

# Meeting

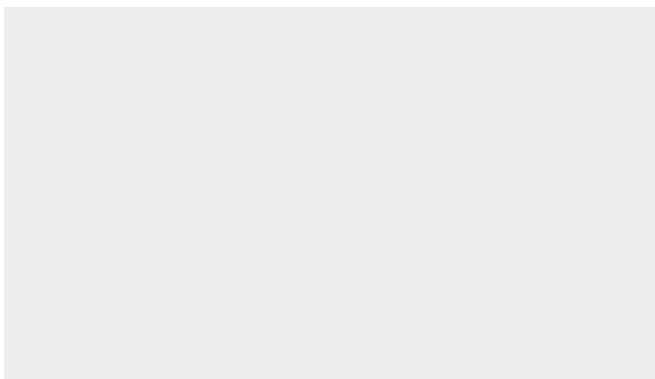
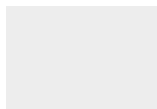
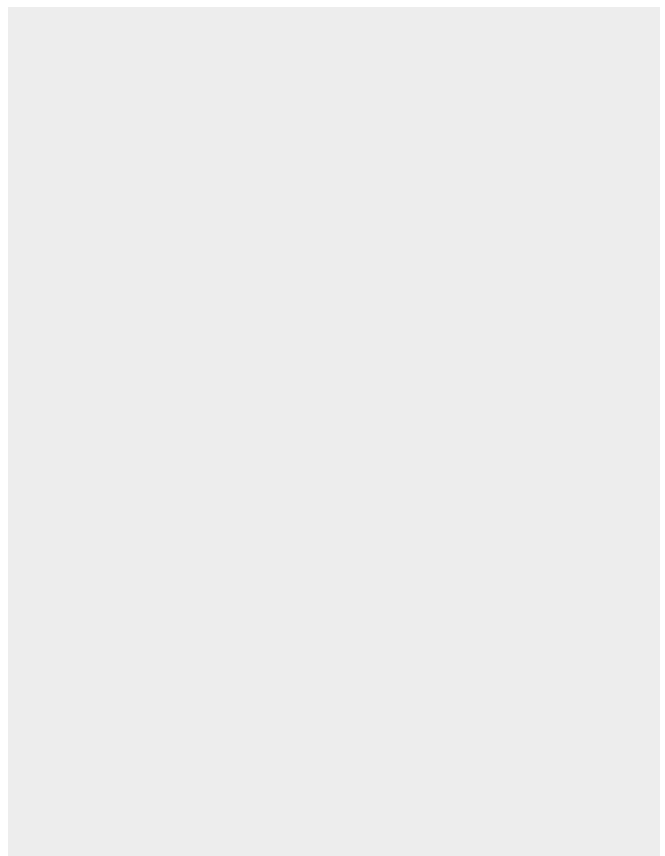
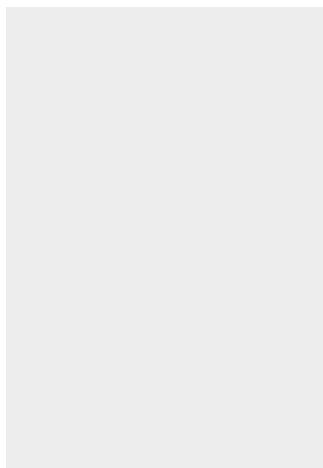
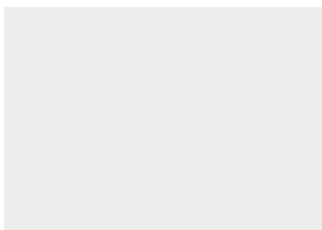
the needs of  
our time



**John Cockerill  
India Limited**  
(formerly CMI FPE Limited)

Annual Report  
**2019-2020**





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# Message from the Chairman

## Dear Shareholders,

I would like to start with a deep and heartfelt but positive thought for each of you, your families and your friends. Covid-19 has struck each of us and our families with vulnerability and separation. For those who have a loved one in a hospital or retirement home, there is additional anxiety and distress of not being able to take care for them personally. For many among us, we also worry about the coming days: how will we succeed in overcoming this virus and at what cost?

However, as always, in these unprecedented circumstances, devotion to others, compassion and altruism become evident in a remarkable and admirable way. Front-line healthcare professionals demonstrate for us, every day, the meaning of the Hippocratic Oath and all that it entails. They have our heartfelt thanks! This crisis also shows us the real values humanity needs: protection of life, health, solidarity and the ties that unite us.

This is also true for the John Cockerill Group, which has been operating for several months, in China, and more recently in Europe, in America and also in India, in a restricted way, with empty offices and contact reduced to a minimum. And yet we continued to operate at the service of our clients. Innovative projects and collaboration still continue thanks to technology; friendly and social relationships are organized, no longer centered around the coffee machine but virtually. The John Cockerill team spirit is always present.

In the meantime, the return to economic normality is likely to be a slow and bumpy process. The rupture in the labor market and ongoing social distancing will weigh heavily on consumer spending post-crisis, while firms will be very cautious on capital spending. Official forecasts predict a 'technical' pick-up in global GDP growth in 2021, but pre-virus levels of GDP are unlikely to be reached until mid-2022 at the very earliest. This is despite massive policy stimulus.

And while 2019 will be remembered as a difficult year for the Indian economy, the expectations in 2020 are not much brighter. In late May the Reserve Bank of India (RBI) trimmed India's growth forecast for FY21 as the coronavirus pandemic and the nationwide lockdown has disrupted economic activities and severely impacted revenues. The GDP growth in 2020-21 outlook is highly uncertain, but is expected to remain in the negative territory with a recovery in economic activity expected to begin in Q3 and gain momentum in Q4 as supply lines are gradually restored to normalcy and demand gradually revives.

For us this means that we must navigate by sight, and take difficult decisions, which will certainly touch and have an impact

on many units of our company, our Sector Industry and the entire Group. These measures are necessary to deal with the crisis we are facing, as well as the expected post-crisis challenges.

We must think and reflect on how the company will be when we emerge from this crisis. Our strategy will need to be adjusted, opportunities will be created and we will have to be agile enough to seize them.

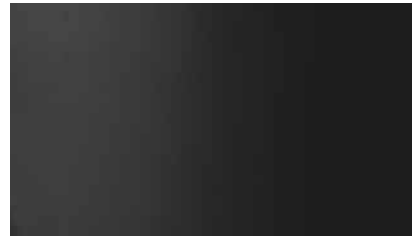
Our Group has a long history, made up of high points, discoveries and collective achievements, but also difficult periods during wars and economic downturns. Each time the Group has transformed itself and emerged stronger and more united. This is because our Group has always been able to adjust to the needs of its time and increasingly diversified its activities, not only geographically but also in terms of products and markets. A diversification that allows us to withstand more difficult periods, and more particularly, it will help us to absorb the impact of a crisis like the current COVID-19 pandemic.

2019 was, however, a rich and complex year for the Company. With numerous customer markets already in a downward cycle, our company still lived up to its commitments in many regards. As such, we continued the progress towards our mid-term objectives. Safety, efficient use of resources, reduction in greenhouse gases, sustainable solutions, and diversity are all areas in which our ambitions and objectives have been reaffirmed with determination.

Also in 2019, inspired by the visionary spirit of our founder, our Group reconnected with its roots and became John Cockerill again. The adopted fresh perspective, centered on the client and in the best interest of the Group, enabled the alignment to our Group's vision, strategy and objectives, resulting in an organization and leadership team that is more than ever battle-ready to face the complex and ever faster changing economic context, and last but not least, helped it tackle the current pandemic and this period of crisis.

In this context I am delighted to share with you, that on June 16<sup>th</sup>, 2020, our company has obtained the official approval by the Registrar of Companies, Mumbai of the State of Maharashtra to rename CMI FPE Limited into John Cockerill India Limited.

This is a major milestone for our company, allowing our clients to reap the many benefits of the global John Cockerill brand and perfectly illustrating our Group's growing ambition on the Indian sub-continent, also and maybe especially, in the post-Covid-19 era.



Adherence, cooperation and respect for commitments are the glue that holds us together. The creation of a new team spirit around a common project with an organization and a discipline around specific objectives and mandates for each of our activities is the synthesis, and the declared goal in the weeks, months and years to come.

2019 also opened a new chapter in the story of our company. Vivek Bhide, our company's new Managing Director, has been writing its first pages, bringing a fresh viewpoint to a comprehensive review of our structure, strategy, culture and sustainability program. Vivek currently works with the entire management team to unveil our company's purpose – the why that unites us all and gives us a shared direction: Enable opportunities. At scale. To meet the needs of our time. By being more sustainable. More responsible. More profitable. More human.

And our current reality calls us to do precisely this, especially now. On the behalf of the Board of Directors, I would like to thank Vivek for his commitment, and the strength and serenity that he has demonstrated throughout the current crisis.

It is obvious that since the beginning of the year the world has changed. Our company cannot remain indifferent to this upheaval which will have heavy consequences not only for our employees and their families, but also our clients, our company and the entire Group.

It should be mentioned at this point that our company's senior management has decided to take a 20 - 25% cut in their salaries to help the company through this severe, global economic downturn. They, just like most of the Group's worldwide management, have been rising to the challenge in these unprecedented times, and shown that our employees are at the heart of our Group's humanist values.

On behalf of the Board of Directors and myself, I would like to address my heartfelt thanks to all our company's employees, whatever their function or level, for their commitment, professionalism, solidarity and the support provided during the last few months. In the current situation, it is more than ever vital for a Group like ours being able to count on its employees.

And while we realize that the post-crisis period ahead will certainly be difficult, it is with this spirit, this solidarity and this determination that we will emerge from this stronger together.

Let me conclude with the following words: the coming months will not be easy for anyone! Know that we will find our way through them with clear-headedness, commitment and confidence!

My thoughts are with you and your families, and I thank you again for your confidence!

Yours sincerely,

João Felix Da Silva

June 19, 2020

BSE Scrip Code: - 500147

## John Cockerill India Limited, the new name of John Cockerill's Indian Hub, the former CMI FPE Limited

*Mumbai, June 19, 2020 - After the official approval by the Registrar of Companies, of the State of Maharashtra in Mumbai, CMI FPE Limited, the Indian hub of the John Cockerill Group with headquarters in Belgium, announced its corporate name change to John Cockerill India Limited, effective June 16, 2020.*

John Cockerill India's (formerly CMI FPE) clients, vendors, and partners will find no change in the quality of products or services offered, obtaining information on products or services, or conducting business with the newly renamed company. Along with the name change, John Cockerill India will fully align with the new John Cockerill brand identity, including the John Cockerill logo and all future business activity will be conducted under the new name.

"With the name change, we fully connect with our Group's roots and the visionary and entrepreneurial spirit of our founder, John Cockerill. This is a major milestone for our company, perfectly illustrating our growing ambition on the Indian sub-continent." said Vivek Bhide, Managing Director of John Cockerill India, "Clearly, for our clients and business partners and the interactions with our teams, nothing changes, and we look forward to continuing our successful and friendly collaboration with all of our stakeholders under our new company name."

"With the support of the Industry Sector's other worldwide entities, John Cockerill India will continue to provide best-in-class technological solutions for the steel industry, while our clients will reap the many benefits of the global John Cockerill brand." adds João Felix Da Silva, Chairman of the board of John Cockerill India, and Executive President of John Cockerill Industry, the Group's sector of which John Cockerill India is a part.

"The brand John Cockerill and our new identity illustrate the state of mind that guides us on a daily basis: to think differently, to take a fresh look at things, to provide answers to the needs of our time and tailor-made solutions to our clients." concludes Mr. Felix Da Silva.

### **About John Cockerill**

The John Cockerill Group perfects large scale technological solutions to respond to the needs of its times: preserve natural resources, contribute to greener mobility, produce sustainably, fight insecurity and facilitate access to renewable energy.

Its offering to businesses, governments and communities consists of services and associated equipment for the sectors of energy, defense, industry, the environment, transport and infrastructures.

Stimulated since 1817 by the entrepreneurial spirit and thirst for innovation of its founder, the over 6000 employees of the John Cockerill Group achieved a turnover of 1.3 billion euro in 23 countries on five continents in 2019.

[www.johncockerill.com](http://www.johncockerill.com) • 2018.johncockerill.com

### **About John Cockerill Industry**

Industry, one of the John Cockerill Group's 5 sectors of activity, designs, supplies and modernizes cold rolling mills, processing lines, chemical and thermal treatment installations for the steel and the non-ferrous industry.

It also provides state-of-the-art heat treatment technologies for the aviation, forging and casting industry, as well as surface treatment installations for all types of industries, including automotive and aviation, with a particular focus on the MRO (maintenance, repair, and overhaul) segment.

Based on decades of experience and successfully running references all over the world, John Cockerill Industry also provides lifecycle services, as well as training and technical assistance.

### **Press contacts**

International press: [anja.roxin@johncockerill.com](mailto:anja.roxin@johncockerill.com) +32 475 30 27 49

Indian press: [sithu.baretto@johncockerill.com](mailto:sithu.baretto@johncockerill.com) + 91 22 (0) 6676 2785

John Cockerill India Investors & Shareholders: [haresh.vala@cmifpe.com](mailto:haresh.vala@cmifpe.com) + 91 22 (0) 6676 2727

# Corporate Information

## Board of Directors

Mr. Joao Felix Da Silva	Chairman
Mr. Vivek Bhide	Managing Director (from February 8, 2020)
Mr. Yves Honhon	
Mr. D. J. Balaji Rao	
Mr. N. Sundararajan	
Ms. Roma Balwani	
Mr. Nandkumar Dhekne	from February 7, 2020
Mr. Jean Gourp	from June 25, 2020

## Chief Financial Officer

Mr. Kiran Rahate from August 1, 2019

## Company Secretary

Mr. Haresh Vala

## Bankers

Canara Bank  
Kotak Mahindra Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
Mashreq Bank psc

## Auditors

S R B C & Co. LLP, Chartered Accountants

## Cost Auditors

Kishore Bhatia & Associates, Cost Accountants

## Legal Advisors

Agrud Partners, Advocates & Solicitors

## Registrar and Share Transfer Agent

Bigshare Services Private Limited

## Registered Office

Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400093

## Contact Details

Tel. No. : 022 66762727 • Fax No. 022 66762737

Email : investors@cmifpe.com

Website : www.johncockerillindia.com



# Notice

Notice is hereby given that the **Thirty Fourth Annual General Meeting of the Members of John Cockerill India Limited (formerly CMI FPE Limited) (“the Company”)** will be held on **Thursday, August 27, 2020 at 2.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company including audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Yves Honhon (DIN 02268831), who retires by rotation and, being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

4. **To consider and approve the appointment of Mr. Nandkumar Dhekne (DIN 02189370) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution **as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, Mr. Nandkumar Dhekne (DIN 02189370) who was appointed as an Additional Director of the Company with effect from February 7, 2020, pursuant to the provisions of Section 161 of the Act and who 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 as an Independent Director and who has submitted the declaration that he meets the criteria of independence as provided under the Act and the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from February 7, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. **To consider and approve the appointment of Mr. Vivek Bhide (DIN 02645197) as a Director of the Company**

To consider and if thought fit, to pass the following resolution **as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the Rules made thereunder (including any statutory modification(s), clarification(s), substitution(s) or

re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, Mr. Vivek Bhide (DIN 02645197) who was appointed as an Additional Director of the Company with effect from February 8, 2020, pursuant to the provisions of Section 161 of the Act and who 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 as a Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. **To consider and approve the appointment of Mr. Vivek Bhide (DIN 02645197) as the Managing Director of the Company**

To consider and if thought fit, to pass the following resolution **as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“**the Rules**”) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and subject to consents, permissions and sanctions of appropriate and / or concerned authorities and subject to such conditions and modifications, as may be prescribed, imposed or suggested by any of such appropriate and / or concerned authorities, if required, while granting such approvals, consents, permissions and sanctions and as agreed by the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include the Nomination and Remuneration Committee) without any further approval of the members of the Company, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Vivek Bhide (DIN 02645197) as the Managing Director of the Company for a period of 3 (three) years commencing from February 8, 2020, not liable to retire by rotation, on the terms and conditions and remuneration as stipulated herein below :

### Remuneration :

Total Remuneration : Not exceeding an overall ceiling of ₹ 5 crores per annum. The total remuneration (cost to the company basis) for the first year of his term shall not exceed ₹ 4 crores per annum. Subsequent revisions in the remuneration will be determined and approved by the Board within the above overall ceiling.

1. Basic Salary for the first year - ₹ 13,03,000/- (Rupees Thirteen Lakhs Three Thousand only) per month.
2. Housing : Furnished rent free accommodation or house rent allowance in lieu thereof.
3. Reimbursement of expenses incurred on entertainment for business purposes & Club subscription.

4. Other Allowances, Perquisites and Incentive : Subject to overall ceiling as aforesaid, the Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including medical allowance, leave travel allowance and such other allowances, benefits, amenities and facilities, etc. as per the Company's Rules or as may be agreed to between the Board of Directors and the Managing Director.
5. The Managing Director will also be a member of the Group Medical and Personal Accident Insurance policies of the Company. He will be covered under the Company's Life Insurance under the Company's Group Term Life Insurance policy equivalent to 3 times of fixed annual salary.
6. Reimbursement of Health Insurance (Mediclaim) premium for the parents of the Managing Director as per the Income Tax Act.
7. Reimbursement of fees of consultant for calculation of taxes to be filed by the Managing Director and his wife as agreed by the Board.
8. Special Retention Allowance as may be agreed by the Board.
9. Performance Link Management Incentive (PLMI) once in a year as per the Company's PLMI policy. As a special case, PLMI for the year 2019-20 be paid for the entire year based on the criteria decided by the Board.
10. Car running allowance and telecommunication facilities as per the rules of the Company.
11. The appointment is terminable by giving not less than three months' notice in writing on either party or as may be agreed by the Board.

In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration :

- Retirement benefits : Contribution to provident fund, superannuation fund or annuity fund and gratuity fund shall be made as per the rules of the Company.
- Earned leave with full pay or encashment, as per the rules of the Company.
- Reimbursement of expenses incurred for the business of the Company.

Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of any such Rule.

**RESOLVED FURTHER THAT** the Board, and the Nomination and Remuneration Committee be and are hereby authorised to vary, amend, modify and revise from time to time the terms of remuneration payable to Mr. Vivek Bhide as Managing Director, within the above overall limit, as may be deemed appropriate.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to make necessary application(s) to such authorities, as may be required, for seeking its approval and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to seek necessary approvals and settle any questions, difficulties or doubts that may arise in this regard."

**7. To consider and approve the appointment of Mr. Jean Gourp (DIN 02268912) as a Non-Executive Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) and the Rules made thereunder (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, Mr. Jean Gourp (DIN 02268912) who was appointed as an Additional Director of the Company with effect from June 25, 2020, pursuant to the provisions of Section 161 of the Act and who 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 as a Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**8. To consider and grant approval for Material Related Party Transactions**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the requirements of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"the Listing Regulations"**), provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **"the Act"**), provisions of Companies (Meeting of Board and its Powers) Rules, 2014 (hereinafter referred to as **"the Rules"**) (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and the approval of Audit Committee and the Board of Directors of the Company and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the omnibus prior approval of the members of the Company be and is hereby accorded for entering into the following proposed material Related Party Transactions with respect to sale and purchase of

goods, supply of services and payment of brand and technical royalty fees, from financial year 2020-21 to financial year 2022-23 up-to the maximum amounts as appended in the table below :

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 3 years from financial year 2020-21 to financial year 2022-23 based on orders received / to be received
1.	CMI SA, Belgium	Holding Company	₹ 800 crores
2.	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 50 crores
3.	Beijing Cockerill Trading Co. Limited	Fellow Subsidiary	₹ 50 crores

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Managing Director, Chief Operating Officer and Chief Financial Officer of the Company be and are hereby severally authorised to agree, accept and finalise all such terms and conditions, modification(s) and alteration(s) as they may deem fit and also authorised to resolve and settle all questions, difficulties or doubts that may arise with regard to the said transaction and finalise and execute the agreement(s), documents and writings and to do all such acts, deeds, matters and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.”

