash Flow Statement

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	31st March 2018	31st March 2017
<b>Cash flow from operating activities</b>		
<b>Profit after tax</b>	<b>2,290.70</b>	<b>2,244.14</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortization	140.05	133.88
(Profit)/Loss on sale of property, plant and equipment	-	(0.73)
Other comprehensive income	(3.51)	0.09
Deferred tax	86.65	5.15
Interest expense	2,070.22	1,364.47
Interest income	(647.66)	(472.74)
<b>Operating profit before working capital changes</b>	<b>3,936.45</b>	<b>3,274.27</b>
<b>Movements in working capital:</b>		
(Decrease)/increase in trade payables and other liabilities	(385.32)	3,506.23
(Decrease)/increase in short-term provisions	7.25	10.08
(Decrease)/increase liability for current tax	1,167.46	1,103.31
Decrease/(increase) in trade receivable	(2,173.36)	(4,900.28)
Decrease/(increase) in inventories	(2,206.24)	(2,073.75)
Decrease/(increase) in other bank balances	(108.65)	(264.67)
Decrease/(increase) in short term loans	(2,882.29)	(1,987.06)
Decrease/(increase) in other current assets	(1,084.85)	(354.65)
<b>Cash generated from operations</b>	<b>(3,729.55)</b>	<b>(1,686.54)</b>
Direct taxes paid	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(3,729.55)</b>	<b>(1,686.54)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(212.71)	(176.36)
Proceeds from sale of property, plant and equipment	-	4.75
Decrease/(increase) in non-current investments	(8.32)	(177.56)
(Decrease)/increase in long-term provisions	(14.03)	19.83
Decrease/(increase) in other non-current assets	13.99	24.14
Increase/(decrease) in other non-current Financial Liabilities	(36.05)	338.44
Decrease/(increase) in long term loans	(248.36)	4,300.97
Interest received	647.66	472.74
<b>Net cash flow from investing activities (B)</b>	<b>142.18</b>	<b>4,806.96</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	750.00	336.00
Proceeds/(Repayment) of long-term borrowings	(186.81)	(5,209.78)
Proceeds/(Repayment) of short-term borrowings	5,383.99	3,132.14
Equity Dividend including taxes thereon	(180.86)	-
Interest paid	(2,070.22)	(1,364.47)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>3,696.11</b>	<b>(3,106.12)</b>

## Cash Flow Statement

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	31st March 2018	31st March 2017
Summary of significant Accounting policies		
<b>Net increase/(decrease) in cash and cash equivalents (A + B +C)</b>	<b>108.74</b>	<b>14.30</b>
Cash and cash equivalents at the beginning of the year	28.33	14.03
<b>Cash and cash equivalents at the end of the year</b>	<b>137.07</b>	<b>28.33</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	24.77	25.15
Cheques/ drafts in hand		
With banks in current account	29.71	0.46
Unpaid dividend accounts	6.12	2.72
in deposit accounts	76.47	
<b>Total cash and cash equivalents [Refer Note No. 16]</b>	<b>137.07</b>	<b>28.33</b>

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Summary of significant Accounting policies

The accompanying notes (1-55) are an integral part of the financial statements

As per our report of even date attached

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

Krishna K. Neeraj

Partner

Membership No.: 506669

Place: New Delhi

Date: 30-05-2018

For and on behalf of the Board of Directors

Amit Jain

Managing Director

DIN: 00041300

Subodh Kumar Barnwal

Company Secretary

M. No.-21928

Vijay Kumar Gupta

Whole-Time Director

DIN: 00995523

Rattan Lal Aggarwal

C.F.O.



## Statement of changes in equity

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

(A) Equity share capital	Note	Nos.	Rs. in Lakh
<b>As at 1st April 2016</b>		14,077,457	1,407.75
Changes in equity share capital	19	700,000	70.00
<b>As at 31st March 2017</b>		14,777,457	1,477.75
Changes in equity share capital	19	250,000	25.00
<b>As at 31st March 2018</b>		15,027,457	1,502.75

### (B) Other equity

Particulars	Capital Redemption Reserve	Securities Premium	Retained Earnings	Share Warrant	FVOCI-Equity instruments	Total other equity
<b>Balance as at 1st April 2016</b>	80.00	3,493.05	3,138.44	112.00	0.04	6,823.53
Profit for the year	-	-	2,244.14	-	-	2,244.14
Other comprehensive income	-	-	0.07	-	0.02	0.09
<b>Total comprehensive income for the year</b>	-	-	2,244.21	-	0.02	2,244.23
Issue of equity shares	-	378.00	-	(112.00)	-	266.00
Income/Deferred Tax relating to earlier years	-	-	(242.28)	-	-	(242.28)
<b>Balance as at 31st March 2017</b>	80.00	3,871.05	5,140.37	-	0.06	9,091.48
<b>Balance as at 1st April 2017</b>	80.00	3,871.05	5,140.37	-	0.06	9,091.48
Profit for the year	-	-	2,290.70	-	-	2,290.70
Other comprehensive income	-	-	(3.47)	-	(0.04)	(3.51)
<b>Total comprehensive income for the year</b>	-	-	2,287.23	-	(0.04)	2,287.19
Equity Dividend including taxes thereon	-	-	(180.86)	-	-	(180.86)
Issue of equity shares	-	725.00	-	-	-	725.00
<b>Balance as at 31st March 2018</b>	80.00	4,596.05	7,246.74	-	0.02	11,922.81

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. Corporate information

CMI Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited in India. The registered office of the Company is located at Flat No. 501-503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001.

The Company is primarily engaged in the business of manufacture and sale of wires and cables such as Railway Signaling Cables, Control & Instrumentation Cables, Jelly Filled Telephone Cables, Power Cables and many other specialty cables.

These standalone financial statements are approved for issue by the Board of Directors on May 30, 2018.

### 2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), to the extent applicable, and the presentation requirements of the Companies Act, 2013. These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards with the date of transition as April 1, 2016. Refer Note No. 51 for information on how the Company adopted Ind AS.

The standalone financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees Lakh and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

### 3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the standalone financial statements.

#### a. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

**b. Current and non-current classification**

Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

**c. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

**Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual dispatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

**Rendering of services**

Revenue from services is recognised by reference to the stage of completion of work.

**d. Other Income****i. Interest Income**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

**ii. Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**iii. Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

**e. Property, plant and equipment**

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of property, plant and equipment relating to PVC Cable Division, where depreciation is provided using the written down value method (WDV).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

**f. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Software is amortized on a straight line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**g. Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**h. Inventories**

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**i. Borrowing Costs**

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

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

**j. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **k. Income taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

## I. Employee benefits

### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**m. Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**n. Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

#### **o. Financial instruments**

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

##### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **i. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

#### ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

### **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **i. Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

**ii. Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**p. Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

**q. Accounting for foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

**r. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**s. Dividends**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**t. Earnings per share****Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

**4. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Income taxes**

The Company is subject to income tax laws as applicable in India. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

### Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 38.

### Contingencies

Management judgement of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

## 5. Recent accounting pronouncements

### a. Ind AS 115 - Revenue from contract with customers:

Ind AS 115, Revenue from contracts with customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1st April 2018 and early application is not permitted.

The company is in the process of assessing the detailed impact of Ind AS 115. Presently, the company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

### b. Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1st April 2018. The company is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.



## 6. Merger of CMI Energy India Private Limited with the Company

The Company had previously filed the Scheme of Amalgamation of CMI Energy India Private Limited, wholly owned subsidiary company, with CMI Limited w.e.f. 01/03/2016, being the Appointed Date, before the Hon'ble NCLT, New Delhi under the channel of fast track merger. The Hon'ble NCLT, vide its Order dated 22nd December, 2017, has directed the Company to file application/ Scheme of Amalgamation in accordance with the provisions of Section 230 & 232 of the Companies Act, 2013. Accordingly, the Company has now submitted fresh application with Hon'ble NCLT for sanction of amalgamation of both the Companies.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 7 Property, plant and equipment

Particulars	Freehold Land	Factory Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Deemed Cost*</b>							
<b>At 1st April 2016</b>	1.75	73.82	1,106.25	45.55	123.48	348.72	1,699.57
Additions	-	13.84	66.09	0.73	9.70	71.70	162.06
Disposals / adjustments	-	-	(2.00)	-	-	(13.21)	(15.21)
<b>At 31st March 2017</b>	1.75	87.65	1,170.34	46.28	133.18	407.21	1,846.42
Additions	-	-	292.46	2.82	52.80	99.81	447.89
Disposals / adjustments	-	-	-	-	-	-	-
<b>At 31st March 2018</b>	1.75	87.65	1,462.80	49.10	185.98	507.03	2,294.30
<b>Depreciation*</b>							
<b>At 1st April 2016</b>	-	42.00	747.67	27.36	78.65	133.68	1,029.36
Charge for the year	-	2.23	40.49	3.74	21.92	43.19	111.57
Disposals / adjustments	-	-	(0.24)	-	-	(10.95)	(11.19)
<b>At 31st March 2017</b>	-	44.23	787.92	31.10	100.57	165.92	1,129.74
Charge for the year	-	2.40	38.94	2.99	20.26	53.15	117.74
Disposals / adjustments	-	-	-	-	-	-	-
<b>At 31st March 2018</b>	-	46.63	826.86	34.09	120.83	219.08	1,247.48
<b>Net Block</b>							
<b>At 1st April 2016</b>	1.75	31.82	358.58	18.20	44.82	215.04	670.21
<b>At 31st March 2017</b>	1.75	43.42	382.42	15.18	32.61	241.29	716.67
<b>At 31st March 2018</b>	1.75	41.02	635.94	15.01	65.15	287.95	1,046.82

Capital work-in-Progress	Rs. in lakh
<b>Deemed Cost*</b>	
<b>At 1st April 2016</b>	220.87
Add : Interest capitalised	16.15
Transfers	(1.84)
<b>At 31 March 2017</b>	235.18
Additions	-
Transfers	(235.18)
<b>At 31st March 2018</b>	-

\*The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value, as deemed cost, at the transition date.

Note: Property, plant and equipment have been mortgaged as security with banks against working capital credit facilities of the Company.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 8 Investment Property

Particulars	Rs. in lakh
<b>Deemed Cost*</b>	
At 1st April 2016	959.26
Additions	-
Disposals / adjustments	-
At 31 March 2017	959.26
Additions	-
Disposals / adjustments	-
At 31 March 2018	959.26
<b>Depreciation*</b>	
At 1st April 2016	3.53
Charge for the year	4.99
Disposals / adjustments	-
At 31st March 2017	8.52
Charge for the year	4.99
Disposals / adjustments	-
At 31st March 2018	13.51
<b>Net Block</b>	
At 1st April 2016	955.73
At 31st March 2017	950.74
At 31st March 2018	945.75

\*The Company has elected to measure all of its Investment Property at their previous GAAP carrying value, as deemed cost, at the transition date.

Note: Investment Property have been mortgaged as security with banks against specific term loans of the Company.

#### (i) Fair Value of investment property

Particulars	Rs. in lakh
At 1st April 2016	1,070.09
At 31st March 2017	1,076.53
At 31st March 2018	1,089.43

These values are based on valuations performed by independent valuers on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in "Note 48".

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### (ii) Amount recognised in statement of profit & loss for investment property

Particulars	31st March 2018	31st March 2017
Rental Income derived from Investment Property	21.90	24.60
Direct operating expenses (including repairs & maintenance) for property that generated rental income	(9.14)	(9.83)
Direct operating expenses (including repairs & maintenance) for property that did not generate rental income	-	-
Profit arising from investment properties before depreciation	12.76	14.77
Less: Depreciation	(4.99)	(4.99)
<b>Profit arising from Investment Property</b>	<b>7.77</b>	<b>9.78</b>

Fair value hierarchy disclosures for investment property have been provided in "Note 48".

### 9 Intangible assets \*

Particulars	Computer Software
<b>Deemed Cost*</b>	
At 1st April 2016	69.27
Additions	-
Disposals / adjustments	-
At 31st March 2017	69.27
Additions	-
Disposals / adjustments	-
At 31st March 2018	69.27
<b>Amortization*</b>	
At 1st April 2016	18.21
Charge for the year	17.32
Disposals / adjustments	-
At 31st March 2017	35.53
Charge for the year	17.32
Disposals / adjustments	-
At 31st March 2018	52.85
<b>Net block</b>	
At 1st April 2016	51.05
At 31st March 2017	33.74
At 31st March 2018	16.42

\*The Company has elected to measure all of its Intangible assets at their previous GAAP carrying value, as deemed cost, at the transition date.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>10 Financial assets - Investments</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>(A) Investment in Subsidiary</b>			
<b>Equity instruments (unquoted)</b>			
1,25,31,617 (31st March 2017: 1,25,31,617, 1st April 2016: 1,25,31,617) Equity Shares of CMI Energy India Pvt. Ltd. of Rs. 100 each fully paid up*	1,225.56	1,217.18	1,039.65
<b>(B) Investments - Others</b>			
<b>Investments at fair value through OCI (fully paid)</b>			
<b>Equity instruments (Quoted)</b>			
300 (31st March 2017: 300, 1st April 2016: 300) Equity Shares of Dena Bank of Rs. 10 each fully paid up	0.06	0.11	0.09
<b>Total</b>	<b>1,225.61</b>	<b>1,217.29</b>	<b>1,039.73</b>

\* Including equity component of loan given to subsidiary and corporate guarantee given against credit facilities availed by the subsidiary.

Aggregate amount of quoted investments	0.05	0.05	0.05
Aggregate market value of quoted investments	0.06	0.11	0.09
Aggregate amount of unquoted investments	1,225.56	1,217.18	1,039.65
Aggregate amount of impairment in value of investments	-	-	-

<b>11 Financial assets - Loans</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>(a) Non-Current Loans (Unsecured, Considered Good)</b>			
Loans to related parties (subsidiary)	4,622.51	4,388.91	8,686.32
Security Deposits *	5.06	15.19	14.93
Loans and advances to employees	25.76	0.88	4.70
<b>Total Non-Current Loans</b>	<b>4,653.33</b>	<b>4,404.97</b>	<b>8,705.95</b>
<b>(b) Current Loans (Unsecured, Considered Good)</b>			
Advances to related parties (subsidiary)	4,844.85	1,995.14	-
Advances Recoverable	37.43	16.65	24.12
Security Deposits	11.80	-	0.60
<b>Total Current Loans</b>	<b>4,894.08</b>	<b>2,011.79</b>	<b>24.72</b>

\* Security deposit are financial assets and are refundable in cash. These are measured based on effective interest method.



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

12 (a) Deferred Tax (Net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Deferred tax assets relate to the following:</b>			
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	-	-	108.88
Fair Valuation of Assets/ Liabilities	188.84	268.54	305.87
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	40.54	42.31	87.73
<b>Total (A)</b>	<b>229.38</b>	<b>310.85</b>	<b>502.48</b>
<b>Deferred tax liabilities relate to the following:</b>			
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation for financial reporting	73.99	69.11	-
Fair Valuation of Assets/ Liabilities	3.69	3.38	16.69
<b>Total (B)</b>	<b>77.67</b>	<b>72.49</b>	<b>16.69</b>
<b>Deferred Tax Assets/(Liabilities) (Net) [C=A-B]</b>	<b>151.71</b>	<b>238.36</b>	<b>485.79</b>

(b) Reconciliation of deferred tax	As at 31st March 2018	As at 31st March 2017
Opening Deferred Tax Assets/(Liabilities)	238.36	485.79
Reversal of Deferred Tax relating to earlier years	-	(174.97)
Deferred tax credit/ (charge) recorded in statement of profit & loss	(88.24)	(72.42)
Deferred tax credit/ (charge) recorded in OCI	1.59	(0.04)
<b>Closing Deferred Tax Assets/(Liabilities)</b>	<b>151.71</b>	<b>238.36</b>

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	As at 31st March 2018	As at 31st March 2017
Accounting profit before income tax	3,556.28	3,347.51
At India's statutory income tax rate of 34.608% (31st March 2017: 34.608%)	1,230.76	1,158.51
Adjustments in respect of current income tax of previous years	26.78	-
Impact of change in tax rate (on deferred tax)	1.46	-
Impact of permanent disallowances under Income Tax Act	22.97	21.09
Others	(16.39)	(76.23)
<b>At the effective income tax rate of 35.59% (31st March 2017: 32.96%)</b>	<b>1,265.58</b>	<b>1,103.37</b>

13 Other Non-Current Assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital advances (Unsecured, Considered good)	35.80	52.20	75.29
Prepaid expenses*	2.86	0.44	1.50
<b>Total</b>	<b>38.66</b>	<b>52.65</b>	<b>76.79</b>

\*Prepaid expenses due to fair valuation of security deposits and advance to employees.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

14 Inventories	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>(Valued at lower of cost and net realizable value)</b>			
Raw Materials*	3,124.52	1,964.98	1,129.35
Work-in-Progress	5,154.02	4,450.12	3,097.54
Finished Goods	445.74	118.32	225.28
Stores and Spares	68.81	53.44	60.94
<b>Total</b>	<b>8,793.10</b>	<b>6,586.86</b>	<b>4,513.10</b>

\*Raw materials include Goods-in-Transit Rs.97.94 lakh (31st March 2017: Rs 99.47 lakh, 1st April 2016: Nil)

Note: Inventories have been hypothecated as security with banks against working capital credit facilities of the Company.

