



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Members of CMI LIMITED will be held on Tuesday, the 28th day of September, 2010 at 11.30 a.m. at Lajwaab Banquet Hall, Vikas Marg, Delhi – 110092 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 along with the Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Vijay Kumar Gupta, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
3. To appoint Mr. Ramesh Chand, the retiring Director being eligible offers himself for re-appointment as Director on rotational basis.
4. To appoint **M/s J. K. Manocha & Associates, Chartered Accountants, Delhi**, the retiring Auditors, to hold office as Auditors from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration:

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

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Abhishek Aggarwal, who was appointed as an Additional Director by the board on 20th November, 2009 as per Article 80 of Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby elected and appointed as Director of the Company liable to retire by rotation.

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

“RESOLVED THAT pursuant to the provisions of Section 269, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and Article 110 of Articles of Association of the Company, this meeting hereby approves the appointment of Mr. Amit Jain as Managing Director of the Company with effect from 1st April 2010 for a period of three years, on the terms and conditions as approved by the Board of Directors of the Company and at a remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, a copy whereof initialed by the Chairman for identification is placed before this Meeting.

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



By Order of the Board

Place: Delhi
Date: 9th August, 2010

Amit Jain
Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2010 to Tuesday, 28th September, 2010, both days inclusive.
4. The Explanatory statement pursuant to Section 173(2) of Companies Act, 1956, which sets out details relating to special business to be transacted at the meeting, is annexed hereto.
6. Members are requested:
 - a) To intimate immediately for change of their address and bank particulars to the "RTA" in case shares are held in certificate form;

AND

- In case the shares are held in dematerialized form, information should be passed on directly to their respective Depository Participant and not to the Company/RTA without any delay.
- b) To provide information with respect to particulars such as occupation, fathers' name etc and such other information, that is not available with the company so as to update Members' Register.
 - c) To quote Ledger Folio Numbers/DP ID – Client ID in all their correspondence.
 - d) To bring their admission slips along with copy of the Reports and Accounts to the Annual General Meeting.
 - e) No gift or gift coupons will be distributed at the meeting.
4. No amount of money is due & pending which is required to be transferred to unpaid or unclaimed dividend account or to Investor Education and Protection Fund.

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

Item No. 5

The Board of Directors of your Company appointed Mr. Abhishek Aggarwal as an Additional Director of the Company at their Meeting held on 20th November, 2009, pursuant to Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Article 80 of the Articles of Association of the Company. In terms

of the said section, he holds office up to the ensuing Annual General Meeting.

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

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

The Board of Directors of your Company are of the view that it is desirable to avail guidance and advice of Mr. Abhishek Aggarwal who is having rich experience and expertise in cable industry and Public Relations and accordingly, your Directors recommend the Resolution at Item No. 5 for your approval.

None of the Directors except Mr. Abhishek Aggarwal seeking appointment is concerned or interested in the said resolution.

Item No. 6

The Board of Directors of your Company at their meeting held 1st April 2010 on the recommendations of Remuneration Committee of the Company have resolved to appoint Mr. Amit Jain as Managing Director at a monthly remuneration Rs 1,25,000/- (Rupees One Lakh and Twenty Five Thousand Only) with effect from 1st April 2010 subject to the approval of the Members and in pursuance of the provisions of Schedule XIII and other applicable provisions of the Company Act, 1956. The remuneration package proposed to be provided to Mr. Amit Jain is as follows:

Basic Salary	:	63,750.00
HRA(60% of Basic)	:	38,250.00
Education Allowance	:	2,500.00
Conveyance Allowance	:	12,000.00
Fixed Medical Allowance	:	8,000.00
Total		1,24,500.00
Insurance Premium	:	500.00
Total Emoluments		1,25,000.00

Mr. Amit Jain turnaround the Company from a loss making entity to a profitable Company with his extraordinary vision and entrepreneurial skills. Under his leadership, CMI has grown significantly despite many hurdles. Because of his foresightedness and professional approach, he is appointed as Managing Director for a period of three years from 1st April, 2010 to 31st March, 2013. As a Managing Director, he is responsible for overall management of the Company.

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

Except Mr. Amit Jain, none of the Directors is interested in this resolution. The Board recommends the resolution at Item No. 6 as Ordinary Resolution for your approval.

By Order of the Board

Amit Jain
Managing Director

Place: Delhi
Date: 9th August, 2010

DIRECTORS' REPORT

To,

The Members,
CMI Limited

Your Directors have enormous gratification in presenting the Forty Third (43rd) Annual Report on the business and operations of the Company, together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

OVERALL REVIEW

During the year under review, although there is a downfall of 9.51% in the turnover of the Company, yet the total income (i.e. the aggregate of Turnover and other income) fall down by 6.45% only. Further, the Net Profit before Depreciation and Tax reports a downfall of 1.17% only. Since, the Company has adopted adequate cost control measures through out the year, therefore despite of the reduced turnover; it is still able to maintain its Net Profit. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market.

FINANCIAL REVIEW

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

PARTICULARS	31.03.2010 Amt. (In Rs.)	31.03.2009 Amt. (In Rs.)
Total Income (Turnover + Other Income)	48,80,79,653	52,17,18,366
Less: Expenditure	45,85,16,178	49,18,03,699
Profit before Depreciation and Tax	2,95,63,475	2,99,14,667
Less: Depreciation	1,03,03,830	87,25,348
Profit Before Tax	1,92,59,645	2,11,89,320
Less: Taxation-Current Year	11,35,000	-
Fringe Benefit Tax	-	1,47,911
Add: MAT Claimable	10,34,097	-
Previous Year Adjustments	1,454	4,53,066
Net Profit for the year carried to the Balance Sheet	191,60,196	2,14,94,475

DIVIDEND

Although the brought forward losses have been adjusted during the year, yet the Company needs further funds to enhance its business operations, to up grade the efficiency of its plant and to meet out the deficiencies in working capital. Therefore, the management is of the view that the profits earned during the year must be retained and redeployed for the operations of the Company.

AUDITORS

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

The name of the Auditors' Firm has been changed from M/s Manocha J. K. & Associates to M/s J. K. Manocha & Associates.

AUDITORS' OBSERVATION

The Auditors' Report has been annexed with this report, Auditors' observations are self explanatory, which do not call for any further clarifications.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Vijay Kumar Gupta and Mr. Ramesh Chand, Directors are liable to retire by rotation and being eligible offers their candidature for re-appointment.

During the year under review, Mr. Abhishek Aggarwal has been appointed as an Additional Director and Mr. Parag Jain has resigned as Director effective 20th November, 2009. Your Directors place before the members of the Company a proposal to regularize Mr. Abhishek Aggarwal as Director of the Company.

The Board of Directors of the Company resolved to appoint Mr. Amit Jain, as the Managing Director of the Company with effect from 1st April 2010 for a period of three years i.e. up to 31st March 2013 at a monthly remuneration of Rs. 1,25,000/- subject to the approval of the Members and in pursuance of the provisions of Schedule XIII and other applicable provisions of the Company Act, 1956.

PREFERENTIAL ALLOTMENT

During the year under review, an Extra-ordinary General Meeting of the Members of the Company was held as on 2nd February, 2010 to offer, issue and allot 30,00,000 Equity Shares of the Company to Mr. Amit Jain, in the capacity of promoter, on preferential basis. However, the decision of Board of Directors of the Company is still pending in this regard.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

REVOCATION OF SUSPENSION OF TRADING IN SHARES ON BSE

During the year under review, the Company has made all compliances required till date in conformity with various clauses of Listing Agreement signed with Bombay Stock Exchange Limited and has also paid re-instatement fees for revocation of suspension of trading in shares of the Company.

Consequently, BSE has lifted suspension on the trading of Equity Shares of the Company and the shares of the Company are now being traded w.e.f. 4th August, 2010.

INSPECTION UNDER SECTION 209A OF COMPANIES ACT

During the year under review, an inspection of the Company was carried out under Section 209A of the Companies Act, 1956 and certain observations were raised by Regional Director (RD), Northern Region in this regard. The officials of the Company have been dealing with the same and as and when the final remark from Government of India will be received by the Company, it will be replied appropriately.

HUMAN RESOURCES

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

CORPORATE GOVERNANCE

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

The Compliance Report on Corporate Governance Report forms part of this Annual Report. The Practicing

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

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

ISO CERTIFICATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there were no material departures.
- (ii) Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

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

Conservation of Energy

(a) Energy Conservation Measures taken	The Company has taken adequate measures to ensure optimum use of all equipments so as to conserve energy.
(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy	The Company is evaluating new technologies to make its infrastructure more energy efficient.

(c) Impacts of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	These measures resulted in cost saving for the company and effective management and efficient utilization of energy resources.
(d) Total Energy consumption and energy consumption per unit of production as per Form A	Not Applicable

Technology Absorption, Adaptation & Innovation

Continuous efforts are being made for product improvement and cost reduction.

I. Research and Development

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 has started manufacturing High Temperature Rubber cables
Future plan of action	Technology Up gradation
Expenditure on R&D	Capital Expenditure: Nil Recurring Expenditure: Nil

II. Technology absorption, adaptation and innovation

Efforts, in brief made towards technology absorption, adaptation and innovation	In-house training is being imparted to plant personnel for adaptation of the updated technology.
Benefits derived as a result of above efforts, for e.g. product improvement, cost reduction, product development, import substitution etc.	New Product Development, Cost optimization, Productivity and product quality improvement.