**9. To consider and ratify the remuneration payable to Cost Auditor for the financial year 2020-21**

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof, for the time being in force) and as approved by the Board of Directors, on the recommendations of the Audit Committee, the remuneration of ₹ 2,30,000/- (Rupees Two Lakhs Thirty Thousand only) (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) be paid to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2020-21 be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Chief Financial Officer of the Company be and are hereby severally authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors  
For John Cockerill India Limited**  
(formerly CMI FPE Limited)

**Haresh Vala**  
Company Secretary

Mumbai  
June 25, 2020

**Registered office:**

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

**Tel. No.:** 022-66762727 | **Fax No.:** 022-66762737/38

**CIN:**L99999MH1986PLCO39921

**Email:**investors@cmifpe.com | **Website:**www.johncockerillindia.com

**NOTES:**

- In view of the continuing COVID-19 pandemic, maintenance of social distancing norms, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 (collectively referred to as **“MCA Circulars”**), permitted the holding of Annual General Meeting (**“AGM”**) through video conferencing (**“VC”**) or other audio visual means (**“OAVM”**) without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (**“the Act”**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) and MCA Circulars, the 34<sup>th</sup> Annual General Meeting of the members of the Company will be held through VC / OAVM. There will be no physical meeting of the members; however, members can participate in the AGM through VC / OAVM. AGM has been convened through VC / OAVM in compliance with the provisions of the Act read with MCA Circulars.
- The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings (**“SS2”**) and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Special Business of the accompanying Notice is annexed hereto.
- Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical presence of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. **Prior registration of Speakers at AGM** : Members who would like to speak during the AGM, express views or ask questions, shall register by sending email at [investors@cmifpe.com](mailto:investors@cmifpe.com). Please mention name, folio number or DP ID and Client ID, email, mobile number, etc. and the said request should be reached to the Company on or before August 20, 2020. If any member would like to ask question or want information, please mention the same in the aforementioned request. This would help to conduct the meeting smoothly keeping in view the AGM is being held through VC / OAVM
  6. Members desirous of any information or queries on accounts or relevant reports are requested to send their queries at least ten days in advance to the Company at its email address : [investors@cmifpe.com](mailto:investors@cmifpe.com) to enable the Company to collect the relevant information and answer them in the meeting.
  7. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (pdf / jpeg format) of its Board or governing body Resolution / Authorisation, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Scrutinizer by email through its registered email address to [iqureshiassociates@yahoo.co.in](mailto:iqureshiassociates@yahoo.co.in) or [investors@cmifpe.com](mailto:investors@cmifpe.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  8. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company or Depositories. Members may note that the Notice and Annual Report 2019-20 can also be assessed on the website of the Company – [www.johncockerillindia.com](http://www.johncockerillindia.com) and website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of National Securities Depository Limited (agency for providing the remote e-voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  9. Members whose e-mail addresses are not registered can register the same in the following manner :
    - (a) Members holding shares in physical mode can register their e-mail ID by sending mail to [investors@cmifpe.com](mailto:investors@cmifpe.com); and
    - (b) Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participant (“DPs”) for receiving all communications from the Company electronically.
  10. The Register of Members and Share Transfer Books of the Company will remain closed from August 21, 2020 to August 27, 2020, both days inclusive, for determining the names of the members eligible for dividend on the equity shares, if declared at the AGM.
  11. Dividend of ₹ 5/- per equity share of face value of ₹ 10/- each for the year ended March 31, 2020, as recommended by the Board of Directors, if declared at the AGM, will be credited / dispatched within statutory timeline, to those members whose names appear on the Company’s Register of Members on August 20, 2020; in respect of the shares held in dematerialised mode, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as beneficial owners or members as on August 20, 2020.
- If the circumstances warrant or necessary to meet the statutory requirement to change the above dates, the same would be posted on the website of the Company.
- In case, the Company is unable to pay the dividend to any member by the electronic mode, due to non-availability of the details of bank account, the Company will upon normalisation of the postal services, dispatch the dividend warrant / demand draft to such members by post or courier.
12. The dividend, if approved, will be paid by crediting into the bank account, as provided by NSDL and CDSL through ECS or NECS or electronic transfer, of those members holding shares in electronic form / demat. In respect of members holding shares in physical form or in case of ECS, NECS or electronic payment rejected, dividend will be paid by dividend warrant or demand draft.
  13. **Tax deductible at source (TDS) on Dividend** : Members may note that pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (“TDS”) from dividend being paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020.
- A resident individual member with PAN and who is not liable to pay income tax can submit a yearly deduction in Form No. 15G / 15H, to avail the benefit of non-deduction of TDS by email to [investors@cmifpe.com](mailto:investors@cmifpe.com), at least five days before the AGM. Members are requested to note that in case their PAN is not registered with the Company / RTA / DP, the tax will be deducted at a higher rate of 20%.
- Non-resident members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by making an online submission on the website of Bigshare Services Private Limited at [www.bigshareonline.com](http://www.bigshareonline.com). The shareholders may send physical copies of the duly filled forms / documents to Bigshare’s office at the address mentioned below.
14. The Company’s R&T Agent for its Share Registry Work (Physical and Electronic) are Bigshare Services Private Limited, having their office premises at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059.
  15. A brief resume of each of the Directors proposed to be appointed / re-appointed at this AGM, nature of their expertise in specific functional areas, name of the Companies in which they hold directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors *inter se* as stipulated under Regulation 36 of the Listing Regulations, and other requisite information as per Clause 1.2.5 of SS 2 on General Meetings, are provided as Appendix A to the Notice.
  16. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company, [www.johncockerillindia.com](http://www.johncockerillindia.com) for inspection by the members.
  17. As mandated by SEBI, effective from April 1, 2019, the securities of listed Companies shall be transferred only in dematerialised form.

In order to facilitate transfer of shares and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

18. Since the AGM is held through VC / OAVM, the route map is not annexed to the Annual Report.
19. Instructions for attending the AGM and e-voting are as follows :

**A. Instructions for attending the AGM :**

1. Members will be able to attend the AGM through VC / OAVM by using their remote e-voting login credentials. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement for the AGM by following the procedure mentioned in the Notice. Facility of joining AGM will be closed on expiry of 15 minutes from the scheduled time of the AGM.
3. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first serve basis. However, the participation of members holding 2% or more shares, promoters and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. are allowed to attend the AGM without any restriction on account of first come first serve basis.
4. Members who need technical assistance before or during the AGM, can contact **NSDL** on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / +91 22 24994360 or Mr. Sagar Ghosalkar, Assistant Manager – NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in) / +91 22 24994553.

**B. Instructions for remote e-voting :**

In compliance with the provisions of Section 108 of the Act read with the Rules made thereunder, Regulation 44 of the Listing Regulations, Secretarial Standard 2 and MCA Circulars, the Company is offering remote e-voting facility to all the members of the Company in respect of the business to be transacted at the AGM. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. August 21, 2020 only shall be entitled to avail the facility of remote e-voting / e-voting at the AGM. The business may be transacted through e-voting services provided by National Securities Depository Limited (“NSDL”), as an Authorised Agent. The facility of casting vote by a member using remote e-voting system as well as venue voting on the date of AGM will be provided by NSDL. Members can cast their votes online from 9.00 am (IST) on August 23, 2020 to 5.00 pm (IST) on August 26, 2020. At the end of remote e-voting period, the facility shall forthwith be blocked.

The Board has appointed M/s. I. Qureshi & Associates, Practising Chartered Accountants as the Scrutinizer to scrutinize the remote e-voting and e-voting process at the AGM.

The way to cast vote electronically on NSDL e-voting system consists of “Two Steps” which are as mentioned below :

**Step 1 :** Login to NSDL’s e-voting system at <https://www.evoting.nsdl.com/>

**Step 2 :** Cast your vote electronically on NSDL’s e-voting system.

**Step 1**

**How to log-in to the NSDL e-voting website**

1. Visit the e-voting website of NSDL by opening your web browser and type the following URL :<https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” available under ‘Shareholders’ / Members’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on ‘e-Voting’ and proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For members who hold shares in demat account with NSDL	8 character DP ID followed by 8 digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For members who hold shares in demat account with CDSL	16 digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your User ID is 12*****.
c) For members holding shares in physical form	EVEN, followed by Folio Number registered with the Company. For example, if your EVEN is 101456, then User ID is 101456001***.

5. Your password details are given below :

- a) If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you

- need to enter the 'initial password' and change your password, as prompted by the system.
- c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the file. The password to open the file is your 8 digit Client ID for your NSDL account, or the last 8 digit of your CDSL Client ID, or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received your 'initial password' or have forgotten your password :
    - a) Click on the 'Forgot User Details / Password?' (for those holding shares in demat accounts with NSDL or CDSL) option available on **www.evoting.nsdl.com**
    - b) A 'Physical User Reset Password?' (for those holding shares in physical mode) option is also available on **www.evoting.nsdl.com**
    - c) If you are still unable to get your password following the aforesaid options, you can send a request to **evoting@nsdl.co.in** mentioning your demat account number / folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
  7. After entering your password, agree to the terms and conditions by checking the box.
  8. Next, click on the 'Login' button.
  9. After you click on the 'Login' button, the homepage of e-voting will open.

## Step 2

### How to cast your vote electronically on NSDL e-voting system?

1. After successful logging in following Step 1, you will be able to see the e-voting homepage. Click on 'e-voting'. Then, click on 'Active Voting Cycles'.
  2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the Companies in which you hold shares and whose voting cycles are in 'active' status.
3. Select the 'EVEN' of John Cockerill India Limited which is 113223 to cast your vote.
  4. Now you are ready for e-voting as the voting page opens.
  5. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote, and click on 'Submit'. Also click on 'Confirm' when prompted.
  6. Upon confirmation, the message, 'Vote cast successfully', will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

### General guidelines for shareholders :

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to **iqureshiassociates@yahoo.co.in** or **investors@cmifpe.com** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of **www.evoting.nsdl.com**, or call on toll free no.: 1800-222-990 or send a request at **evoting@nsdl.co.in**.
4. The remote e-voting period commences on August 23, 2020 (9.00 a.m.) and ends on August 26, 2020 (5.00 p.m.). During this period, members of the Company holding shares in physical or dematerialised form, as on the cut-off date i.e. August 21, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast.
5. The voting rights of the members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. August 21, 2020.
6. Any person, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in**. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing User ID and password for casting their vote.

7. On submission of the report by the Scrutinizer, the result of the voting at the meeting and remote e-voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website -[www.johncockerillindia.com](http://www.johncockerillindia.com) and on the website of NSDL- [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the result to BSE Limited, where the shares of the Company are listed.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility of e-voting on the day of the AGM shall be the same person mentioned through remote e-voting.

**Process for those shareholders whose email IDs are not registered with the Depositories for procuring user id and password and registration of email IDs for e-voting for the resolutions set out in this Notice :**

1. In case, shares are held in physical mode, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to [investors@cmifpe.com](mailto:investors@cmifpe.com) and [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
2. In case, shares are held in demat mode, please provide DP ID – Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to [investors@cmifpe.com](mailto:investors@cmifpe.com) and [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

**Instructions for members for e-voting on the day of AGM are as under :**

1. The procedure for e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who will be present at the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

**Instructions for members for attending the AGM through VC / OAVM are as under :**

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Shareholders' / Members' login by using the remote e-voting credentials. The link for VC / OAVM will be available in the Shareholders' / Members' login where the EVEN of the Company will be displayed. Please note that the members who do not have their User ID and Password for e-voting or have forgotten their User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the AGM through laptops for better experience.
3. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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**ANNEXURE TO THE NOTICE**

**Re-appointment of Mr. Yves Honhon as Director**

Mr. Yves Honhon (DIN 02268831), Non-Executive Director of the Company, retires by rotation and, being eligible, has offered himself for re-appointment.

**The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 1.2.5 of Secretarial Standard on General Meetings (SS 2) :**

Mr. Yves Honhon, aged 56 years, holds Bachelor's degree in Mathematics, Bachelor's degree in Business Administration and CEPAC. Mr. Honhon has also attended various advance programmes on Situational Leadership, Communication, Process Management, Total Quality Management, Project Management, etc.

Mr. Yves Honhon has total work experience of nearly 34 years, having handled various functions in Accounts, Finance, Controlling, Administration and General Management, in various firms / companies including Arthur Andersen, DB Stratabit S.A., Carmeuse Coordination Centre (as Group Controller). Presently, he is the Chief Financial Officer of CMI Group and Director of CMI SA.

Mr. Yves Honhon, who was first appointed on the Board on June 25, 2008, will be re-appointed as Non-Executive Non-Independent Director and he does not draw any remuneration from the Company. Mr. Honhon attended 3 (three) Board Meetings out of 5 (five) Board Meetings held during FY 2019-20.

Mr. Honhon holds other directorships in CMI SA, CMI India Engineering Private Limited, CMI France SAS (Chairman), CMI Maintenance Hainaut SA, CMI Traction SA, DODECA SA (Chairman), CMI America Inc, CMI Luxembourg Services SA, CMI Industry Russia and CMI Europe Environment.

Mr. Honhon is a member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

He does not hold any shares in the Company and is not related to any other Director of the Company.

Save and except Mr. Honhon, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 3 of the Notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT') AND SECRETARIAL STANDARD-2 ON GENERAL MEETING (SS-2) :**

**ITEM NO. 4:**

**Appointment of Mr. Nandkumar Dhekne (DIN 02189370) as an Independent Director of the Company**

The Board of Directors ("**Board**"), on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Nandkumar Dhekne (DIN 02189370) as an Additional Independent Director of the Company, for a term of 5 (five) consecutive years w.e.f. February 7, 2020, subject to the approval of the members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("**the Act**") and Articles of Association of the Company, Mr. Dhekne holds office up to the date of this Annual General Meeting of the Company and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing his candidature for the office of Director.

Mr. Nandkumar Dhekne, aged 62 years, has over 40 years of experience in diverse areas including Field services, Operations Management, Sales & Marketing and General Management. He was Managing Director, India & South Asia of GE Water during 2001-2004, and was President & CEO of GE Energy India during 2004-2007. During 2007-2009, he was the Managing Director - Asia, Aqualon Division of Hercules Inc. based in Shanghai. From 2009-2014, he was Vice President – Asia at Ashland based in Shanghai. In his last assignment, Mr. Dhekne was the Vice President – Asia Pacific for Solenis LLC, USA, a global leader of paper making and industrial water treatment chemicals. He was responsible for the business growth and performance in over 10 countries including China, Korea, Japan, Australia, New Zealand, Indonesia, Thailand, Malaysia and South Asia including India. He is a recognized growth leader with outstanding team building skills and has delivered consistent profitable growth in a broader geography for these MNCs.

Mr. Dhekne is a Chemical Engineering graduate and a distinguished Alumnus of University Department of Chemical Technology, Mumbai and an Alumnus of Harvard Business School (AMP).

Mr. Dhekne was the Chairman of American Chamber of Commerce, Bangalore, 2005, Chairman of Energy Committee – Bangalore Chamber of Industry and Commerce and an active CII Committee Member CII - Delhi, 2006. He has served on the Board of AICM and ENACTUS in China, a non-profit organisation.

He does not hold any shares in the Company and is not related to any other Director of the Company.

Mr. Nandkumar Dhekne is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Dhekne to the effect that he meets the criteria of independence as provided in Section 149(6), Schedule IV and other applicable provisions of the Act, Rules framed thereunder and Regulation 16(1)(b) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

In the opinion of the Board, Mr. Nandkumar Dhekne fulfils the conditions specified in the Act and Listing Regulations for appointment as an Independent Director and is independent of the management of the

Company. The terms and conditions of his appointment shall be open for inspection on the website of the Company [www.johncockerillindia.com](http://www.johncockerillindia.com).

The details of Mr. Nandkumar Dhekne as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Appendix A to this Notice.

The Board considering the experience and expertise of Mr. Dhekne, recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the members.

Save and except for Mr. Nandkumar Dhekne, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 4 of the Notice.

**ITEM NO. 5 and 6**

**Appointment of Mr. Vivek Bhide (DIN 02645197) as the Managing Director of the Company**

(a) The Board of Directors ("**Board**"), on the recommendation of the Nomination and Remuneration Committee, at its meeting held on February 7, 2020, appointed Mr. Vivek Bhide (DIN 02645197) as an Additional Director of the Company w.e.f. February 8, 2020, subject to the approval of the members. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("**the Act**") and Articles of Association of the Company, Mr. Vivek Bhide holds office of Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing his candidature for the office of Director.

The Board are confident that his rich and varied experience will benefit the Company and hence recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for the approval of the members.

(b) The Nomination and Remuneration Committee, at its meeting held on February 7, 2020, approved the terms and conditions including remuneration of Mr. Vivek Bhide as Managing Director of the Company.

The Board of Directors, at its meeting held on February 7, 2020, also appointed Mr. Vivek Bhide as Managing Director and Key Managerial Personnel of the Company, for a period of 3 (three) years, w.e.f. February 8, 2020 to February 7, 2023 pursuant to the provisions of the Act and Rules framed thereunder, subject to the approval of the members of the Company and such other approvals / permissions, if and as may be required in this regard.

**The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :**

Mr. Vivek Bhide, aged 53 years, has over 25 years of experience in the chemicals and industrial manufacturing domain. Mr. Bhide



holds Bachelor of Technology Degree in Mechanical Engineering from the Indian Institute of Technology, Mumbai. He also holds the Master of Science Degree in Statistics from the University of Delaware. He has a Certificate in Disruptive Strategy from the Harvard Business School.

Mr. Vivek Bhide started his career in the process engineering and R & D domain with DuPont in the U.S. where he was instrumental in spearheading multiple projects across manufacturing, new product development and analytical science. He then joined Koch Industries where he worked on developing strategies for new business opportunities in interior paint, commercial fabrics, countertops and stone flooring. Mr. Bhide moved back to India with DuPont India to lead the packaging and the industrial polymers business for the South Asia region. As a senior leader, he has worked with Danaher Group for Gilbarco Veeder Root India and Fortive India. In his last assignment, he was the Group President of Fortive India where he managed a global engineering centre.

Mr. Bhide has strong leadership qualities and has grown well in his career. His geographical exposure covers India and overseas markets enabling him to gain hands-on exposure of cross cultural working.

Mr. Bhide specialises in Strategy Development, Marketing Management, Technology Management, Manufacturing Management, New Business Development and Leadership Development.

He does not hold any shares in the Company and is not related to any other Director of the Company.

Mr. Vivek Bhide is a Key Managerial Personnel of the Company as per Section 203(1)(iii) of the Act.

Mr. Bhide satisfies all the conditions set out in Part I of Schedule V of the Act and is eligible for appointment.

As required under the provisions of the Act, approval of the members is being sought for the appointment of and the remuneration payable to Mr. Vivek Bhide as Managing Director of the Company functioning in a professional capacity.

The approval of the members is sought for his remuneration in the manner stipulated in Section II of Part II of Schedule V of the Act. Schedule V of the Act permits the Companies to pay managerial remuneration in excess of the limits stipulated in Section 197 of the Act subject to satisfaction of certain conditions prescribed therein.

The statement as required under Section II of Part II of Schedule V of the Act is given below:

<b>I. General Information</b>					
1.	Nature of Industry	The Company is engaged in the business of designing, manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants, wet flux lines and pickling lines for ferrous and non-ferrous industries worldwide.			
2.	Date or expected date of commencement of commercial production	May 28, 1986			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4.	Financial performance based on given indicators	Particulars	2018-19	2017-18	2016-17
		<b>(₹ in lakhs)</b>			
		Revenue from Operations (Net)	49,623.90	30,823.46	15,776.73
		Other Income	2,131.00	1,627.30	1,413.59
		Total Revenue	51,754.90	32,450.76	17,190.32
		Profit / (Loss) before depreciation, finance cost and tax	5,290.52	2,008.52	1,408.00
		Profit / (Loss) after tax	3,509.74	672.00	579.05
5.	Foreign investments or collaborations, if any	Except the shareholding of Cockerill Maintenance and Ingenierie, SA, parent Company, which holds 75% of the Company's equity capital, the Company does not have any foreign direct investment or collaboration.			
<b>II. Information about the Appointee :</b>					
1.	Background details	A brief profile of Mr. Vivek Bhide is given herein above.			

2.	Past remuneration	The remuneration drawn by Mr. Vivek Bhide in his earlier Company during the past 2 (two) years is as follows	
		Year	<b>₹ in lakhs</b>
		2017-18	272.48
		2018-19	242.81
3.	Recognition or awards	Nil	
4.	Job profile and his suitability	<p>Mr. Vivek Bhide has strong leadership qualities and has grown well in his career. His geographical exposure covers India and overseas markets enabling him to gain hands on exposure of cross cultural working.</p> <p>Mr. Vivek Bhide with his qualification and vast experience in strategy development, marketing management, technology management, manufacturing management, new business development and leadership development is expected to add considerable value to the Company as its Managing Director.</p>	
5.	Remuneration proposed	The remuneration proposed is set out in the resolution at Item No. 6.	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	While deciding the remuneration payable to Mr. Bhide, the Nomination and Remuneration Committee and the Board <i>inter alia</i> considered the compensations levels for similar positions in the Engineering industry and comparable organisations and have considered the proposed levels as appropriate and reasonable.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Besides the present / proposed remuneration, Mr. Vivek Bhide does not have any other pecuniary relationship with the Company or relationship with any of the managerial personnel.	
<b>III.</b>	<b>Other Information</b>		
1.	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> <li>- Economic slowdown in Indian and global market</li> <li>- Falling prices in steel industry</li> <li>- Lower margins on projects under execution due to highly competitive environment</li> <li>- Slower growth in the order entries due to volatile business environment.</li> </ul>	
2.	Steps taken or proposed to be taken for improvement	All efforts are now being focused on to improve order book by sourcing new orders from domestic as well as overseas customers and improving operational efficiency. The manufacturing facilities have been restructured for better productivity and cost-savings. Greater emphasis is placed on optimisation of various processes to improve operational efficiency across the Company. These proactive steps are aimed at improving profitability in the face of a challenging environment in the steel industry.	
3.	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits, with improved margins in the years to come.	

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re-appointment**

**Mr. Vivek Bhide**

Age	53 years
Qualifications	Bachelor of Technology Degree in Mechanical Engineering from the Indian Institute of Technology, Mumbai Master of Science Degree in Statistics from the University of Delaware Certificate in Disruptive Strategy from the Harvard Business School
Experience	25 years
Terms and conditions of appointment	Tenure of the appointment of Mr. Vivek Bhide as Managing Director shall be for a period of 3 (three) years w.e.f. February 8, 2020.  The Managing Director will be employed on whole time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the permission of the Board.  The Managing Director shall be entitled to such other privileges, allowances, facilities and amenities in accordance with the rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act.  He will cease to be a Director on cessation of his employment with the Company.  The appointment shall be governed by Section 196, 197, 203 read with Schedule V of the Act and Rules made thereunder.  The separation from this engagement could be effected by either side by giving three months' notice.
Last drawn remuneration	₹ 242.81 lakhs per year
Date of first appointment on the Board	February 8, 2020
No. of shares held	Nil
Relationship with Directors, Managers & Key Managerial Personnels	Not Related
Number of Board Meetings attended during FY 2019-20	Not Applicable
Other Directorships	1. CMI India Engineering Private Limited
Chairman / Member of the Committees of Board of other companies	Nil

Pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Act read with Schedule V of the Act and the Rules framed thereunder, the approval of the members is sought on the resolution set out at Item No. 6 of this Notice.