15 Financial assets - Trade receivables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade receivables	13,494.02	11,320.66	6,420.38
<b>Break-up of security details</b>			
Secured, considered good	-	-	-
Unsecured, considered good	13,494.02	11,320.66	6,420.38
Doubtful	-	-	-
<b>Total</b>	<b>13,494.02</b>	<b>11,320.66</b>	<b>6,420.38</b>
Less: Allowance for bad and doubtful debts	-	-	-
<b>Total</b>	<b>13,494.02</b>	<b>11,320.66</b>	<b>6,420.38</b>

Note: Trade receivables have been hypothecated with banks against working capital credit facilities of the Company.

16 Financial assets - Cash and cash equivalents	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Balances with banks:</b>			
-In current accounts	29.71	0.46	2.24
-In unpaid dividend accounts	6.12	2.72	2.89
-Deposits with original maturity of 3 months or less (including interest accrued thereon)@	76.47	-	-
Cash in hand	24.77	25.15	8.90
<b>Total</b>	<b>137.07</b>	<b>28.33</b>	<b>14.03</b>

@ Deposits are under bank lien for margin against non-fund based working capital credit facilities.

17 Financial assets - Other Bank Balances	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon)#	882.25	773.60	508.93
<b>Total</b>	<b>882.25</b>	<b>773.60</b>	<b>508.93</b>

# Deposits are under bank lien for margin against non-fund based working capital credit facilities.

18 Other current assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances to supplier and vendors	1,835.13	776.10	479.58
Balances with government authorities	151.08	158.22	94.70
Prepaid expenses	41.61	8.66	14.04
<b>Total</b>	<b>2,027.82</b>	<b>942.98</b>	<b>588.33</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

19 Share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Authorised Share Capital</b>			
25,000,000 (31 March 2017: 25,000,000, 1 April 2016: 25,000,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00	2,500.00
<b>Total</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
15,027,457 (31 March 2017: 14,777,457, 1 April 2016: 14,077,457) Equity Shares of Rs. 10 each, fully paid up	1,502.75	1,477.75	1,407.75
Add: Forfeited Shares - Amount Originally Paid up	0.33	0.33	0.33
<b>Total</b>	<b>1,503.07</b>	<b>1,478.07</b>	<b>1,408.07</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2018		As at 31st March 2017	
	No.	Rs. in Lakh	No.	Rs. in Lakh
Equity Shares at the beginning of the year	14,777,457	1,477.75	14,077,457	1,407.75
Add : Shares issued on exercise of preferential allotment during the year	250,000	25.00	700,000	70.00
Equity Shares at the end of the year	15,027,457	1,502.75	14,777,457	1,477.75

#### Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### (b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
Amit Jain	5,093,877	33.90%	5,093,877	34.47%	5,093,877	36.18%
GMO Emerging Domestic Opportunities Fund	1,206,095	8.03%	1,178,365	7.97%	1,178,365	8.37%
<b>Total</b>	<b>6,299,972</b>	<b>41.92%</b>	<b>6,272,242</b>	<b>42.44%</b>	<b>6,272,242</b>	<b>44.56%</b>

### (c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2018

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
- Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received in cash	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil	Nil	Nil	Nil

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

20	Other Equity	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Capital Redemption Reserve	80.00	80.00	80.00
	Share Warrant	-	-	112.00
	Securities Premium	4,596.05	3,871.05	3,493.05
	Retained earnings	7,246.74	5,140.37	3,138.44
	Other Reserve	0.02	0.06	0.04
	<b>Total</b>	<b>11,922.81</b>	<b>9,091.48</b>	<b>6,823.53</b>
<b>(i)</b>	<b>Capital Redemption Reserve</b>	<b>80.00</b>	<b>80.00</b>	
<b>(ii)</b>	<b>Share Warrant</b>			
	Opening Balance	-	112.00	
	Less : Issue of equity shares	-	(112.00)	
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	
<b>(iii)</b>	<b>Securities Premium</b>			
	Opening Balance	3,871.05	3,493.05	
	Add : Addition on Issue of equity shares	725.00	378.00	
	<b>Closing Balance</b>	<b>4,596.05</b>	<b>3,871.05</b>	
<b>(iv)</b>	<b>Retained earnings</b>			
	Opening Balance	5,140.37	3,138.44	
	Add : Profit for the year	2,290.70	2,244.14	
	Add : Remeasurement of post employment benefit obligation, net of tax	(3.47)	0.07	
	Less: Income/Deferred Tax relating to earlier years	-	(242.28)	
	Less: Equity Dividend including taxes thereon	(180.86)	-	
	<b>Closing Balance</b>	<b>7,246.74</b>	<b>5,140.37</b>	
<b>(v)</b>	<b>Other Reserves</b>			
	Opening Balance	0.06	0.04	
	Add : Change in fair value equity instruments measured at FVOCI	(0.04)	0.02	
	<b>Closing Balance</b>	<b>0.02</b>	<b>0.06</b>	

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

21 Financial liabilities - Non-Current Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured Loans</b>			
Term Loans from Banks	540.55	542.01	747.82
Term Loans from Others	370.59	391.64	4,907.42
<b>Total (A)</b>	<b>911.15</b>	<b>933.65</b>	<b>5,655.24</b>
<b>Unsecured Loans</b>			
Term Loans from Others	37.34	83.42	24.98
Loans from Directors	-	123.20	849.40
<b>Total (B)</b>	<b>37.34</b>	<b>206.62</b>	<b>874.38</b>
<b>Total Borrowings [C=A+B]</b>	<b>948.49</b>	<b>1,140.27</b>	<b>6,529.62</b>
<b>Current Maturities (included in Note No. : 26)</b>	<b>138.78</b>	<b>143.75</b>	<b>323.31</b>
<b>Non-current</b>	<b>809.71</b>	<b>996.53</b>	<b>6,206.31</b>

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Term loans from banks are repayable in monthly/quarterly installments. The loans are secured by way of first charge on fixed assets of the Company and further secured by personal guarantee of Mr. Amit Jain.

Term loans from Others include loans from NBFCs are repayable in monthly installments. The loans are secured by way of first charge on specific fixed assets of the Company and further secured by personal guarantee of Mr. Amit Jain.

22 Other Financial Liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Financial Guarantee Obligation	338.44	370.78	-
<b>Total</b>	<b>338.44</b>	<b>370.78</b>	<b>-</b>
<b>Current (included in Note no. : 26)</b>	<b>36.05</b>	<b>32.34</b>	<b>-</b>
<b>Non-current</b>	<b>302.40</b>	<b>338.44</b>	<b>-</b>

23 Provisions	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity	85.87	101.92	74.53
Provision for Leave Encashment	21.74	12.47	9.94
<b>Total</b>	<b>107.61</b>	<b>114.39</b>	<b>84.48</b>
<b>Current</b>	<b>43.07</b>	<b>35.82</b>	<b>25.74</b>
<b>Non-current</b>	<b>64.54</b>	<b>78.57</b>	<b>58.74</b>



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

24 Current borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured Loans</b>			
Working capital facilities from Banks	9,444.61	5,907.09	3,262.21
Working capital facilities from Others	1,760.61	-	-
<b>Unsecured Loans</b>			
Bills discounted from Bank	1,996.64	1,955.02	1,467.76
Loan from Directors	44.25	-	-
<b>Total</b>	<b>13,246.10</b>	<b>7,862.11</b>	<b>4,729.97</b>

**Note:**

i) Working Capital facilities from Banks and Others are secured by way of first pari-passu charge on current assets of the company, both present and future, and first pari-passu charge on land & building and movable fixed assets of the company located at Faridabad (Haryana) and these facilities are further secured by collaterals given by directors and their friends and relatives with their personal guarantees.

ii) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

25 Financial liabilities - Trade Payables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
Total outstanding dues of micro & small enterprises*	-	-	0.67
Others	6,430.18	6,955.46	3,496.56
<b>Total</b>	<b>6,430.18</b>	<b>6,955.46</b>	<b>3,497.23</b>

\*Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. Nil (31st March 2017: Rs. Nil, 1st April 2016: Rs. 0.67 lakh). In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

26 Other financial liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturities of Non-Current Borrowings (refer to Note no.: 21)	138.78	143.75	323.31
Unclaimed Dividend	6.12	2.72	2.89
Interest accrued but not due on borrowings	8.89	8.43	73.33
Financial Guarantee Obligation (refer to Note no.: 22)	36.05	32.34	-
Other Payables	239.03	349.79	155.40
<b>Total</b>	<b>428.87</b>	<b>537.03</b>	<b>554.93</b>

27 Other current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory Dues	195.76	38.29	62.84
Advance from customers	201.16	110.51	20.05
<b>Total</b>	<b>396.92</b>	<b>148.80</b>	<b>82.90</b>

28 Current Tax Liabilities (Net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Income Tax Payable (Net)#</b>	<b>3,158.97</b>	<b>1,991.51</b>	<b>888.21</b>

# Current tax liabilities for the financial year 2017-18, 2016-17 & 2015-16 have been provided in the books of accounts, however, upon sanction of the scheme of amalgamation between CMI Limited and CMI Energy India Private Limited with effect from 01/03/2016, being the Appointed Date, no such tax liability shall be payable by the Company because of the availability of benefit of Brought Forward Tax Losses and Unabsorbed Depreciation of CMI Energy India Private Limited to the Company under the provisions of the Income Tax Act, 1961.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>29 Revenue from operations</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Sales of Products (Including Excise Duty)	39,465.22	34,380.16
<b>Total</b>	<b>39,465.22</b>	<b>34,380.16</b>
<b>30 Other Income</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Duty Drawback	0.06	0.42
Interest Received	331.53	165.99
Interest Income from financial assets carried at amortised cost	316.12	306.75
Freight & Cartage Outward Recovered (Net)	47.62	-
Rent received	22.92	25.03
Miscellaneous Receipts	21.61	31.82
<b>Total</b>	<b>739.87</b>	<b>530.01</b>
<b>31 Cost of Raw Material Consumed</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Raw Material</b>		
Opening Stock	1,964.98	1,129.35
Add: Purchases	28,856.07	25,046.92
Less: Closing Stock	(3,124.52)	(1,964.98)
<b>Total (A)</b>	<b>27,696.53</b>	<b>24,211.29</b>
<b>Stores, Spares and Packing Materials</b>		
Opening Stock	53.44	60.94
Add: Purchases	294.63	306.71
Less: Closing Stock	(68.81)	(53.44)
<b>Total (B)</b>	<b>279.26</b>	<b>314.21</b>
<b>Total Cost of Raw Material Consumed [A+B]</b>	<b>27,975.79</b>	<b>24,525.50</b>
<b>32 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Opening Stock of Finished Goods	118.32	225.28
Less: Closing Stock of Finished Goods	(445.74)	(118.32)
<b>Total (A)</b>	<b>(327.43)</b>	<b>106.97</b>
Opening Stock of Work-in-Progress	4,450.12	3,097.54
Less: Closing Stock of Work-in-Progress	(5,154.02)	(4,450.12)
<b>Total (B)</b>	<b>(703.90)</b>	<b>(1,352.58)</b>
<b>Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]</b>	<b>(1,031.33)</b>	<b>(1,245.62)</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>33 Employee Benefit Expenses</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Director's Remuneration	72.08	50.54
Salaries, Wages, Bonus and Other Benefits	358.18	335.43
Contribution to Provident and Other Funds	30.76	25.80
Workmen and Staff Welfare Expenses	17.60	11.47
<b>Total</b>	<b>478.62</b>	<b>423.23</b>
<b>34 Finance Costs</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Interest Expenses	1,932.50	1,153.79
Other Financial Charges	137.72	210.69
<b>Total</b>	<b>2,070.22</b>	<b>1,364.47</b>
<b>35 Depreciation and amortization expenses</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Depreciation on Property, Plant & Equipment (Read with Note No. 7)	117.74	111.57
Depreciation on Investment Property (Read with Note No. 8)	4.99	4.99
Amortisation of Intangible assets (Read with Note No. 9)	17.32	17.32
<b>Total</b>	<b>140.05</b>	<b>133.88</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>36 Other Expenses</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Manufacturing Expenses</b>		
Power & Fuel Charges	222.98	213.26
Job Work Charges	321.04	419.49
Other Manufacturing Expenses	156.33	112.54
Repairs to Building	68.06	36.23
Repair and Maintenance Other Assets	9.69	4.50
Repairs to Plant and Machinery	114.53	131.90
<b>Total (A)</b>	<b>892.64</b>	<b>917.92</b>
<b>Administrative and Selling Expenses</b>		
Audit fees	3.00	2.00
Computer Expenses	5.07	2.91
Conveyance Expenses	24.35	21.81
Donation	2.95	4.41
Fees, Rates and Taxes	11.97	10.72
Festival Expenses	4.23	1.84
Freight & Cartage Outward (Net)	-	26.17
Insurance Charges	13.09	10.95
Legal & Professional Fees	294.74	117.59
Listing Compliance & Fees	7.14	17.88
Meeting Expenses	10.77	12.82
Misc. Expenses	20.77	10.80
Contract Services	33.00	29.50
Postage & Courier Charges	2.16	2.27
Printing & Stationery	6.77	6.31
Penalty and Fines	5.98	0.81
Rent	85.07	92.42
Security Service Charges	7.07	4.62
Service Tax on Freight	7.11	11.50
Telephone and Telecommunication Charges	11.73	12.05
Tour and Travelling Expenses	88.75	65.66
Amounts written off	86.77	33.94
Corporate Social Responsibility expenses*	35.49	2.18
Selling Expenses	435.23	225.89
<b>Total (B)</b>	<b>1,203.20</b>	<b>727.05</b>
<b>Total Other Expenses [C=A+B]</b>	<b>2,095.84</b>	<b>1,644.97</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>37 Exceptional Items</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Profit on Sale of Property, plant and equipment (Net)	-	0.73
<b>Total</b>	<b>-</b>	<b>0.73</b>
<b>Payment to auditor</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
i) Audit fees	3.00	2.00
ii) Fees for income tax matters	-	0.50
iii) Certification charges & others	0.50	2.15
<b>Total</b>	<b>3.50</b>	<b>4.65</b>
<b>*Corporate Social Responsibility Expenses</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	43.02	24.30
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above	35.49	2.18

### 38 Employee benefit obligations

#### (A) Defined benefit plans

Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### (i) Changes in the present value of the defined benefit obligation are as follows:

<b>Particulars</b>	<b>Gratuity Funded</b>	<b>Leave Encashment</b>
<b>Defined benefit obligation as at 1st April 2016</b>	<b>92.06</b>	<b>9.94</b>
Interest expense	6.90	0.75
Current service cost	5.15	1.54
Benefits paid	-	(1.98)
Actuarial (gain)/ loss	(2.19)	2.22
<b>Defined benefit obligation as at 31st March 2017</b>	<b>101.92</b>	<b>12.47</b>
Interest expense	7.90	0.97
Current service cost	11.28	7.16
Benefits paid	(16.55)	(3.61)
Actuarial (gain)/ loss	0.29	4.75
<b>Defined benefit obligation as at 31st March 2018</b>	<b>104.84</b>	<b>21.74</b>



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

(ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	92.06	9.94
Fair value of plan assets	17.52	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 1st April 2016</b>	<b>74.53</b>	<b>9.94</b>
Present value of obligation	101.92	12.47
Fair value of plan assets	-	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2017</b>	<b>101.92</b>	<b>12.47</b>
Present value of obligation	104.84	21.74
Fair value of plan assets	18.97	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2018</b>	<b>85.87</b>	<b>21.74</b>

(iii) Amount recognised in Statement of Profit and Loss:

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	6.90	0.75
Current service cost	5.15	1.54
Expected return on plan asset	(1.31)	-
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2017</b>	<b>10.74</b>	<b>2.28</b>
Interest Cost	7.90	0.97
Current service cost	11.28	7.16
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2018</b>	<b>19.18</b>	<b>8.12</b>

(iv) Amount recognised in Other Comprehensive Income:

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	(2.19)	2.22
Actuarial (gain)/ loss on plan assets	(0.13)	-
<b>Amount recognised in Other Comprehensive Income for year ended 31 March 2017</b>	<b>(2.32)</b>	<b>2.22</b>
Actuarial (gain)/ loss on obligations	0.29	4.75
Actuarial (gain)/ loss on plan assets	-	-
<b>Amount recognised in Other Comprehensive Income for year ended 31st March 2018</b>	<b>0.29</b>	<b>4.75</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**(v) Changes in the fair value of plan assets are as follows:**

Particulars	Gratuity Funded	Leave Encashment
<b>Fair value of plan assets as at 1st April 2016</b>	17.52	-
Expected return on plan assets	1.31	-
Actuarial gain/(loss)	0.13	-
<b>Fair value of plan assets as at 31 March 2017</b>	<b>18.97</b>	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
<b>Fair value of plan assets as at 31 March 2018</b>	<b>18.97</b>	-

**(vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Investment Details</b>	<b>Gratuity</b>	<b>Gratuity</b>	<b>Gratuity</b>
Investment with Insurer	100%	100%	100%

**(vii) The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are shown below:**

Gratuity & Leave Encashment			
Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Average Past Service (Years)	10.60	22.30	22.50
Average remaining working life (Years)	16.90	9.20	9.00
Average Age (Years)	41.10	48.80	49.00
Weighted average duration (Years) - Gratuity	6.00	5.00	4.00
Weighted average duration (Years) - Leave Encashment	13.00	10.00	7.00
Discounting rate	7.75% PA	7.50% PA	8.00% PA
Salary Growth Rate	5.00% PA	5.00% PA	5.00% PA