I. The Company has not made any technology import.

II. Foreign Exchange Earnings and Outgo:

Expenditure in Foreign Currency	Nil
Earnings in Foreign Currency	Nil

SUBSIDIARY COMPANY

The Company has one wholly owned subsidiary Company viz. CMI Telecom Limited. The Company has yet to commence its business.

ENVIRONMENTAL REVIEW

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

The Pollution Control parameters as defined by the State Pollution Control Board were totally adhered and effluent discharge level was well within the prescribed limits. Air pollution has been tested and was in line with the requirement. Noise pollution level was controlled 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 wish to take this opportunity to offer sincere appreciation and acknowledge with gratitude the support and co-operation extended by the clients, vendors, bankers, registrar and share transfer agent, business associates, financial institutions, media and their agencies and look forward to their continued support and assistance.

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

By Order of the Board

Amit Jain
Chairman of the Meeting

Place: Delhi

Date: 9th August, 2010

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company will continue to focus its resources, strengths and strategies to create and safeguard shareholders' wealth.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory, significant and other material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non-Executive Directors, the latter includes independent professionals. Directors are appointed / re-appointed with the approval of the Shareholders and all are liable to retire by rotation except Managing Director. The present strength of the Board of Directors is six, of which one is an Executive Director.

Composition of the Board of Directors as on 31st March 2010:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	1	17
Non-Executive Independent Directors	3	50
Other Non-Executive Directors	2	33
Total	6	100

Directors

The Board constitution, the attendance of the Directors at the meetings of the Board held during the financial year and at the last Annual General Meeting (AGM), numbers of other Directorship / Committee Membership held by them during the year 2009 - 2010 are tabulated below:

Name of Director	Category of Director	Number of Board Meetings		Attendance in Last AGM	No. of Directorships in other Public Cos.	No. of Other Committee position as Member	No. of Other Committee position as Chairman
		Held*	Attended				
Mr. Amit Jain	Chairman cum Managing Director & Executive Promoter Director	18	18	Yes	One	None	None
Mr. Parag Jain **	Non Executive Promoter Director	13	13	Yes	None	None	None
Mr. Pyare Lal Khanna	Non Executive Independent Director	18	16	Yes	None	None	None
Mr. Abhishek Aggarwal***	Non Executive Director	6	5	No	None	None	None
Mr. Vijay Kumar Gupta	Non Executive Director	18	18	Yes	One	None	None
Mr. Neeraj Goel	Non Executive Independent Director	18	17	Yes	None	None	None
Mr. Ramesh Chand	Non Executive Independent Director	18	16	Yes	None	None	None
* ** *** #	Denotes number of meetings held during the tenure of directorship of each director. Mr. Parag Jain has resigned as Director of the Company w.e.f 20 th November, 2009. Mr. Abhishek Aggarwal has been appointed as Additional Director of the Company w.e.f. 20 th November, 2009. Mr. Vijay Kumar Gupta and Mr. Ramesh Chand Directors are liable to retire by rotation and being eligible offer themselves for re-appointment.						

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The Company has defined procedures for meetings of Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner.

Number of Board of Directors Meeting held during the year.

Eighteen (18) Board Meetings were held during the year 2009-2010 and the gap between two meetings did not exceed four months. The details of which are as follows:

(1) 18th April, 2009; (2) 1st May, 2009; (3) 25th May, 2009; (4) 30th May, 2009; (5) 27th June, 2009; (6) 30th June, 2009; (7) 20th July, 2009; (8) 11th August, 2009; (9) 3rd September, 2009; (10) 21st September, 2009; (11) 21st October, 2009; (12) 18th November, 2009; (13) 20th November, 2009; (14) 30th November, 2009; (15) 21st December, 2009; (16) 7th January, 2010; (17) 30th January, 2010; (18) 5th March, 2010;

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS

Name of the Director	Mr. Amit Jain	Mr. Pyare Lal Khanna	Mr. Vijay Kumar Gupta	Mr. Abhishek Aggarwal	Mr. Neeraj Goel	Mr. Ramesh Chand
Designation	Chairman cum Managing Director & Executive Promoter Director	Non Executive Independent Director	Non Executive Director	Non Executive Director	Non Executive Independent Director	Non Executive Independent Director
Date of Birth	15 th Oct., 1973	13 th Aug, 1948	15 th Dec, 1949	14 th Feb, 1981	6 th Dec, 1975	15 th May, 1949
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	1 st Oct, 2002	30 th Sept, 2004	15 th Jan, 2009	20 th Nov., 2009	14 th Feb, 2002	27 th Feb, 2009
Qualifications & Experience	Having rich experience in cable manufacturing industry	Having more than 40 years of Grassroot level experience in Metals	Having very rich experience in Technical and Marketing	MBA Finance and expertise in Financial Management	Having more than 10 years of experience in Marketing	B.Sc and MA in Sociology and have expertise in Finance Management
Shareholding in CMI Limited as on 31-03-2010	1,112,570 (36.44%)	Nil	8770 (0.29%)	1,10,344 (3.61%)	Nil	9000 (0.30%)
Directorship in other Companies and Memberships of Committees*	CMI Telecom Limited	Nil	CMI Telecom Limited	Nil	Nil	Nil
DIN	00041300	02237272	00995523	01259173	01753138	02759859

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

Code of Conduct

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

Declaration as required under clause 49 of the Listing Agreement

As provided under Clause 49 of the Listing Agreement with the stock exchange, all the members of the Board and Senior Management Personnel have confirmed compliance with Code of Conduct of the Company for the financial Year ended as on March 31, 2010.

Date: 9th August, 2010

Place: Delhi

**Amit Jain
Managing Director**

COMMITTEES OF THE BOARD

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

A. AUDIT COMMITTEE

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

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

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

- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by the Board from time to time.

Composition

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

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

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

* Mr. Parag Jain has resigned as a Director of the Company w.e.f. 20th November, 2009.

** Mr. Abhishek Aggarwal has been appointed as Additional Director of the Company w.e.f. 20th November, 2009.

Five Audit Committee Meetings were held during the year 2009-2010. The dates on which the said meetings held were as follows:

(1) 30th April, 2009; (2) 30th June, 2009; (3) 30th July, 2009; (4) 31th October, 2009; (5) 31st January, 2010.

The necessary quorum was present at the meetings.

B. REMUNERATION COMMITTEE

The Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Managing Director, Whole Time Directors and the senior most level of management immediately below the Managing Director. The recommendations of the Committee are considered and approved by the Board subject to the approval of the Shareholders and other approvals as may be necessary. It also recommends successions and appointments viz. the membership of the Board and the senior most level of executive management.

Composition

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

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

* Mr. Parag Jain has resigned as a Director of the Company w.e.f. 20th November, 2009.

** Mr. Ramesh Chand has been inducted as Member of the Committee effective 20th November, 2009.

Four Remuneration Committee Meetings were held during the year 2009-2010. The dates on which the said meetings held were as follows:

(1) 18th April, 2009; (2) 30th May, 2009; (3) 30th June, 2009 and (4) 5th March, 2010.

The necessary quorum was present at the meetings.

Remuneration Policy

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

Remuneration of Directors

The remuneration of the Managing Director is determined and recommended to the Board by the Remuneration Committee. The recommendations of the Committee are considered and approved by the Board subject to the approval of the Shareholders and other approvals as may be necessary.

No sitting fee is paid to any Director.

Details of Remuneration of Directors for the financial year ending March 31, 2010:

(Rs. in Lakhs)

Director	Salary & Allowance	Perquisites	Contribution to PF , Superannuation and other Fund	Commission	Total	Sitting Fees
Mr. Amit Jain (Executive Director)	11.81	-	0.05	-	11.86	-
Mr. V. K. Gupta (Non-Executive Director)	-	-	-	5.66	5.66	-

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

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

During the current year, Mr. Vijay Kumar Gupta, a Non-Executive Director of the Company has been paid commission to the tune of Rs. 5,65,899/-, which is in excess of limits of 1% by Rs. 3,61,437/- (i.e. Rs. 5,65,899 less 2,04,462) for maximum commission payable to Non-Executive Directors under Section 309 of the Companies Act, 1956. The excess amount so paid to him shall be refunded back by him in compliance with the provisions of Section 309(5A) of the Companies Act, 1956. The computation of net profit under section 309 of the Companies Act, 1956 for reckoning the limit of 1% as referred above is enclosed in Notes to the Accounts annexed with the Balance Sheet of the Company as on 31st March 2010.

However, the total Managerial Remuneration paid or proposed to be paid to Executive Director is in compliance with the Provisions of Schedule XIII of the Companies Act, 1956 and therefore, no Central Government approval is required. The Calculation of Effective Capital, based on which, such payment is / shall be made is provided in Notes to the Accounts annexed with the Balance Sheet of the Company as on 31st March 2010.

B. SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE

Composition

The Committee comprises of two Directors. The Chairman of the Committee is a Non-Executive Independent Director. The names of the members of the Investors Grievance Committee, including its Chairman as on 31st March 2010 are as follows: -

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

* Mr. Parag Jain has resigned as a Director of the Company w.e.f. 20th November, 2009.

** Mr. Abhishek Aggarwal has been appointed as Additional Director of the Company w.e.f. 20th November, 2009.

Terms of Reference

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

There are no pending share transfers or any complaints as on 31st March 2010.

One Shareholders/Investors Grievances Committee Meetings was held during the year 2009-2010 i.e. on 27th February, 2010. The necessary quorum was present at the meeting.