In accordance with the said resolution, within the aforesaid limits, the amount of salary package, perquisites / benefits and performance linked incentive payable to Mr. Bhide (including the types and amount of each type of Perquisites / Benefits / Allowances) will be decided by the Board of the Directors and / or Nomination and Remuneration Committee, at such time or times, as it may deem fit, in its sole and absolute discretion.

Your Directors recommend Resolution No. 6 as a Special Resolution for approval by the members of the Company.

Save and except for Mr. Vivek Bhide, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way,

concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 and 6 of the Notice.

**ITEM NO. 7:**

**Appointment of Mr. Jean Gourp (DIN 02268912) as a Director of the Company**

The Board of Directors ("**Board**") at its meeting held on June 25, 2020, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Jean Gourp (DIN 02268912) as an Additional Director of the Company w.e.f. June 25, 2020, subject to the approval of the members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("**the Act**") and Articles of Association of the Company, Mr. Gourp holds office up to the date of this Annual General Meeting of the Company and is eligible to be appointed as a Director. The Company has, in terms

of Section 160(1) of the Act, received a notice in writing from a member, proposing his candidature for the office of Director.

Mr. Jean Gourp, aged 48 years, is an engineer with a degree in mechanical and production engineering from I.N.S.A. Toulouse. He studied engineering and business management at the University of Surrey, Great Britain and detains an Executive MBA from INSEAD business school. He is having international experience in engineering, manufacturing, sales and general management. Mr. Gourp joined the Company in 2008 as Chief Operating Officer and was then elevated to the position of Deputy Managing Director before becoming Managing Director in 2011 until 2013.

Mr. Jean Gourp was a part of CMI and FPE integration team and played a key role in smooth transformation of the Company after the acquisition.

In his earlier assignments, Mr. Gourp had spent over a year as Managing Director of CMI Stalproekt in Moscow. He was also associated with Fives Stein Co. in France for nearly four years as erection & commissioning manager and later on as sales and process engineer before being seconded to their Shanghai joint venture for five years as Deputy Managing Director. He was also associated with Fives Stein India as technical manager.

In 2013, Mr. Jean Gourp joined the Services branch of CMI Group as Vice-President and focused on the strategic development of the portfolio of activities.

Since 2019, Mr. Jean Gourp has taken charge of the Environment branch of CMI Group with the aim to expand the group's position on environmental markets.

He does not hold any shares in the Company and is not related to any other Director of the Company.

Mr. Jean Gourp is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

Mr. Jean Gourp forms part of the Promoter Director of the Company.

In the opinion of Nomination and Remuneration Committee and Board of Directors of the Company, the appointment of Mr. Jean Gourp would be beneficial to the overall functioning of the Company, considering his experience in the Company and the Group and the knowledge of general business management.

The details of Mr. Jean Gourp as required under the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Appendix A to this Notice.

The Board of Directors of the Company propose the appointment of Mr. Jean Gourp as the Non-Executive Director of the Company, liable to retire by rotation and recommends the Ordinary Resolution as set

out in Item No. 7 of the Notice for the approval of the members of the Company.

Save and except for Mr. Jean Gourp, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 7 of the Notice.

## ITEM NO. 8

### Approval for Material Related Party Transactions

The Group has adopted the strategy of "One Metals" whereby multiple Business Units collaborate with clearly identified scope-lines. The Company is conceived as the Indian hub integral to the vision of the Group's strategy which has helped the Company to get orders from the parent Company, CMI SA.

The projects with CMI SA will help the Company to establish itself in some of the countries which are viewed as having high potential for the products of the Company and where the Company has not done business in the past. Also, some of the projects will enable the Company to enter into competitors' territories which were hitherto not explored by the Group and establish new references which will also help grow its business in its traditional markets like India, Africa and South East Asia.

Section 188 of Companies Act, 2013 (hereinafter referred to as "**the Act**") read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, prescribes certain procedure for approval of related party transactions. Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**the Listing Regulations**"), as amended from time to time also prescribes seeking approval of members for material related party transactions. The proviso to Section 188 of the Act also states that nothing in Section 188(1) of the Act applies to any transaction entered into by the Company in its ordinary course of business and at arms' length basis.

The Company has entered into Brand Fee Agreement with CMI SA for the payment of brand fees @ 0.6% of the external sales and Technical Royalty Agreement with CMI SA for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA. In terms of the Listing Regulations, approval of the members of the Company is required for payment of brand usage or royalty when it exceeds 2% of the annual consolidated turnover of the Company as per the last audited financial statements.

All the proposed transactions put up for approval are in the ordinary course of business and at arms' length. Since the transactions are repetitive in nature and considering the anticipated large volume of the transactions, pursuant to the requirements of Regulation 23 of the Listing Regulations, the following contracts / arrangements / transactions will be material in nature and hence requires the approval of the members of the Company by way of an Ordinary Resolution.

Sr. No.	Name of the Related Party	Relationship	Maximum Value of Transactions for 2 to 3 years from financial year 2020-2021 to financial year 2022-23 for orders received / to be received	Nature and material terms / particulars of the contract or arrangement
1.	CMI SA, Belgium	Holding Company	₹ 800 crores	<p>The Company will enter into contracts with CMI SA for sale and purchase of goods and supply of services for the joint projects under the leadership of CMI SA. The projects will be spread over a period of 3 years from financial year 2020-21 to financial year 2022-23 and will allow the Company to establish its competitiveness in markets where due to language or reference, the Company has no reach.</p> <p>The Company and CMI SA have entered into:-</p> <ol style="list-style-type: none"> <li>Brand Fee Agreement for the payment of brand fees @ 0.6% of the external sales; and</li> <li>Technical Royalty Agreement for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA.</li> </ol>
2.	CMI Industry Automation Private Limited	Fellow Subsidiary	₹ 50 crores	Sale and purchase of goods and supply of services.
3.	Beijing Cockerill Trading Co. Limited	Fellow Subsidiary	₹ 50 crores	Sale and purchase of goods and supply of services.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto are furnished below :

Name of the Related Party	As per table above
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Joao Felix Da Silva, Director of CMI Industry Automation Private Limited, Mr. Yves Honhon, Director of CMI SA and Mr. Jean Gourp, employee of CMI SA are deemed to be concerned or interested by virtue of their respective positions in the Group.
Nature of Relationship	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	All the above transactions are proposed to be carried out based on the business requirements of the Company and shall be in the ordinary course of business and at arms' length. All the transactions are for sale and purchase of goods and supply of services within the Group, brand fees and technical royalty fees, details of value and material terms are given in the table above.
Any other information relevant or important for the Members to take a decision on the proposed resolution	None

The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on June 25, 2020 and recommended by the Board of Directors on June 25, 2020, to the unrelated members of the Company for their approval. The Audit Committee will be updated regularly / quarterly on the status of the contracts *vis-a-vis* approval taken, along with the details of the transactions with respect to each contract.

After the approval of the members, the Company will inform the members, periodically in due course, about the status of the individual contracts signed by the Company with CMI SA, together with the value and the terms of the contracts.

Pursuant to the approval accorded by the members of the Company at the 33<sup>rd</sup> Annual General Meeting held on August 1, 2019 for the value of ₹ 800 crores for material related party transactions with CMI SA, ₹ 50 crores for CMI Industry Automation Private Limited and ₹ 50 crores for

CMI Engineering (Beijing) Co. Limited, during the year ended March 31, 2020, the Company had entered into transactions with CMI SA for ₹ 156.66 crores; the transactions with CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited were for ₹ 5.86 crores and ₹ 8.30 crores respectively.

As per Regulation 23 of the Listing Regulations, all entities / persons that are directly / indirectly Related Parties of the Company shall not vote on the resolution wherein approval of material Related Party Transactions is sought from the members. Accordingly, all Related Parties of the Company, including, among others, CMI SA and CMI Industry Automation Private Limited and the Directors and Key Managerial Personnel of the Company will not vote on this resolution.

Your Directors recommend Resolution No. 8 as an Ordinary Resolution for approval by the unrelated members of the Company.

Save and except Mr. Joao Felix Da Silva, Director of CMI Industry Automation Private Limited Mr. Yves Honhon, Director of CMI SA and Mr. Jean Gourp, employee of CMI SA, all by virtue of their respective positions in the Group, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No.8 of the Notice.

#### ITEM NO. 9

##### **Ratification of remuneration payable to the Cost Auditor**

The Company is required, under the provisions of Section 148(3) of the Companies Act, 2013 (**"the Act"**), read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant in practice.

The Board of Directors, on the recommendation of the Audit Committee, at its meeting held on June 25, 2020, had approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as Cost

Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2020-21.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the members of the Company.

The Board, subject to ratification by the members, has approved remuneration of ₹ 2.30 lakhs (previous year ₹ 2.30 lakhs) plus reimbursement of out-of-pocket expenses, for conducting the cost audit for the financial year 2020-21.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor, as above.

Your Directors recommend Resolution No. 9 as an Ordinary Resolution for approval by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 9 of the Notice.

**By Order of the Board of Directors  
For John Cockerill India Limited**  
(formerly CMI FPE Limited)

**Haresh Vala**  
Company Secretary

Mumbai  
June 25, 2020

##### **Registered office:**

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

**Tel. No.:** 022-66762727 | **Fax No.:** 022-66762737/38

**CIN:** L99999MH1986PLC039921

**Email:** investors@cmifpe.com | **Website:** www.johncockerillindia.com

**Details of the Directors proposed to be appointed / re-appointed pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings (SS 2)**

Name of the Director	Mr. Yves Honhon	Mr. Nandkumar Dhekne	Mr. Vivek Bhide	Mr. Jean Gourp
<b>Director Identification Number</b>	02268831	02189370	02645197	02268912
<b>Date of Birth</b>	September 27, 1963	September 2, 1957	December 26, 1966	January 15, 1972
<b>Date of first appointment on the Board of the Company</b>	June 25, 2008	February 7, 2020	February 8, 2020	June 25, 2020
<b>Qualifications</b>	Bachelor's degree in Mathematics, Bachelor's degree in Business Administration and CEPAC. Attended various advance programmes on Situational Leadership, Communication, Process Management, Total Quality Management, Project Management, etc.	Chemical Engineer graduate and a distinguished Alumnus of University Department of Chemical Technology, Mumbai and an Alumnus of Harvard Business School (AMP).	Bachelor of Technology Degree in Mechanical Engineering from the Indian Institute of Technology, Mumbai. Master of Science Degree in Statistics from the University of Delaware. Certificate in Disruptive Strategy from the Harvard Business School.	Engineer with a degree in Mechanical and Production engineering from I.N.S.A. Toulouse. Studied Engineering and Business Management at University of Surrey, Great Britain. Executive MBA from INSEAD business school.
<b>Experience (including expertise in specific functional area) / Brief Resume</b>	Mr. Yves Honhon has total work experience of nearly 34 years, having handled various functions in Accounts, Finance, Controlling, Administration and General Management, in various firms / companies including Arthur Andersen, DB Stratabit S.A., Carmeuse Coordination Centre (as Group Controller).	Mr. Nandkumar Dhekne has over 40 years of experience in diverse areas including Field services, Operations Management, Sales & Marketing and General Management.	Mr. Bhide has over 25 years of experience in the chemical and industrial manufacturing domain. He has strong leadership qualities and has grown well in his career. His geographical exposure covers India and overseas markets enabling him to gain hands on exposure of cross cultural working.	Mr. Gourp is having experience in manufacturing, sales and general management
<b>Shareholding in the Company (as on the date of the Notice)</b>	Nil	Nil	Nil	Nil
<b>Relationship with other Director / Key Managerial Personnel of the Company</b>	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
<b>List of Directorships held in other Companies (as on the date of the Notice)</b>	CMI India Engineering Private Limited	Antoshka Private Limited (formerly Twigly Foods Private Limited)	CMI India Engineering Private Limited	Nil
<b>Chairman / Member of the Committees of the Boards of other Companies in which he / she is a Director</b>	None	None	None	None
<b>Terms and conditions of appointment / re-appointment</b>	As per the Resolution No. 3 of the Notice read with the Annexure thereto.	As per the Resolution No. 4 of the Notice read with Explanatory Statement thereto.	As per the Resolution No. 6 of the Notice read with Explanatory Statement thereto.	As per the Resolution No. 7 of the Notice read with the Explanatory Statement thereto.

Name of the Director	Mr. Yves Honhon	Mr. Nandkumar Dhekne	Mr. Vivek Bhide	Mr. Jean Gourp
<b>No. of Board Meetings attended during the year (FY 2019-20)</b>	3	Not Applicable	Not Applicable	Not Applicable
<b>Remuneration last drawn (including sitting fees, if any) (FY 2019-20)</b>	Nil	Nil	₹ 77.67 lakhs	Nil
<b>Details of remuneration proposed to be paid</b>	Nil	As may be decided by the Board	As mentioned in the Resolution No. 6 of the Notice and as may be decided by the Board within the overall limits approved by the members.	Nil



# Directors' Report

Dear Members,

Your Directors are pleased to present the Thirty Fourth Annual Report of John Cockerill India Limited (formerly CMI FPE Limited) on the business and operations of the Company and the audited financial statements for the year ended March 31, 2020.

## FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	Financial Year 2019-2020	Financial Year 2018-2019
<b>Total Income</b>	<b>38,675.50</b>	51,754.90
Profit before depreciation and amortisation expense, finance costs and tax expense	<b>3,766.89</b>	5,290.52
Less:		
Depreciation and amortisation expense	<b>566.70</b>	577.53
Finance costs	<b>308.64</b>	9.60
<b>Profit / (Loss) before Tax</b>	<b>2,891.55</b>	4,703.39
Less : Tax expense:		
Current tax	<b>566.66</b>	902.60
Deferred tax	<b>(49.61)</b>	291.05
<b>Profit / (Loss) for the year</b>	<b>2,374.50</b>	3,509.74
Other comprehensive income for the year, net of tax	<b>(136.36)</b>	31.47
Total comprehensive income for the year	<b>2,238.14</b>	3,541.21

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

### Operations

During the financial year 2019-20, the global business scenario remained subdued and there were no positive structural factors which could provide fundamental support to the global steel industry. For the major part of financial year 2019-20, India's economic growth was subdued due to the slowdown in sectors like capital goods, consumer durables, infrastructure and construction sectors, which are the primarily steel-intensive sectors. This adversely affected the steel demand and consequently the demand and prices witnessed a steady decline and reached a bottom in September, 2019. In 2019-20, crude steel output registered a fall at 108.500 million tonne (MT), down 2.2 per cent from 110.921 MT in 2018-19. The market demand started an upward trend from mid of November, 2019, after the end of monsoon and festive season.

However, the onset of COVID-19 pandemic, severely affected the steel industry in India by impacting its labour force and supply chain, both domestically and globally. Exports and imports also took a beating due to the COVID-19 pandemic and the subsequent lockdown.

The spread of coronavirus also impacted the country's consumption of steel which fell 6.6% month-on-month to 0.580 MT in March, 2020. The crude steel production at 7.38 MT observed a significant decline of 22.7% in March, 2020 as against 9.56 MT during February, 2020. The finished steel export declined 20.5% to 0.453 MT from 0.570 MT in February, 2020. The onset of COVID-19 and the lockdown overall have now presented a bleak situation for the steel sector as a whole.

As a result of above factors, for the financial year 2019-20, our revenue from operations has dropped by 25.24% to ₹ 37,100.35 lakhs and profit before tax has dropped by 38.52% to ₹ 2,891.55 lakhs from the

previous year, which incidentally was the strongest performance in the history of the Company.

Your Company has received orders of approx. ₹ 69 crores only (including foreign exchange impact on year end orders) during the year under review and has a closing order backlog of ₹ 538 crores as on March 31, 2020.

### Road ahead

Lockdown measures to contain the spread of COVID-19 pandemic have immensely affected steel customers like auto and construction segments that had to close down. According to Indian Steel Association, it is expecting the demand to contract by around 7% in 2020 because of measures taken to contain the pandemic as against the forecast of 5% growth indicated in February, 2020.

Being an intermediate product and dependent on derived demand, steel companies have resorted to rationalising their production. However, almost all of our customers are evaluating restarting of production in a phased manner from June, 2020. These customers are expecting domestic demand to restart gradually with segments like packaging, steel products for domestic gas distribution, infrastructure, special steel for automotive, etc. For the next couple of months, their focus will be on a balance between domestic and exports. As we understand from our customers, their export orders will be fulfilled out of current inventories and production will be ramped up in a gradual manner after the domestic demand picks up upon relaxation of lockdown.

Your Company is in constant touch with all its customers and is fully geared up to complete the on-going projects within the revised timelines that are being agreed upon with the customers. Even during the lockdown period, though the plant operations were stopped, the design and project management activities have been continued with

more than 70% of our employees in these functions working from home. Your Company is pursuing new orders worth ₹ 700 crores from various domestic and overseas customers of which prospects worth ₹ 70 crores are in very advanced stage. Apart from this, the Company is working on back-up opportunities worth ₹ 1,000 crores where technical discussions are going on with various prospective customers.

### **Material Changes and Commitments affecting the financial position of the Company**

There has been no change in the nature of business of the Company. There have been no material changes or commitments affecting the financial position of the Company, between the end of the financial year of the Company to which the financial statements relate, and the date of this Report.

### **COVID-19**

In the last month of financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services to our customers globally. As of March 31, 2020, work from home was enabled to most of the non-factory employees to work remotely and securely.

The unprecedented outbreak of COVID-19 has impacted the global economy and human life, making it a very challenging environment for all the businesses. The changes forced on people and businesses by the pandemic are likely to last for some time and established ways of doing business may undergo changes leading to new way of working. The COVID-19 pandemic has dented the steel demand because of the nation-wide lockdown and resultant dip in the economic activities.

The economic fallout of and the subsequent recovery from COVID-19 impact will depend on multiple factors such as recovery driven by containment efforts, supply chain disruptions, impact of lockdowns, etc. The continued spread of COVID-19 could adversely affect the workforce, customers, economies and financial markets globally, potentially leading to further economic downturn. This could decrease our customer's spend on capex, adversely affect demand for our products, increase pricing pressure, impose supply-side constraints, etc.

The growth of your Company also depends on the outlook of the overall economic growth. Primary risk to the business will be on account of any adverse changes to the economy. There is uncertainty as to how long the impact of lockdown is expected to continue and when one can witness normalcy returning to the economy. While short term outlook is uncertain, the long term outlook continues to be positive on account of various economic reforms, increasing aspirations, sustained consumption momentum and persistent infra spending. In the past also, Indian economy showed strong recovery in the face of the global financial crisis. We are hopeful that the growth momentum picks up and the Indian economy will see a resurgence that will help the business of your Company.

The Board has duly taken into account the above developments in assessing their impact on the financial statements, as fully disclosed in the notes thereto.

### **DIVIDEND**

Your Directors recommend a dividend of ₹ 5/- per equity share of face value of ₹ 10/- each i.e. 50%, aggregating to ₹ 246.89 lakhs for the financial year 2019-20 (Previous Year final dividend of ₹ 10/- per equity

share). If declared by the members at the forthcoming Annual General Meeting ("**AGM**"), dividend will be deposited with the bank and paid after August 27, 2020. The Tax Deducted at Source ("**TDS**") will be deducted by the Company as per the provisions of the Income Tax Act, 1961.

The Board of Directors ("**Board**") has decided to retain the entire amount of profits for financial year 2019-20 in the Profit & Loss Account, and have not made any transfer to General Reserve.

### **Transfer of amounts to Investor Education and Protection Fund**

A sum of ₹ 1,24,310/- being the dividend lying unclaimed for seven consecutive years out of the dividend declared by the Company for the year ended March 31, 2012 was transferred to the Investor Education and Protection Fund ("**IEPF**") of the Central Government in September, 2019.

### **SHARE CAPITAL**

The Company's Authorised Share Capital during the financial year ended March 31, 2020 stood at ₹ 1,000 lakhs. The Paid-up Equity Share Capital of the Company remained at ₹ 493.78 lakhs comprising of 49,37,813 equity shares of ₹ 10/- each. During the year under review, the Company has neither issued any shares, with or without differential voting rights nor has granted any stock options or sweat equity. As at March 31, 2020, and at any time during the year, none of the Directors or the Key Managerial Personnel of the Company held /holds any instruments convertible into equity shares of the Company.

### **CHANGE OF NAME OF THE COMPANY**

During the year under review, the Board vide circular resolution approved the change of name of the Company from CMI FPE Limited to John Cockerill India Limited, subject to the availability of the name from Central Registration Centre (CRC), Ministry of Corporate Affairs (MCA). The new name has been made available by the CRC of MCA vide its letter dated January 30, 2020. The Board at its meeting held on February 7, 2020 noted the name availability and approved the Postal Ballot Notice for the approval of the members of the Company for the change of name by way of Special Resolution.

The members of the Company accorded their approval for the Special Resolution for change of name and alteration of Articles of Association of the Company through Postal Ballot. The Special Resolution for change of name was approved by the members of the Company on March 17, 2020. Necessary intimation in this respect was made to the Stock Exchange. The Registrar of Companies, Maharashtra, Mumbai had approved the change of name of the Company to John Cockerill India Limited and Certificate of Incorporation consequent to the change of name has been issued by the Registrar of Companies, Maharashtra, Mumbai on June 16, 2020. The Board at its meeting held on June 25, 2020 noted the change of name of the Company.