**(viii) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	31st March, 2018		31st March, 2017	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	101.28	20.44	98.78	11.91
Liability with 1% decrease in Discount Rate	108.79	23.22	105.33	13.09
Liability with 1% increase in Salary Growth Rate	108.86	23.25	105.38	13.10
Liability with 1% decrease in Salary Growth Rate	101.16	20.40	98.68	11.90

<b>(B) Defined contribution plans</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Employer's Contribution to Provident Fund	7.52	6.27
Employer's Contribution to ESI	4.15	3.24
Employer's Contribution to NPS	16.59	13.84
<b>Total</b>	<b>28.25</b>	<b>23.35</b>

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 39 Segment information

The Company's operations predominately relate to Cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

#### Geographical Information

Particulars	31st March 2018	31st March 2017
<b>1. Revenue from external customers</b>		
- Within India	39,465.22	34,244.32
- Outside India	-	135.84
<b>Total revenue per statement of profit and loss</b>	<b>39,465.22</b>	<b>34,380.16</b>

The revenue information above is based on the locations of the customers

#### 2. Non-current operating assets

- Within India	2,008.99	1,936.33
- Outside India	-	-
<b>Total</b>	<b>2,008.99</b>	<b>1,936.33</b>

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

### 40 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

#### (a) Subsidiary Companies :

CMI Energy India Private Limited  
CMI Agro Limited (step down subsidiary)

#### (b) Key Management Personnel (KMP):

Mr. Amit Jain	Chairman cum Managing Director
Mr. V. K. Gupta	Whole Time Director
Mr. Pyare Lal Khanna	Non-Executive Independent Director
Mr. Ramesh Chand	Non-Executive Independent Director (resigned w.e.f 29.03.2018)
Mr. Manoj Bishan Mittal	Non-Executive Independent Director
Mr. Kishor Punamchand Ostwal	Non-Executive Independent Director
Mrs. Archana Bansal	Non-Executive Independent Director
Mr. Ghan Shyam Dass	Chief Financial Officer (Upto 04.12.2016)
Mr. Rattan Lal Aggarwal	Chief Financial Officer (From 05.12.2016)
Mr. Subodh Kumar Barnwal	Company Secretary

#### (c) Enterprises over which KMP/ relatives of KMP exercise significant influence:-

Wire House	A proprietorship concern of a relative of director of the company.
Dhruv Cables & Conductors	A partnership concern in which a director of the company is a partner.
Parshwanath Cables Pvt. Ltd.	A company in which a relative of a director is director.
Robotech Pvt. Ltd.	A company in which a director of the company is a director.
Himani Metals LLP	A partnership concern in which a director of the company is a partner.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term Employee Benefits	-	-	124.30	111.35	-	-	124.30	111.35
Interest Paid/Payable	-	-	-	17.63	-	-	-	17.63
Lease Rent Paid/Payable	-	-	3.00	3.00	-	-	3.00	3.00
Interest Received/Receivable	241.83	603.09	-	-	-	-	241.83	603.09
Reimbursement of Expenses	439.62	297.21	-	-	-	-	439.62	297.21
Rent Received/Receivable	0.14	0.13	-	-	25.59	4.50	25.73	4.63
Job Work Charges Paid/Payable	123.31	50.60	-	-	20.92	26.39	144.23	76.99
Purchases	1,387.67	37.09	-	-	3,593.33	56.69	4,981.00	93.78
Sales	3,485.05	1,313.56	-	-	4,474.77	263.96	7,959.82	1,577.52
Sale of PPE	-	1.18	-	-	-	-	-	1.18
Purchase of PPE	16.27	-	-	-	-	-	16.27	-
<b>FINANCE</b>								
Unsecured Loans Received	-	-	429.50	1,224.60	-	-	429.50	1,224.60
Unsecured Loans Paid back	-	-	508.45	1,950.80	-	-	508.45	1,950.80
Unsecured Loans Received Back	-	4,788.00	-	-	-	-	-	4,788.00
Short Term Loans Paid	20,269.38	4,279.06	-	-	-	-	20,269.38	4,279.06
Short Term Loans Received Back	17,419.67	2,283.92	-	-	-	-	17,419.67	2,283.92
Advances Paid	-	-	-	-	14.90	1,150.00	14.90	1,150.00
Advances Received Back	-	-	-	-	14.90	1,150.00	14.90	1,150.00
Corporate guarantee given	3,596.39	6,788.10	-	-	-	-	3,596.39	6,788.10
<b>YEAR END BALANCES</b>								
Closing Debit Balances	9,467.36	6,384.05	-	-	-	-	9,467.36	6,384.05
Closing Credit Balances	-	-	47.83	130.23	95.92	8.71	143.75	138.94

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil, 1 April 2016: Nil)

### 41 Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March 2018	31st March 2017
<b>(a) Loan given by the Company for general business purposes as at balance sheet date:</b>		
CMI Energy India Private Limited	9,467.36	6,384.05
<b>(b) Corporate guarantee given by the Company as at balance sheet date:</b>		
For securing the credit facilities sanctioned to subsidiary company (CMI Energy India Private Limited)	10,384.49	6,788.10

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 42 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31st March 2018	31st March 2017
Profit for the year	2,290.70	2,244.14
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	15,015,813	14,520,471
Effect of dilution	-	64,246
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	15,015,813	14,584,717
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	15.26	15.46
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	15.26	15.39

### 43 Leases

#### Operating Lease

##### Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

##### Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

#### Finance Lease

The company does not have any finance lease as at March 31, 2018.

### 44 Capital commitments

Particulars	31st March 2018	31st March 2017	1st April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-

### 45 Contingent Liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below :

Nature of Liability	31st March 2018	31st March 2017	1st April 2016
i) Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	2,681.57	3,061.68	1,372.04
ii) Pending suit in court filed by parties for alleged demand for recovery	64.36	64.36	64.36
Corporate Guarantee given on behalf of subsidiary for loans taken from bank/financial institution (to the extent of loans outstanding as at balance sheet date)	8,193.16	6,772.99	-



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 46 Dividend

Distribution Made and Proposed	31st March 2018	31st March 2017
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 March 2017: Rs. 1.00 per share (31 March 2016: Rs. Nil)	150.27	-
Dividend Distribution Tax on final dividend	30.59	-
	<b>180.87</b>	<b>-</b>
<b>Proposed dividends on Equity shares:</b>		
Final cash dividend for the year ended on 31 March 2018: Rs. 1.00 per share (31 March 2017: Rs. 1.00 per share)	150.27	150.27
Dividend Distribution Tax on proposed dividend	30.59	30.59
	<b>180.87</b>	<b>180.87</b>

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at 31 March.

### 47 Derivatives Instruments

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

#### (a) Foreign currency receivables as at the reporting date:

Particulars	Currency	31st March 2018	31st March 2017	1st April 2016
Export of goods	US\$	0.04	0.47	1.76
	Rs.	3.52	33.68	117.92
Advances to suppliers	US\$	-	0.18	0.01
	Rs.	-	11.61	0.54
	EUR	-	0.09	-
	Rs.	-	6.48	-

#### (b) Foreign currency payable as at the reporting date:

Particulars	Currency	31st March 2018	31st March 2017	1st April 2016
Import of goods	US\$	4.29	18.46	34.27
	Rs.	279.05	1,162.63	2,260.61

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 48 Financial Instruments measurements and disclosures

#### (a) Financial instruments by category :

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
<b>Non-current</b>									
Investment	-	0.06	-	-	0.11	-	-	0.09	-
Loans	-	-	4,653.33	-	-	4,404.97	-	-	8,705.95
<b>Current</b>									
Trade receivables	-	-	13,494.02	-	-	11,320.66	-	-	6,420.38
Cash and cash equivalents	-	-	137.07	-	-	28.33	-	-	14.03
Other bank balances	-	-	882.25	-	-	773.60	-	-	508.93
Loans	-	-	4,894.08	-	-	2,011.79	-	-	24.72
<b>Total</b>	-	<b>0.06</b>	<b>24,060.75</b>	-	<b>0.11</b>	<b>18,539.36</b>	-	<b>0.09</b>	<b>15,674.01</b>
<b>Financial liabilities</b>									
<b>Non-current</b>									
Borrowings	-	-	809.71	-	-	996.53	-	-	6,206.31
Other Financial Liabilities	-	-	302.40	-	-	338.44	-	-	-
<b>Current</b>									
Borrowings	-	-	13,246.10	-	-	7,862.11	-	-	4,729.97
Trade payables	-	-	6,430.18	-	-	6,955.46	-	-	3,497.23
Other financial liabilities	-	-	428.87	-	-	537.03	-	-	554.93
<b>Total</b>	-	-	<b>21,217.26</b>	-	-	<b>16,689.57</b>	-	-	<b>14,988.44</b>

#### (b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

#### (c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value in an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

The following table presents assets and liabilities measured at fair value at 31 March 2018 and 31 March 2017:

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets for which fair values are disclosed</b>						
Investment Property	-	1,089.43	-	-	1,076.53	-
<b>Financial assets:</b>						
<b>Measured at fair value</b>						
<b>Financial investments at FVTOCI</b>						
Listed Equity investments	0.06	-	-	0.11	-	-
<b>Financial assets at amortised cost</b>						
Advances to related parties	-	-	4,622.51	-	-	4,388.91
Loans to employees	-	-	25.76	-	-	0.88
Security Deposits	-	-	5.06	-	-	15.19
	0.06	-	4,653.33	0.11	-	4,404.97
<b>Financial liabilities:</b>						
<b>Measured at fair value</b>						
<b>Financial liabilities at amortised cost</b>						
Borrowings	-	14,194.59	-	-	9,002.38	-
Financial Guarantee Obligation	-	-	338.44	-	-	370.78
	-	14,194.59	338.44	-	9,002.38	370.78

There are no transfers among levels 1, 2 and 3 during the year.

### 49 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, bank balances and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity	Increase / Decrease in Basis points	Effect on profit before tax
<b>31-Mar-18</b>		
MCLR	+50	(60.77)
MCLR	-50	60.77
<b>31-Mar-17</b>		
MCLR	+50	34.62
MCLR	-50	(34.62)

Sensitivity is calculated based on the assumption that amounts outstanding as at reporting date were utilised for the entire financial year.

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has sales and purchases from outside India. The Company has transactional currency exposures arising from sales and purchases by an operating unit in currencies other than the unit's functional currency.

Exposures in foreign currency are managed through a natural hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures.

The following table demonstrates the sensitivity to a reasonably possible change in US\$ and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variables held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows:

Unhedged foreign currency sensitivity	Changes in US\$	Effect on profit before tax	Changes in EUR	Effect on profit before tax
<b>31-Mar-18</b>	+5%	(13.78)	+5%	-
	-5%	13.78	-5%	-
<b>31-Mar-17</b>	+5%	(55.87)	+5%	0.32
	-5%	55.87	-5%	(0.32)
<b>1-Apr-16</b>	+5%	(107.11)	+5%	-
	-5%	107.11	-5%	-

### (iii) Price risk

#### Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the Company enters into contracts to purchase copper.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### (a) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was Rs. Nil.

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on the assessment performed, the management does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

### (c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants.

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

#### As at 31-March-2018

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	14,194.59	11,249.46	2,135.42	809.71	-
Trade payables	6,430.18	-	6,430.18	-	-
Other Financial liabilities	592.49	-	290.09	302.40	-
<b>Total</b>	<b>21,217.26</b>	<b>11,249.46</b>	<b>8,855.69</b>	<b>1,112.11</b>	<b>-</b>

#### As at 31-March-2017

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	9,002.38	5,907.09	2,098.77	996.53	-
Trade payables	6,955.46	-	6,955.46	-	-
Other Financial liabilities	731.73	-	393.28	338.44	-
<b>Total</b>	<b>16,689.57</b>	<b>5,907.09</b>	<b>9,447.51</b>	<b>1,334.97</b>	<b>-</b>



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

As at 1-April-2016

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	11,259.60	3,262.21	1,791.08	2,062.24	4,144.07
Trade payables	3,497.23	-	3,497.23	-	-
Other Financial liabilities	554.93	-	554.93	-	-
<b>Total</b>	<b>15,311.76</b>	<b>3,262.21</b>	<b>5,843.24</b>	<b>2,062.24</b>	<b>4,144.07</b>

### 50 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short-term and long-term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	31st March 2018	31st March 2017	1 April 2016
Cash and cash equivalents	137.07	28.33	14.03
Other bank balances	882.25	773.60	508.93
<b>Total (a)</b>	<b>1,019.32</b>	<b>801.93</b>	<b>522.96</b>
Non-current borrowings	809.71	996.53	6,206.31
Current borrowings	13,246.10	7,862.11	4,729.97
Current maturities of non-current borrowings	138.78	143.75	323.31
Interest accrued but not due on borrowings	8.89	8.43	73.33
<b>Total (b)</b>	<b>14,203.49</b>	<b>9,010.81</b>	<b>11,332.92</b>
<b>Net debt [c=b-a]</b>	<b>13,184.17</b>	<b>8,208.88</b>	<b>10,809.97</b>
Total Capital (d)	13,425.88	10,569.55	8,231.60
Capital and net debt [e=c+d]	26,610.04	18,778.43	19,041.56
<b>Gearing ratio [c/e]</b>	<b>49.55%</b>	<b>43.71%</b>	<b>56.77%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 51 First time adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first the Company has prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under previous GAAP. Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at 1st April 2016 for the purpose of transition to Ind AS and as required by Ind AS 101.

This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1st April 2016 and 31st March 2017 and statement of profit and loss for the year ended 31st March 2017.

#### (A) Ind AS optional exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

##### (a) Deemed cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment; investment property; and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

##### (b) Investments in subsidiary

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiary as deemed cost as on the date of transition to Ind AS.

##### (c) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

#### (B) Ind AS mandatory exceptions

##### (a) Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

##### (b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets has been made on the basis of the facts and circumstances existed at the date of transition.

##### Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous GAAP on the Company's total equity and profit for the year previously reported under previous GAAP following transition to Ind AS.

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 51.1 Reconciliation of equity as at 1st April 2016 (date of transition to Ind AS)

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS	Foot Notes
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,625.94	(955.73)	670.21	i
Capital work in progress	220.87	-	220.87	
Investment Property	-	955.73	955.73	i
Other Intangible assets	51.05	-	51.05	
Financial assets				
(i) Investments	48.83	990.90	1,039.73	ii
(ii) Loans	9,695.81	(989.87)	8,705.95	iii
Deferred Tax Assets (Net)	196.61	289.18	485.79	iv
Other non-current assets	75.29	1.50	76.79	v
	<u>11,914.41</u>	<u>291.72</u>	<u>12,206.12</u>	
<b>Current assets</b>				
Inventories	4,513.10	-	4,513.10	
Financial assets				
(i) Trade receivables	6,420.38	-	6,420.38	
(ii) Cash and cash equivalents	14.03	-	14.03	
(iii) Other bank balances	508.93	-	508.93	
(iv) Loans	24.72	-	24.72	
Other current assets	587.27	1.06	588.33	vi
	<u>12,068.44</u>	<u>1.06</u>	<u>12,069.49</u>	
<b>TOTAL ASSETS</b>	<b>23,982.84</b>	<b>292.77</b>	<b>24,275.62</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,408.07	-	1,408.07	
Other equity	6,483.98	339.54	6,823.53	vii
Total equity	<u>7,892.05</u>	<u>339.54</u>	<u>8,231.60</u>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	6,257.73	(51.42)	6,206.31	viii
Provisions	58.74	-	58.74	
	<u>6,316.46</u>	<u>(51.42)</u>	<u>6,265.04</u>	
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	4,729.97	-	4,729.97	
(ii) Trade payables	3,497.23	-	3,497.23	
(iii) Other financial liabilities	550.29	4.65	554.93	ix
Other current liabilities	82.90	-	82.90	
Provisions	25.74	-	25.74	
Current Tax Liabilities (Net)	888.21	-	888.21	
	<u>9,774.33</u>	<u>4.65</u>	<u>9,778.98</u>	
<b>Total liabilities</b>	<u>16,090.79</u>	<u>(46.77)</u>	<u>16,044.02</u>	
<b>Total equity and liabilities</b>	<b>23,982.84</b>	<b>292.77</b>	<b>24,275.62</b>	

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 51.2 Reconciliation of equity as at 31st March 2017