SUBSIDIARY COMPANY

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

PARTICULARS OF LAST THREE AGM's

40 th	AGM for the Financial Year 2006 - 2007: ➤ Date ➤ Time ➤ Venue	➤ 29 th September, 2007 ➤ 11.00 A.M. ➤ C-483, Yojna Vihar, Delhi-110092.	No Special Resolution passed at the Meeting
41 st	AGM for the Financial Year 2007 - 2008: ➤ Date ➤ Time ➤ Venue	➤ 30 th September, 2008 ➤ 11.00 A.M. ➤ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.	No Special Resolution passed at the Meeting
42 nd	AGM for the Financial Year 2008 - 2009: ➤ Date ➤ Time ➤ Venue	➤ 30 th September, 2009 ➤ 11.30 A.M. ➤ C-483, Yojna Vihar, Delhi-110092.	Special Resolution pursuant to Section 198, 309, 310 of the Companies Act, 1956, for the payment of commission to Mr. Vijay Kumar Gupta, Director of the Company was passed at the Meeting
	Postal Ballot	In last AGM as well as in the ensuing AGM, no resolution is proposed which require approval by way of Postal Ballot.	

PARTICULARS OF EXTRA-ORDINARY GENERAL MEETINGS HELD DURING THE FINANCIAL YEAR 2009-2010

1.	EOGM ➤ Date ➤ Time ➤ Venue	➤ 2 nd February, 2010 ➤ 10.00 A.M. ➤ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.	For raising of fund through preferential allotment
	Postal Ballot	In EOGMs, no resolution is proposed which require approval by way of Postal Ballot.	

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Shares of the Company are required to be compulsorily traded in dematerialized form and are available for trading under both the Depository Systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INF 981B01011.

As on 31st March, 2010, 74.47% of the total paid up share capital amounting to 22,73874 equity shares is held in Demat form and 25.53% of the total paid up capital amounting to 7,79,626 equity shares is held in Physical form. All demat request received during the year were processed and completed within 15 days from the date of receipt.

DISCLOSURES

- a. None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in Note No. 11 of Schedule 18 to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and intended to broaden the interest of the Company. Such transactions are as per the provisions of Clause 49 of the Listing Agreement, were placed before the Audit Committee of the Company. For further details, please refer to Notes, forming part of the Balance Sheet of the Company.
- b. In the preparation of the Financial Statements, the Company has followed the Accounting policies and practices as prescribed in the Accounting Standards and there is no change in the accounting treatment during the year under review.
- c. Management Discussion and Analysis Report is set out in a separate section included in this Annual Report which forms part of this Report.
- d. During the year under review, the Company has made all compliances required till date in conformity with various clauses of Listing Agreement signed with Bombay Stock Exchange Limited and has also paid re-instatement fees for revocation of suspension of trading in shares of the Company. Consequently, BSE has lifted suspension on the trading of Equity Shares of the Company and the shares of the Company are now being traded on it effective 4th August, 2010.
- e. Mr. Vijay Kumar Gupta, a Non-Executive Director of the Company has been paid commission to the tune of Rs. 5,65,899/- during the year.

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within a month of the end of each quarter for all first three quarters and for last quarter within the period of 60 days from the end of the quarter in compliance with the revised Clause 41 of the Listing Agreement. Such results are normally published in 'The pioneer' and in a vernacular newspaper, 'Veer Arjun' from New Delhi.

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 employees while in possession of unpublished price sensitive information in relation to the Company.

COMPLIANCE OFFICER

Mr. Arun Kumar Singhal has resigned from the post of Company Secretary and **Compliance Officer** of the Company and Mr. Subodh Kumar Barnwal has been appointed in his place effective 1st August, 2010 as required under the Listing Agreement with the Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting: <ul style="list-style-type: none"> ➤ Day and Date ➤ Time ➤ Venue 	<ul style="list-style-type: none"> ➤ Tuesday, 28th September, 2010 ➤ 11.30 A.M. ➤ Lajwaab Banquet Hall, Vikas Marg, Delhi-110092.
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2.	<p>Financial Calendar for 2010 - 11:</p> <ul style="list-style-type: none"> ➤ Accounting Period ➤ Un-audited financial results for the first three quarters ➤ Fourth quarter Results ➤ Annual General Meeting (Next Year) 	<ul style="list-style-type: none"> ➤ April 1, 2010 to March 31, 2011 ➤ Announcement within 45 days from the end of each quarter ➤ Announcement of Audited Accounts on or before May 30, 2011. ➤ September, 2011 (Tentative)
3.	Date of Book Closure	21 st September, 2010 to 28 th September, 2010 (both days inclusive)
4.	Dividend payment date	No Dividend recommended by the Board of Directors of the Company.
5.	Listing on Stock Exchanges:	Address
	<ul style="list-style-type: none"> ➤ Delhi Stock Exchange Limited ➤ Bombay Stock Exchange Limited ➤ BSE Stock Code ➤ Ahmedabad Stock Exchange Limited 	<ul style="list-style-type: none"> ➤ DSE House, 3/1 Asaf Ali Road, New Delhi – 110002. ➤ 25th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 ➤ 517330 ➤ 1st Floor, Kamdhenu Complex, Opp. Sahajanand College, NR Panjarapole Ambawadi, Ahmedabad – 380001
<p><i>Note: During the year, the listing fees for the year 2010-2011 has been paid to Bombay Stock Exchange Limited and Delhi Stock Exchange Limited & the same is still pending for Ahmedabad Stock Exchange.</i></p>		
6.	Market Price Data for the financial year ended 31 st March, 2010:	<p>As the shares of the Company were not actively traded in the Stock Exchanges during the current financial year, therefore the data with respect to monthly high & low quotes on BSE is not available as on 31st March, 2010.</p> <p>However, the Bombay Stock Exchange has lifted suspension on the trading of Equity Shares of the Company and the shares of the Company are now being traded on it effective 4th August, 2010.</p>
7.	Registrars and Transfer Agent	<p>Beetal Financial & Computer Services (P) Ltd. Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062. Telephone No. : 29961281 Facsimile No. : 29961284</p>

8. Distribution of Shareholding as on 31 st March, 2010:					
Share holding of nominal value		No. of Share Holders		No. of Equity Shares	
Rs.		Total	% to Shareholders	Total Share	% to Capital
Upto -	5000	2678	88.01	4,52,595	14.83
5001 -	10000	172	5.65	1,45,613	4.77
10001 -	20000	81	2.66	1,25,629	4.11
20001 -	30000	26	0.85	67,415	2.21
30001 -	40000	15	0.50	53,790	1.76
40001 -	50000	18	0.59	88,900	2.91
50001 -	100000	24	0.79	1,87,765	6.15
1,00,001 and above		29	0.95	19,31,793	63.26
TOTAL		3043	100.00	30,53,500	100.00
9. Categories of Shareholding as on 31 st March, 2010:					
SL.No.	Category	No. of Shares held		% to Share holding	
1.	Promoters and Promoter Group	1112570		36.44	
2.	Foreign Institutional Investors	—		—	
3.	NRIs & Foreign Nationals	142800		4.67	
4.	Mutual Funds & UTI	—		—	
5.	Banks, FIs & Insurance Companies	—		—	
6.	Bodies Corporate	275679		9.03	
7.	Clearing Members	—		—	
8.	Public	1522451		49.86	
TOTAL		3053500		100.00	

SHARE TRANSFER SYSTEM

For speedy processing of share transfer, the Board has delegated powers to approved share transfer to the Share transfer cum Shareholders/investors grievance Committee. Committee ensures that share transfers are processed and the transferred certificates send to the concerned investors well within time as prescribed under the Listing agreements.

PLANT LOCATIONS

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

ADDRESS FOR CORRESPONDENCE

Beetal Financial & Computer Services (P) Ltd.
 Beetal House, 99 Madangir,
 Behind Local Shopping Centre,
 Near Dada Harsukh Dass Mandir,
 New Delhi-110062

Telephone No. : 29961281
Facsimile No. : 29961284

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

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
Facsimile: 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
Facsimile: 022-22723199/ 222722072
E-mail: investors@cdslindia.com
Website: www.cdslindia.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Certificate from M/s Grover Ahuja & Associates, New Delhi, the Practicing Company Secretaries, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, that the Company has complied with the conditions of Corporate Governance is annexed to the Report of Directors & Management Discussion & Analysis.

This Certificate shall be forwarded to the Stock Exchanges along with the Annual Report of the Company.

For and on behalf of the Board

Place: Delhi
Date: 9th August, 2010

Amit Jain
Chairman of the Meeting

MANAGEMENT DISCUSSION & ANALYSIS REPORT (2009-2010)

The Board of Directors take pleasure in presenting before you the Company's 43rd Annual Report for the financial year ending 31st March, 2010 along with Corporate Governance Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company manufactures variety of products to cater the needs of large cross-section of market segments:

Signalling Cables

The efficiency of any railway system is dependent upon its infrastructure, system of operations and the safety measures they provide to their users. To improve this system, an efficient signaling and communication system plays a very important role. This is not only an inevitable requirement in terms of operations but also in terms of safety of the system itself.

As the Indian Railways are expanding and the Government focuses on this vital requirement for the growth of the Indian Economy; the signaling cables are certainly going to witness strong demand and growth. The expansion and setting up of metro rail systems in various cities shall make further addition to the demand of various types of signalling and other cables.

Power Cables

Cables play a small but significant part in infrastructure activities. The Power Sector is the backbone for sustained industrial growth and robust investments have been proposed towards building up capacities.