### **ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION**

During the year under review, the members of the Company through Postal Ballot adopted a new set of Articles of Association of the Company in place of the existing Articles of Association, to be consistent with Section 5 of the Companies Act, 2013 ("**the Act**") including Rules made thereunder. The Special Resolution was approved by the members on March 17, 2020. The new set of Articles of Association is uploaded on the website of the Company at [www.johncockerillindia.com](http://www.johncockerillindia.com).

## DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act read with the applicable Rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). No amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

It is the Company's policy not to give loans, directly or indirectly, to any persons (other than to employees under contractual obligations) or to other body corporates or give any guarantee or provide any security in connection with a loan to any other body corporate or person. Your Company does not make any investment in securities of any other body corporate. Your Company has not taken or given any loan or advances in the nature of loan to its holding Company.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As per the provisions of Section 135 of the Act and Rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee. The Company has adopted a CSR policy, as recommended by the CSR Committee covering the objectives, initiatives, outlay, implementation, monitoring, etc. The CSR Policy is displayed on the website of the Company – [www.johncockerillindia.com](http://www.johncockerillindia.com).

As on March 31, 2020, the CSR Committee comprises of Ms. Roma Balwani as Chairperson and Mr. Yves Honhon and Mr. Vivek Bhide as members. The Board of Directors at its meeting held on February 7, 2020 appointed Mr. Vivek Bhide as the member of the Committee w.e.f. February 8, 2020, in place of Mr. Raman Madhok who ceased to be a member of the Committee consequent to his ceasing to be a Director of the Company.

The terms of reference of the CSR Committee, number and dates of meeting held, attendance of the Directors, etc., are furnished separately in the Corporate Governance Report.

A report on CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 duly approved by the members of CSR Committee has been appended as Annexure A and forms an integral part of this Report.

In terms of Section 135 of the Act read with the applicable Rules, during the year under review, the Company was required to spend ₹ 44.26 lakhs on CSR activities and the Company had spent ₹ 11.63 lakhs during the financial year ended March 31, 2020. The shortfall in the spending during the year under report is intended to be utilized in a phased manner in future, upon identification of suitable projects within the Company's CSR policy.

The Company has undertaken projects in the areas of Education, Health & Nutrition and Environment. These projects are in accordance with Schedule VII of the Act and the Company's CSR Policy.

The Company has partnered with agencies of repute and has committed to incur expenditure for CSR initiatives in the coming years through structured programs and projects. These projects and programs are on-going and have a qualitative long term impact on the beneficiaries.

## HUMAN RESOURCES

The HR department's mandate is to provide internal services related to leadership development, talent management, employee compensation, labour relations and many other services essential to drive the organization's strategic objectives and priorities.

The permanent employee strength of the Company was 505 as on March 31, 2020. Human Resources department continues to lead enhancements and standardization of the Performance Management process. The department provides innovative and responsive training programs and this year has clocked 9,570 hours, in addition to training hours on safety.

Your Company once again demonstrated their leadership, by winning the 'John Cockerill Public Award' for the fourth consecutive year, and this time for 'Safety - A culture at Taloja'. This clearly signifies the importance of Safety in the Company.

Efforts will continue in ensuring that the Company's workforce is well supported, competent, and dedicated to support all areas of business and ready to meet all challenges.

The industrial relations continued to be cordial at all levels throughout the year. Your Directors wish to thank all the Employees and Workmen of the Company for their contribution, support and continued co-operation throughout the year.

### Health and Safety

The details on Health and Safety are provided in the Management Discussion and Analysis Report, which forms part of this Report.

### Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), your Company has a robust mechanism in place to redress any complaints. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH. The Internal Committee (IC) is composed of internal members and an external member who has extensive experience in the field.

Frequent communication of this Policy is done through various programs and at regular intervals to the employees. Third party workshops and awareness programs are organized for sensitizing the employees to the provisions of the said Act.

During the year under review, no case of sexual harassment in your Company was reported.

## RISK MANAGEMENT

Risk management is an integral part of your Company's operating framework. Your Company believes that identifying and managing the risks in a timely manner helps in maximizing returns. The Company's approach to address business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls, and also a reporting mechanism for such risks.

Your Company follows the globally recognized COSO framework. The Company recognizes that the emerging and identified risks need to be managed and mitigated to:

- Protect its shareholders and other stakeholders' interests
- Achieve its business objective
- Enable sustainable growth

The details and the process of Risk Management as implemented by the Company are provided in the Management Discussion and Analysis Report which forms part of this Report.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

A robust system of internal control, commensurate with the size and nature of its business and the scale and complexities of its operations, forms an integral part of the Company's policies. Your Company has an effective internal risk mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures. The internal audit role is entrusted to PricewaterhouseCoopers Private Limited, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and audit of business processes, besides benchmarking controls with the best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. Your Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Internal Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee.

This formalized system of internal control and risk management framework facilitates effective compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Listing Regulations"**), the Act and relevant statutes, as amended from time to time, applicable to the Company.

#### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

Your Company has a robust mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of the Act and the Listing Regulations.

The Company's vigil mechanism allows the Directors, employees and all stakeholders of the Company to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct / business ethics. The vigil mechanisms provides for adequate safeguards against victimization of the persons who avail this mechanism. The whistle-blower policy not only helps the Company in detection of fraud, but is also used as a Corporate Governance tool leading to prevention and deterrence of fraud or misconduct. It also provides direct access to the employees to approach the Chairman of the Audit Committee, wherever necessary. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the website of the Company – [www.johncockerillindia.com](http://www.johncockerillindia.com).

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Retirement by rotation and subsequent re-appointment**

In accordance with the provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Yves Honhon (DIN 02268831), Non-Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing AGM. Brief profile of Mr. Yves Honhon has been given in the Notice convening the AGM.

In accordance with the provisions of the Act read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, Additional Director, Independent Directors and Managing Director of the Company are not liable to retire by rotation.

##### **Change in Directorate**

###### **(i) Cessation of Directorship of Mr. Raman M. Madhok, Independent Director**

Mr. Raman M. Madhok (DIN 01798377), Independent Director of the Company informed the Board of Directors of his desire to step down from Directorship due to personal reasons with effect from August 6, 2019. Mr. Raman M. Madhok had confirmed that there was no other material reason for his resignation.

Mr. Raman M. Madhok had joined the Board in the year 2009 and since then has been an active member of the Board and its Committees where he was a member. He has contributed immensely to the functioning of the Board and the management has benefited from his advice and directions. The Board places on record its collective unanimous appreciation of the valuable services rendered and contribution made by Mr. Raman M. Madhok during his tenure as an Independent Director on the Board of the Company during the last 10 years.

###### **(ii) Cessation of Directorship of Mr. Fabrice Orban, Non-Executive Director**

Mr. Fabrice Orban (DIN 05114495), Non-Executive Director of the Company informed the Board of Directors at its meeting held on October 30, 2019 to step down as a Director on the Board of the Company with effect from October 30, 2019 due to personal reasons.

The Board places on record its sincere appreciation of the valuable services rendered and contribution made by Mr. Fabrice Orban during his tenure as a Non-Executive Director on the Board of the Company.

###### **(iii) Appointment of Mr. Nandkumar Dhekne as an Additional / Independent Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee (**"NRC"**), the Board of Directors of the Company, at its meeting held on February 7, 2020, had approved the appointment of Mr. Nandkumar Dhekne (DIN 02189370) as an Additional / Independent Director on the Board of the Company to hold the office for a term of 5 (five) consecutive years w.e.f. February 7, 2020, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 161 of the Act, Mr. Nandkumar Dhekne holds office up to the date of the ensuing AGM of the Company and is eligible for appointment as a Non-Executive Independent Director. The Company has received a notice from

a member along with a cheque in favour of the Company under Section 160 of the Act, signifying his intention to propose Mr. Nandkumar Dhekne as candidate for the office of Independent Director of the Company at the ensuing AGM.

**(iv) Re-appointment and cessation of Mr. Raman Madhok as the Managing Director of the Company**

The earlier term of Mr. Raman Madhok (DIN 00672492) as the Managing Director of the Company expired on October 8, 2019. In view of the developments in the Company, it was considered advisable that the Company continue to benefit from his stewardship for a few more months till his successor could be in place. At the request of the NRC and the Board, Mr. Raman Madhok agreed to stay on for a maximum further period of six months. The Board, on the recommendation of the NRC, subject to the approval of the members of the Company, approved the re-appointment of Mr. Raman Madhok as the Managing Director for a further period of six months effective from October 9, 2019. The members of the Company, vide postal ballot on December 11, 2019, approved the re-appointment of Mr. Raman Madhok as the Managing Director for such further period of six months on the same terms and conditions including the remuneration.

Mr. Raman Madhok ceased to be the Managing Director and Key Managerial Personnel of the Company effective from the close of working hours of February 7, 2020, by mutual agreement between him and the Board. The Board at its meeting held on February 7, 2020 approved the cessation and placed on record their deep appreciation for the valuable services rendered by Mr. Raman Madhok during his tenure as a Managing Director of the Company.

The Board places on record its collective unanimous appreciation of the valuable services rendered and contribution made by Mr. Raman Madhok as the Managing Director on the Board of the Company. The Board credited Mr. Raman Madhok for the strength with which he has taken the Company out of hard water.

**(v) Appointment of Mr. Vivek Bhide as an Additional / Managing Director of the Company**

On the recommendation of the NRC, the Board at its meeting held on February 7, 2020, had appointed Mr. Vivek Bhide (DIN 02645197) as an Additional / Managing Director of the Company for a period of 3 (three) years effective from February 8, 2020, subject to the approval of the members of the Company. Mr. Vivek Bhide is a Key Managerial Personnel of the Company.

Pursuant to the provisions of Section 161 of the Act, Mr. Vivek Bhide holds office up to the date of the ensuing AGM of the Company and is eligible for appointment as the Managing Director. The Company has received a notice from a member along with a cheque in favour of the Company under Section 160 of the Act, signifying his intention to propose Mr. Vivek Bhide for the office of Managing Director of the Company at the ensuing AGM.

**(vi) Appointment of Mr. Jean Gourp as an Additional / Non-Executive Director of the Company**

Based on the recommendation of the NRC, the Board at its meeting held on June 25, 2020 approved the appointment of Mr. Jean Gourp (DIN 02268912) as an Additional / Non-Executive Director on the Board of the Company w.e.f. June 25, 2020, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 161 of the Act, Mr. Jean Gourp holds office up to the date of the ensuing AGM of the Company and is eligible for appointment as a Non-Executive Director. The Company has received a notice from a member along with a cheque in favour of the Company under Section 160 of the Act, signifying his intention to propose Mr. Jean Gourp as a Non-Executive Director of the Company at the ensuing AGM.

Brief profiles of Mr. Nandkumar Dhekne, Mr. Vivek Bhide and Mr. Jean Gourp are given in the Notice convening the AGM, for the information of the members.

The proposals regarding the appointment of Mr. Nandkumar Dhekne, Mr. Vivek Bhide and Mr. Jean Gourp are placed for your approval.

**Declaration from Independent Directors**

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under the Act and the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

**Performance Evaluation of the Board**

The Board has carried out an annual evaluation of the performance of the Board, the Board Committees and of the individual directors pursuant to the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of the Committees, effectiveness of the Committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the NRC confirmed that the performance evaluation was completed during the year under review.

**Key Managerial Personnel**

Pursuant to the provisions of the Act, the Key Managerial Personnel ("KMP"), as on March 31, 2020 are:

i)	Mr. Vivek Bhide	Managing Director
ii)	Mr. Kiran Rahate	Chief Financial Officer
iii)	Mr. Haresh Vala	Company Secretary

**Changes in KMP**

As informed above, Mr. Raman Madhok ceased to be the Managing Director of the Company with effect from the close of working hours of February 7, 2020. Mr. Vivek Bhide was appointed as the Managing Director and KMP of the Company w.e.f. February 8, 2020.

During the year under review, Mr. Akash Ohri ceased to be the Chief Financial Officer of the Company w.e.f. July 30, 2019 as he has taken new assignment in the Industry Sector of CMI SA in Belgium. Mr. Kiran Rahate was appointed as the Chief Financial Officer and KMP of the Company w.e.f. August 1, 2019.

## Remuneration Policy

Pursuant to the provisions of the Act and the Listing Regulations, the Board of your Company has framed a Remuneration Policy for the Directors, KMP and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. While formulating the policy, the Board had considered the factors laid down in the Act which are as under :

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting a short and long term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Remuneration Policy are as follows :

- Market competitiveness;
- Role played by the individual;
- Reflective of the size of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
- Consistency with recognized best practices; and
- Alignment to all regulatory requirements.

In accordance with the policy, the Managing Director, KMPs, Senior Management and employees are paid basic salary, fixed salary, benefits, perquisites, allowances and annual incentive remuneration / performance linked bonus subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. The performance linked bonus would be driven by the outcome of the performance appraisal process and performance of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm :

- a. that in the preparation of the accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the Directors have selected such accounting policies as mentioned in the Notes to the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year ended on that date;

- c. that the Directors have taken proper and sufficient care to the best of their knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the accounts for the financial year ended March 31, 2020 on a 'going concern' basis;
- e. that the Directors have laid down internal financial controls for the Company which are adequate and are operating effectively; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and are operating effectively.

## MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other statutory Board business. The Board / Committee meetings are pre-scheduled and a tentative annual calendar of the meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's / Committee's approval is taken by passing resolutions through circulation or by calling Board / Committee meetings at short notice, as permitted by law.

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

The agenda for the Board and Committee meetings include detailed notes on the items to be discussed to enable the Directors to take an informed decision.

The Board had held 5 (five) meetings during the financial year 2019-20. The details of the number of meetings of the Board and attendance of Directors at the Board Meetings are mentioned in the report on Corporate Governance annexed hereto. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

## Committees of the Board

In compliance with the requirement of applicable laws and as part of the best governance practice, the following Committees of the Board were functional as on March 31, 2020 :

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Nomination and Remuneration Committee
- iv. Corporate Social Responsibility Committee
- v. Risk Management Committee
- vi. Borrowings Committee
- vii. Banking Operations Committee

The details with respect to the composition of the Committees, their terms of reference and attendance at the meetings of the Committee of the Board are given in the Corporate Governance Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were carried out in the ordinary course of business and based upon well-set principles of arms' length basis in accordance with the

provisions of the Act, read with the Rules issued thereunder and the Listing Regulations. Thus, a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. All details of related party transactions are furnished in the Notes to Accounts.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company at [www.johncockerillindia.com](http://www.johncockerillindia.com). None of the Directors has any pecuniary relationship or transactions with the Company except remuneration, sitting fees and commission. None of the related party transactions entered into by the Company was in conflict with the Company's interests. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

The Board of the Company has approved the criteria for securing the omnibus approval by the Audit Committee within the framework of the policy on related party transactions. Omnibus approvals are taken at the beginning of the financial year, for the transactions which are repetitive in nature. A quarterly statement of all Related Party Transactions is placed before the Audit Committee for review and approval at every meeting, specifying the nature, value and terms and conditions of the transactions. These are thereafter placed before the Board for approval.

Effective from April 1, 2019, the payment of Technology fees to CMI SA @ 3% was discontinued, and the members approved the payment of 3% technical royalty fees on the portion of contracts secured by CMI SA and awarded to the Company, to compensate for the efforts and expenses incurred by CMI SA.

At the 33<sup>rd</sup> AGM held on August 1, 2019, the members approved the related party transactions with CMI SA, CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited for transactions over a period of 2 to 3 years which are to be considered material in terms of the Listing Regulations. During the year ended March 31, 2020, total value of transactions with CMI SA was ₹ 156.66 crores and the transactions with CMI Industry Automation Private Limited and CMI Engineering (Beijing) Co. Limited were for ₹ 5.86 crores and ₹ 8.30 crores respectively.

The approval of the members of the Company for the payment of Brand fee @ 0.6% of the external sales and for the payment of 3% technical royalty fees to CMI SA on those portions of contracts assigned to the Company through CMI SA is sought in terms of the Listing Regulations.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

## **AUDITORS**

### **Statutory Auditors**

M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Registration No. 324982E/E300003) were appointed as the Statutory Auditors of the Company, at the 32<sup>nd</sup> AGM, held on July 27, 2018 to hold office till the conclusion of the 37<sup>th</sup> AGM of the Company to be held in the year 2023. M/s. S R B C & Co. LLP have confirmed that they comply with all the requirements and criteria and are qualified to continue to act as the Statutory Auditors of the Company.

The Statutory Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended March 31, 2020. There

has been no qualification, reservation or adverse remark or disclaimer in their Report, and the Notes thereto are self-explanatory and do not require any explanations from the Board.

During the year under review, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### **Cost Auditor**

The Company is required to conduct the audit of the cost accounting records maintained by the Company under the provisions of the Act read with the Companies (Cost Records and Audit) Rules, 2014, and accordingly such records are made and maintained in the prescribed manner.

Based on the recommendation made by the Audit Committee, the Board have appointed M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as the Cost Auditor of the Company to conduct the audit of the cost accounting records maintained by the Company for the financial year 2020-21 on a remuneration of ₹ 2.30 lakhs.

The Company has received consent from M/s. Kishore Bhatia & Associates, Cost Accountants, to act as Cost Auditors for conducting audit of the cost records for the financial year 2020-21, along with a certificate confirming their independence and arms' length relationship.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members of the Company for their ratification at the ensuing AGM. Accordingly, a resolution seeking members' ratification of the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants is included in the Notice convening the 34<sup>th</sup> AGM.

During the year under review, the Cost Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### **Secretarial Auditor**

The Board of Directors of the Company had appointed M/s. VKM & Associates, Practising Company Secretaries (Certificate of Practice No. 4279) as the Secretarial Auditor to conduct the audit of the Secretarial records for the financial year 2019-20.

The Company has received consent from M/s. VKM & Associates to act as the Secretarial Auditor for conducting the audit of the Secretarial records for the financial year ended March 31, 2020.

The Secretarial Audit Report for the financial year ended March 31, 2020 under the Act, read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in Annexure B 1 to this Report.

The Secretarial Compliance Report for the financial year ended March 31, 2020, in relation to compliance of all applicable SEBI Regulations / circulars / guidelines issued thereunder, pursuant to requirement of the Listing Regulations is set out as Annexure B 2 to this Report.

There is no qualification arising from the Secretarial Audit Report and / or Secretarial Compliance Report for the year under review.

During the year under review, the Secretarial Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are set out at Annexure C, and forms an integral part of this Report.

## CORPORATE GOVERNANCE

The Report of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, as amended, together with a certificate from the Statutory Auditors of the Company is presented in a separate section forming an integral part of this Report.

The requisite certificate from M/s. S R B C & Co. LLP, Chartered Accountants, Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V of the Listing Regulations is enclosed to the Report of Corporate Governance.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under the Listing Regulations detailing the review of operations, performance and future outlook of the Company is provided in a separate section forming an integral part of this Report.

## AWARDS AND ACCOLADES

During the year under review, your Company was conferred with an award for excellent financial performance in the previous financial year i.e. Financial year 2018-19 in the Mid-corporate category under the Engineering & Machinery sector. This award was conferred by M/s. Dun & Bradstreet and RBL Bank in their SME Business Excellence Awards 2019 function.

Your Company once again won the 'John Cockerill Public Award' for the fourth consecutive year in a row for "Safety – A culture" for its Talaja plant.

## GREEN INITIATIVES

SEBI vide its circular dated May 12, 2020 granted relaxation for compliance of Listing Regulations in respect of sending physical copies of Annual Reports to the shareholders who have not registered their email address and those shareholders to whom Annual Reports have been sent by mail and who have requested for a hard copy. This relaxation is for the Annual Reports for Annual General Meeting held in the year 2020.

The Company has moved to "digital document platform" for Board and Committee meetings. This has helped the Company to reduce administrative time plus postage and papers for the preparation of the meetings. The Board members have adapted to the new software quickly and the experience of adopting a nearly all-digital documentation process for Board and Committee meetings keeps getting better.

## EXTRACT OF ANNUAL RETURN

As per the provisions of the Act read with the applicable Rules, an extract of the Annual Return in Form MGT-9 is available on the website of the Company - [www.johncockerillindia.com](http://www.johncockerillindia.com). The extract of Annual Return as at March 31, 2020 in Form MGT-9 is annexed as Annexure D and forms an integral part of this Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required to be disclosed in the Directors' Report as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed as Annexure E and forms an integral part of this Report.

The information regarding employee remuneration as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection. A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules will be provided upon request. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars, which is available for inspection by the members. Any member interested in obtaining a copy thereof may write to the Company Secretary.

None of the employees listed in the said Annexure is related to any Director of the Company. None of the employees holds (by himself or along with his / her spouse and dependent children) more than 2% of the equity shares of the Company.

## INSURANCE

Your Company has adequately insured itself through various insurance policies to transfer the risks arising from third party or customer claims, damage to property or people, etc.

Directors' & Officer's Liability (D & O) policy covers the Directors and Officers of the Company against the risk of third party claims arising out of their actions / decisions in the normal course of discharge of their duties, which may result in financial loss to any third party.

The employees of the Company are covered under various employee benefit insurance schemes that provide cover for Hospitalization, Accidental Disability and Death.

## ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors look forward to the long term future with confidence.

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, bankers, financial institutions, vendors, shareholders and other stakeholders, during the year under review.