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS	Foot Notes
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,667.42	(950.74)	716.67	i
Capital work in progress	235.18	-	235.18	
Investment Property	-	950.74	950.74	i
Other Intangible assets	33.74	-	33.74	
Financial assets				
(i) Investments	48.83	1,168.46	1,217.29	ii
(ii) Loans	4,903.24	(498.27)	4,404.97	iii
Deferred Tax Assets (Net)	(26.80)	265.16	238.36	iv
Other non-current assets	52.20	0.44	52.65	v
	<u>6,913.81</u>	<u>935.79</u>	<u>7,849.60</u>	
<b>Current assets</b>				
Inventories	6,586.86	-	6,586.86	
Financial assets				
(i) Trade receivables	11,320.66	-	11,320.66	
(ii) Cash and cash equivalents	28.33	-	28.33	
(iii) Other bank balances	773.60	-	773.60	
(iv) Loans	2,011.79	-	2,011.79	
Other current assets	941.92	1.06	942.98	vi
	<u>21,663.16</u>	<u>1.06</u>	<u>21,664.22</u>	
<b>TOTAL ASSETS</b>	<b>28,576.97</b>	<b>936.85</b>	<b>29,513.82</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,478.07	-	1,478.07	
Other equity	8,338.18	753.30	9,091.48	vii
<b>Total equity</b>	<u>9,816.25</u>	<u>753.30</u>	<u>10,569.55</u>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	1,005.90	(9.38)	996.53	viii
(ii) Other Financial Liabilities	-	338.44	338.44	x
Provisions	78.57	-	78.57	
	<u>1,084.47</u>	<u>329.07</u>	<u>1,413.54</u>	
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	7,862.11	-	7,862.11	
(ii) Trade payables	6,955.46	-	6,955.46	
(iii) Other financial liabilities	652.46	(115.44)	537.03	ix
Other current liabilities	148.80	-	148.80	
Provisions	35.82	-	35.82	
Current Tax Liabilities (Net)	2,021.60	(30.08)	1,991.51	xi
	<u>17,676.25</u>	<u>(145.52)</u>	<u>17,530.73</u>	
<b>Total liabilities</b>	<u>18,760.72</u>	<u>183.55</u>	<u>18,944.27</u>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,576.97</b>	<b>936.85</b>	<b>29,513.82</b>	

## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### Footnotes to the reconciliation of equity as at 1st April 2016 and 31st March 2017

Note No.	Particulars	1st April, 2016	31st March, 2017
i	Property reclassified as Investment Property as per Ind AS 40	955.73	950.74
	<b>Total</b>	<b>955.73</b>	<b>950.74</b>
ii	Accounting for loan to subsidiary at below market rate as per Ind AS 109	990.87	791.45
	Fair Valuation of Investments through OCI as per Ind AS 109	0.04	0.07
	Accounting for financial guarantee contracts as per Ind AS 109	-	376.94
	<b>Total</b>	<b>990.90</b>	<b>1,168.46</b>
iii	Accounting for loan to subsidiary at below market rate as per Ind AS 109	(987.23)	(496.65)
	Fair Valuation of interest free security deposits as per Ind AS 109	(2.63)	(1.62)
	<b>Total</b>	<b>(989.87)</b>	<b>(98.27)</b>
iv	Deferred Tax on Fair Value Gain through OCI	4.16	0.04
	Deferred Tax on other Ind AS adjustments as per Ind AS 12	285.02	265.12
	<b>Total</b>	<b>289.18</b>	<b>265.16</b>
v	Fair Valuation of interest free security deposits as per Ind AS 109	1.50	0.44
	<b>Total</b>	<b>1.50</b>	<b>0.44</b>
vi	Fair Valuation of interest free security deposits as per Ind AS 109	1.06	1.06
	<b>Total</b>	<b>1.06</b>	<b>1.06</b>
vii	Fair value gain/(loss) on financial instruments as per Ind AS 109	55.01	314.93
	Actuarial gain/(loss) on long term defined benefit plans	(13.50)	(13.40)
	Deferred tax impact as per Ind AS 12	289.18	265.16
	Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
	De-recognition of Proposed Dividend as per Ind AS 8	-	177.86
	Others	13.50	13.40
	<b>Total</b>	<b>339.54</b>	<b>753.30</b>
viii	Amortization of processing fees at EIR as per Ind AS 109	(51.42)	(9.38)
	<b>Total</b>	<b>(51.42)</b>	<b>(9.38)</b>
ix	Correction of prior period items as per Ind AS 8	4.65	-
	De-recognition of Proposed Dividend as per Ind AS 8	-	(147.77)
	Accounting for financial guarantee contracts as per Ind AS 109	-	32.34
	<b>Total</b>	<b>4.65</b>	<b>(115.44)</b>
x	Accounting for financial guarantee contracts as per Ind AS 109	-	338.44
	<b>Total</b>	<b>-</b>	<b>338.44</b>
xi	De-recognition of DDT on Proposed Dividend as per Ind AS 8	-	(30.08)
	<b>Total</b>	<b>-</b>	<b>(30.08)</b>



## Notes to the financial statements for the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 52 Reserve Reconciliation

Reserves & Surplus	1st April 2016	31st March 2017
<b>As per IGAAP</b>	<b>6,483.98</b>	<b>8,338.18</b>
Fair value gain/(loss) on financial instruments as per Ind AS 109	55.01	314.93
Actuarial gain/(loss) on long term defined benefit plans	(13.50)	(13.40)
Deferred tax impact as per Ind AS 12	289.18	265.16
De-recognition of Proposed Dividend as per Ind AS 8	-	177.86
Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
Others	13.50	13.40
<b>As per Ind AS</b>	<b>6,823.53</b>	<b>9,091.48</b>

### 53 Profit reconciliation March 31, 2017

Nature of Adjustment	For the year ended March 31st, 2017
<b>Profit as per IGAAP</b>	<b>2,008.34</b>
Other Income - Fair value gain on financial instruments	306.75
Finance Cost - Accounting for financial assets and liabilities	(51.51)
Employee Benefits - Remeasurement of Defined Benefit Plans	(0.10)
Other Expenses - Correction of prior period items	4.65
Deferred tax on above adjustments	(2.98)
<b>Profit as per Ind AS</b>	<b>2,244.14</b>

**54** The disclosure relating to Specified Bank Notes held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30th March, 2017 as issued by the Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018.

**55** Figures are rounded off to nearest rupees in Lakh.

As per our report of even date attached

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

Krishna K. Neeraj

Partner

Membership No.:506669

Place: New Delhi

Date: 30-05-2018

For and on behalf of the Board of Directors

Amit Jain

Managing Director

DIN: 00041300

Subodh Kumar Barnwal

Company Secretary

M. No.- 21928

Vijay Kumar Gupta

Whole-Time Director

DIN: 00995523

Rattan Lal Aggarwal

C.F.O.

**Page Intentionally Left Blank**



**CMI Limited**  
CABLES THAT EMPOWER

# Consolidated Financial Statements & Notes



## Independent Auditor's Report

To the Members of CMI LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of CMI Limited ("the Company" or "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including Other Comprehensive Income, Consolidated Cash Flows and the Consolidated Statement of Changes in Equity of the Company in accordance with 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.

The respective Board of Directors of the Companies included in the Group are responsible for 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated Ind AS have been kept so far as it appears from our examination by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KRISHNA NEERAJ & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 023233N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**CA. Krishna K. Neeraj**  
**Partner**  
**Membership No. 506669**

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

We have audited the internal financial controls over financial reporting of CMI Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KRISHNA NEERAJ & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 023233N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**CA. Krishna K. Neeraj**  
**Partner**  
**Membership No. 506669**

## Consolidated Balance Sheet

as at 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	7	14,995.82	15,229.42	15,378.53
(b) Capital work in progress	7	422.20	490.74	726.43
(c) Investment Property	8	945.75	950.74	955.73
(d) Other Intangible assets	9	94.05	190.96	288.85
(e) Financial assets				
(i) Investments	10	0.06	0.11	0.09
(ii) Loans	11	97.04	81.81	30.90
(iii) Other Financial Assets	12	-	-	0.39
(f) Deferred Tax Assets (Net)	13	1,637.08	1,810.08	180.73
(g) Other non-current assets	14	786.96	196.41	213.06
		<u>18,978.96</u>	<u>18,950.27</u>	<u>17,774.71</u>
<b>II Current assets</b>				
(a) Inventories	15	12,756.49	10,044.27	4,513.10
(b) Financial assets				
(i) Trade receivables	16	22,672.61	16,058.54	6,529.13
(ii) Cash and cash equivalents	17	143.22	55.07	159.10
(iii) Other bank balances	18	1,077.65	846.59	586.30
(iv) Loans	11	88.87	87.94	77.23
(v) Others financial assets	19	491.11	277.00	421.71
(c) Current Tax Assets (Net)	20	22.83	9.97	12.26
(d) Other current assets	21	3,098.48	3,339.59	3,586.91
		<u>40,351.26</u>	<u>30,718.97</u>	<u>15,885.74</u>
<b>TOTAL ASSETS</b>		<b>59,330.22</b>	<b>49,669.24</b>	<b>33,660.45</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III Equity</b>				
(a) Equity share capital	22	1,503.07	1,478.07	1,408.07
(b) Other equity	23	22,310.69	19,188.36	16,157.59
<b>Total equity</b>		<u>23,813.76</u>	<u>20,666.43</u>	<u>17,565.66</u>
<b>LIABILITIES</b>				
<b>IV Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	4,469.18	5,151.87	6,206.31
(b) Provisions	25	66.84	81.07	58.74
(c) Deferred tax liabilities (Net)	7	35.96	29.68	-
		<u>4,571.98</u>	<u>5,262.62</u>	<u>6,265.04</u>
<b>V Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	26	16,566.65	9,946.97	4,729.97
(ii) Trade payables	27	9,091.71	10,217.82	3,504.64
(iii) Other financial liabilities	28	1,443.80	1,315.77	576.75
(b) Other current liabilities	29	640.08	231.20	104.43
(c) Provisions	25	43.26	36.92	25.74
(d) Current Tax Liabilities (Net)	30	3,158.98	1,991.51	888.21
		<u>30,944.48</u>	<u>23,740.19</u>	<u>9,829.75</u>
<b>Total liabilities</b>		<u>35,516.46</u>	<u>29,002.81</u>	<u>16,094.79</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,330.23</b>	<b>49,669.24</b>	<b>33,660.45</b>

Summary of significant Accounting policies

3

The accompanying notes (1-57) are an integral part of the financial statements

As per our report of even date attached  
For Krishna Neeraj & Associates  
Chartered Accountants  
FRN: 023233N

For and on behalf of the Board of Directors

Krishna K. Neeraj  
Partner  
Membership No.:506669

Amit Jain  
Managing Director  
DIN: 00041300

Vijay Kumar Gupta  
Whole-Time Director  
DIN: 00995523

Subodh Kumar Barnwal  
Company Secretary  
M. No.- 21928

Rattan Lal Aggarwal  
C.F.O.

Place: New Delhi  
Date: 30-05-2018

## Consolidated Statement of Profit & Loss

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>I</b> Revenue from operations	31	57,390.57	42,073.12
<b>II</b> Other income	32	295.96	482.97
<b>III</b> <b>Total income (I+II)</b>		<b>57,686.53</b>	<b>42,556.09</b>
<b>IV</b> <b>Expenses</b>			
(a) Cost of raw material consumed	33	43,838.40	32,389.86
(b) Purchase of stock in trade		431.87	465.83
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	34	(849.92)	(3,736.45)
(d) Excise duty on sale of goods		1,384.56	4,285.72
(e) Employee benefit expense	35	1,579.54	1,145.62
(f) Finance costs	36	2,895.81	2,065.59
(g) Depreciation and amortization expense	37	1,048.22	1,013.32
(h) Other expenses	38	3,419.99	2,664.08
<b>Total expense</b>		<b>53,748.47</b>	<b>40,293.58</b>
<b>V</b> <b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>3,938.06</b>	<b>2,262.51</b>
<b>VI</b> Exceptional items	39	-	0.73
<b>VII</b> <b>Profit/(loss) before tax (V+VI)</b>		<b>3,938.06</b>	<b>2,263.24</b>
<b>VIII</b> <b>Income tax expense</b>			
(a) Current tax		(1,150.56)	(1,030.95)
(b) Deferred tax		(180.18)	1,774.68
(c) Earlier Year Tax		(26.78)	-
<b>Total tax expense</b>		<b>(1,357.52)</b>	<b>743.73</b>
<b>IX</b> <b>Profit/(loss) for the year (VII+VIII)</b>		<b>2,580.54</b>	<b>3,006.97</b>
<b>X</b> <b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment defined benefit obligations		(2.80)	0.10
(ii) Change in fair value of FVOCI equity instruments		(0.06)	0.03
(iii) Income tax relating to items that will not be reclassified to profit or loss		0.89	(0.04)
<b>Other comprehensive income for the year, net of tax</b>		<b>(1.97)</b>	<b>0.09</b>
<b>XI</b> <b>Total comprehensive income for the year (IX+X)</b>		<b>2,578.57</b>	<b>3,007.06</b>
<b>XII</b> <b>Earnings per share in Rs.</b>			
Basic earnings per equity share		17.19	20.71
Diluted earnings per equity share		17.19	20.62

Summary of significant Accounting policies

2

The accompanying notes (1-57) are an integral part of the financial statements

As per our report of even date attached  
For Krishna Neeraj & Associates  
Chartered Accountants  
FRN: 023233N

For and on behalf of the Board of Directors

Krishna K. Neeraj  
Partner  
Membership No.: 506669

Amit Jain  
Managing Director  
DIN: 00041300

Vijay Kumar Gupta  
Whole-Time Director  
DIN: 00995523

Place: New Delhi  
Date: 30-05-2018

Subodh Kumar Barnwal  
Company Secretary  
M. No.-21928

Rattan Lal Aggarwal  
C.F.O.

## Consolidated Cash Flow Statement

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	31 March 2018	31 March 2017
<b>Cash flow from operating activities</b>		
<b>Profit after tax</b>	<b>2,580.54</b>	<b>3,006.97</b>
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	1,048.22	1,013.32
(Profit)/Loss on sale of property, plant and equipment	-	(0.73)
Other comprehensive income	(1.97)	0.09
Deferred tax	179.29	(1,599.67)
Previous year adjustments	-	(242.28)
Interest expense	2,895.81	2,065.59
Interest income	(191.64)	(212.98)
<b>Operating profit before working capital changes</b>	<b>6,510.25</b>	<b>4,030.31</b>
<b>Movements in working capital:</b>		
(Decrease)/increase in trade payables and other liabilities	(589.20)	7,578.95
(Decrease)/increase in short-term provisions	5.96	11.19
(Decrease)/increase liability for current tax	1,167.47	1,103.31
Decrease/(increase) in trade receivable	(6,614.07)	(9,529.40)
Decrease/(increase) in inventories	(2,712.22)	(5,531.17)
Decrease/(increase) in other bank balances	(231.06)	(260.29)
Decrease/(increase) in short term loans	(0.94)	(10.71)
Decrease/(increase) in other current assets	14.15	394.31
<b>Cash generated from operations</b>	<b>(2,449.67)</b>	<b>(2,213.50)</b>
Direct taxes paid	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(2,449.67)</b>	<b>(2,213.50)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(644.19)	(529.65)
Proceeds from sale of property, plant and equipment	-	4.75
Decrease/(increase) in non-current investments	0.06	(0.03)
(Decrease)/increase in long-term provisions	(14.23)	22.34
Decrease/(increase) in other non-current assets	(590.55)	16.64
Decrease/(increase) in long term loans	(15.23)	(50.51)
Interest received	191.64	212.98
<b>Net cash flow from investing activities (B)</b>	<b>(1,072.51)</b>	<b>(323.48)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	750.00	336.00
Proceeds/(Repayment) of long-term borrowings	(682.68)	(1,054.44)
Proceeds/(Repayment) of short-term borrowings	6,619.68	5,217.00
Equity Dividend including taxes thereon	(180.87)	-
Interest paid	(2,895.81)	(2,065.59)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>3,610.33</b>	<b>2,432.96</b>

## Consolidated Cash Flow Statement

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	31 March 2018	31 March 2017
<b>Net increase/(decrease) in cash and cash equivalents (A + B +C)</b>	<b>88.15</b>	<b>(104.02)</b>
Cash and cash equivalents at the beginning of the year	55.07	159.10
<b>Cash and cash equivalents at the end of the year</b>	<b>143.23</b>	<b>55.07</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	35.82	1.83
Cheques/ drafts in hand	6.12	2.72
With banks in current account	76.47	15.00
Unpaid dividend accounts in deposit accounts	24.81	35.52
<b>Total cash and cash equivalents [Refer Note No. 16]</b>	<b>143.22</b>	<b>55.07</b>

Summary of significant Accounting policies

3

The accompanying notes (1-57) are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

Krishna K. Neeraj

Partner

Membership No.: 506669

Place: New Delhi

Date: 30-05-2018

Amit Jain

Managing Director

DIN: 00041300

Subodh Kumar Barnwal

Company Secretary

M. No.-21928

Vijay Kumar Gupta

Whole-Time Director

DIN: 00995523

Rattan Lal Aggarwal

C.F.O.