Presently, the Indian Power Sector is going through a process of reform and restructuring. Tangible demand still remains a long awaited promise from the power sector which is the key demand driver for power cables. It is well known that the power sector programme is irreversible as this is inextricably intertwined with the country's economic development. With the rising population and growth story of India, the need of fast paced growth in power generation is increasingly gaining importance. **The government has targeted to provide electricity to all the sectors of the society by 2012 by the end of 11th Five Year Plan.** The demand of electricity is growing exponentially.

Power cables play a crucial part in all aspects of the power sector i.e. generation, transmission and distribution. Power shortages on account of various factors such as pilferage, theft, equipment defaults and increasing amounts of power deficits has raised the demand for quality cables. Consequently, the major cable manufacturers have ventured into manufacturing extra high voltage cables along with expanding capacities to meet the rising demand. Strong capacity addition plans have also been proposed for power generation during the eleventh and twelfth five-year plans.

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

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

Telecommunication Cables

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

Instrumentation Cables

CMI Limited manufactures a wide variety of cables suitable for process instrumentation. In the projects related

to power generation & distribution and various other types of engineering industries, the process instrumentation plays a vital role in measurement, supervision and control of the process and the cables to be used for instrumentation should be designed and manufactured very carefully. CMI Limited with its meticulous efforts in maintaining quality, stringent in process control during manufacture and the knowledge of cable designing, is proud to say that it is capable of supplying instrumentation cables meeting any Indian/International standard or a specific requirement desired by project authority. The efforts done by CMI are regarded by acceptance of our quality by the country's prime organizations such as NTPC, BHEL, IOCL, L&T, BPCL, EIL etc.

Rubber Cables

In keeping with the Company's commitment to technological advancement, elastomer materials such as Polychloroprene (**PCP**), Chloro-Sulphonated Polyethylene (**CSP**), Nitrile Rubber / PVC blends, Ethylene Propylene Rubber (**EPR**), Ethylene Vinyl Acetate (**EVA**) and Silicone have been specially compounded to meet numerous heat oil and fire resisting requirements. In the recent years, the Company has also developed special Elastomeric **Fire Survival Cables** for power, control and instrumentation wiring.

OPPORTUNITIES AND THREATS

In the financial year 2009-2010, the Company's strategies to acquire a higher market share on specialty industrial cables with following long term financial priorities:

- To seek profitable growth opportunities.
- To achieve profitability targets, improve productivity with simultaneous implementation of cost and inventory control.
- To diversify its product mix to obtain orders from buyers in India and abroad.

While the cable market is plagued with intense competition from a plethora of unorganized players, the Company has a wide range of products for catering to a large cross-section of market segments, which is an essential for its sustainable development in this competitive market.

OUTLOOK

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

RISKS AND CONCERNS

Due to the inherent nature of any business, risk factors arise out of uncertain events and your Company is also not an exception to this. Some of the major risks to which the company is exposed are Competition Risk, Key Employees Risk, Raw Material Price Risk, and Working Capital Risk. The Company policy to reduce the adverse impacts of the same is as follows:

- The Company's commitment to quality products with emphasis on customer services and substantial product and distribution resources.
- Your Company is dedicated to attain organizational excellence by developing and inspiring the true potential of Company's human capital and providing opportunities for growth, well being and enrichment.
- As a prudent working capital risk management policy, your Company management keeps a close watch on the working capital requirements and its management through a robust risk monitoring and its control mechanism.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

- The Internal Control System of the Company is adequate to provide assurance that all assets of the Company are accounted for and protected against any loss from unauthorized use or disposition and that

all business transactions are recorded and reported in conformity with generally accepted accounting practices.

- The Internal Audit System of the Company is in accordance with the size and nature of the business.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Directors Report for the year 2009-2010 is giving a detailed view of the performance of the Company. The report is annexed to the Notice convening this Annual General Meeting and is not re-produced herewith for the sake of brevity.

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board

Place: Delhi
Dated: 9th August, 2010

Amit Jain
Chairman of the Meeting

CERTIFICATE OF COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT. **CERTIFICATE**

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 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

Place: Delhi
Date: 9th August, 2010

for Grover Ahuja & Associates
Company Secretaries

Atul Sharma
Partner
C. P. No. 8939

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

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

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 and to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For and on Behalf of the Board

Place: Delhi

Subodh Kr. Barnwal

Amit Jain

Date: 9th August, 2010 **Company Secretary & Finance Controller**

Managing Director

J.K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

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

AUDITORS' REPORT

The Members of
CMI LIMITED
Delhi

1. We have audited the attached Balance Sheet of **CMI LIMITED** as at **31st March, 2010** together with the Profit and Loss Account and the Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Accounting Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:-
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - ii) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 in so far as they apply to the Company ;
 - v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies & notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

PLACE: DELHI
DATE: 30ST MAY, 2010

FOR J. K. MANOCHA & ASSOCIATES
CHARTERED ACCOUNTANTS

J.K. MANOCHA
PROPRIETOR

Annexure to Auditors' Report

Annexure referred to in Paragraph 3 of the Auditors' Report of even date to the Members of CMI Limited on the financial statement for the year ended 31st March, 2010.

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not effected.
- ii)
 - a) The stock of inventory has been physically verified, during the year, by the management of the Company. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.

- iii) a) As per information and explanation given to us, the Company has not granted loans to companies, firms or other parties covered under Section 301 of the Companies, Act, 1956.
- b) As per information & explanation given to us, the Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and the details are as follows: -
- No. of Parties - 10
The maximum amount involved during the year - Rs. 1525.63 Lacs
Year-end balance - Rs. 1074.74 Lacs
- c) The Terms and Conditions of unsecured loans taken from Companies, firms or other parties are not prima facie prejudicial to the interest of the Company.
- d) As per the explanation and information given to us, the Company has not paid any interest on the above loans.
- e) As per the information and explanation provided to us, the Company is repaying principal as per stipulation and there is no overdue amount.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods on the basis of examination of books of accounts and records of the Company and according to the information and explanation given to us, we have neither come across nor informed of any major weakness in the Internal Control system during the course of our audit.
- v. a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5, 00,000/- (Rupees Five Lacs) in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit as per the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the Cost Accounting records maintained by the Company in respect of manufacturing of cables pursuant to the order made by the Central Government for maintenance of cost accounting records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima-facie prescribed records have been made and maintained.
- ix. a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Excise Duty, Cess, Service Tax, Custom Duty and other material statutory dues applicable to it.
- Further, since the Central Government has till date not prescribed the amount of Cess payable under Section 441A of the Companies Act, 1956, therefore we are not in a position to comment upon the regularity or otherwise on the Company in depositing the same.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales-tax, custom duty, excise duty, cess and other

undisputed statutory dues were generally outstanding, at the year end, for a period of more than six months from the date they became payable.

- c) According to the information and explanation given to us, there are no dues in respect of income tax, wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has no outstanding dues in respect of a financial institution or debenture holders.
- xii. As per the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- xiii. In our opinion, the Company is not a chit fund or Nidhi Mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by other from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi. As per information and explanation given to us, the Company has raised car loans to the tune of Rs. 26.00 Lacs during the year. The balance as on 31st March 2009 is 18.88 Lacs.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the funds raised on short-term basis have not been used to finance any long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised money by Public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**PLACE: DELHI
DATE: 30-05-2010**

**J.K. MANOCHA
PROPRIETOR**

CMI LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

Description	Sch.	Amount in Rs.	
		As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	40,567,500	30,567,500
Reserves and Surplus	2	29,424,132	26,267,500
		<u>69,991,632</u>	<u>56,835,000</u>
LOAN FUNDS			
Secured Loans	3	48,720,232	44,749,230
Unsecured Loans	4	118,286,298	132,764,674
TOTAL		<u>236,998,161</u>	<u>234,348,904</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		211,041,888	198,435,595
Less: Depreciation		152,454,501	142,150,670
		<u>58,587,388</u>	<u>56,284,925</u>
Capital Work in Progress		1,092,469	-
INVESTMENTS	6	504,596	504,596
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	76,392,199	81,214,647
Sundry Debtors	8	136,908,129	102,280,140
Cash and Bank Balances	9	18,380,876	20,800,197
Loans and Advances	10	33,498,721	33,227,393
		<u>265,179,925</u>	<u>237,522,377</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	88,366,216	75,966,559
		<u>88,366,216</u>	<u>75,966,559</u>
NET CURRENT ASSETS		176,813,709	161,555,818
PROFIT AND LOSS ACCOUNT			
Profit/(Loss) for the Current Year		-	(21,494,475)
Loss carried forward from Previous Year		-	37,498,039
NET LOSS		<u>-</u>	<u>16,003,565</u>
TOTAL		<u>236,998,161</u>	<u>234,348,904</u>
Accounting Polices and Notes Accounts	18		

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

As per our report of even date attached

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

FRN-007345N

Place: New Delhi
Date: 30-05-2010

CMI LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Description	Sch.	Amount in Rs.	
		Year ended 31-03-2010	Year ended 31-03-2009
INCOME			
Net Sales	12	519,877,137	574,531,413
Less: Excise Duty		37,323,368	60,595,203
		<u>482,553,769</u>	<u>513,936,210</u>
: Other Income	13	1,587,539	1,998,110
: Creditors Written Back		3,938,345	5,784,046
		<u>488,079,653</u>	<u>521,718,366</u>
EXPENDITURE			
Material, Manufacturing and Others Expenses	14	421,158,273	448,534,740
Personnel Expenses	15	10,741,021	9,298,436
Financial Expenses	16	10,969,727	3,132,791
Administrative and Selling Expenses	17	15,342,959	12,651,067
Debtors Written Off		304,197	18,186,665
		<u>458,516,178</u>	<u>491,803,699</u>
PROFIT/(LOSS) BEFORE DEPRICIATION AND TAX		29,563,475	29,914,667
Less: Depreciation		10,303,830	8,725,348
PROFIT/(LOSS) BEFORE TAXATION		<u>19,259,645</u>	<u>21,189,320</u>
Less: Provision for Taxation-Current Year		1,135,000	-
Fringe Benefit Tax		-	147,911
Add: MAT Credit Entitlement		1,034,097	-
Previous Year Adjustments		1,454	453,066
NET PROFIT/(LOSS) FOR THE YEAR CARRIED TO THE BALANCE SHEET		<u>19,160,196</u>	<u>21,494,475</u>