**For and on behalf of the Board**

**Joao Felix Da Silva**  
Chairman  
DIN : 07662251

Mumbai  
June 25, 2020



**Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014**

1	A brief outline of the Company's Corporate Social Responsibility (CSR) Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Company undertakes its CSR activities for the development of the society. The developmental interventions focus on Education, Health and Environment.  The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013. The CSR policy is placed on the Company's website - <a href="http://www.johncockerillindia.com">www.johncockerillindia.com</a> .		
2	The composition of the CSR Committee	1. Ms. Roma Balwani, Chairperson and Independent Director 2. Mr. Yves Honhon, Non-Executive Director 3. Mr. Vivek Bhide, Managing Director		
3	Average Net profit of the Company for the last three financial years	Average Net profit of the Company computed as per Section 198 of the Companies Act, 2013 for the three immediately preceding financial years was ₹ 2,213.01 lakhs.		
4	Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	₹ 44.26 lakhs		
5	Details of the CSR spent during the financial year:	Total Amount spent during the financial year ended March 31, 2020	Amount unspent, if any	Manner in which amount spent during the financial year
		₹ 11.63 lakhs	₹ 32.63 lakhs	Refer details given below:

**The manner in which the CSR amount was spent by the Company**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs a) Local area or others b) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) Project or programs wise (amt. in ₹)	Amount spent on the projects or programs sub heads: a) Direct Expenditure on Projects or programs b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
i.	Health & Nutrition Program	Health	In and around Hedavali, Maharashtra (affecting several hundred of lives)	₹ 11,62,840/-	₹ 11,62,840/-	₹ 11,62,840/-	₹ 11,62,840/-
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount, in its Board's Report.	The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities during the financial year 2019-20. During the financial year 2019-20, your Company endeavored to meet the budgeted expenditure by contributing in eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects. Your Company has taken steps in the right direction and going forward is committed to actively engage with the partners / NGOs to execute the said events or projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.					
7	We, Roma Balwani, Yves Honhon and Vivek Bhide, the members of CSR Committee of John Cockerill India Limited (formerly CMI FPE Limited), confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.						

For and on behalf of the Corporate Social Responsibility Committee

Mumbai,  
June 25, 2020

**Roma Balwani**  
Chairperson of the Committee  
(DIN 00112756)

**Yves Honhon**  
Member  
(DIN 02268831)

**Vivek Bhide**  
Member  
(DIN 02645197)

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To,**

**The Members,**

**JOHN COCKERILL INDIA LIMITED**

(formerly known as CMI FPE Limited)

Mehta House, Plot No. 64,

Road No. 13, MIDC,

Andheri (East), Mumbai-400093.

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

Based on our verification of the Company's books, papers, Minute books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, Minute books, Forms and Returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any shares during the year under review;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares / options to directors / employees under the said Regulations during the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.

6. Other Laws applicable to the Company :
  - i. The Payment of Wages Act, 1936;
  - ii. The Minimum Wages Act, 1948;
  - iii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952;
  - iv. The Payment of Gratuity Act, 1972;
  - v. The Bombay Shops and Establishments Act, 1948;
  - vi. The Maharashtra Labour Welfare Fund Act, 1953;
  - vii. The Environment (Protection) Act, 1986;
  - viii. The Maharashtra Pollution and Control Board Circulars and Standing Orders.

We have also examined compliance with the applicable clause of the following:

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year under review, the following changes in the Board of Directors have taken place
  - Resignation of Mr. Raman M. Madhok as Non-Executive Independent Director of the Company effective from 6<sup>th</sup> August, 2019.
  - Re-appointment of Ms. Roma Balwani as Non-Executive Independent Director for a further period of five years w.e.f. 29<sup>th</sup> October, 2019.
  - Re-appointment of Mr. Raman Madhok as Managing Director of the Company for a further period of six months w.e.f. 9<sup>th</sup> October, 2019.
  - Resignation of Mr. Fabrice Orban as Non-Executive Non-Independent Director of the Company effective from 30<sup>th</sup> October, 2019.
  - Resignation of Mr. Raman Madhok as Managing Director of the Company effective from 7<sup>th</sup> February, 2020.
  - Appointment of Mr. Nandkumar Dhekne as an Additional Director in the capacity of Non-Executive Independent Director of the Company w.e.f. 7<sup>th</sup> February, 2020
  - Appointment of Mr. Vivek Mukund Bhide as Additional Director in the capacity of Managing Director of the Company w.e.f. 8<sup>th</sup> February, 2020.

The aforesaid mentioned changes were carried out in conformity and compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the Minutes of the meetings.

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

**For VKM & Associates  
Company Secretaries**

**(Vijay Kumar Mishra)  
Partner  
FCS No. 5023  
C P No. 4279  
UDIN No. : F005023B000334968**

Place: Mumbai  
Date: 17/06/2020

**Note:** This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

#### "ANNEXURE A"

To,

**The Members,  
JOHN COCKERILL INDIA LIMITED**  
(formerly known as CMI FPE Limited)  
Mehta House, Plot No. 64,  
Road No. 13, MIDC,  
Andheri (East), Mumbai-400093.

Our report of even date is to be read along with this letter.

#### Management's Responsibility

1. It is the responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events, etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

#### Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For VKM & Associates  
Company Secretaries**

**(Vijay Kumar Mishra)  
Partner  
FCS No. 5023  
C P No. 4279  
UDIN No. : F005023B000334968**

Place: Mumbai  
Date: 17/06/2020

Annual Secretarial Compliance Report for the year ended 31<sup>st</sup> March, 2020

To,  
**JOHN COCKERILL INDIA LIMITED**  
 (formerly known as CMI FPE Limited)  
 Mehta House, Plot No. 64,  
 Road No. 13, MIDC,  
 Andheri (East), Mumbai – 400093.

We, VKM & Associates have examined:

- all the documents and records made available to us and explanation provided by **JOHN COCKERILL INDIA LIMITED** (formerly known as CMI FPE Limited) (“the listed entity”),
- the filings / submissions made by the listed entity to the stock exchange,
- website of the listed entity,
- any other document / filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2020 (“Review Period”) in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 (“SCRA”), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder: **No violation occurred**

Sr. No.	Action taken by	Details of Violation	Details of Action taken	Comments on the Actions taken by the Company
	.....			

- (iv) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations in the previous Reports	Observations made in the Secretarial Compliance Report for the year ended 31 <sup>st</sup> March, 2019	Actions taken by the Listed Entity; if any	Comments on the Actions taken by the Company
Not Applicable				

- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, we hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, **except** in respect of matters specified below: - **No deviations observed**

Sr. No.	Compliance Requirements (Regulations/Circulars/ Guidelines including specific clauses)	Deviations	Observations/ Remarks
	.....		

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder in so far as it appears from our examination of those records.

**For VKM & Associates**  
**Company Secretaries**

**(Vijay Kumar Mishra)**  
**Partner**

**FCS No. 5023**

**C P No. 4279**

**UDIN No. : F005023B000334935**

Place: Mumbai

Date: 17/06/2020

**Information under Section 134(3)(m) of the Companies Act, 2013 read with  
Rule 8(3) of the Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY**

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

**(a) Energy Conservation Measures taken :**

- The lights and cooling temperature in the offices / plants have been rationalized.
- The entire office building at Taloja fitted with LED lights resulting in power consumption saving.
- Monitoring of the lighting system to avoid unwanted lighting power is done on regular basis.
- Improvement in power factor at Andheri Head Office was achieved by monitoring the load pattern and accordingly switching Capacitor bank. This has resulted in getting incentive from the Electricity Supplier which is reflected in monthly electricity bill.
- Coolant purifying system was implemented for filtration and separation of cutting oil.
- Electrical Energy audit was carried out at Hedavali to check the power quality and note down the losses.

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

- Proposal for automatic power factor controller for Hedavali and Head office based on findings of electrical energy audit.

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

The above measures have resulted in reduction of energy consumption and power expenses.

**(d) Total Energy Consumption and Energy Consumption per unit of production is as follows:**

Power and Fuel consumption	2019-2020	2018-2019
<b>i. Electricity:</b>		
a. Purchased		
Units (Total) - KWH	<b>16,95,025</b>	17,71,470
Total Amount (₹ in lakhs)	<b>166.89</b>	165.80
Rate / Unit (₹)	<b>9.85</b>	9.36
Consumption per unit of production	<b>Not Applicable</b>	Not Applicable

Power and Fuel consumption	2019-2020	2018-2019
b. Own generation (DG set)		
Units (Total) – KWH	<b>74,171</b>	57,182
Total Amount (₹ in lakhs)	<b>16.06</b>	13.55
Rate / Unit (₹)	<b>21.65</b>	23.70
Consumption per unit of production	<b>Not Applicable</b>	Not Applicable
<b>ii. Coal:</b>	<b>Not Applicable</b>	Not Applicable
<b>iii. Furnace Oil / H.S.D.:</b>		
Purchased – Diesel		
Units (Total) – Litres	<b>22,757</b>	20,918
Total Amount (₹ in lakhs)	<b>15.47</b>	15.00
Rate / Unit (₹)	<b>67.99</b>	71.71
Consumption per unit of production	<b>Not Applicable</b>	Not Applicable
<b>iv. Others:</b>	<b>NIL</b>	NIL

**B. TECHNOLOGY ABSORPTION:****RESEARCH AND DEVELOPMENT (R&D):**

- Specific areas in which R&D (Innovations) carried out by the Company:
  - Blowstab HSS3 optimisation.
  - Baffle Arrangement for Continuous Galvanising Line and touchless operation.
  - Improvement in new cobble guard for Cold Rolling Mills.
  - New strip wiping arrangement for Cold Rolling Mill.
  - Sink roll scrapper modification for Continuous Galvanising Line.
  - Pup Coil handling in Continuous Galvanising Line uncoiler.
  - Mill Mathematical model for TwinStand Mills.
  - Level 2 system for Continuous Annealing Line, PKL, RWD Line.
- Benefits derived as a result of above R&D:
  - Optimization of weights and manufacturing process for various equipments with improved technological parameters, performances and cost competitiveness.
  - Safety is of paramount importance and hence the Company has accorded huge focus on safety

of operations, processes, machinery and most importantly of human beings as a result of above developments.

3. Future Plan of Action:
  - Introduction of new products and processes.
    - a. Reheating Furnace.
  - Ongoing value engineering and development in the existing products and processes in various areas in which the Company is operating.
    - a. Manufacture of critical assemblies such as 'air knife' / trimmer – chopper / rotary shears, etc. for worldwide contracts.
4. Expenditure on R&D:
  - Capital : Nil
  - Recurring : Expenses incurred are charged to normal heads and not allocated separately.
  - Total : Not determinable
  - Total R&D expenditure as a percentage of total turnover: Not determinable

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
  - Participating in national / international conferences, seminars and exhibitions.
  - Imparting training to personnel by foreign technicians, mostly from Group, in various manufacturing techniques,

manufacturing technologies, latest products / designs and assembly practices.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, saving in foreign exchange, etc.

The above measures helped in offering lean equipments with improved technology and performance and introduction of new products and processes.

3. Information regarding technology imported during the last 5 years:

Technology Imported	Year of Import	Status
Continuous Annealing Line	2016-2017	Work in Progress
Blow Stab Generation 3	2017-2018	Work in Progress

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars with regard to Foreign Exchange Earnings and Outgo are given in the Notes forming part of the Financial Statements.

Activities relating to exports and export plans:

The Company makes continuous efforts to explore new foreign markets for products and services and makes its presence felt in the global markets through the assistance of its parent Company, as needed.

**Form No. MGT-9**  
**Extract of Annual Return as on the financial year ended March 31, 2020**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L99999MH1986PLC039921
ii.	Registration Date	May 28, 1986
iii.	Name of the Company	John Cockerill India Limited (formerly CMI FPE Limited)
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri (East), Mumbai 400 093 Tel : 022 66762727 Fax : 022 66762737
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Tel : 022 62638200 Fax : 022 62638299

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

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under :

S I. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Manufacturer of Cold Rolling & Processing Equipments	2923	100%

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

S I. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Cockerill Maintenance and Ingénierie S.A. Avenue Greiner 1, 4100 Seraing, Belgium	NA	Holding Company	74.89%	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5500	0	5500	0.11	5500	0	5500	0.11	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>5500</b>	<b>0</b>	<b>5500</b>	<b>0.11</b>	<b>5500</b>	<b>0</b>	<b>5500</b>	<b>0.11</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	3697700	0	3697700	74.89	3697700	0	3697700	74.89	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>3697700</b>	<b>0</b>	<b>3697700</b>	<b>74.89</b>	<b>3697700</b>	<b>0</b>	<b>3697700</b>	<b>74.89</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3703200</b>	<b>0</b>	<b>3703200</b>	<b>75.00</b>	<b>3703200</b>	<b>0</b>	<b>3703200</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	13750	0	13750	0.28	33588	0	33588	0.68	0.40
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	100	650	750	0.02	100	0	100	0.01	(0.01)
h) Alternate Investment Funds	4399	0	4399	0.09	4399	0	4399	0.09	0.00
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>18249</b>	<b>650</b>	<b>18899</b>	<b>0.38</b>	<b>38087</b>	<b>0</b>	<b>38087</b>	<b>0.77</b>	<b>0.39</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	57260	2300	59560	1.21	34730	1300	36030	0.73	(0.48)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	611196	38185	649381	13.15	635959	33842	669801	13.56	0.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	428607	0	428607	8.68	448985	0	448985	9.09	0.41
c) Others (specify)									
Non-Resident Individuals	18359	1050	19409	0.39	18302	750	19052	0.39	0.00
Clearing Members	45378	0	45378	0.92	3567	0	3567	0.07	(0.85)
Market Maker	-	-	-	-	-	-	-	-	-
IEPF	13379	0	13379	0.27	19091	0	19091	0.39	0.12
<b>Sub-total (B)(2)</b>	<b>1174179</b>	<b>41535</b>	<b>1215714</b>	<b>24.62</b>	<b>1160634</b>	<b>35892</b>	<b>1196526</b>	<b>24.23</b>	<b>(0.39)</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1192428</b>	<b>42185</b>	<b>1234613</b>	<b>25.00</b>	<b>1198721</b>	<b>35892</b>	<b>1234613</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4895628</b>	<b>42185</b>	<b>4937813</b>	<b>100.00</b>	<b>4901921</b>	<b>35892</b>	<b>4937813</b>	<b>100.00</b>	<b>0.00</b>



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	CMI Industry Automation Private Limited	5500	0.11	0.00	5500	0.11	0.00	0.00
2.	Cockerill Maintenance and Ingènerie S.A.	3697700	74.89	0.00	3697700	74.89	0.00	0.00
	<b>TOTAL</b>	<b>3703200</b>	<b>75.00</b>	<b>0.00</b>	<b>3703200</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
No Change during the year					

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

Sl. No.	Name of the shareholder	Shareholding at the beginning and end of the year		Date	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	Jay Mahendra Shah (HUF)	85193	1.73		No Change		85193	1.73
		<b>As at the end of the year (March 31, 2020)</b>					<b>85193</b>	<b>1.73</b>
2.	Jay Mahendra Shah	81444	1.65		No Change		81444	1.65
		<b>As at the end of the year (March 31, 2020)</b>					<b>81444</b>	<b>1.65</b>
3.	Anand Mahendra Shah (HUF)	78966	1.60		No Change		78966	1.60
		<b>As at the end of the year (March 31, 2020)</b>					<b>78966</b>	<b>1.60</b>
4.	Datta Mahendra Shah	39108	0.79	September 27, 2019	37927	Buy	77035	1.56
		<b>As at the end of the year (March 31, 2020)</b>					<b>77035</b>	<b>1.56</b>
5.	Suchita Anand Shah	48302	0.98		No Change		48302	0.98
		<b>As at the end of the year (March 31, 2020)</b>					<b>48302</b>	<b>0.98</b>
6.	PGIM India Trustees Private Limited A/c PGIM India Mid Cap Opportunities Fund	13750	0.28	April 5, 2019	500	Buy	14250	0.29
				April 26, 2019	250	Buy	14500	0.29
				May 24, 2019	2000	Buy	16500	0.33
				June 21, 2019	100	Buy	16600	0.34
				June 28, 2019	400	Buy	17000	0.34
				July 5, 2019	441	Buy	17441	0.35
				July 19, 2019	559	Buy	18000	0.36
				August 2, 2019	826	Buy	18826	0.38
				August 9, 2019	2304	Buy	21130	0.43
				August 30, 2019	1870	Buy	23000	0.47
				September 6, 2019	500	Buy	23500	0.48
				September 27, 2019	1530	Buy	25030	0.51

Sl. No.	Name of the shareholder	Shareholding at the beginning and end of the year		Date	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year		
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company	
				October 4, 2019	250	Buy	25280	0.51	
				October 18, 2019	500	Buy	25780	0.52	
				October 25, 2019	3000	Buy	28780	0.58	
				November 1, 2019	220	Buy	29000	0.59	
				November 15, 2019	320	Buy	29320	0.59	
				January 10, 2020	680	Buy	30000	0.61	
				January 24, 2020	3000	Buy	33000	0.67	
				January 31, 2020	100	Sell	32900	0.67	
				February 7, 2020	688	Buy	33588	0.68	
		<b>As at the end of the year (March 31, 2020)</b>						<b>33588</b>	<b>0.68</b>
7.	Mahendra H. Shah (HUF)	38258	0.77	January 31, 2020	5225	Sell	33033	0.67	
		<b>As at the end of the year (March 31, 2020)</b>						<b>33033</b>	<b>0.67</b>
8.	Anand Mahendra Shah	30012	0.61	No Change			30012	0.61	
		<b>As at the end of the year (March 31, 2020)</b>						<b>30012</b>	<b>0.61</b>
9.	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	13379	0.27	September 27, 2019	5682	Addition	19061	0.39	
				October 11, 2019	130	Addition	19191	0.39	
				January 24, 2020	100	Reduction	19091	0.39	
		<b>As at the end of the year (March 31, 2020)</b>						<b>19091</b>	<b>0.39</b>
10.	Jeet Anand Shah	15000	0.30	No Change			15000	0.30	
		<b>As at the end of the year (March 31, 2020)</b>						<b>15000</b>	<b>0.30</b>
11.	ISS Enterprise Limited Collateral Account (BSE)	37927	0.77	May 24, 2019	224	Buy	38151	0.77	
				May 31, 2019	219	Sell	37932	0.77	
				June 7, 2019	670	Buy	38602	0.78	
				June 14, 2019	325	Buy	38927	0.79	
				June 21, 2019	113	Sell	38814	0.79	
				June 28, 2019	628	Sell	38186	0.77	
				July 5, 2019	259	Sell	37927	0.77	
				July 19, 2019	5	Buy	37932	0.77	
				July 25, 2019	300	Buy	38232	0.77	
				July 26, 2019	100	Sell	38132	0.77	
				August 1, 2019	38072	Sell	60	0.00	
				August 2, 2019	37869	Buy	37929	0.77	
				August 9, 2019	2	Sell	37927	0.77	
				August 23, 2019	213	Buy	38140	0.77	
				August 30, 2019	213	Sell	37927	0.77	
				September 27, 2019	37927	Sell	0	0.00	

Sl. No.	Name of the shareholder	Shareholding at the beginning and end of the year		Date	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year		
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company	
				November 1, 2019	15	Buy	15	0.00	
				November 8, 2019	15	Sell	0	0.00	
				November 15, 2019	50	Buy	50	0.00	
				November 22, 2019	293	Buy	343	0.01	
				November 29, 2019	323	Sell	20	0.00	
				December 6, 2019	20	Sell	0	0.00	
				December 20, 2019	19	Buy	19	0.00	
				December 27, 2019	281	Buy	300	0.01	
				December 31, 2019	230	Sell	70	0.00	
				January 3, 2020	65	Sell	5	0.00	
				January 10, 2020	5	Sell	0	0.00	
				January 17, 2020	53	Buy	53	0.00	
				January 24, 2020	50	Buy	103	0.00	
				January 31, 2020	103	Sell	0	0.00	
				February 7, 2020	218	Buy	218	0.00	
				February 14, 2020	218	Sell	0	0.00	
				February 21, 2020	79	Buy	79	0.00	
				February 28, 2020	79	Sell	0	0.00	
		<b>As at the end of the year (March 31, 2020)</b>						<b>0</b>	<b>0.00</b>
12.	Jay Anand Stock Broking (P) Ltd.	17623	0.36	August 1, 2019	17623	Sell	0	0.00	
		<b>As at the end of the year (March 31, 2020)</b>						<b>0</b>	<b>0.00</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Mr. Joao Felix Da Silva – Chairman</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>2.</b>	<b>Mr. Yves Honhon – Non-Executive Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00

Sl. No.	For each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>3.</b>	<b>Mr. Vivek Bhide – Managing Director (appointed w.e.f. February 8, 2020)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>4.</b>	<b>Mr. D. J. Balaji Rao – Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>5.</b>	<b>Mr. N. Sundararajan – Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>6.</b>	<b>Ms. Roma Balwani – Independent Director</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>7.</b>	<b>Mr. Nandkumar Dhekne – Independent Director (appointed w.e.f. February 7, 2020)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>8.</b>	<b>Mr. Raman Madhok – Managing Director (ceased w.e.f. February 7, 2020)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00
<b>9.</b>	<b>Mr. Kiran Rahate – Chief Financial Officer (appointed w.e.f. August 1, 2019)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00

Sl. No.	For each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	<b>Mr. Haresh Vala – Company Secretary</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No change			
	At the end of the year	Nil	0.00	Nil	0.00

## V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Managing Director		Total Amount
		Mr. Raman Madhok (up to 07.02.2020)	Mr. Vivek Bhide (from 08.02.2020)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	591.90	68.65	660.55
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	33.00	6.22	39.22
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission			
	- as % of profit	--	--	--
	- others, specify..	--	--	--

5.	Others	33.61	2.80	36.41
	<b>Total (A)</b>	<b>658.51</b>	<b>77.67</b>	<b>736.18</b>
	Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable

The amended Schedule V of the Companies Act, 2013 deals with the conditions for appointment and payment of remuneration to managerial personnel. The provisions of Schedule V provides that in respect of the remuneration paid to a managerial person functioning in a professional capacity and fulfilling certain other conditions, the Company can pay remuneration in accordance with the terms and conditions approved by the members by way of special resolution, without obtaining the approval of Central Government. In terms of the said notification, the approval of the Central Government is not required for the remuneration paid / payable to Mr. Raman Madhok and Mr. Vivek Bhide as the Managing Director. The remuneration paid to Mr. Raman Madhok is as per the terms and conditions and within the limits approved by the members through Postal ballot on December 11, 2019. The remuneration of Mr. Vivek Bhide as the Managing Director is placed before the members of the Company at the ensuing Annual General Meeting and forms part of the Notice of Annual General Meeting.