## Statement of changes in equity

For the year ended 31st March 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### (A) Equity share capital

	Nos.	Rs. in Lakh
<b>As at 1st April 2016</b>	14,077,457	1,407.75
Changes in equity share capital	700,000	70.00
<b>As at 31st March 2017</b>	14,777,457	1,477.75
Changes in equity share capital	250,000	25.00
<b>As at 31st March 2018</b>	15,027,457	1,502.75

### (B) Other equity

Particulars	Capital Redemption Reserve	Capital Reserve	Security Premium	Retained earnings	Share Warrant application	FVOCI-Equity instruments	Total other equity
<b>Balance as at 1st April 2016</b>	<b>80.00</b>	<b>744.28</b>	<b>3,493.05</b>	<b>11,728.22</b>	<b>112.00</b>	<b>0.04</b>	<b>16,157.59</b>
Profit for the year	-	-	-	3,006.97	-	-	3,006.97
Other comprehensive income	-	-	-	0.07	-	0.02	0.09
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,007.04</b>	<b>-</b>	<b>0.02</b>	<b>3,007.06</b>
Issue of equity shares	-	-	378.00	-	(112.00)	-	266.00
Income/Deferred Tax relating to earlier years	-	-	-	(242.28)	-	-	(242.28)
<b>Balance as at 31st March 2017</b>	<b>80.00</b>	<b>744.28</b>	<b>3,871.05</b>	<b>14,492.97</b>	<b>-</b>	<b>0.06</b>	<b>19,188.36</b>
<b>Balance as at 1st April 2017</b>	<b>80.00</b>	<b>744.28</b>	<b>3,871.05</b>	<b>14,492.97</b>	<b>-</b>	<b>0.06</b>	<b>19,188.36</b>
Profit for the year	-	-	-	2,580.54	-	-	2,580.54
Other comprehensive income	-	-	-	(1.93)	-	(0.04)	(1.97)
Proposed Dividend	-	-	-	(150.27)	-	-	(150.27)
Dividend Distribution Tax	-	-	-	(30.59)	-	-	(30.59)
Others	-	-	-	(0.37)	-	-	(0.37)
Issue of equity shares	-	-	725.00	-	-	-	725.00
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>725.00</b>	<b>2,397.37</b>	<b>-</b>	<b>(0.04)</b>	<b>3,122.33</b>
<b>Balance as at 31st March 2018</b>	<b>80.00</b>	<b>744.28</b>	<b>4,596.05</b>	<b>16,890.34</b>	<b>-</b>	<b>0.02</b>	<b>22,310.69</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

### Notes:

#### 1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of CMI Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March 2018. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited in India. The registered office of the Company is located at Flat No. 501-503, 5<sup>th</sup> Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001.

The Group is primarily engaged in the business of manufacture and sale of wires and cables such as Railway Signaling Cables, Control & Instrumentation Cables, Jelly Filled Telephone Cables, Power Cables and many other specialty cables.

These consolidated Ind AS financial statements are approved for issue by the Board of Directors on May 30, 2018.

#### 2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), to the extent applicable, and the presentation requirements of the Companies Act, 2013. These financial statements for the year ended 31st March 2018 are the first the Group has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 [First-Time Adoption of Indian Accounting Standards] with the date of transition as April 1, 2016. Refer Note No. 47 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees Lakh and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

#### 3. Significant accounting policies

The Group has applied the following accounting policies to all periods presented in the consolidated financial statements.

##### a. Basis of consolidation

The consolidated financial statements incorporate the results of CMI Limited and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or

is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated unless costs cannot be recovered.

**b. Functional and presentation currency**

The standalone financial statements are prepared in Indian Rupees, which is the Group's presentation currency and the functional currency for all its operations.

**c. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

**d. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The

Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

**Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual dispatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

**Rendering of services**

Revenue from services is recognised by reference to the stage of completion of work.

**e. Other Income****i. Interest Income**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

**ii. Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**iii. Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

**f. Property, plant and equipment**

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of property, plant and equipment relating to PVC Cable Division, where depreciation is provided using the written down value method (WDV).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

**g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Software is amortized on a straight line basis over a period of 4-5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **h. Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as of 1st April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **i. Inventories**

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

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



**j. Borrowing Costs**

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

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

**k. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Group has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

**Group as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Group are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## I. Income taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the

deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

#### **m. Employee benefits**

##### **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **Post-employment obligations**

The Group operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

##### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### **n. Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **o. Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits are probable.

**p. Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**i. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

**ii. Debt instruments at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

## **Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and borrowings, etc.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **i. Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### **ii. Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**q. Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are measured at their fair values and recognised as income in the statement of profit and loss.

**r. Accounting for foreign currency transactions**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Group's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

**s. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**t. Dividends**

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**u. Earnings per share****Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Group (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

#### 4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### Income taxes

The Group is subject to income tax laws as applicable in India. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Group will be able to realise the benefits of those deductible differences in future.

##### Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 36.

### Contingencies

Management judgement of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

## 5. Recent accounting pronouncements

### a. Ind AS 115 - Revenue from contract with customers:

Ind AS 115, Revenue from contracts with customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has an ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1st April 2018 and early application is not permitted.

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Group's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

### b. Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1st April 2018. The Group is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

## 6. Merger of CMI Energy India Private Limited, wholly owned subsidiary, with CMI Limited

The Companies had previously filed the Scheme of Amalgamation of CMI Energy India Private Limited, wholly owned subsidiary company, with CMI Limited w.e.f. 01/03/2016, being the Appointed Date, before the Hon'ble NCLT, New Delhi under the channel of fast track merger. The Hon'ble NCLT, vide its Order dated 22<sup>nd</sup> December, 2017, has directed the Companies to file application/ Scheme of Amalgamation in accordance with the provisions of Section 230 and 232 of the Companies Act, 2013. Accordingly, the Companies have now submitted fresh application with Hon'ble NCLT for sanction of amalgamation of both the Companies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 7 Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold improvement	Plant and equipment	Furniture and fixtures	Office Equipment	Computer	Vehicles	Total
<b>Deemed Cost*</b>									
<b>At 1st April 2016</b>	2,253.48	5,980.25	3.48	9,394.21	127.59	248.55	295.75	348.72	18,652.02
Additions	-	13.84	-	665.12	3.92	9.70	-	72.23	764.80
Disposals / adjustments	-	-	-	(2.00)	-	-	-	(13.21)	(15.21)
<b>At 31st March 2017</b>	2,253.48	5,994.08	3.48	10,057.33	131.51	258.25	295.75	407.74	19,401.62
Additions	-	-	-	544.04	5.08	52.80	-	110.81	712.73
Disposals / adjustments	-	-	-	-	-	-	-	-	-
<b>At 31st March 2018</b>	2,253.48	5,994.08	3.48	10,601.37	136.58	311.05	295.75	518.55	20,114.35
<b>Depreciation*</b>									
<b>At 1st April 2016</b>	-	555.94	3.48	2,247.29	53.97	136.49	142.64	133.68	3,273.49
Charge for the year	-	190.56	-	571.89	11.50	45.62	47.13	43.20	909.90
Disposals / adjustments	-	-	-	(0.24)	-	-	-	(10.95)	(11.19)
<b>At 31st March 2017</b>	-	746.50	3.48	2,818.94	65.47	182.11	189.77	165.93	4,172.20
Charge for the year	-	190.73	-	610.98	11.00	42.60	37.81	53.20	946.32
Disposals / adjustments	-	-	-	-	-	-	-	-	-
<b>At 31st March 2018</b>	-	937.23	3.48	3,429.93	76.47	224.70	227.58	219.13	5,118.52
<b>Net Block</b>									
At 1st April 2016	2,253.48	5,424.31	-	7,146.92	73.62	112.05	153.11	215.04	15,378.53
At 31st March 2017	2,253.48	5,247.58	-	7,238.39	66.04	76.14	105.98	241.81	15,229.42
At 31st March 2018	2,253.48	5,056.85	-	7,171.44	60.11	86.34	68.17	299.42	14,995.82

Capital work-in-Progress	Rs. in lakh
<b>Deemed Cost*</b>	
<b>At 1st April 2016</b>	<b>726.43</b>
Add : Interest capitalised	16.15
Transfers	(251.84)
<b>At 31st March 2017</b>	<b>490.74</b>
Additions	166.64
Transfers	(235.18)
<b>At 31st March 2018</b>	<b>422.20</b>

\*The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value, as deemed cost, at the transition date.

Note: Property, plant and equipment have been mortgaged as security with banks against working capital credit facilities of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 8. Investment Property

Particulars	Rs. in lakh
<b>Deemed Cost*</b>	
<b>At 1st April 2016</b>	<b>959.26</b>
Additions	-
Disposals / adjustments	-
<b>At 31st March 2017</b>	<b>959.26</b>
Additions	-
Disposals / adjustments	-
<b>At 31st March 2018</b>	<b>959.26</b>

<b>Depreciation</b>	
<b>At 1st April 2016</b>	<b>3.53</b>
Charge for the year	4.99
Disposals / adjustments	-
<b>At 31st March 2017</b>	<b>8.52</b>
Charge for the year	4.99
Disposals / adjustments	-
<b>At 31st March 2018</b>	<b>13.51</b>

<b>Net Block</b>	
<b>At 1st April 2016</b>	<b>955.73</b>
<b>At 31st March 2017</b>	<b>950.74</b>
<b>At 31st March 2018</b>	<b>945.75</b>

\*The Company has elected to measure all of its Investment Property at their previous GAAP carrying value, as deemed cost, at the transition date.

Note: Investment Property have been mortgaged as security with banks against specific term loans of the Company.

#### (i) Fair Value of investment property

Particulars	Rs. in lakh
At 1st April 2016	1,070.09
At 31st March 2017	1,076.53
At 31st March 2018	1,089.43

These values are based on valuations performed by independent valuers on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in "Note 44".



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**(ii) Amount recognised in statement of Profit & Loss for investment properties**

Particulars	31st March 2018	31st March 2017
Rental Income derived from Investment Property	21.90	24.60
Direct operating expense (including repairs & maintenance) for property that generate rental income	(9.14)	(9.83)
Direct operating expenses (including repairs and maintenance) for property that did not generate rental income	-	-
Profit arising from investment properties before depreciation	12.76	14.77
Less: Depreciation	(4.99)	(4.99)
Profit arising from investment properties	7.77	9.78

Fair value hierarchy disclosures for investment property have been provided in "Note 44".

**9. Intangible assets\***

Particulars	Computer Software
<b>Deemed Cost</b>	
<b>At 1st April 2016</b>	<b>534.87</b>
Additions	0.54
Disposals / adjustments	-
<b>At 31st March 2017</b>	<b>535.42</b>
Additions	-
Disposals / adjustments	-
<b>At 31st March 2018</b>	<b>535.42</b>
<b>Amortization</b>	
<b>At 1st April 2016</b>	<b>246.03</b>
Charge for the year	98.44
Disposals / adjustments	-
<b>At 31st March 2017</b>	<b>344.46</b>
Charge for the year	96.91
Disposals / adjustments	-
<b>At 31st March 2018</b>	<b>441.37</b>
<b>Net block</b>	
<b>At 1st April 2016</b>	<b>288.85</b>
<b>At 31st March 2017</b>	<b>190.96</b>
<b>At 31st March 2018</b>	<b>94.05</b>

\*The Company has elected to measure all of its Intangible assets at their previous GAAP carrying value, as deemed cost, at the transition date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

10 Financial assets - Investments	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Investments - Others</b>			
<b>Investments at fair value through OCI (fully paid)</b>			
<b>Equity instruments (Quoted)</b>			
300 (31st March 2017: 300, 1st April 2016: 300) Equity Shares of Rs. 10 each fully paid up of Dena Bank	0.06	0.11	0.09
<b>Total</b>	<b>0.06</b>	<b>0.11</b>	<b>0.09</b>

**Note:**

Aggregate amount of quoted investments	0.05	0.05	0.05
Aggregate market value of quoted investments	0.06	0.11	0.09
Aggregate amount of impairment in value of investments	Nil	Nil	Nil

11 Financial assets - Loans	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>(a) Non-Current Loans (Unsecured, Considered Goods)</b>			
Security Deposits*	69.47	79.59	26.20
Loans and Advances to Staff	27.57	2.22	4.70
<b>Total Non-Current Loans</b>	<b>97.04</b>	<b>81.81</b>	<b>30.90</b>
<b>(b) Current Loans (Unsecured, Considered Goods)</b>			
Advances Recoverable	37.43	16.65	24.12
Security Deposit*	51.44	71.29	53.11
<b>Total Current Loans</b>	<b>88.87</b>	<b>87.94</b>	<b>77.23</b>

\* Security deposit are financial assets and are refundable in cash. These are measured based on effective interest method.

12 Financial assets - Other Financial Assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bank deposits*	-	-	0.39
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.39</b>

\* lodged as security with sales tax authorities and it includes Interest accrued on Fixed Deposit.

13 (a) Deferred Tax (Net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Deferred tax assets relate to the following:</b>			
Property, plant and equipment	-	-	108.88
Carried Forward Losses and unabsorbed depreciation	3,306.71	3,453.19	-
Disallowance under section 43B of Income Tax Act, 1961	41.64	43.72	87.73
Others	1.20	0.50	0.81
<b>Gross deferred tax assets</b>	<b>3,349.55</b>	<b>3,497.41</b>	<b>197.43</b>
Less: Netted off against deferred tax liabilities	<b>(1,712.47)</b>	<b>(1,687.33)</b>	<b>(16.69)</b>
<b>Net deferred tax assets</b>	<b>1,637.08</b>	<b>1,810.08</b>	<b>180.73</b>
<b>Deferred tax liabilities relate to the following:</b>			
Property, plant and equipment	(1,731.03)	(1,703.06)	-
Others	(17.40)	(13.95)	(16.69)
<b>Gross deferred tax liability</b>	<b>(1,748.43)</b>	<b>(1,717.00)</b>	<b>(16.69)</b>
Less: Netted off against deferred tax assets	<b>1,712.47</b>	<b>1,687.33</b>	<b>16.69</b>
<b>Net deferred tax liabilities</b>	<b>(35.96)</b>	<b>(29.68)</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>(b) Reconciliation of deferred tax</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Opening Deferred Tax Assets/(Liabilities)	1,780.41	180.73
Deferred Tax reversed (Transfer to Reserve)*	-	(174.97)
Deferred tax credit / (charge) recorded in statement of profit & loss	(180.18)	1,774.68
Deferred tax credit / (charge) recorded in OCI	0.89	(0.04)
<b>Closing Deferred Tax Assets/(Liabilities)</b>	<b>1,601.12</b>	<b>1,780.41</b>

<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Accounting profit before income tax	3,938.06	2,263.24
At India's statutory income tax rate of 34.608% (31st March 2017: 34.608%)	1,362.88	783.26
Adjustments in respect of current income tax of previous years	26.78	-
Impact of change in tax rate (on deferred tax)	(15.40)	-
Impact of permanent disallowances under Income Tax Act	(22.99)	(21.52)
DTA not recognised earlier now recognised	-	(3,164.24)
DTL not recognised earlier now recognised	-	1,597.44
Difference in tax rates for certain entities of the group	10.75	40.20
Others	(4.51)	21.12
At the effective income tax rate of 35.59% (31st March 2017: 32.96%)	1,357.52	(743.73)

<b>14 Other Non-Current Assets</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Capital advances	784.10	195.97	211.56
Prepaid expenses*	2.86	0.44	1.50
<b>Total</b>	<b>786.96</b>	<b>196.41</b>	<b>213.06</b>

\*Prepaid expenses due to fair valuation of security deposits and advance to employees.

<b>15 Inventories</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>(Valued at lower of cost and net realizable value)</b>			
Raw Materials*	4,778.49	2,924.40	1,129.35
Work-in-Progress	6,311.06	5,853.65	3,097.54
Finished Goods	1,598.13	1,205.62	225.28
Stores and Spares	68.81	60.60	60.94
<b>Total</b>	<b>12,756.49</b>	<b>10,044.27</b>	<b>4,513.10</b>

\*Raw materials includes Goods-in-Transit Rs.97.94 lakh (31st March 2017: Rs. 274.65 lakh, 1st April 2016 : Nil)

Note: Inventories have been hypothecated as security with banks against working capital credit facilities of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

16 Financial assets - Trade receivables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade receivables from others	22,601.75	17,643.85	8,316.09
Trade receivables from related parties	1,656.18	-	-
Less: Allowance for doubtful debts	(1,585.32)	(1,585.32)	(1,786.95)
<b>Total receivables</b>	<b>22,672.61</b>	<b>16,058.54</b>	<b>6,529.13</b>
<b>Break-up of security details</b>			
Secured, considered goods	-	-	-
Unsecured, considered goods	22,672.61	16,058.54	6,529.13
Doubtful	1,585.32	1,585.32	1,786.95
<b>Total</b>	<b>24,257.93</b>	<b>17,643.85</b>	<b>8,316.09</b>
Less: Allowance for doubtful debts	(1,585.32)	(1,585.32)	(1,786.95)
<b>Total</b>	<b>22,672.61</b>	<b>16,058.54</b>	<b>6,529.13</b>

Note: Trade receivables have been hypothecated with banks against working capital credit facilities of the company.

17 Financial assets - Cash and cash equivalents	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Balances with banks:</b>			
-In current accounts	35.82	1.83	47.31
-In unpaid dividend accounts	6.12	2.72	2.89
-Deposits with original maturity of 3 months or less (including interest accrued thereon)@	76.47	15.00	100.00
Cash in hand	24.81	35.52	8.90
<b>Total</b>	<b>143.22</b>	<b>55.07</b>	<b>159.10</b>

@ Deposits are under bank lien for margin against non-fund based working capital credit facilities.