Accounting Polices and Notes 18
Accounts

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

As per our report of even date attached

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

FRN - 007345N

Place: New Delhi
Date: 30-05-2010

CMI LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Description	Amount in Rs.	
	As at 31-03-2010	As at 31-03-2009
SCHEDULE 1		
<u>SHARE CAPITAL</u>		
AUTHORIZED		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
500,000 Redeemable Preference Shares of Rs. 100 each	50,000,000	50,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
3,053,500 (Previous year 3,053,500) Equity Shares of Rs. 10 each,	30,535,000	30,535,000
fully paid up		
Add: Forfeited Shares - Amount Originally Paid up	32,500	32,500
Share Application Money	10,000,000	-
	<u>40,567,500</u>	<u>30,567,500</u>
SCHEDULE - 2		
<u>RESERVES AND SURPLUS</u>		
CAPITAL REDEMPTION RESERVE		
As per last year	8,000,000	8,000,000
SHARE PREMIUM		
As per last year	18,267,500	18,267,500
PROFIT AND LOSS ACCOUNT		
As per last year (Loss)	(16,003,564)	
Net Profit as per Profit & Loss Account	19,160,196	
	<u>3,156,632</u>	<u>-</u>
	<u>29,424,132</u>	<u>26,267,500</u>
SCHEDULE - 3		
<u>SECURED LOANS</u>		
FROM BANKS & OTHERS		
Term Loan from Barclays Bank-Aainst Hypothecation of Car	288,164	451,705
Term Loan from ICICI Bank-Against Hypothecation of Car	162,404	304,259
Term Loan from Reliance Consumer Finance- Against Hypoth. of Car	839,687	1,132,346
Term Loan from Syndicate Bank - Against Hypothecation of Car	1,765,168	-
Woking Capital Limit from Syndicate Bank - Secured by creating charge on Inventory, Book Debts and Factory Land & Building	45,664,809	42,860,920
	<u>48,720,232</u>	<u>44,749,230</u>
SCHEDULE - 4		
<u>UNSECURED LOANS - LONG TERM</u>		
- From Directors	34,825,492	21,809,825
- Intercompany Deposits - Group Companies	73,148,974	109,653,346
- Others	10,311,831	1,301,503
	<u>118,286,298</u>	<u>132,764,674</u>

CMI LIMITED
SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010
FIXED ASSETS

SEHEDULE -- 5

Group of assets	GROSS BLOCK				DEPRECIATION BLOCK			NETT BLOCK		
	Value at 1.04.2009	Addition During the year	Sold during the year	Value at 31.03.2010	upto 01.04.2009	For the year	Written Back during the year	As at - 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land - Freehold	175,130.00	--	--	175,130.00	--	--	--	--	175,130.00	175,130
Factory Buildings	6,111,704.77	--	--	6,111,704.77	2,755,791.00	173,445.00	--	2,929,236.00	3,182,468.77	3,355,913
Plant & Machinery	177,606,225.65	8,996,908.00	--	186,603,133.65	128,642,068.22	8,916,935.00	--	137,559,003.22	49,044,130.43	48,964,157
Furniture and Fixture	1,778,446.11	273,634.00	--	2,052,080.11	1,476,974.00	68,435.27	--	1,545,409.27	506,670.84	301,472
Office Equipments	9,318,060.75	325,435.00	--	9,643,495.75	8,507,536.03	270,600.00	--	8,778,136.03	865,359.72	810,524
Vehicles	3,446,028.00	3,010,316.00	--	6,456,344.00	768,301.00	874,415.00	--	1,642,716.00	4,813,628.00	2,677.727
Total	198,435,595.28	12,606,293.00	--	211,041,888.28	142,150,670.25	10,303,830.27	--	152,454,500.52	58,587,387.76	56,284,925
Previous Year	193,171,763.00	5,283,832.00	--	198,435,595.00	133,942,843.00	8,725,347.66	--	142,150,669.66	56,284,925.34	59,855,139

CMI LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Description	Amount in Rs.	Amount in Rs.
	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 6		
<u>INVESTMENTS - LONG TERM</u>		
Quoted and Fully paid up Equity Shares - Dena Bank 300 (Previous year 300) Equity Shares of Rs. 10 each fully paid up	4,656	4,656
(Market Value as on 31.03.2010 Rs.78.45/- each)	499,940	499,940
Unquoted and Fully paid up Equity Shares of CMI Telecom Ltd., (a wholly owned subsidiary) 44994 Equity Shares of Rs. 10 each fully paid up		
	504,596	504,596
SCHEDULE - 7		
<u>INVENTORIES</u>		
(As per inventories taken, valued and certified by the Management)		
i) Stores and Spares	1,480,000	1,350,000
ii) Raw Materials	36,419,749	17,857,186
iii) Finished Goods	2,986,017	12,153,639
iv) Work-in-Progress	31,488,129	49,853,822
v) Stock in Transit	4,018,304	-
	76,392,199	81,214,647
SCHEDULE - 8		
<u>SUNDRY DEBTORS</u>		
(a) Debt outstanding for a period exceeding six months		
(i) Considered Good	7,753,473	6,317,211
-Fully Secured	-	-
- Secured by personal security of debtors	-	-
(ii) Considered Doubtful	-	-
(b) Others Debts		
(i) Considered Good	129,154,656	95,962,929
-Fully Secured	-	-
- Secured by personal security of debtors	-	-
(ii) Considered Doubtful	-	-
Less: Provisions	-	-
	136,908,129	102,280,140
SCHEDULE - 9		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	689,194	2,707,334
Balances with Banks		
In Current Accounts - with Scheduled Banks	18,520	527,377
In Current Accounts - with Other Banks	-	
--ABN Amro Bank Ltd.		7996
--Kotak Mahindra Bank 0178		234,061
--Citi Bank		19,278
--IDBI		110,979
Fixed Deposits		
Fixed Deposits (Pledged with Banks)		
- Canara Bank FDR	834,311	783,469
- Dena Bank FDR Margin Guarantee	11,892,037	11,054,421
- SDR/FDR Margin Agt. BG/LC Syndicate	3,369,254	3,693,330
- FDR-IDBI	6,000	-
- Syndicate Bank FDR	1,556,561	1,646,952
Fixed Deposits (With Customers)	15,000	15,000
	18,380,876	20,800,197

CMI LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

Description	Amount in Rs.	Amount in Rs.
	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 10		
<u>LOANS AND ADVANCES</u>		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received	26,846,643	26,715,786
Advance FBT	-	146,457
Prepaid Insurance	506,760	245,505
Security Deposits	2,700,131	2,595,131
Balance with Central Excise Authorities	1,785,696	1,961,237
Advance Income Tax and TDS	1,659,492	1,563,278
	33,498,721	33,227,393
SCHEDULE - 11		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors		
- Micro, Small and Medium Enterprises	3,349,793	3,540,572
- Others	73,173,634	43,771,225
Advance from Customers	722,885	21,402,870
Statutory Liabilities	8,271,481	6,219,839
Other Liabilities	2,784,993	812,032
Provisions		
Provision for Expenses	63,430	72,110
Provision for Fringe Benefit Tax	-	147,911
	88,366,216	75,966,559
SCHEDULE-12		
<u>SALES</u>		
Sales (Net)	519,877,137	573,631,608
Export Sales	-	899,805
	519,877,137	574,531,413
SCHEDULE -13		
<u>OTHER INCOME</u>		
Discount Received	22,720	512,588
Dividend Income	360	-
Job Work Income	123,915	50,412
Interest Received (TDS Rs.172278/-, Pr. Year 248851/-)	1,438,595	1,188,406
Misc. Income	1,949	246,704
	1,587,539	1,998,110
SCHEDULE -14		
<u>MATERIAL, MANUFACTURING & OTHER EXPENSES</u>		
Raw Material Consumed (Excluding Excise Duty)	362,570,576	434,708,106
(Increase)/Decrease in Stock of Finished Goods and W.I.P.	27,533,315	(15,504,138)
Stores & Spares and Packing Material Consumed	9,458,996	10,535,046
Power and Fuel	8,571,389	7,258,945
Job Work Charges	5,553,496	5,760,294
Other Manufacturing Expenses	2,157,844	1,697,109
Repairs to Building	1,252,671	445,053
Repair and Maintenance Other Assets	18,137	132,670
Repairs to Plant and Machinery	4,041,849	3,501,655
	421,158,273	448,534,740