#### B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. D. J. Balaji Rao	Mr. Raman M. Madhok *	Mr. N. Sundararajan	Ms. Roma Balwani	
<b>1.</b>	<b>Independent Directors</b>					
	Fee for attending board / committee meetings	13.00	3.40	9.50	8.60	34.50
	Commission	10.00	N.A.	10.00	10.00	30.00
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>23.00</b>	<b>3.40</b>	<b>19.50</b>	<b>18.60</b>	<b>64.50</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>					
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>23.00</b>	<b>3.40</b>	<b>19.50</b>	<b>18.60</b>	<b>64.50</b>

\* Mr. Raman M. Madhok ceased to be an Independent Director w.e.f. August 6, 2019.

Commission approved for the year 2019-20 and payable in 2020-21 is within the ceiling limits under the Companies Act, 2013.

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Financial Officer		Company Secretary	
		Mr. Akash Ohri (up to 30.07.2019)	Mr. Kiran Rahate (from 01.08.2019)	Mr. Haresh Vala	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33.58	34.88	27.95	96.41
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.78	1.40	1.45	3.64
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others	0.78	1.25	1.45	3.48
	<b>Total</b>	<b>35.14</b>	<b>37.53</b>	<b>30.85</b>	<b>103.53</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

**Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Requirement	Information	Ratio
(i)	The ratio of the remuneration of Executive Director to the median remuneration of the employees of the Company for the financial year.	Director	
		Mr. Raman Madhok, Managing Director (up to February 7, 2020) Mr. Vivek Bhide, Managing Director (from February 8, 2020)	88 : 1 49.03 : 1
(ii)	The percentage increase in remuneration of Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Executive Director	
		Mr. Raman Madhok, Managing Director (up to February 7, 2020) Mr. Vivek Bhide, Managing Director (from February 8, 2020)	10.00% N.A.
		Mr. Akash Ohri, Chief Financial Officer (up to July 30, 2019) Mr. Kiran Rahate, Chief Financial Officer (from August 1, 2019)	9.00% N.A.
		Mr. Haresh Vala, Company Secretary	9.00%

**Note :**

- The Independent Directors are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. As a policy, the Non-Executive Non Independent Directors are neither paid sitting fees nor paid any commission. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not considered for the above purpose.
- The percentage of increase in remuneration is effective from April 1 of every year.

(iii)	The percentage increase in the median remuneration of employees in the financial year.	8.64%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2020.	505 Employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year was 9.08% while the increase in remuneration of managerial personnel was 9.33%. The salary increases during this year reflects the Company's reward philosophy as well as the results of the benchmarking exercise.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Affirmed



# Management Discussion And Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS:

### Economic Environment:

2019 will be remembered as a difficult year for the Indian economy. After five consecutive quarters of lower economic growth and the very weak GDP print for fiscal Q2 of 4.5%, we must say that the Indian economy is going through its most serious economic crisis since 2013. Steel market fundamentals have weakened markedly since the second half of 2018. Although steel production growth is still positive in most regions, steel prices have adjusted, reversing their previous upward trend and eliminating most of their earlier gains. Important headwinds include the weakening global outlook, the increase in trade frictions, the pickup in new capacity investments, and the persistence of excess capacity. The rapid spread of coronavirus and its crippling effect on economies across the globe is set to keep Indian steel exports subdued in the near term.

India's GDP growth for the financial year 2019-20 was estimated at 5% and is forecast to slow down to 4.8% for the current financial year 2020-21 which is seen as a 11-year low. Further, the COVID-19 pandemic has resulted in significant adverse economic impacts globally. The lockdown's impact on economic activity will dent the demand for steel by nearly 13 million tonnes with demand growth at a multi-year low. Steps to improve the business climate, the rule of law, debt management, and productivity can help achieve sustained growth.

COVID-19 first reported in China and subsequently globally, has significantly increased the downside risks to the Asia and Pacific region's near-term economic outlook.

### Steel Scenario and Outlook:

Since 2014-15, India's steel exports and imports have witnessed a roller coaster run. Both in financial year 2015-16 and financial year 2016-17, imports trumped exports significantly. In financial year 2017-18 and financial year 2018-19, exports staged a comeback, outstripping imports. Later, in financial year 2019-20, steel exports again lost ground to imports. In end-February, 2020, steel mills had an inventory level of 13 million tonnes of finished steel and with the extended lockdown till end-April, 2020 this inventory has risen to 15.5 million tonnes. Given the uncertain environment, which could extend for the entire first half of financial year 2021-22, end-users would not be in a rush to place large orders to steel mills following the withdrawal of lockdown. Rating agency, ICRA Limited forecasts that steel exports from the country are likely to be muted in the near term due to curbs on trade flow and depressed demand in buyer nations.

India was the world's second-largest steel producer with production standing at 106.5 million tonnes in 2018. In financial year 2019-20, India produced 131.6 million tonnes and 106.6 million tonnes of gross finished steel and crude steel, respectively. Exports and imports of finished steel stood at 4.02 million tonnes and 3.94 million tonnes, respectively, in (up to September, 2019). According to data released by Department for Promotion of Industry and Internal Trade, the Indian metallurgical industries attracted Foreign Direct Investment to the tune of US \$ 11.3 billion in the period April 2000–March 2019. As per economic survey, steel production was to rise to 128.6 million tonnes by 2021 with steel demand in India expected to grow at 7% in 2020.

In December, 2019, the government unveiled the multimillion-dollar National Infrastructure Pipeline (NIP), through projects spread across 18 states over the next five years from financial year 2020-21 to financial

year 2025-26, with projected capex of 70% in sectors such as energy (24%), roads (19%), urban development (16%) and railways (13%).

However due to slowdowns in the construction, automotive and rail sectors as India fights the coronavirus with a protracted lockdown the steel demand is expected to plunge to multi-year lows in 2020. The coronavirus outbreak has left the Indian automotive industry in distress, with automakers seeking temporary tax cuts on cars, trucks and motorbikes as well as incentives to scrap old vehicles. While the pandemic was initially expected to affect primarily China's economy (mostly in the first quarter of 2020), its spread worldwide, including in the Asia-Pacific region, could result in significant adverse economic impacts.

To achieve a U.S. \$ 5 trillion economy by fiscal year 2025, India needs to spend about U.S. \$ 1.4 trillion on infrastructure. This investment in power, railways, and water, coupled with renewed interest in the automobile sector is bound to bring in fresh demand for steel. The endeavor of the NIP aims to make this happen in an efficient manner.

### Review of Operations:

The year under review was a challenging one owing to the uncertain business environment, both in India and overseas because of the economic slowdown, especially in the steel sector. Your Company has put in place a structured plan to refine and optimize its internal processes and cost structures in order to cope better with market realities.

During the financial year 2019-20, the Company recorded revenue from contracts with customers of ₹ 34,873.58 lakhs as compared to ₹ 48,730.84 lakhs in the previous financial year. Out of this revenue from contracts with customers, 63.86% came from outside India while balance 36.14% sales came from India.

The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) in the year 2019-20 stood at ₹ 3,766.89 lakhs as compared to ₹ 5,290.52 lakhs in the previous financial year. The Company registered a Profit after tax (PAT) of ₹ 2,374.50 lakhs in the year 2019-20 as compared to ₹ 3,509.74 lakhs in the previous financial year. Cash profit was at ₹ 2,944.01 lakhs in 2019-20 as compared to ₹ 5,212.25 lakhs in the previous year.

Your Company continued to face pricing pressure on key raw materials and inputs. However, the Company has undertaken a number of cost-optimization measures over last few quarters which have helped the Company to marginally improve its material consumption ratio by around 8% as compared to the previous year. The Company is committed to continue these efforts on cost optimization and productivity improvement as part of its continuous improvement strategy.

Your Company has received orders of approx. ₹ 69 crores only (including foreign exchange impact on year end orders) during the year under review and has a closing order backlog of ₹ 538 crores as on March 31, 2020.

### Opportunities and Threats:

The Indian government has always supported the steel industry and introduced the National Steel Policy in 2017, which envisions the growth trajectory of the Indian steel industry till 2030–31. The broad contours of the policy are as follows:

- Steel-making capacity is expected to reach 300 million tonnes per annum by 2030–31.
- Crude steel production is expected to reach 255 million tonnes by 2030–31, at 85% capacity utilization.
- Production of finished steel to reach 230 million tonnes, assuming a yield loss of 10% for conversion of crude steel to finished steel – that is, a conversion ratio of 90%.
- With 24 million tonnes of net exports, consumption is expected to reach 206 million tonnes by 2030–31.
- As a result, per capita steel consumption is anticipated to rise to 160 kg.
- An additional investment of ₹10 lakh crore is envisaged. While the National Steel Policy, 2017, is a vision document of the Indian government, it nevertheless emphasizes the growth potential of the Indian steel industry.

The growth trajectory of the steel industry has its own set of challenges. We outline the five major challenges to the growth prospects:

- **Finance** - Steel is a capital-intensive sector. Naturally, the cost of financing any expansion or new steel capacity is usually through borrowed capital. And in India the cost of finance is extremely high compared to the cost of finance in developed countries such as China, Japan and Korea. Moreover, steel demand is cyclical. So, during a downturn, the return on investments gets eroded. Also due to many steelmakers facing bankruptcy, financial institutions are wary of lending to the industry.
- **Logistics** - For most Indian steel makers, managing logistics requirements is arduous, challenging and costly. NITI Aayog estimates a relative cost disadvantage for Indian steelmakers at US \$ 20–25 per ton of finished steel. The study estimates that the freight cost from Jamshedpur to Mumbai can be as high as US \$ 50/ton in comparison with US \$ 34/ton from Rotterdam to Mumbai. Infrastructure bottlenecks, especially in connectivity, are another external challenge that can outweigh future growth considerations. Unless there is a significant effort to rationalise costs as well as to improve connectivity, capacity additions will remain limited.
- **Tax, duties and cess** - While the government has recently lowered corporate tax rates to 25%, there are certain non-creditable taxes, duties and cess, specifically paid by the steel sector, which reduce the competitiveness of Indian steel products in the global market. NITI Aayog estimates that Indian steel makers pay an additional amount, varying between US \$ 15 and 23 by way of taxes, duties and cess compared to their global peers. Abolition of these taxes, cess and duties or making them creditable would only increase India's competitiveness and, in turn, add value to both upstream and downstream steel-producing and steel-using units.
- **Raw Materials** - Although India has abundant reserves of iron ore and coal, it has negligible reserves of coking coal. The National Steel Policy, 2017, envisages that only 65% of India's coking coal requirements will be met through imports by 2030–31. This poses a serious challenge to the growth aspirations of the Indian steel industry.
- **Environment and energy consumption** - Increasingly, environmental concerns are taking centre stage and the Indian

steel industry is not immune to this trend. The steel industry is energy-intensive and is the second biggest consumer of energy globally. This leads to a higher carbon footprint and also affects the immediate environment. Using energy-efficient methods to produce steel will not only reduce production costs but also improve competitiveness. This can be achieved through highly developed energy management systems and usage of the latest technologies in steel production.

As India works towards becoming a manufacturing powerhouse through policy initiatives like Make in India, the steel industry has emerged as a major focus area, given the dependence of a plethora of sectors on its output. India is currently the world's second largest producer of steel and is set to become the second largest consumer of steel, with the industry contributing about 2% of the country's GDP. The industry has the potential to help India regain its positive trade balance in steel as well as to drive the country's capabilities for manufacturing for exports.

#### **Risk Management:**

The Company has a well-documented Risk Management Policy in place for identification, assessment, mitigation and reporting of risks. The policy is reviewed periodically by the Management and the Risk Management Committee. It is appropriately modified, as and when necessary.

The Risk Management Committee carries out a detailed review of key risks faced by the Company, its impact on strategic decisions and mitigation measures. The review of these risks is done based on the important changes in the external environment, which has a significant bearing on the risks. The Company actively keeps track of changes in the domestic and international economic environment, geopolitical developments, key commodity prices, currency and interest movement.

The Company continues to follow the globally recognized COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework for risk management. The Company, wherever possible, relies more on automated controls or semi-automated controls through the Company's state-of-the-art ERP application.

The Audit Committee and Risk Management Committee also reviewed the various measures taken to comply with the provisions of Section 134(5) of the Companies Act, 2013 relating to 'internal financial controls', notably the templates adopted for internal financial controls, the quality of the information contained in these templates, the various risks identified at a process level, the manner in which 'test of design' and 'test of operating effectiveness' had been carried out for the various process controls by the management team and were quite satisfied with the extensive work done in this area, and the high degree of effectiveness of these control systems.

The KPIs of the management team is linked with the risk assessment in order to improve the effectiveness of the risk assessments. The 'One Metal' concept of the Industry Sector in the Group has helped to get orders from several countries in the other parts of the world, which was not possible earlier, resulting in addition of risks not in existence earlier. The increased export orders have also increased the foreign exchange risk and the uncertainties and fluctuations in shipping rates. The risk assessment exercise with the involvement of senior and middle management, and linking of the academic part and daily operational activities are the key elements of the risk assessment by the Company.

#### **Finance:**

In spite of difficult market situation, the Company has managed to remain debt-free since last few years. The Company monitors its cash flows and capital allocation on a regular basis and is taking steps to

improve its working capital cycle by negotiating better payment terms both with vendors and customers. It has sufficient fund based and non-fund based facilities sanctioned by the banks—for drawings, if needed.

As a result of the improved integration and substantial improvement in operating cycle during the year under review, CARE has revised the Long Term Rating of the Company to **CARE A-** from CARE BBB+ and the Short Term rating to **CARE A1** from CARE A2+.

The key financial ratios for the year ended March 31, 2020 as compared to the last financial year are as under:

Ratio	March 31, 2020	March 31, 2019
Return on Net Worth	<b>11.45</b>	18.38
Return on Investment	<b>14.91</b>	20.47
Return on Capital Employed	<b>12.17</b>	17.44
Current Ratio	<b>1.47</b>	1.31
Liquid Ratio	<b>1.40</b>	1.27
Operating Profit Margin	<b>3.77</b>	5.28
Net Profit Margin	<b>6.81</b>	7.20

#### Human Resource Management and Industrial Relations:

The department of Human Resources has a mandate to provide internal services related to leadership development, talent management, employee compensation, labour relations and many other services essential to drive the organization's strategic objectives and priorities.

The permanent employee strength of the Company was 505 as on March 31, 2020. Human Resources department continues to lead enhancements and standardization of the Performance Management process. The department provides innovative and responsive training programs and this year has clocked 9570 hours of training excluding the hours on safety training.

The Company once again demonstrated their capacity to win the 'John Cockerill Public Award' for the fourth consecutive year and this time for 'Safety - A culture at Taloja'. This clearly signifies the importance of Safety at the Company.

Efforts will continue in ensuring that the Company's workforce is well supported, competent, and dedicated in all areas of business and ready to meet all challenges.

The industrial relations continued to be cordial at all levels throughout the year. Your Directors wish to thank all the Employees and Workmen of the Company for their contribution, support and continued co-operation throughout the year.

#### Health and Safety

The Company adopts a proactive approach to occupational health and safety through a "hierarchy of controls" which are deployed in a seamless manner i.e. elimination / substitution of unsafe conditions, deployment of engineering control and administrative controls and using the appropriate PPE for carrying out hazardous tasks.

The principal administrative controls deployed include safety meetings, safety trainings and tool box talks. Various safety related programs were organized during the 49<sup>th</sup> National Safety Week starting from March 4 to March 11, 2020, the primary purpose of having a week-long event

being of course to renew the commitment of employees to "work safely throughout the year".

The Machine Shop at Taloja Plant won the "Housekeeping Contest" while the Assembly Shop, Hedavali Plant won the award for the "best presentation" relating to Safety improvements actually implemented at a departmental / shop level.

#### Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress any complaints reported. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH. The Internal Committee (IC) is composed of internal members and an external member who has extensive experience in the field.

Frequent communication of this Policy is done through various programs and at regular intervals to the employees. Third party workshops and awareness programs are organized for sensitizing the employees with the provisions of the said Act.

During the year under review, no cases of sexual harassment were reported in your Company.

#### Information Technology:

As a part of our IT infrastructure, we have a fully virtualized environment with consolidation of 25 workloads on high configuration physical servers and running a highly matured ERP system (SAP) integrated with Advance Planning and Scheduling tool. This helps us to have maximum visibility on material and capacity constraints simultaneously while generating production plan and reducing resource downtime by aligning the flow of material and resources.

As a part of continuous improvement and regulatory requirement, a number of enhancements have been carried out this year to improve the user experience and meet their functional needs in these systems.

This year we also focused on Connectivity – a critical operational factor. We have strengthened the Internet connectivity for secure collaboration with outside business world and also boosted IT corporate Infrastructure with a significant increase in bandwidth of a layer 2 MPLS network to connect all our locations. A secured MPLS network has been operational with two reputed service providers with appropriate service level agreements for guaranteed bandwidth in Active-Active mode with fail-over and fail-back. The entire MPLS network has been shifted to low cost RF (radio frequency) bandwidth.

On Data Center front, we ensure long term hardware & software AMC's with OEMs (original equipment manufacturers) for a complete backup solution.

We have also in place a robust DR (disaster recovery) mechanism for SAP with a reputed service provider in a different seismic zone. This is operational with RPO (request point objective) of 1 hour.

#### Internal Control Systems:

To safeguard its assets and ensure efficient productivity at all levels, the Company has robust internal control systems in place, commensurate with the size and nature of business. The internal control systems provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to ascertain operating business risks, which are mitigated by regular monitoring and corrective actions.

The internal audit is entrusted to PricewaterhouseCoopers Private Limited for examining the adequacy and compliance with laid down policies, controls, statements of operating procedures and statutory requirements. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an internal part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Company has a strong culture and processes that reduce the risk of unethical conduct. These include a clear code of conduct and whistle blowing processes. Based on all the above, the Board believes that the internal controls are adequate and that they operated effectively during the year.

The Company has a process by which the operating managers are kept up-to-date with legal amendments affecting their areas of operation, Operating managers confirm compliance with various provisions every quarter. Additionally, the internal auditors, the statutory auditors and the secretarial auditors check compliance with certain laws related to their areas of work. The Company has a culture that reduces risk of non-compliances with the laws. Based on the foregoing, the Board believes that the systems to ensure compliance with applicable laws are proper and that they operated effectively.

**Cautionary Statement:**

The Statements made in this report are forward-looking and are made on the basis of certain assumptions and expectations of future events. The Company cannot guarantee that these forward-looking statements will be realized, though they are set out based on anticipated results and management plans. The Company's actual results, performance or achievements are subject to risk, uncertainties and even inaccurate assumptions, which could thus differ materially from those projected in any such forward looking statements. The Board of Directors of the Company assumes no responsibility in respect of the forward-looking statements mentioned herein, which may differ in future on account of subsequent developments, events or otherwise and the Company is under no obligation to publicly update any forward-looking statements on the basis of subsequent developments, information, future events or otherwise.

# Corporate Governance Report

The Directors of John Cockerill India Limited (formerly CMI FPE Limited) present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Company's Philosophy on Corporate Governance

Your Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

Your Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46(2)(b) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to Corporate Governance. This Corporate Governance Report sets out a description of John Cockerill India's Corporate Governance practices.

## BOARD OF DIRECTORS

The Board of Directors ("**Board**") is at the core of our Corporate Governance practice and oversees and ensures that the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

## Composition of the Board

Your Company's policy is to have an appropriate mix of Executive Director, Non-Executive Directors and Independent Directors to maintain the Board's independence and separate its functions of governance and management. As on March 31, 2020, the Board comprises of 7 (seven) experts drawn from various fields / professions, forming an optimum combination of Executive, Non-Executive, Independent Directors and Woman Director, in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**") and provisions of the Companies Act, 2013 ("**the Act**").

The Company is managed by the Board in co-ordination with the Senior Management team. All the Independent Directors take active part in the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy formulation, governance, compliance, etc. and play critical role on strategic issues, enhancing transparency and adding value to the decision-making process of the Board.

The composition of the Board represents an optimum combination of professionalism, knowledge and experience. As on March 31, 2020, the Company's Board consisted of 7 (seven) Directors comprising of

1 (one) Executive Director, 2 (two) Non-Executive Promoter Directors and 4 (four) Non-Executive Independent Directors including 1 (one) Woman Director. The Chairman of the Company is Non-Executive and represents the Promoters of the Company. The Independent Directors forms more than one-half of the total number of Directors.

The overall management of the Company is entrusted to the Managing Director, who is assisted by a Core Management Team and Senior Executives having rich experience and expertise in their respective fields. The Board reviews and approves strategy and oversees the results of Management to ensure that the long-term objectives of enhancing stakeholders' value are achieved. The Holding Company, CMI SA provides continuous guidance by active involvement of its Group CFO and Director, and also the Industry Sector Head, who are both Directors on the Board of the Company.

As required under the provisions of the Listing Regulations, the Company has received a certificate from M/s. VKM & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director(s) of the Company by SEBI / Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this Report and forms part of this Annual Report.