18 Financial assets - Other Bank Balances	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon)#	1,077.65	846.59	586.30
<b>Total</b>	<b>1,077.65</b>	<b>846.59</b>	<b>586.30</b>

# Deposits are under bank lien for margin against non-fund based working capital credit facilities.

19 Financial assets - Others	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Amount Receivable against Sale of Assets	-	-	171.71
Advance	491.11	277.00	250.00
<b>Total</b>	<b>491.11</b>	<b>277.00</b>	<b>421.71</b>

20 Current Tax assets (Net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Payment of Tax	22.83	9.97	12.26
<b>Total</b>	<b>22.83</b>	<b>9.97</b>	<b>12.26</b>

21 Other current assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with statutory / government authorities	430.13	1,629.89	1,191.38
Prepaid expenses	69.58	18.86	21.61
Advances to supplier and vendors			
-Unsecured considered good	2,598.76	1,690.84	2,373.92
-Unsecured considered Doubtful	10.24	10.24	15.73
Less : Provision for doubtful advances	(10.24)	(10.24)	(15.73)
<b>Total</b>	<b>3,098.48</b>	<b>3,339.59</b>	<b>3,586.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

22 Share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Authorised share capital</b>			
25,000,000 (31 March 2017: 25,000,000, 1 April 2016: 25,000,000) Equity Shares of Rs. 10/- each	2,500.00	2,500.00	2,500.00
<b>Total</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
15,027,457 (31 March 2017: 14,777,457, 1 April 2016: 14,077,457) Equity Shares of Rs. 10 each, fully paid up	1,502.75	1,477.75	1,407.75
Add: Forfeited Shares - Amount Originally Paid up	0.33	0.33	0.33
<b>Total</b>	<b>1,503.07</b>	<b>1,478.07</b>	<b>1,408.07</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2018		As at 31st March 2017	
	No.	Rs. in Lakh	No.	Rs. in Lakh
Equity Shares at the beginning of the year	14,777,457	1,477.75	14,077,457	1,407.75
Add : Shares issued on exercise of preferential allotment during the year	250,000	25.00	700,000	70.00
Equity Shares at the end of the year	15,027,457	1,502.75	14,777,457	1,477.75

#### Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### (b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
Amit Jain	5,093,877	33.90%	5,093,877	34.47%	5,093,877	36.18%
GMO Emerging Domestic Opportunities Fund	1,206,095	8.03%	1,178,365	7.97%	1,178,365	8.37%
<b>Total</b>	<b>6,299,972</b>	<b>41.92%</b>	<b>6,272,242</b>	<b>42.44%</b>	<b>6,272,242</b>	<b>44.56%</b>

### (c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2018

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
- Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received in cash	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil	Nil	Nil	Nil

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>23 Other Equity</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
Capital Redemption Reserve	80.00	80.00	80.00
Capital Reserve	744.28	744.28	744.28
Share Warrant	-	-	112.00
Security Premium	4,596.05	3,871.05	3,493.05
Retained earnings	16,890.34	14,492.97	11,728.22
Other Reserve	0.02	0.06	0.04
<b>Total</b>	<b>22,310.69</b>	<b>19,188.36</b>	<b>16,157.59</b>
<b>(i) Capital Redemption Reserve</b>	<b>80.00</b>	<b>80.00</b>	
<b>(ii) Capital Reserve</b>	<b>744.28</b>	<b>744.28</b>	
<b>(iii) Share Warrant</b>			
Opening Balance	-	112.00	
Less : Issue of equity shares	-	(112.00)	
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	
<b>(iv) Security Premium</b>			
Opening Balance	3,871.05	3,493.05	
Add : Addition on Issue of equity shares	725.00	378.00	
<b>Closing Balance</b>	<b>4,596.05</b>	<b>3,871.05</b>	
<b>(v) Retained earnings</b>			
Opening Balance	14,492.97	11,728.22	
Add : Profit for the year	2,580.54	3,006.97	
Add : Remeasurement of post employment benefit obligation, net of tax	(1.93)	0.07	
Less : Income/Deferred Tax relating to earlier years	-	(242.28)	
Less : Equity Dividend including taxes thereon	(180.87)	-	
Less : Others	(0.37)	-	
<b>Closing Balance</b>	<b>16,890.34</b>	<b>14,492.97</b>	
<b>(vi) Other Reserves</b>			
Opening Balance	0.06	0.04	
Add : Change in fair value of FVOCI equity instruments	(0.04)	0.02	
<b>Closing Balance</b>	<b>0.02</b>	<b>0.06</b>	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

24 Financial liabilities - Non-Current Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured Loans</b>			
Term Loan from Banks	4,716.84	5,295.85	747.82
Term Loan from Others	452.28	391.64	4,907.42
<b>Total (A)</b>	<b>5,169.12</b>	<b>5,687.49</b>	<b>5,655.24</b>
<b>Unsecured Loans</b>			
Term Loan from Others	37.34	83.42	24.98
Loan from Directors	-	123.20	849.40
<b>Total (B)</b>	<b>37.34</b>	<b>206.62</b>	<b>874.38</b>
<b>Total Borrowings [C=A+B]</b>	<b>5,206.46</b>	<b>5,894.12</b>	<b>6,529.62</b>
<b>Current Maturities (Included in Note No. : 23)</b>	<b>737.28</b>	<b>742.25</b>	<b>323.31</b>
<b>Non-current</b>	<b>4,469.18</b>	<b>5,151.87</b>	<b>6,206.31</b>

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Term loans from banks are repayable in monthly/quarterly installments. The loans are secured by way of first charge on fixed assets of the Company and further secured by personal guarantee of Mr. Amit Jain.

Term loans from Others include loans from NBFCs are repayable in monthly installments. The loans are secured by way of first charge on specific fixed assets of the Company and further secured by personal guarantee of Mr. Amit Jain.

25 Provisions	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity	87.73	103.85	74.53
Provision for Leave Encashment	22.37	14.15	9.94
<b>Total</b>	<b>110.11</b>	<b>118.00</b>	<b>84.48</b>
<b>Current</b>	<b>43.26</b>	<b>36.92</b>	<b>25.74</b>
<b>Non-current</b>	<b>66.84</b>	<b>81.07</b>	<b>58.74</b>

26 Current borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured Loans</b>			
Working capital facilities from Banks	12,765.15	7,991.95	3,262.21
Working capital facilities from Others	1,760.61	-	-
<b>Unsecured Loans</b>			
Bills discounted from Bank	1,996.64	1,955.02	1,467.76
Loan from Directors	44.25	-	-
<b>Total</b>	<b>16,566.65</b>	<b>9,946.97</b>	<b>4,729.97</b>

i) Working Capital facilities from Banks and Others are secured by way of first pari-passu charge on current assets of the company, both present and future, first pari-passu charge on land & building and movable fixed assets of the company located at Faridabad (Haryana), second pari passu charge on land & building and movable fixed assets of the company located at Baddi (Himachal Pradesh) and these facilities are further secured by collaterals given by directors and their friends and relatives with their personal guarantees.

ii) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

27 Financial liabilities - Trade Payables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
Total outstanding dues of micro & small enterprises*	-	-	0.67
Total outstanding dues of Creditors other than micro & small enterprises	9,091.71	10,217.82	3,503.97
<b>Total</b>	<b>9,091.71</b>	<b>10,217.82</b>	<b>3,504.64</b>

\*Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. Nil (31st March 2017: Rs. Nil, 1st April 2016: Rs. 0.67 lakhs). In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

28 Other financial liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturities of Long-Term Borrowings (refer to Note No.: 17)	737.28	742.25	323.31
Unclaimed Dividend	6.12	2.72	2.89
Security deposits from customers	-	3.55	3.55
Interest accrued but not due on borrowings	8.89	8.43	73.33
Other Payables	691.50	558.81	173.67
<b>Total</b>	<b>1,443.80</b>	<b>1,315.77</b>	<b>576.75</b>

29 Other current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory Dues	361.37	104.12	71.78
Advance from customers	278.71	127.08	32.65
<b>Total</b>	<b>640.08</b>	<b>231.20</b>	<b>104.43</b>

30 Current Tax Liabilities (Net)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Income Tax Payable (Net)	3,158.98	1,991.51	888.21

31 Revenue from operations	31st March 2018	31st March 2017
Sales of Products including Excise Duty)	57,390.57	42,073.12
<b>Total</b>	<b>57,390.57</b>	<b>42,073.12</b>

32 Other Income	31st March 2018	31st March 2017
Duty Drawback	0.06	0.42
Interest Received	188.05	211.98
Interest income on financial instruments measured at amortized cost	3.59	1.01
Freight & Cartage Outward Recovered	47.62	-
Rent received	22.80	24.90
Miscellaneous Receipts	33.83	244.66
<b>Total</b>	<b>295.96</b>	<b>482.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>33 Cost of Raw Material Consumed</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Raw Material</b>		
Opening Stock	2,924.40	1,129.35
Add: Purchases	44,925.77	33,474.23
Less: Closing Stock	(4,778.49)	(2,924.40)
<b>Total (A)</b>	<b>43,071.68</b>	<b>31,679.17</b>
<b>Stores, Spares and Packing Materials</b>		
Opening Stock	60.60	60.94
Add: Purchases	774.93	710.35
Less: Closing Stock	(68.81)	(60.60)
<b>Total (B)</b>	<b>766.72</b>	<b>710.69</b>
<b>Total Cost of Raw Material Consumed [A+B]</b>	<b>43,838.40</b>	<b>32,389.86</b>
<b>34 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Opening Stock of Finished Goods	1,205.62	225.28
Less: Closing Stock of Finished Goods	(1,598.13)	(1,205.62)
<b>Total (A)</b>	<b>(392.51)</b>	<b>(980.33)</b>
Opening Stock of Work-in-Progress	5,853.65	3,097.54
Less: Closing Stock of Work-in-Progress	(6,311.06)	(5,853.65)
<b>Total (B)</b>	<b>(457.41)</b>	<b>(2,756.11)</b>
<b>Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [C=A+B]</b>	<b>(849.92)</b>	<b>(3,736.45)</b>
<b>35 Employee Benefit Expense</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Director's Remuneration	72.08	50.54
Salaries, Wages, Bonus and Other Benefits	1,433.21	1,043.42
Contribution to Provident and Other Funds	30.75	25.80
Workmen and Staff Welfare Expenses	43.50	25.86
<b>Total</b>	<b>1,579.54</b>	<b>1,145.62</b>
<b>36 Finance Costs</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Interest Expenses	2,517.45	1,795.81
Interest on Direct Tax	57.50	52.06
Other Financial Charges	320.86	217.72
<b>Total</b>	<b>2,895.81</b>	<b>2,065.59</b>
<b>37 Depreciation and amortization expense</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Depreciation on Property Plant & Equipment (Read with note no.2)	946.32	909.90
Depreciation on Investment Property (Read with note no.3)	4.99	4.99
Amortisation of Intangible assets (Read with note no.4)	96.91	98.44
<b>Total</b>	<b>1,048.22</b>	<b>1,013.32</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>38 Other Expenses</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Manufacturing Expenses</b>		
Power & Fuel Charges	731.54	552.05
Job Work Charges	217.26	368.89
Other Manufacturing Expenses	326.26	245.23
Repairs to Building	85.98	63.96
Repair and Maintenance Other Assets	11.66	6.48
Repairs to Plant and Machinery	193.86	200.30
<b>Total (A)</b>	<b>1,566.57</b>	<b>1,436.91</b>
<b>Administrative and Selling Expenses</b>		
Auditors' Remuneration & Refreshment*	5.66	3.09
Advertisement and Publicity	0.15	1.00
Computer Expenses	5.07	2.91
Conveyance Expenses	41.00	29.07
Donation	2.96	4.46
Exchange Fluctuation	-	6.29
Fees, Rates and Taxes	21.96	14.11
Festival Expenses	6.20	2.55
Freight & Cartage Outward (Net)	351.64	271.40
Insurance Charges	26.32	19.63
Legal & Professional Fees	366.27	215.85
Listing, Compliance & Fees	7.14	17.88
Meeting Expenses	10.77	12.82
Misc. Expenses	38.34	14.69
Contract Services	33.00	29.50
Postage & Courier Charges	2.81	2.48
Printing & Stationery	14.41	9.69
Penalty and Fines	5.98	0.81
Rent	85.07	92.69
Rent of Office Equipment	1.04	1.24
Lease Rent Car	3.00	3.00
Security Service Charges	38.67	35.45
Service Tax on Freight	7.11	11.50
Telephone and Telecommunication Charges	16.83	16.23
Tour and Travelling Expenses	111.61	71.94
Amounts written off	86.77	33.94
Corporate Social Responsibility	35.49	2.18
Preliminary Expenses Written off	4.35	-
Selling Expenses	523.81	300.77
<b>Total (B)</b>	<b>1,853.43</b>	<b>1,227.17</b>
<b>Total Other Expenses [C=A+B]</b>	<b>3,419.99</b>	<b>2,664.08</b>
<b>39 Exceptional Items</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
Profit on Sale of Property, plant and equipment (Net)	-	0.73
<b>Total</b>	<b>-</b>	<b>0.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

*Payment to auditor (including tax)	31st March 2018	31st March 2017
<b>As auditor:</b>		
i) Audit fees	5.10	2.50
ii) Fees for income tax matters	1.40	1.00
iii) Certification charges and others	1.03	2.98
<b>Total</b>	<b>7.53</b>	<b>6.48</b>

### 40 Employee benefits

#### (A) Defined benefit plans

Gratuity: Provision for gratuity is determined based on actuarial valuation using projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### (i) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity Funded	Leave Encashment
<b>Defined benefit obligation at at 1st April 2016</b>	<b>92.06</b>	<b>9.94</b>
Interest expense	6.90	0.75
Current service cost	6.93	3.19
Benefits paid	-	(1.98)
Actuarial (gain)/ loss	(2.10)	2.30
<b>Defined benefit obligation at 31st March 2017</b>	<b>103.80</b>	<b>14.20</b>
Interest expense	8.04	1.10
Current service cost	12.40	7.62
Benefits paid	(16.55)	(4.33)
Actuarial (gain)/ loss	(0.99)	3.79
<b>Defined benefit obligation at 31st March 2018</b>	<b>106.70</b>	<b>22.37</b>

#### (ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	92.06	9.94
Fair value of plan assets	17.52	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 1st April 2016</b>	<b>74.53</b>	<b>9.94</b>
Present value of obligation	103.80	14.20
Fair value of plan assets	-	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2017</b>	<b>103.80</b>	<b>14.20</b>
Present value of obligation	106.70	22.37
Fair value of plan assets	18.97	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2018</b>	<b>87.73</b>	<b>22.37</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

## (iii) Amount recognised in Statement of Profit and Loss:

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	6.90	0.75
Current service cost	5.15	1.54
Expected return on plan asset	(1.31)	-
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2017</b>	<b>10.74</b>	<b>2.28</b>
Interest Cost	8.04	1.10
Current service cost	12.40	7.62
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2018</b>	<b>20.44</b>	<b>8.72</b>

## (iv) Amount recognised in Other Comprehensive Income:

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	(2.19)	2.22
Actuarial (gain)/ loss on plan assets	(0.13)	-
<b>Amount recognised in Other Comprehensive Income for year ended 31st March 2017</b>	<b>(2.32)</b>	<b>2.22</b>
Actuarial (gain)/ loss on obligations	(0.99)	3.79
Actuarial (gain)/ loss on plan assets	-	-
<b>Amount recognised in Other Comprehensive Income for year ended 31st March 2018</b>	<b>(0.99)</b>	<b>3.79</b>

## (v) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity Funded	Leave Encashment
<b>Fair value of plan assets at 1st April 2016</b>	<b>17.52</b>	<b>Nil</b>
Expected return on plan assets	1.31	Nil
Actuarial gain/(loss)	0.13	Nil
<b>Fair value of plan assets at 31st March 2017</b>	<b>18.97</b>	<b>Nil</b>
Expected return on plan assets	-	Nil
Actuarial gain/(loss)	-	Nil
<b>Fair value of plan assets at 31st March 2018</b>	<b>18.97</b>	<b>Nil</b>

## (vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31st March 2018	31st March 2017	1st April, 2016
<b>Investment Details</b>	<b>Gratuity</b>	<b>Gratuity</b>	<b>Gratuity</b>
Investment with Insurer	100%	100%	100%

## (vii) The principal assumptions used in determining gratuity &amp; leave encashment obligations for the Company's plans are shown below:

Gratuity & Leave Encashment			
Particulars	31st March 2018	31st March 2017	1st April, 2016
Average Past Service (Years)	10.60	22.30	22.50
Average remaining working life (Years)	16.90	9.20	9.00
Average Age (Years)	41.10	48.80	49.00
Weighted average duration (Years) - Gratuity	6.00	5.00	4.00
Weighted average duration (Years) - Leave Encashment	13.00	10.00	7.00
Discounting rate	7.75% PA	7.50% PA	8.00% PA
Salary Growth Rate	5.00% PA	5.00% PA	5.00% PA



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**(viii) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	31st March, 2018		31st March, 2017	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with X% increase in Discount Rate	103.03	21.04	98.78	11.91
Liability with X% decrease in Discount Rate	110.77	23.90	105.33	13.09
Liability with X% increase in Salary Growth Rate	110.85	23.93	105.38	13.10
Liability with X% decrease in Salary Growth Rate	102.90	21.00	98.68	11.90

(B) Defined contribution plans	31st March 2018	31st March 2017
Employer's Contribution to Provident Fund	7.52	6.27
Employer's Contribution to ESI	4.15	3.24
Employer's Contribution to NPS	16.59	13.84
<b>Total</b>	<b>28.25</b>	<b>23.35</b>

**41 Segment information**

The Company's operations predominately relate to Cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

Particulars	Manufacturing	
	31st March 2018	31st March 2017
<b>1. Revenue from external customers</b>		
- Within India	57,390.57	41,937.28
- Outside India	173.15	135.84
<b>Total revenue per statement of profit and loss</b>	<b>57,563.72</b>	<b>42,073.12</b>
The revenue information above is based on the locations of the customers.		
<b>2. Non-current operating assets</b>		
- Within India	16,457.82	16,861.85
- Outside India	-	-
<b>Total</b>	<b>16,457.82</b>	<b>16,861.85</b>

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 42 A. Related Party Disclosures:

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/ able to exercise significant influence along with the aggregate transactions and year end balance with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

#### (a) Key Management personnel:

Mr. Amit Jain	Managing Director
Mr. V. K. Gupta	Whole Time Director
Mr. Pyare Lal Khanna	Director
Mr. Ramesh Chand	Director (resigned w.e.f 29.03.2018)
Mr. Manoj Bishan Mittal	Director
Mr. Kishor Punamchand Ostwal	Director
Mrs. Archana Bansal	Director
Mrs. Himani Jain	Director
Mr. Subodh Kumar Barnwal	Company Secretary
Ms. Ankita Saran	Company Secretary
Mr. Rattan Lal Aggarwal	C.F.O

#### (b) Enterprises over which Key Management personnel exercise significant influence :-

Wire House	A proprietorship concern of a relative of director of the company.
Dhruv Cables & Conductors	A partnership concern in which a director of the company is a partner.
Parshwanath Cables Pvt. Ltd.	A company in which a relative of a director is a director.
Robotech Pvt. Ltd.	A company in which a director of the company is a director.
Himani Metals LLP	A partnership concern in which a director of the company is a partner.