CMI LIMITED
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

Description	Amount in Rs. As at 31-03-2010	Amount in Rs. As at 31-03-2009
SCHEDULE -15		
<u>PERSONNEL EXPENSES</u>		
Director's Remuneration	1,186,600	996,200
Salaries, Wages, Bonus and Other Benefits	8,296,913	7,236,344
Contribution to Provident and Other Funds	959,577	914,861
Workmen and Staff Welfare Expenses	297,931	151,031
	10,741,021	9,298,436
SCHEDULE -16		
<u>FINANCIAL EXPENSES</u>		
Interest on Term Loan	124,962	1,574,704
Interest on CC Limit	5,731,357	1,140,136
Interest on Car Loan	343,313	234,906
Interest on Syndicate (FDR Loan/Bank Interest)	-	3,512
Interest on Loan to Dena Bank as per OTS	-	162,678
Interest to Others	4,172,685	-
Financial Charges	597,411	16,854
	10,969,727	3,132,791
SCHEDULE -17		
<u>ADMINISTRATIVE AND SELLING EXPENSES</u>		
Advertisement and Publicity	47,480	61,918
Auditors' Remuneration & Refreshment	50,000	60,609
Bank Commission & Other Charges	1,971,496	2,412,969
Clearing & Forwarding Expenses	-	76,079
Computer Expenses	81,187	36,456
Conveyance Expenses	330,639	278,615
Donation	41,500	125,100
Fees & Subscription	100,933	36,300
Festival Expenses	1,302	66,423
Freight & Cartage Outward (Net)	480,205	598,427
Insurance Expenses	69,306	58,802
Interest paid on Statutory Dues	59,054	10,169
Lease Rent (Car)	346,356	346,356
Legal & Professional Fees	2,493,906	1,794,415
Listing Compliance & Fees	31,492	80,812
Meeting Expenses	170,865	48,304
Misc. Expenses	51,766	131,000
Miscellaneous Expenditure Written off	-	185,722
Periodicals	7,179	10,069
Postage & Courier Charges	67,815	65,284
Printing & Stationery	279,588	222,483
Property Tax	40,332	40,331
Recruitment Expenses	-	17,250
Rent	4,095,000	2,090,000
Rent of Photostate Machine	42,405	21,600
Round Off / Diff	272	818
Sales Tax Demand	407,147	176,794
Security Service Charges	309,081	258,037

CMI LIMITED
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

Description	Amount in Rs.	Amount in Rs.
	As at 31-03-2010	As at 31-03-2009
Service Tax On Freight	241,172	395,259
Telephone Charges	357,890	236,048
Tour & Travelling	902,287	687,289
Trade Mark Expenses	-	11,000
Commission to Directors	565,899	144,033
Selling Expenses	1,699,405	1,866,296
	15,342,959	12,651,067

SCHEDULE – 18:

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

The Financial Statements are prepared under the historical cost convention, on going concern concept and in compliance with the relevant accounting principles, accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. The significant accounting policies adopted by the Company are detailed below:

1. Fixed Assets, Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

2. Investments

Long term investments are valued at their acquisition cost. Any decline in the value of the investment, other than a temporary decline, is recognized and provided for in the profit and loss account. Short-term investments are carried at cost or their market values whichever is lower.

3. Revenue Recognition

Revenue from the sale of goods is accounted for on the basis of actual dispatches of goods. Sales are inclusive of excise duty but net of sales tax and VAT. Materials returned/ rejected are accounted for in the year of return/rejection.

4. Foreign Currency Transaction

The transactions in foreign currency recorded at the exchange rate prevailing on the date of transaction. Monetary liability / assets on account of foreign currency are converted at the exchange rates prevailing as at the end of the year. Exchange differences are appropriately dealt within the profit and loss account.

5. Depreciation / Amortization

Depreciation has been provided on single shift basis on fixed assets on straight line methods at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956 except for fixed assets of PVC Cable division for which written down value method has been adopted. The Intangible assets of the Company are amortized over lease period or economic useful life whichever is shorter.

6. Valuation of Inventories

- a) Raw Materials, Stores and Spares and Packing Material are valued at lower of cost, based on FIFO basis (Net of CENVAT Credit) or net realizable value.

- b) Work in Progress is valued at their estimated absorption cost (Net of CENVAT). Cost of Stock in Process includes cost of raw materials and estimated overheads up to the stage of completion.
- c) Finished Goods are valued at lower of cost of production or net realizable value. Cost of finished goods includes cost of raw material, cost of manufacturing, cost of conversion and other cost incurred in finishing the goods.
- d) Scrap is valued at estimated net realizable value.

7. Retirement Benefits

Liability in respect of retirement benefit is provided for and/or funded and charged to profit and loss account as follows:-

Provident Fund: Retirement Benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

Gratuity: - Liability in respect of Gratuity, which was covered under Group Gratuity Scheme with the Life Insurance Corporation of India in the previous year, has been terminated and now the company is accounting the gratuity at the time of actual payment to the employee.

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

8. Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under Income Tax, 1961.

9. Use of Estimates

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

10. Impairment of Assets

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

11. Borrowing Cost

Borrowing Costs attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

12. Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

13. Provisions, Contingent Liabilities and Contingent Assets

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

14. Cash Flow Statements

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

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities

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

(Rs. in Lacs)

Sl. No	Nature of Liability	March 31, 2010	March 31, 2009
(a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of the Company (Net of Advances)	357.87	418.85
(b)	Liability in respect of gratuity and leave encashment	65.79	42.49
(c)	Liability in respect to Sales Tax Demand for the financial year 2005-06	Nil	4.07

- In the opinion of Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
- The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31 March, 2010. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Gratuity:

As per actuarial valuations the Present Value of Obligation is Rs. 77.56 Lacs and the Fair Value of Plan Assets is of Rs. 13.02 Lacs and the Net Gratuity Liability is Rs. 64.54 Lacs as on 31st March, 2010 is yet to be provided in the books of accounts.

Leave Encashment:

As per actuarial valuations the Present Value of Obligation is Rs. 5.06 Lacs and the Fair Value of Plan Assets is Rs. Nil and the Net Leave Encashment Liability is Rs. 5.06 Lacs as on 31st March, 2010; Rs. 3.81 lacs is provided in the books of accounts and Rs. 1.25 lacs yet to be provided in the books of accounts.

4. Auditors' remuneration (Inclusive services tax) includes the following:

(Rs. in Lacs)

	March 31, 2010	March 31, 2009
Payment to Auditor		
a) Audit Fees	0.50	0.50
b) Other Services (fees for representations in IT Appeal Cases)	0.25	0.15
c) Certification Charges	0.24	-
Total	0.99	0.65

5. Managerial Remuneration –

A. Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956:

(Amt. in Rs.)

Calculation of Net Profit for determining Managerial Remuneration	2009-2010	2008-2009
Profit before taxation as per P&L A/c (after depreciation)	19,259,645	21,189,320
Add: Provision for Diminution in Investment	---	---
Add: Net Increase/ (Decrease) in Provision for Doubtful Debts	---	---
Net Profit under Section 349 of the Companies Act, 1956	19,259,645	21,189,320
Add: Directors' Remuneration (as per Schedule XIII)	1,186,600*	9,96,200
Net Profit under section 198 of the Companies Act, 1956	20,446,245	22,185,520
Maximum Remuneration allowable under Section 309 of the Companies Act, 1956 restricted to 5% of Net Profits, where such there is one executive director and 10% where there is more than one, but subject to the provisions of Schedule XIII	1,022,312*	1,109,276
Maximum Commission allowable to Non-Executive Directors under Section 309 of the Companies Act, 1956 restricted to 1% of the Net Profit	204,462**	221,855
Maximum Remuneration allowable under Section 198 of the Companies Act, 1956 restricted to 11% of Net Profit	2,249,087	2,440,407

B. Computation of effective capital for the financial year with respect to the payment of remuneration to Managerial Personnel as on year ending:

31st March	2010	2009
Particulars	(Amt. in Rs.)	
Paid up share capital	30,567,500	30,567,500
Add: Reserve and surplus	8,000,000	8,000,000
Add: Share Premium	18,267,500	18,267,500
Add: Long term Loans	177,006,530	177,513,904
TOTAL	233,841,530	234,348,904
Less: Miscellaneous Expenditure	-	-
Less: Accumulated Loss	-	16,003,564
Less: Investment	504,596	504,596
Effective Capital	233,336,934*	217,840,744

**As the Company is having inadequate profits, the remuneration so paid is in accordance with the provisions of Clause A of section II Part II of Schedule XIII and hence not restricted to limit of 5% of Net Profit under Section 309.*

As depicted in Table "B" above, the effective capital of the Company is between the limits of Rupees 5 Crores or more but less than Rupees 25 Crore, therefore a managerial person can be paid Rs. 15.00 Lacs (i.e. Rs. 1.25 Lacs per month. Accordingly Mr. Amit Jain, the Managing Director of the Company, has been paid a total remuneration of Rs. 11.86 Lacs during the year under review in compliance to the aforesaid provisions of Schedule XIII of the Companies Act, 1956.