The Board, on the recommendation of the Nomination and Remuneration Committee ("**NRC**"), reviewed and identified the knowledge and experience required by the Directors, in the context of the business of the Company. The Board at its meeting held on June 25, 2020, noted that all the required competencies were available within the Board and that every Director has multiple competencies and also that every competency has several Directors with expertise in that area.

The Board has identified the following core skills, expertise and competencies of each Director required for the efficient functioning of the Company:

Core Skills / Competencies / Expertise	Name of the Director
Strategy and Strategic planning	<ul style="list-style-type: none"><li>• Mr. Joao Felix Da Silva</li><li>• Mr. Yves Honhon</li><li>• Mr. D. J. Balaji Rao</li><li>• Mr. N. Sundararajan</li><li>• Ms. Roma Balwani</li><li>• Mr. Nandkumar Dhekne</li><li>• Mr. Vivek Bhide</li></ul>
Policy development	<ul style="list-style-type: none"><li>• Mr. N. Sundararajan</li><li>• Mr. Vivek Bhide</li></ul>
Executive Management	<ul style="list-style-type: none"><li>• Mr. Joao Felix Da Silva</li><li>• Mr. Yves Honhon</li><li>• Mr. D. J. Balaji Rao</li><li>• Mr. N. Sundararajan</li><li>• Ms. Roma Balwani</li><li>• Mr. Nandkumar Dhekne</li><li>• Mr. Vivek Bhide</li></ul>

Core Skills / Competencies / Expertise	Name of the Director
Commercial experience	<ul style="list-style-type: none"> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
International	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Mr. Yves Honhon</li> <li>Mr. D. J. Balaji Rao</li> <li>Mr. N. Sundararajan</li> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
Client engagement	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Ms. Roma Balwani</li> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
Financial performance	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Mr. Yves Honhon</li> <li>Mr. D. J. Balaji Rao</li> <li>Mr. N. Sundararajan</li> <li>Mr. Vivek Bhide</li> </ul>
Risk and compliance oversight	<ul style="list-style-type: none"> <li>Mr. Yves Honhon</li> <li>Mr. D. J. Balaji Rao</li> <li>Mr. N. Sundararajan</li> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
Information Technology strategy	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Mr. Vivek Bhide</li> </ul>
Engineering	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> </ul>

Core Skills / Competencies / Expertise	Name of the Director
Technology innovation	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Mr. Vivek Bhide</li> </ul>
Community and stakeholder engagement	<ul style="list-style-type: none"> <li>Mr. Joao Felix Da Silva</li> <li>Mr. N. Sundararajan</li> <li>Ms. Roma Balwani</li> <li>Mr. Vivek Bhide</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>Ms. Roma Balwani</li> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Mr. Yves Honhon</li> <li>Mr. D. J. Balaji Rao</li> <li>Mr. N. Sundararajan</li> <li>Mr. Vivek Bhide</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>Mr. Vivek Bhide</li> </ul>
Corporate Communications	<ul style="list-style-type: none"> <li>Ms. Roma Balwani</li> </ul>
CSR & ESG	<ul style="list-style-type: none"> <li>Ms. Roma Balwani</li> </ul>
Brand Building	<ul style="list-style-type: none"> <li>Ms. Roma Balwani</li> </ul>
Member and stakeholder engagement	<ul style="list-style-type: none"> <li>Mr. N. Sundararajan</li> <li>Ms. Roma Balwani</li> <li>Mr. Nandkumar Dhekne</li> <li>Mr. Vivek Bhide</li> </ul>
Legal	<ul style="list-style-type: none"> <li>Mr. N. Sundararajan</li> </ul>
Geographic, Gender and cultural diversity	<ul style="list-style-type: none"> <li>Entire Board of Directors</li> </ul>

The information on composition of the Board, category and their Directorship(s) / Committee Membership(s) across all the Companies in which they are Directors, as on March 31, 2020 is as under:

Directors	Category / Position	Director Identification Number	No. of Directorships *	No. of Memberships / Chairmanships of Committees in various Companies #	
				Memberships	Chairmanships
<b>Non-Executive</b>					
Mr. Joao Felix Da Silva	Promoter Group (Chairman)	07662251	1	-	-
Mr. Yves Honhon	Promoter Group	02268831	1	1	-
Mr. Fabrice Orban+	Promoter Group	05114495	NA	NA	NA
Mr. D. J. Balaji Rao	Independent	00025254	5	2	3
Mr. Raman M. Madhok®	Independent	01798377	NA	NA	NA
Mr. N. Sundararajan	Independent	00051040	2	2	2
Ms. Roma Balwani	Independent	00112756	1	1	-
Mr. Nandkumar Dhekne ^	Independent	02189370	1	1	-
<b>Executive</b>					
Mr. Raman Madhok%	Non-Independent (Managing Director)	00672492	NA	NA	NA
Mr. Vivek Bhide §	Non-Independent (Managing Director)	02645197	1	1	-

@ Mr. Raman M. Madhok resigned as an Independent Director of the Company w.e.f. August 6, 2019.

+ Mr. Fabrice Orban resigned as a Non-Executive Director of the Company w.e.f. October 30, 2019.

^ Mr. Nandkumar Dhekne was appointed as an Additional and Independent Director of the Company for a term of 5 (five) years w.e.f. February 7, 2020, subject to the approval of the members of the Company.

% Mr. Raman Madhok was re-appointed as the Managing Director of the Company for a period of six months effective from October 9, 2019. He ceased to be a Director and Managing Director of the Company with effect from the close of business hours on February 7, 2020.

\$ Mr. Vivek Bhide was appointed as an Additional Director and Managing Director of the Company w.e.f. February 8, 2020 for a term of 3 (three) years, subject to the approval of the members of the Company.

Mr. Jean Gourp was appointed as an Additional Director of the Company w.e.f. June 25, 2020, subject to the approval of the members of the Company.

\* Directorships exclude private limited companies, foreign companies, companies registered under Section 8 of the Act and Government bodies.

# Chairmanship / Membership of Committees only includes Audit Committee and Stakeholders Relationship Committee of Indian Public Companies.

In accordance with the Listing Regulations, none of the Directors on the Board is a member of more than 10 Committees or act as Chairperson of more than 5 Committees across all the public Companies in which he / she is a Director.

The details of other listed Companies in which the Directors of the Company are Directors along with the category of the Directorship is as under :

Directors	Name of Other Listed Company	Category / Position
Mr. Joao Felix Da Silva	None	Not Applicable
Mr. Yves Honhon	None	Not Applicable
Mr. D. J. Balaji Rao	Bajaj Holdings & Investments Limited Bajaj Auto Limited Bajaj FinServ Limited Bajaj Finance Limited	Independent Director Independent Director Independent Director Independent Director
Mr. N. Sundararajan	None	Not Applicable
Ms. Roma Balwani	None	Not Applicable
Mr. Nandkumar Dhekne	None	Not Applicable
Mr. Vivek Bhide	None	Not Applicable

There is no relation between the Directors inter-se in terms of the definition of "relative" as defined in the Act.

The Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

## INDEPENDENT DIRECTORS

Independent Directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, *inter alia* includes :

- imparting balance to the Board by providing independent judgement.
- provide feedback on Company's strategy and performance.
- provide effective feedback and recommendations for further improvements.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Independent Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors or its Senior Management, which in their judgment would affect their independence.

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his / her appointment / re-appointment as a Non-Executive Independent Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the Company's website : [www.johncockerillindia.com](http://www.johncockerillindia.com).

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under the Act and the Listing Regulations. All such declarations are placed before the Board. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in the Act and the Listing Regulations.

As required under the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed Companies and Directors in more than eight listed entities. Further, the Managing Director of the Company does not serve as an Independent Director of any listed Company.

## Board Procedure

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. This

has helped to ensure very high level of attendance and participation at the meetings of the Board. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed Agenda along with the relevant notes and other material information are sent in advance separately to each Director, and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-a-vis the budgets / forecast.

The Board meets at least once a quarter to review the quarterly financial results and other items on the Agenda. The gap between any two Board Meetings does not exceed one hundred and twenty days. Additional meeting(s) are held, when necessary. During the financial year 2019-20, the Board of Directors met 5 (five) times on the following dates – May 30, 2019, August 1, 2019, October 4, 2019 (convened at very short notice), October 30, 2019 and February 7, 2020. These Meetings were well attended. The Thirty Third Annual General Meeting (AGM) of the Company was held on August 1, 2019.

**Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM) :**

Name of Director	No. of Board meetings attended	Attendance at the AGM held on August 1, 2019
Mr. Joao Felix Da Silva	5 of 5	Yes
Mr. Yves Honhon	3 of 5	No
Mr. Fabrice Orban <sup>^</sup>	2 of 3	Yes
Mr. D. J. Balaji Rao	5 of 5	Yes
Mr. Raman M. Madhok <sup>^</sup>	2 of 2	Yes
Mr. N. Sundararajan	4 of 5	Yes
Ms. Roma Balwani	5 of 5	Yes
Mr. Raman Madhok #	5 of 5	Yes
Mr. Nandkumar Dhekne *	-	Not Applicable
Mr. Vivek Bhide *	-	Not Applicable

<sup>^</sup> Mr. Raman M. Madhok and Mr. Fabrice Orban resigned from the Board of the Company w.e.f. August 6, 2019 and October 30, 2019 respectively.

# Mr. Raman Madhok, Managing Director ceased to be a Director upon the close of business hours of February 7, 2020.

\* Mr. Nandkumar Dhekne was appointed as an Independent Director on the Board of the Company effective from February 7, 2020 and Mr. Vivek Bhide was appointed as the Managing Director of the Company effective from February 8, 2020. No Board Meeting was held during the year subsequent to their appointments on the Board.

**Information placed before the Board**

The Company provides the information as set out in the Listing Regulations, as amended, to the Board and the Board Committees to the extent it is applicable and relevant. The Board periodically reviews compliance reports of all laws applicable to the Company. Considerable time is spent by the Directors on discussions and deliberations at the Board / Committee meetings.

Apart from the Directors and the Company Secretary, the Board and Committee meetings are generally attended by the Chief Financial Officer and the Chief Operating Officer. Other senior management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board, and also provide them with the top-level exposure, as part of their career development. The Chairpersons of various Committees brief the Board on all the important matters discussed / decided at their respective Committee meetings, which are generally held prior to the Board Meeting. The other Directors, if available, are invited to participate in the meetings of Committees, even where they are not members; this gives them better exposure to the discussions, ensures uniformity in communication, and also saves time by avoiding repetitions.

The Company Secretary records the Minutes of the proceedings of every meeting of the Board and Committees. Draft Minutes are circulated to all the members of the Board / Committee for their comments. The final Minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting / Chairman of next meeting. A copy of the signed Minutes certified by the Company Secretary is circulated to all members within fifteen days after those are signed.

The Company has an effective post-meeting follow up, review and reporting process mechanism for the decisions taken by the Board / Committees. The important decisions taken at the Board / Committee meetings are communicated to the concerned functional heads. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee members.

The primary role of the Chairman is to provide leadership to the Board for achieving the goals of the Company. He is responsible, *inter alia*, for the working of the Board, for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the issues raised at the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, *inter alia*, includes :

- Provide leadership to the Board and preside over all Board and General Meetings.
- Achieve goals in accordance with the Company's overall vision.
- Ensure that Board decisions are aligned with the Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and for recording of the Minutes of the meetings. He acts as an interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

**Paperless meetings**

With a view to leverage technology and to reduce paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda and Minutes. The Directors of the Company receive the Agenda in electronic form through this application. The application meets high standards of security and integrity that is



required for storage and transmission of Board / Committee Agenda and Minutes in electronic form.

### **Selection of New Directors and Board Membership Criteria**

The NRC works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business of the Company.

On the recommendations of the NRC, the Board at its meeting held on February 7, 2020 had approved the appointment of Mr. Nandkumar Dhekne as an Independent Director and Mr. Vivek Bhide as the Managing Director of the Company. The Board at its meeting held on June 25, 2020, on the recommendations of the NRC, approved the appointment of Mr. Jean Gourp as the Promoter Non-Executive Director of the Company. All the appointments are subject to the approval of the members of the Company.

Mr. Yves Honhon, Non-Executive Director, retires by rotation and, being eligible, has offered himself for re-appointment.

Brief resume of Mr. Nandkumar Dhekne, Mr. Vivek Bhide, Mr. Jean Gourp and Mr. Yves Honhon have been given in the Notice convening the AGM.

### **Separate Independent Directors' Meeting**

Pursuant to Schedule IV of the Act, the Independent Directors met amongst themselves on February 6, 2020 without the presence of Non-Independent Directors and Members of the Management.

The Independent Directors, *inter alia*, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the freedom available to the Independent Directors to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters at the meetings.

### **FAMILIARISATION PROGRAMME FOR DIRECTORS (including Independent Directors)**

At the time of appointing a Director, a formal letter of appointment is given to him, which explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Act, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

On an ongoing basis, presentations are regularly made by the Company's Senior Management Personnel to the Board, Audit Committee or such other Committees, as may be required, on various matters *inter alia*, covering the Company's business and operations, industry and regulatory updates, strategies, finance, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken Report, Statutory Compliances, Risk Management, etc.

As a part of the agenda, the Board has interactive discussions with the senior management team on various critical issues such as improvements in the operations of the Company, training, sales & service, procurement, innovation, customer service and projects.

This enables the Directors to get a deeper insight into the operations of the Company and also provides an opportunity to the Independent Directors to understand the Company's policies, long term vision and strategy, business model, operations and such other areas as are relevant from time to time.

The details of familiarisation program for Directors are available on the Company's website at <http://www.johncockerillindia.com/financialreport.aspx?Subcat=Familiarisation%20Program&InvestorType=Corporate%20Governance>.

## **GOVERNANCE CODES**

### **Code of Conduct**

The Company has adopted a Code of Conduct ("**Code**") which is applicable to the Board of Directors and all employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm annual compliance of this Code. The declarations with regard to compliance with the above Code have been received from all the Board Members and Senior Management Personnel. A declaration signed by the Managing Director of the Company to this effect is placed at the end of this Report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website - [www.johncockerillindia.com](http://www.johncockerillindia.com).

Further, all the members of the senior management have made declarations to the effect confirming that there were no financial or commercial transactions in which they or their relatives had any potential conflict of interest with the Company.

### **Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he / she occupies in other Companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

### **Insider Trading Code**

The Company has adopted the 'Code of Conduct for Prevention of Insider Trading', for its Directors and designated employees, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The Code lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company, and provides cautions on the consequences of violations. The trading

window is closed before and during the time of declaration of results and occurrence of any material events as per the Code. All Directors and designated employees have affirmed compliance with the Code.

## BOARD COMMITTEES

The Board has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

### (i) Audit Committee

#### Composition of the Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the process and controls including compliance with laws, Whistle Blower Policy and related cases thereto, and guidelines and internal control.

The composition, quorum, powers, role and scope are in accordance with the provisions of the Act and the Listing Regulations. All the members of the Audit Committee are financially literate and possess adequate knowledge of accounts, audit, finance, etc. Mr. D. J. Balaji Rao, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. Yves Honhon, Mr. N. Sundararajan and Mr. Nandkumar Dhekne.

#### Meetings and Attendance

The Audit Committee met 4 (four) times during the financial year 2019-20. The maximum gap between two meetings was not more than one hundred and twenty days. The Committee met on May 29, 2019, July 31, 2019, October 30, 2019 and February 7, 2020. The Chairman of Audit Committee was present at the Thirty Third Annual General Meeting of the Company held on August 1, 2019.

The attendance of the members at the above meetings is as under:

Name	Position	Category	No. of meetings attended
Mr. D. J. Balaji Rao	Chairman	Independent Director	4 of 4
Mr. Yves Honhon	Member	Non-Executive Director	3 of 4
Mr. N. Sundararajan	Member	Independent Director	4 of 4
Mr. Nandkumar Dhekne *	Member	Independent Director	Not Applicable

\* Mr. Nandkumar Dhekne was inducted as a Member of the Audit Committee of the Board of Directors, only at the meeting of the Board of Directors held on February 7, 2020.

The Chairman, Managing Director, Chief Operating Officer, Chief Financial Officer, the Company Secretary and the other Directors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors and the Internal Auditors attend the meetings for part of the time. The Company Secretary acts as the Secretary to the Committee as required by the Listing Regulations.

#### Terms of Reference:

The Audit Committee performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and Cost Auditors and their remuneration, review of internal audit reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

#### Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Act. The compliance of AS as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

The Audit Committee facilitates the interaction between the Board and the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements and the Company's internal financial control over financial reporting in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal audit, internal controls over various processes and the risk controls.

### (ii) Nomination and Remuneration Committee

#### Composition of the Committee:

The Nomination and Remuneration Committee ("NRC") comprises of four Directors with half of them being Independent Directors, including its Chairman, Mr. D. J. Balaji Rao. The other members are Mr. Joao Felix Da Silva, Mr. Yves Honhon and Ms. Roma Balwani. The composition of the NRC is in accordance with the provisions of the Act and the Listing Regulations.

During the year under review, Mr. Raman M. Madhok resigned as a Director w.e.f. August 6, 2019 and hence ceased to be the Chairman and Member of the NRC w.e.f. August 6, 2019. The Board through circular resolutions appointed Mr. D. J. Balaji Rao who was already a member of the Committee, as its Chairman, and inducted Ms. Roma Balwani as a member of the Committee effective from September 14, 2019.

## Meetings and attendance

The NRC met 5 (five) times during the year on May 30, 2019, July 31, 2019, October 4, 2019, October 30, 2019 and February 7, 2020. The requisite quorum was present at the Meetings. Mr. Raman M. Madhok, the erstwhile Chairman of the NRC was present at the last Annual General Meeting of the Company.

The table below provides the attendance of the members at the above meetings:

Name	Position	Category	No. of meetings attended
Mr. Raman M. Madhok *	Chairman	Independent Director	2 of 2
Mr. D.J. Balaji Rao ^	Chairman	Independent Director	5 of 5
Mr. Joao Felix Da Silva	Member	Non-Executive Director	5 of 5
Mr. Yves Honhon	Member	Non-Executive Director	3 of 5
Ms. Roma Balwani #	Member	Independent Director	3 of 3

\* Mr. Raman M. Madhok, on his resignation as a Director w.e.f. August 6, 2019, ceased to be the Chairman and Member of the Committee w.e.f. August 6, 2019.

^ Mr. D.J. Balaji Rao, Member of the Committee was appointed as the Chairman of the Committee w.e.f. September 14, 2019.

# Ms. Roma Balwani was inducted as a member of the Committee w.e.f. September 14, 2019.

## Terms of reference:

The terms of reference of the NRC, *inter alia*, include the following :

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the prescribed criteria, recommend to the Board their appointment or removal and carry out evaluation of each Director's performance.
- Formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

## REMUNERATION POLICY

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the NRC and approved by the Board. The Remuneration Policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

### (i) Details of Remuneration to Non-Executive Directors for the year ended March 31, 2020

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid Sitting Fees for each Meeting of the Board or Committee as attended by them. The Commission is related to the profit of the Company and the criteria are laid down by the NRC and the Board. The Non-Executive Directors / Independent Directors do not have any material pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Details of remuneration to Non-Executive Directors during the year ended March 31, 2020 are as under:

Directors	Commission # ₹ in lakhs	Sitting Fee paid ₹ in lakhs
Mr. Joao Felix Da Silva*	Nil	Nil
Mr. Yves Honhon *	Nil	Nil
Mr. Fabrice Orban *	Nil	Nil
Mr. D. J. Balaji Rao	10.00	13.00
Mr. Raman M. Madhok <sup>^</sup>	N.A.	3.40
Mr. N. Sundararajan	10.00	9.50
Ms. Roma Balwani	10.00	8.60

\* Mr. Joao Felix Da Silva, Mr. Yves Honhon and Mr. Fabrice Orban have voluntarily waived their entitlement to sitting fees.

<sup>^</sup> Mr. Raman M. Madhok ceased to be a Director of the Company w.e.f. August 6, 2019.

Mr. Nandkumar Dhekne was appointed on February 7, 2020 and no Board Meeting was held during the period subsequent to his appointment on the Board.

# Commission is within the limits specified under Section 197 of the Act and will be paid after the financial statements are approved by the members at the Annual General Meeting scheduled to be held on August 27, 2020.

None of the Directors holds any shares of the Company as on March 31, 2020.

### (ii) Remuneration to Managing Director for the year ended March 31, 2020

The appointment and remuneration of Managing Director is governed by the recommendation of the NRC, resolutions passed by the Board of Directors and the approval of the members of the Company. The remuneration package of the Managing Director

consists of both fixed compensation and variable compensation and is paid as salary, commission, performance bonus, perquisites and allowances as approved by the Board and the members.

The remuneration of the Managing Director is arrived after taking into account the Company's overall performance, his contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof.

Details of remuneration to the Managing Director for the year ended March 31, 2020 is as under:

Name of Managing Director	Salary	Performance incentive	Company's Contribution to Funds	₹ in lakhs		Total Contract Period	Notice period in months
				Perquisites and allowances	Total		
Mr. Raman Madhok *	591.90	-	33.61	33.00	658.51	Re-appointed for a period of six months effective from October 9, 2019	1
Mr. Vivek Bhide ^	44.05	24.60	2.80	6.22	77.67	February 8, 2020 to February 7, 2023	3

\* Re-appointed as the Managing Director of the Company for a period of six months effective from October 9, 2019. Ceased to be the Managing Director of the Company upon the close of working hours of February 7, 2020.

^ Appointed as the Managing Director of the Company for a period of 3 (three) years effective from February 8, 2020.