### B. Related Party Transactions

Particulars	Key Management Personnel (KMP)		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017
Short-term Employee Benefits	130.00	115.09	-	-	130.00	115.09
Interest Paid/Payable	-	17.63	-	-	-	17.63
Lease Rent Paid/Payable	3.00	3.00	-	-	3.00	3.00
Rent Received/Receivable	-	-	25.59	4.50	25.59	4.50
JobWork Charges Paid/Payable	-	-	20.92	26.39	20.92	26.39
Purchases	-	-	6,274.64	203.31	6,274.64	203.31
Sales	-	-	11,526.72	263.96	11,526.72	263.96
<b>FINANCE</b>						
Unsecured Loans Received	447.50	1,224.60	-	-	447.50	1,224.60
Unsecured Loans Paid back	526.25	1,970.80	-	-	526.25	1,970.80
Advances Paid	-	-	14.90	1,150.00	14.90	1,150.00
Advances Received Back	-	-	14.90	1,150.00	14.90	1,150.00
<b>YEAR END BALANCES</b>						
Closing Debit Balances	-	-	1,656.18	42.12	1,656.18	42.12
Closing Credit Balances	44.25	123.20	95.92	8.71	140.17	131.91

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: Nil, 1st April 2016: Nil)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 43 Earnings per share (EPS)

Basic EPS amount is calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amount is calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation :

Particulars	31st March 2018	31st March 2017
Profit/(loss) for the year	2,580.54	3,006.97
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	15,015,813	14,520,471
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	15,015,813	14,584,717
Earning per share		
Basic EPS (on nominal value of Rs. 10 per share) Rs./share	17.19	20.71
Diluted EPS (on nominal value of Rs. 10 per share) Rs./share	17.19	20.62

### 44 Commitments and contingencies

#### Operating Lease

##### Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

##### Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

#### Finance Lease

The company does not have any finance lease as at March 31, 2018.

### 45 Capital commitments

Particulars	31st March 2018	31st March 2017	1st April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil	Nil

### 46 Contingent liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below :

Nature of Liability	31st March 2018	31st March 2017	1st April 2016
Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	3,214.57	3,061.68	1,372.04
Pending suit in court filed by parties for alleged demand for recovery.	64.36	64.36	64.36
Corporate Guarantee.	8,193.16	6,772.99	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 47 Dividend

Distribution Made and Proposed	31st March 2018	31st March 2017
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 March 2017: Rs. 1.00 per share (31 March 2016: Rs. Nil)	150.27	-
Dividend Distribution Tax on final dividend	30.59	-
	180.87	-
<b>Proposed dividends on Equity shares:</b>		
Final cash dividend for the year ended on 31 March 2018: Rs. 1.00 per share (31 March 2017: Rs. 1.00 per share)	150.27	150.27
Dividend Distribution Tax on proposed dividend	30.59	30.59
	180.87	180.87

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at 31 March.

### 48 Derivatives Instruments

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

#### (a) Foreign currency receivables as at the reporting date:

Particulars	Currency	31st March 2018	31st March 2017	1st April 2016
Export of goods	US\$	0.04	0.47	1.76
	Rs.	3.52	33.68	117.92
Advances to suppliers	US\$	-	0.18	0.01
	Rs.	-	11.61	0.54
	EUR	-	0.09	-
	Rs.	-	6.48	-

#### (b) Foreign currency payable as at the reporting date:

Particulars	Currency	31st March 2018	31st March 2017	1st April 2016
Import of goods	US\$	4.29	18.46	34.27
	Rs.	279.05	1,162.63	2,260.61

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 49 Financial Instruments measurements and disclosures

#### (a) Financial instruments by category :

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Non-current assets</b>									
<b>Financial assets</b>									
Investment	-	0.06	-	-	0.11	-	-	0.09	-
Loans	-	-	97.04	-	-	81.81	-	-	30.90
<b>Current assets</b>									
<b>Financial assets</b>									
Trade receivables	-	-	22,672.61	-	-	16,058.54	-	-	6,529.13
Cash and cash equivalents	-	-	143.22	-	-	55.07	-	-	159.10
Other bank balances	-	-	1,077.65	-	-	846.59	-	-	586.30
Loans	-	-	88.87	-	-	87.94	-	-	77.23
Others financial assets	-	-	491.11	-	-	277.00	-	-	421.71
<b>Total</b>	-	0.06	24,570.51	-	0.11	17,406.95	-	0.09	7,804.37
<b>Non-current liabilities</b>									
<b>Financial liabilities</b>									
Borrowings	-	-	4,469.18	-	-	5,151.87	-	-	6,206.31
<b>Current liabilities</b>									
<b>Financial liabilities</b>									
Borrowings	-	-	16,566.65	-	-	9,946.97	-	-	4,729.97
Trade payables	-	-	9,091.71	-	-	10,217.82	-	-	3,504.64
Other financial liabilities	-	-	1,443.80	-	-	1,315.77	-	-	576.75
<b>Total</b>	-	-	31,571.34	-	-	26,632.42	-	-	15,017.68

#### (b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

#### (c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

The following table presents assets and liabilities measured at fair value at 31 March 2018 and 31 March 2017

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets for which fair values are disclosed</b>						
Investment properties	-	1,089.43	-	-	1,076.53	-
<b>Financial assets:</b>						
<b>Measured at fair value</b>						
<b>Financial investments at FVTOCI</b>						
Listed Equity investments	0.06	-	-	0.11	-	-
<b>Financial assets at amortised cost</b>						
Loans to employees	-	-	27.57	-	-	2.22
Security Deposits	-	-	69.47	-	-	79.59
	0.06	-	97.04	0.11	-	81.81
<b>Financial liabilities:</b>						
<b>Measured at fair value</b>						
<b>Financial liabilities at amortised cost</b>						
Borrowings	-	21,773.12	-	-	15,841.09	-
	-	21,773.12	-	-	15,841.09	-

There are no transfers among levels 1, 2 and 3 during the year.

### 50 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, bank balances and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, trade payables and trade receivables.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

Interest rate sensitivity	Increase / Decrease in Basis points	Effect on profit before tax
<b>31-Mar-18</b>		
Base Rate	+50	(98.66)
Base Rate	-50	98.66
<b>31-Mar-17</b>		
Base Rate	+50	68.81
Base Rate	-50	(68.81)

Sensitivity is calculated based on the assumption that amount outstanding as at reporting date were utilised for the whole financial year.

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has sales and purchases from outside India. The Company has transactional currency exposures arising from sales and purchases by an operating unit in currencies other than the unit's functional currency.

Exposures in foreign currency are managed through a natural hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures.

The following table demonstrates the sensitivity to a reasonably possible change in US\$ and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variables held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows-

Unhedged foreign currency sensitivity	Changes in USD	Effect on profit before tax	Changes in Euro	Effect on profit before tax
<b>31-Mar-18</b>	+5%	(13.78)	+5%	-
	-5%	13.78	-5%	-
<b>31-Mar-17</b>	+5%	(55.87)	+5%	0.32
	-5%	55.87	-5%	(0.32)

### (iii) Price risk

#### Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the Company enters into contracts to purchase copper.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

#### (a) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was Rs. Nil.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on the assessment performed, the management does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

**As at 31-March-2018**

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	21,773.12	16,566.65	737.28	4,469.18	-
Trade payables	9,091.71	-	9,091.71	-	-
Other Financial liabilities	706.52	-	706.52	-	-
<b>Total</b>	<b>31,571.34</b>	<b>16,566.65</b>	<b>10,535.51</b>	<b>4,469.18</b>	<b>-</b>

**As at 31-March-2017**

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	15,841.09	9,946.97	742.25	5,151.87	-
Trade payables	10,217.82	-	10,217.82	-	-
Other Financial liabilities	573.52	-	573.52	-	-
<b>Total</b>	<b>26,632.42</b>	<b>9,946.97</b>	<b>11,533.58</b>	<b>5,151.87</b>	<b>-</b>

**As at 1-April-2016**

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other Financial liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 51 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short-term and long-term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises of all the components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	31st March 2018	31st March 2017	31st March 2016
Cash and cash equivalents	143.22	55.07	159.10
Other bank balances	1,077.65	846.59	586.30
<b>Total cash (a)</b>	<b>1,220.88</b>	<b>901.67</b>	<b>745.40</b>
Non-current borrowings	4,469.18	5,151.87	6,206.31
Current borrowings	16,566.65	9,946.97	4,729.97
Current maturities of non-current borrowings	737.28	742.25	323.31
Interest accrued but not due on borrowings	8.89	8.43	73.33
<b>Total (b)</b>	<b>21,782.01</b>	<b>15,849.52</b>	<b>11,332.92</b>
<b>Net debt [c = b-a]</b>	<b>20,561.13</b>	<b>14,947.85</b>	<b>10,587.52</b>
Total Capital (d)	23,813.76	20,666.43	17,565.66
Capital and net debt [e = c+d]	44,374.90	35,614.29	28,153.18
<b>Gearing ratio [c/e]</b>	<b>46.34%</b>	<b>41.97%</b>	<b>37.61%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2018 and 31st March 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

### 52 First time adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first the Company has prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under previous GAAP. Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at 1st April 2016 for the purpose of transition to Ind AS and as required by Ind AS 101.

This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1st April 2016 and 31st March 2017 and statement of profit and loss for the year ended 31st March 2017.

#### Ind AS optional exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

##### (a) Deemed cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

##### (b) Investments in subsidiary

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiary as deemed cost as on the date of transition to Ind AS.

##### (c) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

#### Ind AS mandatory exceptions

##### (a) Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

##### (b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets has been made on the basis of the facts and circumstances existed at the date of transition.

#### Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous GAAP on the group total equity and profit for the year previously reported under previous GAAP following transition to Ind AS.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**52.1 Reconciliation of equity as at 1st April 2016 (date of transition to Ind AS)**

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS	Foot notes
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	16,334.27	(955.73)	15,378.53	i
Capital work in progress	726.43	-	726.43	
Investment Property	-	955.73	955.73	i
Other Intangible assets	288.85	-	288.85	
Financial assets				
(i) Investments	0.05	0.04	0.09	ii
(ii) Loans	33.54	(2.63)	30.90	iii
(iii) Other Financial Assets	0.39	-	0.39	
Deferred Tax Assets (Net)	196.61	(15.88)	180.73	iv
Other non-current assets	211.56	1.50	213.06	vi
	<u>17,791.68</u>	<u>(16.97)</u>	<u>17,774.71</u>	
<b>Current assets</b>				
Inventories	4,513.10	-	4,513.10	
Financial assets				
(i) Trade receivables	6,529.13	-	6,529.13	
(ii) Cash and cash equivalents	159.10	-	159.10	
(iii) Other bank balances	586.30	-	586.30	
(iv) Loans	77.23	-	77.23	
(v) Others financial assets	421.71	-	421.71	
Current Tax Assets (Net)	12.26	-	12.26	
Other current assets	3,585.85	1.06	3,586.91	vii
	<u>15,884.68</u>	<u>1.06</u>	<u>15,885.74</u>	
<b>TOTAL ASSETS</b>	<b>33,676.36</b>	<b>(15.91)</b>	<b>33,660.45</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,408.07	-	1,408.07	
Other equity	16,126.73	30.86	16,157.59	viii
Total equity	<u>17,534.80</u>	<u>30.86</u>	<u>17,565.66</u>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	6,257.73	(51.42)	6,206.31	ix
Provisions	58.74	-	58.74	
	<u>6,316.46</u>	<u>(51.42)</u>	<u>6,265.04</u>	
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	4,729.97	-	4,729.97	
(ii) Trade payables	3,504.64	-	3,504.64	
(iii) Other financial liabilities	572.10	4.65	576.75	x
Other current liabilities	104.43	-	104.43	
Provisions	25.74	-	25.74	
Current Tax Liabilities (Net)	888.21	-	888.21	
	<u>9,825.10</u>	<u>4.65</u>	<u>9,829.75</u>	
<b>Total liabilities</b>	<u>16,141.56</u>	<u>(46.77)</u>	<u>16,094.79</u>	
<b>Total equity and liabilities</b>	<b>33,676.36</b>	<b>(15.91)</b>	<b>33,660.45</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

**52.2 Reconciliation of equity as at 31st March 2017**

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS	Foot notes
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	16,180.16	(950.74)	15,229.42	i
Capital work in progress	490.74	-	490.74	
Investment Property	-	950.74	950.74	i
Other Intangible assets	190.96	-	190.96	
Financial assets				
(i) Investments	0.05	0.07	0.11	ii
(ii) Loans	83.43	(1.62)	81.81	iii
Deferred Tax Assets (Net)	1,820.65	(10.56)	1,810.08	iv
Other non-current assets	195.97	0.44	196.41	vi
	<u>18,961.95</u>	<u>(11.68)</u>	<u>18,950.27</u>	
<b>Current assets</b>				
Inventories	10,044.27		10,044.27	
Financial assets				
(i) Trade receivables	16,058.54		16,058.54	
(ii) Cash and cash equivalents	55.07		55.07	
(iii) Other bank balances	846.59		846.59	
(iv) Loans	87.94		87.94	
(v) Others financial assets	277.00		277.00	
Current Tax Assets (Net)	9.97		9.97	
Other current assets	3,338.53	1.06	3,339.59	vii
	<u>30,717.91</u>	<u>1.06</u>	<u>30,718.97</u>	
<b>TOTAL ASSETS</b>	<b>49,679.86</b>	<b>(10.62)</b>	<b>49,669.24</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,478.07		1,478.07	
Other equity	18,980.07	208.30	19,188.36	viii
<b>Total equity</b>	<b>20,458.14</b>	<b>208.30</b>	<b>20,666.43</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	5,195.43	(43.57)	5,151.87	ix
Provisions	81.07		81.07	
Deferred tax liabilities (Net)	26.80	2.88	29.68	v
	<u>5,303.30</u>	<u>(40.69)</u>	<u>5,262.62</u>	
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	9,946.97		9,946.97	
(ii) Trade payables	10,217.82		10,217.82	
(iii) Other financial liabilities	1,463.54	(147.77)	1,315.77	x
Other current liabilities	231.20		231.20	
Provisions	37.30	(0.37)	36.92	xi
Current Tax Liabilities (Net)	2,021.60	(30.08)	1,991.51	xii
	<u>23,918.42</u>	<u>(178.23)</u>	<u>23,740.19</u>	
<b>Total liabilities</b>	<b>29,221.72</b>	<b>(218.92)</b>	<b>29,002.81</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49,679.86</b>	<b>(10.62)</b>	<b>49,669.24</b>	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

### Notes: Equity Reconciliation

(All amounts in Indian Rupees Lakh unless otherwise stated)

Note No.	Particulars	1st April, 2016	31st March, 2017
i	PPE reclassified as Investment Property as per IND AS 40	955.73	950.74
	<b>Total</b>	<b>955.73</b>	<b>950.74</b>
ii	Fair value gain/(loss) on financial instruments as per IND AS 109	0.04	0.07
	<b>Total</b>	<b>0.04</b>	<b>0.07</b>
iii	Fair Valuation of interest free security deposits given as per IND AS 109	(2.63)	(1.62)
	<b>Total</b>	<b>(2.63)</b>	<b>(1.62)</b>
iv	Deferred Tax on other IND AS adjustments as per IND AS 12	(20.04)	(10.56)
	Deferred Tax on Fair Value Gain/(Loss) through OCI	4.16	-
	<b>Total</b>	<b>(15.88)</b>	<b>(10.56)</b>
v	Deferred Tax on other IND AS adjustments as per IND AS 12	-	2.84
	Deferred Tax on Fair Value Gain/(Loss) through OCI	-	0.04
	<b>Total</b>	<b>-</b>	<b>2.88</b>
vi	Fair Valuation of interest free security deposits given as per IND AS 109	1.50	0.44
	<b>Total</b>	<b>1.50</b>	<b>0.44</b>
vii	Fair Valuation of interest free security deposits given as per IND AS 109	1.06	1.06
	<b>Total</b>	<b>1.06</b>	<b>1.06</b>
viii	Fair value gain/(loss) on financial instruments as per IND AS 109	51.38	48.53
	Actuarial gain/(loss) on long term defined benefits plan	(13.50)	(13.40)
	Deferred tax impact as per IND AS 12	(15.88)	(13.45)
	Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
	Rectification of error as per IND AS 8	-	177.86
	Others	13.50	13.40
	<b>Total</b>	<b>30.86</b>	<b>208.30</b>
ix	Amortization of processing fee at Effective interest rate as per IND AS 109	(51.42)	(43.57)
	<b>Total</b>	<b>(51.42)</b>	<b>(43.57)</b>
x	Correction of prior period items as per Ind AS 8	4.65	-
	De-recognition of Proposed Dividend as per Ind AS 8	-	(147.77)
	<b>Total</b>	<b>4.65</b>	<b>(147.77)</b>
xi	Remeasurement of Defined Benefit Plans as per IND AS 19	-	(0.37)
	<b>Total</b>	<b>-</b>	<b>(0.37)</b>
xii	De-recognition of DDT on Proposed Dividend as per Ind AS 8	-	(30.08)
	<b>Total</b>	<b>-</b>	<b>(30.08)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(All amounts in Indian Rupees Lakh unless otherwise stated)