*** Mr. Vijay Kumar Gupta, Director of the Company has been paid commission during the current year Rs. 5,65,899/- and previous financial year Rs. 1,44,033/-. During his tenure as Non- Executive Director in the financial year 2009-10, he has been paid commission (for rendering services of professional nature) to the tune of Rs. 5,65,899/- which is in excess of limits of 1% by Rs. 3,61,437/- (i.e. Rs. 5,65,899 less 2,04,462) for maximum commission payable to Non-Executive Directors under Section 309 of the Companies Act, 1956. The excess amount so paid to him shall be refunded back by him in compliance with the provisions of Section 309(5A) of the Companies Act, 1956.*

Directors' Remuneration as approved by the shareholders and within the limits prescribed under Schedule XIII to the Companies Act, 1956:-

	2009-2010	20082009
Executive Directors' Remuneration:		
Salary and Allowances	1,181,100	991,200
Contribution to Provident and other Funds	5,500	5,000
Value of Perquisites	-	-
Sub Total	1,186,600	996,200
Non Executive Directors' Remuneration:		
Commission to Non-Executive Directors	565,899	144,033
Total Director's Remuneration (Within the limits of 11% of Net Profit depicted above)	1,752,499	1,140,233
Non Executive Directors' Sitting Fees	-	-
Other Expenses	-	-

6. Share Application Money

An Extra-ordinary General Meeting of the Members of the Company was held as on 2nd February, 2010 for allotment of shares to Mr. Amit Jain, the existing promoter on preferential basis. Out of unsecured loan infused upto 31st March 2010 by Mr. Amit Jain, the existing promoter and Managing Director, a sum of Rs. 100.00 lacs has been treated as Share Application Money. This is still pending with respect to the said preferential allotment of shares to Mr. Amit Jain. The balance amount payable, if any, on the equity shares on the re-computation of price as per the pricing criteria under the ICDR Regulations shall be paid by Managing Director within the prescribed time.

7. Foreign Currency Receipts & Expenditure – Nil

8. The Company has manufactured various types of Cables during the year under review; therefore there are no separate reportable segments as per Accounting Standard 17.

9. Leases:

i) The disclosure under Accounting Standard – 26 (Intangible Assets):-

The Company has no Intangible Asset as on 31.03.2010.

ii) Disclosure under AS-19 (Leases):-

All operating leases entered into by the Company are cancelable on giving notice of one to three months. As per AS-19 (Leases), the disclosure requirements for operating leases of the Company are as follows:

- (a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
- (i) not later than one year;
 - (ii) later than one year and not later than five years;
 - (iii) later than five years;

• The details are tabulated herein below: (Amt. in Rs.)

Sl. No	Particulars	Up to 1 Year	>1,=5 Years	>5 Years
1	Car	259,767	Nil	Nil
2	Factory	3,960,000	2,640,000	Nil
3	Office Equipment	21,600	24,000	Nil

- (b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;

• **Not Applicable**

- (c) Lease payments recognized in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents;

• **Details of lease payments recognised in the statement of profit and loss for the period are as per Clause 1(a) here in above and there are no contingent rents.**

- (d) Sub-lease payments received for (or receivable) recognized in the statement of profit and loss for the period;

• **Not Applicable**

- (e) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:

- (i) the basis on which contingent rent payments are determined;
- (ii) the existence and terms of renewal or purchase options and escalation clauses; and
- (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

• **Not Applicable**

Notes:

- a) **Transactions in Job Work with;**
Wireco India Rs. Nil (Previous Year Rs. 5.50 Lacs)
- b) **Remuneration paid to:**
Mr. Amit Jain Rs. 11.87 Lacs (Previous Year Rs. 9.96 Lacs)
- c) **Commission paid in Professional capacity to:**
Mr. V. K. Gupta 5.66 Lacs, out of which he can draw only Rs. 2.04 Lacs & the balance, shall be refunded back by him (Previous Year Rs. 1.445 Lacs)
- d) **Interest paid / payable to:**
Wireco (India) Rs. 11.94 (Previous Year Rs. Nil)
- e) **Investments made into:**
CMI Telecom Limited Rs. 4.99 Lacs (Previous Year Rs. 4.99 Lacs)
- f) **Transactions in Unsecured Loans Received during the year with;**
Amit Jain Rs. 780.97 Lacs (Previous Year Rs. 12.52 Lacs)
Wireco (India) Rs. 132.00 Lacs (Previous Year Rs. 86.39 Lacs)
- g) **Transactions in Unsecured Loans Received paid back during the year with;**
Amit Jain Rs. 540.10 Lacs (Previous Year Rs. 51.72 Lacs)
Kshama Jain Rs. 62.75 Lacs (Previous Year Rs. (33.50 Lacs)
Parag Jain Rs. 47.96 Lacs (Previous Year Rs. Nil)
Wireco (India) Rs.136.50 Lacs (Previous Year Rs. 75.33 Lacs)
- h) **Transactions in Advances Received during the year with;**
Wireco (India) Rs. Nil (Previous Year Rs. 205 Lacs)

12 Additional Information pursuant to paragraphs 3 & 4 of the Schedule VI of The Companies Act, 1956							
A Licensed Capacity							
		Not Applicable					
B Installed Capacity							
							(Rs in Lacs)
	Sl.No	Particulars	Unit			Installed Capacity (Per Annum)	
						As on 31-03-10	As on 31-03-09
	1.	Jelly Filled Cables	CKM			2,408,000	2,408,000
	2.	Other Cables				Not ascertainable	Not ascertainable
Note: - Installed Capacity is as certified by the Management.							
C Production							
	Sl.No	Particulars	Unit			Current Year	Previous Year
						Quantity	
	1.	Various types of Cables	Mtrs.			3,104,778.00	4,376,398.00
						3,104,778.00	4,376,398.00
D Raw Material Consumption							
	Sl.No.	Particulars	Unit	Current Year		Previous Year	
				Quantity	Amount	Quantity	Amount

	1.	Copper	MT	586.91	1851.22	436.45	2,305.08
	2.	Compound & Master Batch	MT	1226.09	607.20	556.45	549.80
	3.	Steel Wire & Strips	MT	1228.39	567.52	1497.79	1,203.15
	4	Others	MT	- - -	694.36	- - -	727.06
Total					3720.30		4785.09
E	Quantitative information on Stock						
	Sl.No.	Particulars	Unit	Closing Stock		Closing Stock	
				As at 31.03.10		As at 31.03.09	
				Quantity	Amount	Quantity	Amount
	1.	Jelly Filled Cables	M	36,361	29.86	62,968	121.54
		Total			29.86		121.54
F	Income – Sales						
	Sl.No.	Particulars	Unit	Current Year		Previous Year	
				Quantity	Amount	Quantity	Amount
	1.	Manufactured Goods					
	a	Various types of Cables	Mtrs.	3,131,385	4233.79	4,391,341	5,745.31
		Total of 1		3,131,385	4,233.79	4,391,341	5,745.31
	2	Others					
		Copper Wire	MT	189.166	776.27	-	-
		Aluminium Wire	MT	159.635	177.36	-	-
		Scrap/Others	MT	-	11.35	-	1.91
		Total of 2		348.801	964.98	-	1.91
		Total [1+2]			5198.77		5747.22
G	Breakup of consumption of Raw Material and Stores and Spares into imported and Indigenous						
	Sl.No.	Particulars		Current Year	Percentage	Previous Year	Percentage
	1.			Amount	%	Amount	%
	Raw Material						
	a	Imported	Mtrs.	Nil	0.00%	Nil	0.00%
	b	Indigenous		3,625.71	100.00%	4,785.09	100.00%
		Total		3,625.71	100.00%	4,785.09	100.00%
	Stores and Spares						
	a	Imported	MT	Nil	0.00%	Nil	0.00%
	b	Indigenous	MT	94.59	100.00%	105.35	100.00%
		Total	MT	94.59	100.00%	105.35	100.00%

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

Sl. No.	Particulars	March 31, 2010	March 31, 2009
(a)	Net Profit / (loss) as per Profit & Loss Account (Rs.)	1,92,59,645	2,11,89,320
(b)	Average No. of Ordinary Shares outstanding	30,53,500	30,53,500
(c)	EPS (Basic & Diluted) (Rs.) [(a)/(b)]	6.31	6.94
(d)	Face Value of each equity share (Rs.)	10	10

14. **Deferred Tax Liability/ Asset for the year under review:**

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

Particulars	(Amt. in. Rs.)
Carried forward unabsorbed depreciation	3,61,21,864
Deferred Tax Asset @ 30.90%	1,11,61,656
WDV of Fixed Assets as per Companies Act, 1956	58,587,388
WDV of Fixed Assets as per Income Tax, 1961	26,666,277
Taxable/ (Deductible) Temporary Difference on account of depreciation	31,921,111
Deferred Tax Liability @ 30.90%	9,863,623
Deferred Tax Liability / (Asset) @ 30.90%	(12,98,033)

15. There is no amount due and outstanding to be credited to Investor Education & Protection Fund during the year.
16. Sundry Debtors, Sundry Creditors, Loans & Advances and other advances are taken as per books subject to confirmation from parties.
17. Previous year figures have been regrouped /rearranged wherever considered necessary.
18. The Consolidated financial statements of the Company and its Wholly Owned Subsidiary Company are annexed and no separate schedule and notes to accounts have been prepared for the same. The Schedules and notes to accounts annexed with the main balance sheet to be referred for any purposes.
19. Information required in terms of part IV of the Schedule VI to the Companies Act, 1956 as complied by the Company is attached.