<b>53 Reserve Reconciliation</b>		
<b>Reserves &amp; Surplus</b>	<b>1st April, 2016</b>	<b>31st March, 2017</b>
<b>As per IGAAP</b>	<b>16,126.73</b>	<b>18,980</b>
Fair value gain/(loss) on financial instruments as per IND AS 109	51.38	48.53
Actuarial gain/(loss) on long term defined benefits plan	(13.50)	(13.40)
Deferred tax impact as per IND AS 12	(15.88)	(13.45)
Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
De-recognition of Proposed Dividend as per Ind AS 8	-	177.86
Others	13.50	13.40
<b>As per IND AS</b>	<b>16,157.59</b>	<b>19,188.36</b>

### 54 Profit reconciliation March 31, 2017

<b>Nature of Adjustment</b>	<b>For the year ended March 31, 2017</b>
Profit as per erstwhile Indian GAAP	3,007.48
Other Income - Fair value gain on financial instruments	1.01
Finance Cost - Accounting for financial assets and liabilities	(8.91)
Employee Benefits - Remeasurement of Defined Benefit Plans	0.27
Other Expenses - Correction of prior period items	4.65
Deferred tax on above adjustments	2.47
<b>Profit as per IND AS</b>	<b>3,006.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

### 55 Additional information, as required under Schedule III to the Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2017-18

(All amounts in Indian Rupees Lakh unless otherwise stated)

Particulars	Net Assets, i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount (Rs. in lacs)
<b>Parent</b>		
CMI Limited	56.38%	13,425.88
<b>Subsidiaries</b>		
<b>Indian</b>		
CMI Energy India Private Limited	43.62%	10,387.88
<b>Total</b>	<b>100.00%</b>	<b>23,813.76</b>

Particulars	Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (Rs. in lacs)	As % of consolidated other comprehensive income	Amount (Rs. in lacs)	As % of consolidated total comprehensive income	Amount (Rs. in lacs)
<b>Parent</b>						
CMI Limited	88.77%	2,290.71	178.55%	(3.51)	88.70%	2,287.20
<b>Subsidiaries</b>						
<b>Indian</b>						
CMI Energy India Private Limited	11.23%	289.82	-78.55%	1.54	11.30%	291.37
<b>Total</b>	<b>100.00%</b>	<b>2,580.54</b>	<b>100.00%</b>	<b>(1.97)</b>	<b>100.00%</b>	<b>2,578.57</b>

The disclosure relating to Specified Bank Notes held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018.

57 Figures are rounded off to nearest rupees in Lakh.

Summary of significant Accounting policies

The accompanying notes (1-57) are an integral part of the financial statements

As per our report of even date attached

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

Krishna K. Neeraj

Partner

Membership No.: 506669

Place: New Delhi

Date: 30-05-2018

For and on behalf of the Board of Directors

Amit Jain

Managing Director

DIN: 00041300

Subodh Kumar Barnwal

Company Secretary

M. No.-21928

Vijay Kumar Gupta

Whole-Time Director

DIN: 00995523

Rattan Lal Aggarwal

C.F.O.



**CMI Limited**  
CABLES THAT EMPOWER

# Notice of AGM





**CMI LIMITED**

CIN L74899DL1967PLC018031

Regd. Office: Flat No.501 - 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001

Tel No.: 011 - 49570000-12, Fax No.: 011 - 23739902

Email Id.: [info@cmilimited.in](mailto:info@cmilimited.in), Web Site: [www.cmilimited.in](http://www.cmilimited.in)

NOTICE IS HEREBY GIVEN THAT THE 51<sup>st</sup> ANNUAL GENERAL MEETING OF CMI LIMITED will be held on Thursday, 29th November, 2018 at 11.30 am at Navkaar Banquets Hall, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88 to transact the following business.

Further take notice that as per the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, all the following business may also be transacted by e-voting as per the process and conditions mentioned in this notice:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt
  - a. The Audited Standalone Financial Statements for the year ended March 31, 2018 together with the Report of the Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statements for the year ended March 31, 2018 together with the Report of Auditors thereon.
2. To declare a dividend on Equity share for the Financial Year ended on March 31, 2018
3. To appoint a Director in the place of Mr. Vijay Kumar Gupta (DIN 00995523) who retire by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Auditor and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed there under as amended from time to time, the Company hereby ratifies the appointment of M/s. Krishna Neeraj & Associates, Chartered Accountants, (Firm Registration No. 023233N), New Delhi as the Statutory Auditors of the Company, to hold office from the conclusion of 51st Annual General Meeting until the conclusion of the 54th Annual General Meeting of the Company subject to ratification at every Annual General Meeting, on such remuneration as may be agreed upon between the Board of Directors or any Committee thereof and the Statutory Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.”

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification, following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time in force), sum of Rs. 45,000/- (Rupees Forty Five Thousand only) plus applicable taxes and other incidental expenses payable as remuneration to M/s Ajay Kumar Singh & Co., Cost Accountants, who were appointed to conduct the audit of cost records maintained by the Company for the financial year 2018-19 by the Board of Directors on recommendation of the Audit Committee, be and is hereby ratified.”

**By Order of the Board**

**CMI Limited**

**Date: 31.10.2018**

**Place: New Delhi**

**Amit Jain**

**Chairman cum Managing Director**

**DIN - 00041300**

Registered Office:

Flat No. 501 - 503, 5th Floor, New Delhi House,  
27 Barakhamba Road, New Delhi - 110001

Email Id: info@cmilimited.in



## NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll, instead of her/him and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Corporate members/societies etc. are requested to send a duly certified copy of the Board Resolution/authority, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. The Company’s Register of Members and Transfer Books will remain closed from Friday, 23rd November, 2018 to Thursday, 29th November, 2018 (both days inclusive) for the purpose of the Meeting.
7. The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 22<sup>nd</sup> November, 2018 and to all members in respect of shares held in physical form after giving effects to valid transfers in respect of transfer requests lodged with the Company on or before the close of the business hours on 22<sup>nd</sup> November, 2018.
8. Members wishing to claim dividends, which remain unclaimed, except those members whose Equity Shares are held in abeyance, are requested to correspond with the Company Secretary/RTA. Members are requested to note that dividend which is unpaid or unclaimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as Section 124 of the Companies Act, 2013.
9. In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system provided by CDSL and the Company is providing facility for voting by electronic means (“e-voting”) to its members. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
10. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
11. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evotingindia.co.in> during the following voting period.

**Commencement of e-voting: From 9.00 a.m. of Monday, November 26, 2018 -**

**End of e-voting Upto at 5.00 p.m. of Wednesday, November 28, 2018**

**E-voting shall not be allowed beyond 5.00 P.M.** of Wednesday, November 28, 2018. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The cut off date for the limited purpose of e-voting is Thursday, 22<sup>nd</sup> November, 2018.

12. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
13. Those members who have registered their e-mail IDs with the Company/their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
14. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed CS Pooja Anand/ CS Mukul Tyagi of Pooja Anand & Associates, Practicing Company Secretaries, as Scrutinizer (who has consented to be appointed as scrutinizer) for conducting the electronic process in a fair and transparent manner.
15. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
16. Non-resident Indian Members are requested to inform Company's Share Registrar - Beetal Financial & Computer Services (P) Limited immediately for:
  - a. the change in the residential status on return to India for permanent settlement; and
  - b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
17. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special businesses to be transacted at the Meeting is annexed hereto.
18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.
19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
20. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the Meeting.
21. Annual Report of the Company including the notice of ensuing Annual General Meeting, has been uploaded **on website of the Company; [www.cmilimited.in](http://www.cmilimited.in) under the segment "For Investor"** which can be freely downloaded by any members, forthwith after it is sent to the members. Any shareholder wishing to receive a physical copy of the Annual Report, may write to the Company or Company's Share Registrar by email, the Company will arrange to send the physical copy of the annual report to such member within 7 days of the receipt of the communication.

## 22. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote electronically through the electronic voting service facility arranged by the Central Depository Services (India) Limited. The facility for voting through Ballot Paper, will also be available at the Annual General Meeting (AGM) and the Members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for E-voting are prescribed below:

- i. The voting period begins < From 9.00 a.m. of Monday, November 26, 2018 and ends at 5.00 p.m. of Wednesday, November 28, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 22<sup>nd</sup> November, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of CMI LIMITED on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

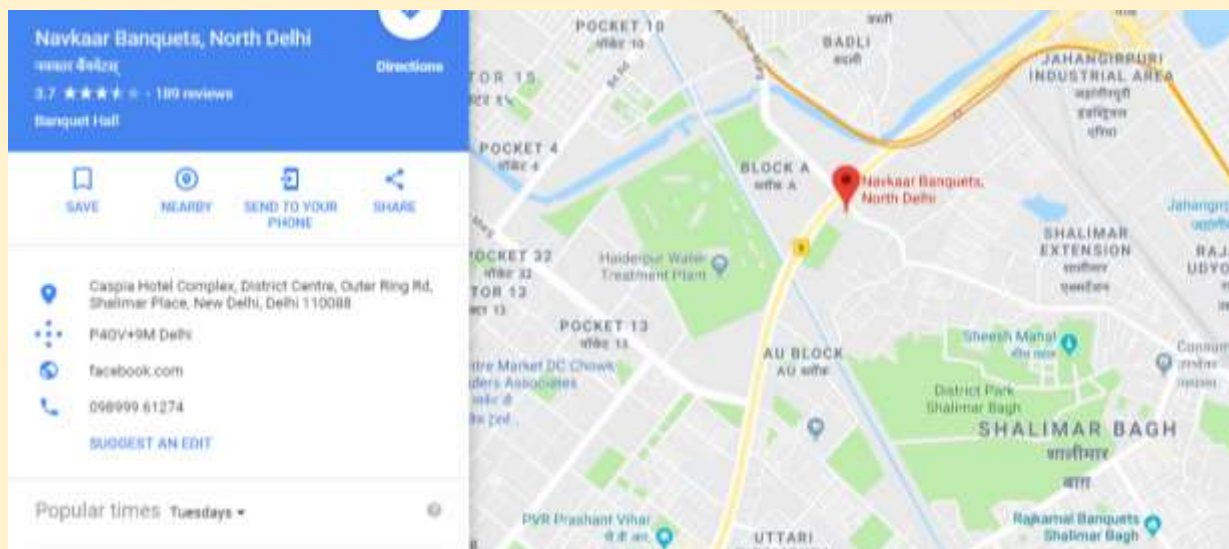
#### OTHER INSTRUCTIONS:

1. a) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section.
- b) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

2. The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM.
  3. The scrutinizer shall within a period of not exceeding three days from the conclusion of the AGM unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  4. The results of the remote e-voting along with the scrutinizer's report shall be communicated to the stock exchanges where the shares of the Company are listed.
23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
24. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment, as Director/Managing Director under Item No. 3 of the Notice are:

Particulars	Mr. Vijay Kumar Gupta
(a) a brief resume of the Director	Mr. Vijay Kumar Gupta, Whole-Time Director, a Mechanical Engineer (B.E.) from Delhi College of Engineering Delhi having more than 40 years experience in the field of Cable is a just a One Stop Solution Man for Cable. He has attained this Stature by virtue of knowledge in the area of Design/Production/Marketing of Cables covering the vast range of Power/Control/Instrumentation/communication/PIJF Telecom Cable.
(b) nature of his expertise in specific functional areas	Mr. Gupta with his enriched knowledge and experience acted as a guiding star and under his guidance the Company bagged numerous orders and created avenues for new products and new customers which facilitated in enhancing the profitability of the Company. As a strategic advisor he enabled the Company to build its goodwill in the competitive environment. His excellence in business techniques facilitated the Company to achieve the desired growth level. His leadership quality acted as a motivator and increased employee motivation along with increased efficiencies in processes resulting in achieving financial gain and improvement in productivity and product quality of the Company. With his association, the Company has reached heights of success.
(c) disclosure of relationships between Directors inter-se	NIL
(d) names of listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL
(e) shareholding of Non-Executive Directors	Not applicable

## 25. Route Map for venue of Annual General Meeting.



### GREEN INITIATIVE:

The Ministry of Company Affairs (MCA) has taken the “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated April, 2011 and Circular No. 18/2011 dated April 20, 2011) along with paperless compliance by companies through electronic mode.

Keeping in view underlying theme and circular issued by MCA, the Company proposes to send all documents to be sent to shareholders like General Meeting Notice, Annual Report including Audited Financial Statements, Director Report, Auditor Report etc. to our shareholder in electronic form, to the email address provided by them and made available to the Company by the Depositories. Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time, as a member of the Company such a requisition may be sent to the Registered Office of the Company addressed to the Company Secretary.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM No .5:**

M/s Ajay Kumar Singh & Co, Cost Accountants were appointed as Cost Auditor of the Company by the Board of Directors in their meeting held on May 30, 2018 on recommendation of the Audit Committee, to conduct the audit of cost records maintained by the Company for the financial year ending on 31st March, 2019 at a remuneration of Rs. 45,000 plus taxes as applicable and other incidental expenses that may be incurred for the purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors on recommendation of the Audit Committee is required to be ratified by the members of the Company.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as sought in Item no.05 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 05 of the Notice.

**By Order of the Board****CMI Limited****Date: 31.10.2018****Place: New Delhi****Amit Jain****Chairman cum Managing Director****DIN - 00041300**

**FORM NO. - 11**
**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CMI LIMITED**
**CIN L74899DL1967PLC018031**
**Regd. Office: 501-503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001**
**Tel.: 011 - 49570000, Fax : 011 - 23739902**
**Email Id: info@cmilimited.in Website: www.cmilimited.in**
**Name of the Member(s):**
**Registered address:**
**Email id:**
**Folio No./ Client Id.:**
**DP ID:**

I/We, being the member(s) of ..... of the above named company hereby appoint

1. Name: ..... Email Id: .....  
Address: .....  
Signature: .....
2. Name: ..... Email Id: .....  
Address: .....  
Signature: .....
3. Name: ..... Email Id: .....  
Address: .....  
Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Thursday, 29th November, 2018 at 11:30 am at Navkaar Banquets Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88 and any adjournment thereof in respect of such resolutions as are indicated below:-

**Resolution No.:**
**Ordinary Business:**

1. To receive, consider and adopt
  - a. The Audited Standalone Financial Statement for the year ended March 31, 2018 together with the Report of the Directors and Auditors thereon; and
  - b. The Audited Consolidated Financial Statement for the year ended March 31, 2018 together with the Report of Auditors thereon

2. To declare Dividend on equity shares for the Financial Year ended on March 31, 2018.
3. Appointment of Director in place of Mr. Vijay Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditor of the Company

**Special Business:**

4. Ratification of remuneration of M/s. Ajay Kumar Singh & Co, Cost Accountants, appointed as Cost Auditor of the Company.

Signed this .....day of .....2018.

\_\_\_\_\_

\_\_\_\_\_

Affix Rs. 1/-  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**CMI LIMITED****CIN L74899DL1967PLC018031****Regd. Office: 501 - 503, 5th Floor, New Delhi House, 27 Barakhamba Road, New Delhi - 110001****Tel.: 011 - 49570000-12, Fax : 011 - 23739902****Email Id: info@cmilimited.in Website: www.cmilimited.in****ATTENDANCE SLIP****51st ANNUAL GENERAL MEETING****Date: 29<sup>th</sup> November, 2018 Time: 11.30 am****Place: Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi - 88**

Member's Folio/ DPID- Client ID No.	Member's/ Proxy's Name in Block Letters	Member's/ Proxy's Signature

**Note:**

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of the meeting hall.
2. Bodies Corporate, whether a company or not, who are member, may attend through their authorized representatives appointed under section 113 of the Companies Act, 2013. A copy of the authorization should be deposited with the company.
3. In case of shares held in demat/ electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the company by NSDL/CDSL.
4. Electronic copy of the Annual Report along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of the Attendance Slip.

Physical copy of the Annual Report for 2017-18 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered for a hard copy.

**Page Intentionally Left Blank**

**Registered Post**

**Printed Matter**

If undelivered please return to:

**CMI LIMITED**

Regd. Office: Flat No. 501-503, 5th Floor, New Delhi House, 27,

Barakhamba Road, New Delhi-110001

Ph: 011-49570000, Fax: 91-11-23739902, E-mail: [info@cmilimited.in](mailto:info@cmilimited.in)