Schedules 1 to 18 form integral part of the accounts

For J. K. Manocha & Associates
Chartered Accountants

For & on behalf of the Board of Directors

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

Place: New Delhi
Date: 30-05-2010

CMI LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	For the period ended 31.03.10	For the period ended 31.03.09
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Depreciation	19,160,196	21,494,475
Add:		
Depreciation	10,303,830	8,725,348
Interest & Bank Commission paid	12,941,224	5,545,760
Miscellaneous Expenditure written off	--	185,722
Debtors Written Off	304,197	18,186,665
Previous Year Adjustments	1,454	453,066
Provision for FBT	-	147,911
Less:		
Interest Receipt	1,438,595	1,188,406
Creditors Written Back	3,938,345	5,784,046
	37,333,961	47,766,495
Operating Profit before extraordinary items and Working Capital Change		
Adjustments for		
(Increase)/Decrease in Trade and Other Receivables	(34,899,317)	(50,026,049)
(Increase)/Decrease in Inventories	4,822,448	(6,753,313)
Increase/(Decrease) in Trade and Other Payables	12,399,657	(9,281,794)
Cash Generated from Operations	19,656,750	(18,294,661)
Add:		
Extra ordinary items		
Bad debts written off	(304,197)	(18,186,665)
Creditors Written Off	3,938,345	5,784,046
Previous Year Adjustments	(1,454)	(453,066)
Provision for FBT	-	(147,911)
Net Cash used in Operating Activities	23,289,444	(31,298,257)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets	(13,698,762)	(5,263,832)
Depreciation Written Back	-	517,521
Interest Received	1,438,595	1,188,406
	(12,260,167)	(4,592,947)
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings/Repayments/FDR	3,971,002	34,496,925
Increase in Share Application Money	10,000,000	--
Increase / (Decrease) in unsecured loans	(14,478,376)	4,195,077
Interest & Bank Commission Paid	(12,941,224)	(5,545,760)
Net Cash from Financing Activities	(13,448,598)	33,146,242
NET INCREASE IN CASH & CASH EQUIVALENTS (A + B + C)	(2,419,322)	(2,744,962)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	20,800,197	23,545,159
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18,380,876	20,800.197

Notes: . (1) Of the above amount, an amount of Rs. 17,658,163/- (Previous Year Rs. 17,178,172/-) is pledged with Banks and is not available for free use by the Company.

(2) Above Cash Flow Statement has been prepared under the indirect method set out in the Accounting Standard-3 (Revised) specified in the Companies "Accounting Standard" Rules, 2006.

(3) Previous year figures have been regrouped wherever necessary.

Auditors' Report:

We have examined the cash Flow Statement of CMI Limited for the period ended 31st March, 2010. The Statement prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet covered by our report to the members of the Company in terms of our attached report of even date.

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

Place: New Delhi
Date: 30-05-2010

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 of CMI LIMITED (HOLDING COMPANY)
ALONGWITH CMI TELECOM LIMITED (WHOLLY OWNED SUBSIDIARY)**

Description	Sch.	Amount in Rupees	
		As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	41,067,500	31,067,500
Reserves and Surplus	2	29,375,293	26,267,500
		<u>70,442,793</u>	<u>57,335,000</u>
LOAN FUNDS			
Secured Loans	3	48,720,232	44,749,230
Unsecured Loans	4	118,286,298	132,764,674
TOTAL		<u><u>237,449,322</u></u>	<u><u>234,848,904</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	211,041,888	198,435,595
Less: Depreciation		152,454,501	142,150,670
		<u>58,587,388</u>	<u>56,284,925</u>
Capital Work in Progress		1,092,469	-
INVESTMENTS	6	504,596	504,596
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	76,392,199	81,214,647
Sundry Debtors	8	136,908,129	102,280,140
Cash and Bank Balances	9	18,826,455	21,246,376
Loans and Advances	10	33,498,721	33,227,393
		<u>265,625,504</u>	<u>237,968,556</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	88,371,974	75,969,317
		<u>88,371,974</u>	<u>75,969,317</u>
NET CURRENT ASSETS		<u>177,253,530</u>	<u>161,999,239</u>
MISCELLANEOUS EXPENSES			
(To the extent not written off or adjusted)		11,340	14,175
PROFIT AND LOSS ACCOUNT			
Profit/(Loss) for the Current Year		-	(21,488,282)
Loss carried forward from Previous Year		-	37,534,250
NET LOSS		-	<u>16,045,969</u>
TOTAL	18	<u><u>237,449,322</u></u>	<u><u>234,848,904</u></u>

As per our report of even date attached

J. K. Manocha & Associates
Chartered Accountants

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

Place: New Delhi
Date: 30-05-2010

CMI LIMITED

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 of CMI LIMITED
(HOLDING COMPANY) ALONGWITH CMI TELECOM LIMITED (WHOLLY OWNED SUBSIDIARY)**

Description	Sch.	Amount in Rupees	
		As at 31-03-2010	As at 31-03-2009
INCOME			
Sales	12	519,877,137	574,531,413
Less: Excise Duty		37,323,368	60,595,203
		<u>482,553,769</u>	<u>513,936,210</u>
Add:			
: Other Income	13	1,587,539	1,998,110
: Creditors Written back		3,938,345	5,784,046
		<u>488,079,653</u>	<u>521,718,366</u>
EXPENDITURE			
Material, Manufacturing and Others Expenses	14	421,158,273	448,534,740
Personnel	15	10,741,021	9,298,436
Financial Expenses	16	10,969,727	3,132,791
Administrative and Selling Expenses	17	15,349,394	12,657,260
Debtors Written off		304.197	18,186.665
		<u>458,522,613</u>	<u>491,809,891</u>
PROFIT/(LOSS) BEFORE DEPRICIATION AND TAX		29,557,040	29,908,475
Less:- Depreciation		10,303,830	8,725,348
PROFIT/(LOSS) BEFORE TAXATION		<u>19,253,210</u>	<u>21,183,127</u>
Less:-Taxation-Current Year		1,135,000	-
Previous Year Adjustments		1,454	453,066
Fringe Benefit Tax		-	147,911
NET PROFIT/(LOSS) FOR THE YEAR CARRIED TO THE BALANCE SHEET		<u>19,251,756</u>	<u>20,582,150</u>

As per our report of even date attached

J. K. Manocha & Associates
Chartered Accountants

For and on behalf of the Board of Directors

J. K. Manocha
Proprietor

Arun Kumar Singhal
Company Secretary

Amit Jain
Managing Director

Vijay Kr. Gupta
Director

Place: New Delhi
Date: 30-05-2010

CMI LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration	: 55-18031	
CIN No.	L74899DL1985PLC018031	
Balance Sheet Date	: (D/M/Y) 31/03/2010	

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

Public Issue	: Nil	Right Issue	: Nil
Bouns Issue	: Nil	Private Placement	: Nil

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

Total Liabilities	: 325364378	Total Assets	: 325364378
Source of Funds	:	Reserves & Surplus	: 29424132
Paid -Up Capital	: 40567500	Unsecured Loans	: 118286298
Secured Loan	: 48720232	Investment	: 5045596
Application of Funds	:	Misc Expenditure	: Nil
Net Fixed Assets	: 59679857		
Net Current Assets	: 176813709		

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

Accumulated Losses	: --	Total Assets	: 458516178
Turnover(incl. other income)	: 488079653	Misc Expenditure	: #REF!
Profit Before Tax	: 19259645	Misc Expenditure	: Nil
Earning per share (Rs.)	: 6.31		

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

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

CMI LIMITED

DP ID.	
Client ID	

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

L.F. No.	
No. of Shares held	

**43rd ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

I/We hereby record my/our presence at the 43rd Annual General Meeting of the Company held on Tuesday 28th, September, 2010 at 11.30a.m. at Lajwaab Banquet Hall, Vikas marg - 110092

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

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

Signature of Member/Authorised Representative
--

Signature of the Proxy

Photocopy of Attendance slip not be entertained

Tear Here

CMI LIMITED

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

**43rd ANNUAL GENERAL MEETING
PROXY FORM**

I/We in
The district of being a member/members of
the CMI Limited, hereby appoint Mr./Miss/Mr. of
..... or falling him/her,
Mr./Miss/Mr. in the district of as my /
out proxy to vote for me/us on my/our behalf at the 43rd Annual General Meeting to be held on
Tuesday 28th, September 2010.

Signed this day of2010

Affix Rs. 1 Revenue

<p><u>Board of Directors</u> Amit Jain Pyare Lal Khanna Vijay Kumar Gupta Abhishek Aggarwal Neeraj Goel Ramesh Chand</p>	<p><u>Designation</u> Managing Director Non-Executive Independent Director Non-Executive Director Non-Executive Director Non-Executive Independent Director Non-Executive Independent Director</p>
<p><u>Audit Committee</u> Pyare Lal Khanna Neeraj Goel Abhishek Aggarwal</p>	<p>Chairman Member Member</p>
<p><u>Remuneration Committee</u> Neeraj Goel Pyare Lal Khanna Ramesh Chand</p>	<p>Chairman Member Member</p>
<p><u>Share Holder's / Investor's grievance committee</u> Neeraj Goel Abhishek Aggarwal</p>	<p>Chairman Member</p>
<p><u>Stock Exchanges</u></p>	<p>Delhi Stock Exchange Limited DSE House 3/1, Asaf Ali Road, New Delhi – 110 002.</p> <p>Bombay Stock Exchange Limited 25th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001.</p> <p>Ahmedabad Stock Exchange Limited 1st Floor, Kamdhenu Complex, Opp. Sahajanand College, NR Panjarapole Ambawadi, Ahmedabad – 380001</p>
<p><u>Auditors</u></p>	<p>M/s J. K. Manocha & Associates Chartered Accountants 27/55, Street No.8, Vishwas Nagar, Shahdara, New Delhi-110032 Phone: 011- 22389025 Regn. No. : 082442</p>
<p><u>Bankers</u></p>	<p>- Syndicate Bank Yojna Vihar New Delhi - - Kotak Mahindra Bank New Delhi</p>
<p><u>Regd. Office</u></p>	<p>C-483, Yojna Vihar New Delhi-110092 Phone: 22151388</p>
<p><u>Works</u></p>	<p>Plot No. 71 & 82, Sector- 6, Faridabad, Haryana. Phone : 95129-4089309 to 4089312</p>