#### Notes:

- (1) All the above components of remuneration, except performance incentive, are fixed in nature.
- (2) The amended Schedule V of the Act deals with the conditions for appointment and payment of remuneration to managerial personnel. The provisions of Schedule V provides that in respect of the remuneration paid to a managerial person functioning in a professional capacity and fulfilling certain other conditions, the Company can pay remuneration in accordance with the terms and conditions approved by the members by way of special resolution, without obtaining the approval of Central Government. In terms of the said notification, the approval of the Central Government is not required for the remuneration paid / payable to Mr. Raman Madhok and Mr. Vivek Bhide as the Managing Director. The remuneration paid to Mr. Raman Madhok is as per the terms and conditions and within the limits approved by the members through Postal ballot on December 11, 2019. The remuneration of Mr. Vivek Bhide as the Managing Director is placed before the members of the Company at the ensuing Annual General Meeting and forms part of the Notice of Annual General Meeting.

Presently, the Company does not have any stock options scheme.

#### Authority to the Board for variation in the terms of appointment and remuneration

The terms and conditions of appointment and remuneration of Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Board, as deemed fit.

#### PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board had carried out the annual evaluation of its own performance, its Committees of the Board and Directors individually. The performance evaluation of the Independent Directors was done by the entire Board excluding the Director being evaluated and included the performance of the Directors and fulfilment of the independence criteria and their independence from the management. In a separate meeting of Independent Directors held on February 6, 2020, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were reviewed.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all the concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship between Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board culture, execution and performance of specific duties, obligations and governance. This questionnaire covered all the aspects stipulated in the SEBI Guidance Note. A separate exercise was carried out to evaluate the performance of individual Directors including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company, etc.

### (iii) Stakeholders Relationship Committee

Pursuant to the provisions of the Act and the Listing Regulations, the Stakeholders Relationship Committee (“SRC”) of the Board has been constituted.

As on March 31, 2020, the Committee comprised of three Directors. Mr. N. Sundararajan, Independent Director is the Chairman of the Committee. Ms. Roma Balwani, Director and Mr. Vivek Bhide, Managing Director of the Company are the other members.

One meeting of the Committee was held during the year ended March 31, 2020 on February 7, 2020.

The table below highlights the composition and attendance of the members at the meeting of the Committee. The requisite quorum was present at the meeting :

Name	Position	Category	No. of meetings attended
Mr. Raman M. Madhok *	Chairman	Independent Director	Not Applicable
Mr. N. Sundararajan ^	Chairman	Independent Director	1 of 1
Ms. Roma Balwani	Member	Independent Director	1 of 1
Mr. Raman Madhok #	Member	Managing Director	1 of 1
Mr. Vivek Bhide \$	Member	Managing Director	Not Applicable

\* Mr. Raman M. Madhok, on his resignation as a Director w.e.f. August 6, 2019, ceased to be the Chairman and Member of the Committee w.e.f. August 6, 2019.

^ Mr. N. Sundararajan was inducted as the Member and Chairman of the Committee w.e.f. October 30, 2019.

# Mr. Raman Madhok, on his resignation as a Director of the Company w.e.f. February 7, 2020, ceased to be a Member of the Committee w.e.f. February 7, 2020.

\$ Mr. Vivek Bhide was appointed as the member of the Committee w.e.f. February 8, 2020. There was no meeting of the Committee held after that date and before March 31, 2020.

All the existing members of the Committee as on the date of the last Annual General Meeting held on August 1, 2019 attended the Annual General Meeting.

Mr. Haresh Vala, Company Secretary is the Compliance Officer of the Company.

The Committee meets as and when required, to *inter alia* look into the matters of Shareholders / Investors grievances along with other matters listed below :

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;

- to consider and approve demat / remat of shares / split / consolidation / sub-division of share certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.;
- to oversee and review all matters connected with the transfer of the Company's securities;
- to consider and approve opening / modification of operation and closing of bank accounts;
- to review measures taken for effective exercise of voting rights by the shareholders of the Company;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- to review measure and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend / annual report / notices and other information by the shareholders.

During the year under review, there were no complaints received from the shareholders. Hence, as on date, there are no pending share transfers or complaints pertaining to the year under review.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Bigshare Services Private Limited attend to all the grievances of the shareholders received directly or through SEBI, Stock Exchange, Ministry of Corporate Affairs, Registrar of Companies, etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

### (iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility (“CSR”) Committee of the Company constituted pursuant to the provisions of Section 135 of the Act, comprises of three Directors. Ms. Roma Balwani, Independent Director is the Chairperson of the Committee. The other members of the CSR Committee are Mr. Yves Honhon and Mr. Vivek Bhide. Mr. Raman Madhok on his resignation as a Director ceased to be a member of the Committee. The composition of the Committee was re-constituted during the year under review with the appointment of Mr. Vivek Bhide as the member of the Committee in place of Mr. Raman Madhok.

The composition of the CSR Committee is in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the CSR Committee *inter alia* includes to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Act and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII of the Act and to monitor the implementation of the CSR policy and projects of the Company periodically.

The Company has formulated CSR policy, which is uploaded on the website of the Company viz. [www.johncockerillindia.com](http://www.johncockerillindia.com).

The Committee met once during the year on May 29, 2019 and the meeting was attended by all the members of the Committee as on that date.

## (v) Risk Management Committee

The Risk Management Committee (“RMC”) comprises of Mr. N. Sundararajan as the Chairman and Mr. Nandkumar Dhekne and Mr. Vivek Bhide as the other members as on March 31, 2020. Mr. Frederic Midy, Chief Operating Officer, is the Secretary to the Committee. The RMC was reconstituted on May 30, 2019 by the appointment of Mr. Frederic Midy as the Secretary in place of Mr. Vijay Karayi. Mr. Raman Madhok ceased to be a member of the Committee, and Mr. Vivek Bhide and Mr. Nandkumar Dhekne were appointed as the members of the Committee during the year under review.

The RMC was constituted to identify and evaluate potential business and operational risks, lay down the procedures to review the risk assessment and minimization procedures and is responsible for framing, implementing and monitoring the risk management plan and practices of the Company.

During the year under review, the RMC met once on January 13, 2020 and the meeting was attended by Mr. N. Sundararajan and Mr. Raman Madhok, the existing members of the Company as on that date.

## (vi) Borrowings Committee

The Borrowings Committee presently comprises of Mr. Vivek Bhide, Managing Director (Chairman of the Committee), Mr. D. J. Balaji Rao, Director, Mr. Frederic Midy and Mr. Kiran Rahate, Chief Financial Officer, as the other members. During the year under review, the Committee was reconstituted with the appointment of Mr. Vivek Bhide, Mr. Frederic Midy and Mr. Kiran Rahate as members of the Committee. This was after Mr. Raman Madhok and Mr. Akash Ohri ceased to be members of the Committee. This Committee reviews, considers and approves from time to time borrowing of moneys within the overall limits and guidelines approved by the Board.

## (vii) Banking Operations Committee

Mr. Raman Madhok and Mr. Akash Ohri ceased to be members of the Committee during the year under review. The Banking Operations Committee presently comprises of Mr. Vivek Bhide, Managing Director, who is the Chairman of the Committee. Mr. Frederic Midy, Chief Operating Officer and Mr. Kiran Rahate, Chief Financial Officer, as the other members of the Committee. The Committee was reconstituted during the year under review with the appointment of Mr. Frederic Midy and Mr. Kiran Rahate as members of the Committee and Mr. Vivek Bhide as the Chairman of the Committee. This Committee approves from time to time, the availing of specific banking services with the Banks and nominates / amends the list of signatories for operating of bank accounts, on behalf of the Company.

## CEO / CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board that the financial statements for the year ended March 31, 2020 do not contain any materially untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

## RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company. The RMC reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework, and reports to the Audit Committee / Board on the key findings and developments.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

## DISCLOSURES

### (i) Disclosure of transactions with Related Parties

All related party transactions that were entered into during the year under review were on arms' length basis and were in the ordinary course of business. The materially significant transactions with related parties were approved by the members of the Company at the Thirty Third Annual General Meeting of the Company held on August 1, 2019 for the transactions to be entered into with CMI SA (Holding Company), CMI Industry Automation Private Limited and CMI Engineering (Beijing) Company Limited (Fellow Subsidiaries), being related parties, up-to ₹ 800 crores, ₹ 50 crores and ₹ 50 crores respectively.

All the related party transactions were approved by the Audit Committee from time to time. The Audit Committee has also granted omnibus approval for related party transactions of repetitive nature. A statement in summary form of all the transactions with related parties entered into by the Company is placed before every meeting of the Audit Committee for review and thereafter before the Board for approval.

Related party transactions have been disclosed under Note 32 of Significant Accounting Policies and Notes forming part of the Financial Statements in accordance with “IndAS”.

As required under the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The policy is available on the website of the Company and can be accessed through the following link : <http://johncockerillindia.com/financialreport.aspx?Subcat=RPTPolicyasperLODR&InvestorType=Policies>.

None of the transactions with related parties were in conflict with the interests of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interests of the Company at large and are carried out on arms' length or fair value basis.

### (ii) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

During the financial year ended March 31, 2020, there were no materially significant related party transactions or arrangements entered into (exceeding 10% of the annual turnover of the Company) by the Company with its Directors, Key Managerial Personnel or any other designated persons which may have a potential conflict with the interests of the Company at large.

**(iii) Whistle Blower Policy**

Pursuant to the provisions of the Act and the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors, who may use such mechanism when needed, and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy can be accessed on the website of the Company - [www.johncockerillindia.com](http://www.johncockerillindia.com)

**(iv) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three financial years**

The Company has complied with all the requirements of the Stock Exchange and SEBI specified under the Listing Regulations as well as other regulations and guidelines of SEBI. There were no penalties or strictures passed against the Company by either the Stock Exchange or Securities and Exchange Board of India or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

**(v) Disclosure of Accounting Treatment in the preparation of Financial Statements**

In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under the Act read with the relevant Rules thereunder.

The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

**(vi) Management Discussion and Analysis**

A Management Discussion and Analysis (MDA) Report has been attached to and forms part of this Annual Report.

**(vii) Compliances with Governance framework**

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance. Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

**(ix) Website**

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website - [www.johncockerillindia.com](http://www.johncockerillindia.com). A separate section on 'Investors' on the website of the Company contains details relating to the financial results declared by the Company, annual reports, shareholding patterns and such other material information which is relevant to the members of the Company.

**(x) Recommendations of Committees of the Board**

There were no instances during the financial year 2019-20 wherein the Board had not accepted recommendations made by any Committee of the Board.

**(xi) Total fees paid to the Statutory Authorities**

Total fees paid by the Company to S R B C & Co. LLP and all entities in the network firm / network entity of which the statutory auditors are part :

Particulars	Amount ₹ in lakhs
Fees for audit related services paid to S R B C & Co. LLP (including limited review)	52.10
Other fees paid to firms in the network entity of which S R B C & Co. LLP is a part of	1.02
<b>Total</b>	<b>53.12</b>

**MEANS OF COMMUNICATION**

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures are an indicator of the Company's good Corporate Governance practices.

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

The approved financial results are forthwith sent to the Stock Exchange and are published in Business Standard (English newspaper) and Sakal (local language (Marathi) newspaper) within forty-eight hours of approval thereof.

The Company's financial results are displayed on the website of the Company - [www.johncockerillindia.com](http://www.johncockerillindia.com).

Annual Reports, notice of the meetings are sent to the shareholders through email, post or courier. However, this year, in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular No.20/2020 dated May 5, 2020 directed the Companies to send the Annual Report only by e-mail to all the members of the Company. Therefore, the Annual Report for financial year 2019-20 and Notice of the 34<sup>th</sup> AGM of the Company is being sent to the members at their registered email addresses in accordance with MCA and SEBI circulars.

The Company's presentations to institutional investors and analysts, if made, would be put up on the website of the Company.

Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.

The quarterly / audited financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange are filed electronically. The Company has complied with filing submissions through BSE's Listing Centre.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under "Investors Relations", on the Company's website gives information on various announcements made by the Company, status of unclaimed dividends, shareholding pattern, annual reports, quarterly / half yearly and audited results, credit ratings along with the applicable policies and other relevant information of interest to the investors / public with a search section.

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A and Part B of Schedule III of the Listing Regulations, including material information having a bearing on the performance / operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre).

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchange.

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint against a Company for his / her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and the shareholder can seek and provide clarifications online through SEBI.

The Company has designated the email : investors@cmifpe.com exclusively for investor relation, and the same is prominently displayed on the Company's website : www.johncockerillindia.com

## VII. SHAREHOLDER INFORMATION

### (a) 34<sup>th</sup> Annual General Meeting ("AGM")

Date: August 27, 2020  
Time: 2.30 p.m. IST  
Through Video Conferencing

### (b) Dates of Book Closure

Dates of Book Closure will be from August 21, 2020 to August 27, 2020 (both days inclusive).

### (c) Last date of receipt of Proxy Forms

Not Applicable as the AGM will be held through video conferencing.

### (d) Financial year of the Company

The financial year covers the period from April 1 of every year to March 31 of the next year.

Tentative Calendar for financial year ending March 31, 2021

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows :

Sr. No.	Particulars of Quarter	Tentative Dates
1.	First Quarter Results	On or before August 14, 2020
2.	Second Quarter and Half Yearly Results	On or before November 14, 2020
3.	Third Quarter and Nine months Results	On or before February 14, 2021
4.	Fourth Quarter and Annual Accounts	On or before the last week of May, 2021

The above dates are indicative.

### (e) Dividend

The Board of Directors at its meeting held on June 25, 2020, recommended dividend payout, subject to the approval of the shareholders of the ensuing AGM of ₹ 5/- per share, on equity shares of the Company having face value of ₹ 10/- each (50%). The dividend shall be paid to the members whose names appear on the Company's Register of Members on August 20, 2020 in respect of physical members and whose name appear in the list of Beneficial Owners on August 20, 2020 furnished by NSDL and CDSL for this purpose. The dividend, if declared at the AGM shall be paid after August 27, 2020.

### (f) Listing on Stock Exchange

The Company's Shares are listed on BSE Limited (BSE).

The Company has paid the annual listing fees for the financial year 2020-21.

### (g) Stock Code

BSE Limited  
Scrip Code: 500147 Scrip Name: COCKERILL

*(The Scrip Name of the Company has changed post the approval of the Corporate Governance Report at the Board Meeting held on June 25, 2020)*

### (h) ISIN

The ISIN no. for dematerialization of the Company's shares with NSDL and CDSL is INE515A01019.

### (i) Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs is L99999MH1986PLC039921.

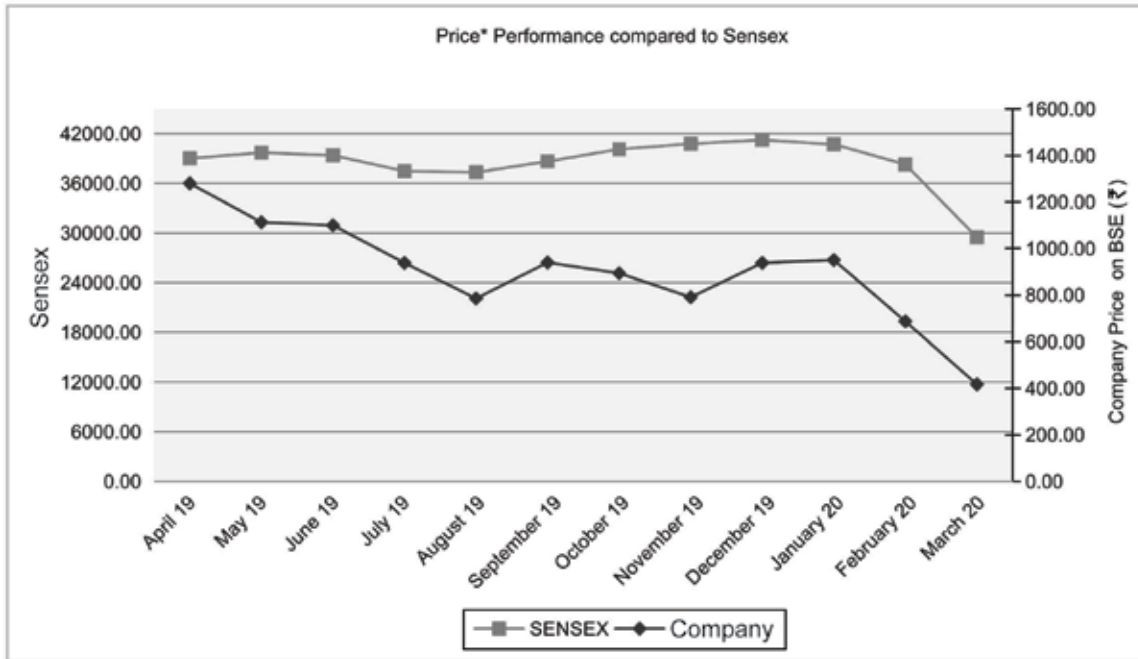
### (j) Market Price Data

The high and low prices of the Company's equity shares (face value of ₹ 10 /- each) on BSE Limited during the financial year 2019-20 were as under:

Month	High (₹)	Low (₹)	Sensex (closing)
April, 2019	1,369.95	1,250.15	39,031.55
May, 2019	1,280.00	992.05	39,714.20
June, 2019	1,214.00	1,034.05	39,394.64
July, 2019	1,158.95	878.00	37,481.12
August, 2019	960.00	740.05	37,332.79
September, 2019	996.00	761.35	38,667.33
October, 2019	959.00	740.00	40,129.05
November, 2019	960.00	767.05	40,793.81
December, 2019	995.00	757.05	41,253.74
January, 2020	1,050.00	840.00	40,723.49
February, 2020	969.50	680.50	38,297.29
March, 2020	724.00	340.00	29,468.49



(k) Performance of the Company's shares in comparison to BSE Sensex is given in the chart below:



\* based on closing price on last trading day of the Month

(l) Registrar and Share Transfer Agent

Bigshare Services Private Limited  
Unit: John Cockerill India Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059  
Tel. No.: 022-62638200 • Fax No.: 022-62638299 • Email: investor@bigshareonline.com

(m) Distribution of Shareholding as at March 31, 2020

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of share capital
Up to 500	3,440	92.85	3,05,334	6.18
501 – 1000	132	3.56	1,00,710	2.04
1001 – 2000	63	1.70	92,447	1.87
2001 – 3000	24	0.65	59,496	1.20
3001 – 4000	10	0.27	35,023	0.71
4001 – 5000	8	0.22	36,387	0.74
5001 – 10000	15	0.40	1,09,052	2.21
10001 and above	13	0.35	41,99,364	85.05
<b>Total</b>	<b>3,705</b>	<b>100.00</b>	<b>49,37,813</b>	<b>100.00</b>

(n) Shareholding pattern as at March 31, 2020

Category	No. of shares	% of share capital
Promoters & Promoters Group	37,03,200	75.00
Government Companies, Mutual Funds & Banks	33,588	0.68
Alternate Investment Funds	4,399	0.09
IEPF	19,091	0.39
Foreign Institutional Investors (FIIs)/OCB	100	0.00
Non Resident Indians	19,052	0.39
Domestic Companies	36,030	0.80
Resident individuals	11,18,786	22.66
<b>Total</b>	<b>49,37,813</b>	<b>100.00</b>

(o) **Dematerialization of shares as at March 31, 2020**

Category	No. of equity shares	% of share capital	No. of shareholders	% of shareholders
Electronic Form	49,01,921	99.27	3,447	93.04
Physical Form	35,892	0.73	258	6.96
<b>Total</b>	<b>49,37,813</b>	<b>100.00</b>	<b>3,705</b>	<b>100.00</b>

(p) **Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialized form.

SEBI vide its notification dated June 8, 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form with effect from April 1, 2019 barring certain instances. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form and for ease in portfolio management.

(q) **Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity**

The Company has not issued any GDRs / ADRs / warrants or any other convertible instruments.

(r) **Unclaimed / Unpaid Dividend**

Pursuant to the provisions of the Act and the Rules framed thereunder, the dividend which remains unclaimed / unpaid for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date.

The unclaimed dividend for the financial year ended March 31, 2012 of ₹ 1,24,310/- was transferred to the IEPF in September, 2019.

The details of the unclaimed dividends are available on the Company's website at [www.johncockerillindia.com](http://www.johncockerillindia.com) and IEPF Authority's website at [www.iepf.gov.in](http://www.iepf.gov.in)

In accordance with the provisions of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("IEPF Rules"), all the shares in respect of which dividend has remained unclaimed or unpaid for a period of seven consecutive years or more are required to be transferred to the demat account of Investor Education and Protection Fund Authority ("IEPFA"). Accordingly, all the shares in respect of which dividends were declared up to the financial years ended March 31, 2012 and remained unpaid or unclaimed are

transferred to the IEPFA. The Company had sent notices to all such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPFA during the financial year 2019-20. The details of such shares transferred have been uploaded on the website of the Company. During the year ended March 31, 2020, 5,812 shares were transferred to IEPF Account with CDSL.

The shares and unclaimed dividend transferred to IEPFA can however be claimed back by the concerned shareholders from IEPFA after complying with the procedure prescribed under the IEPF Rules. The member / claimant are required to make an online application to IEPFA in Form No. IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with the requisite fee as decided by the IEPFA from time to time. Post making the application, the member shall send the duly signed Form IEPF-5 along with the requisite documents to the Company at its registered office for verification of the claim and payment / transfer of shares by IEPFA. All corporate benefits on such shares viz. bonus shares, split of shares, etc. including dividend shall be credited to the demat account of the IEPFA. The voting rights on such shares shall remain frozen until the rightful owner claims the share.

(s) **Plant Locations**

**Unit No. I**

A-84, 2/3 MIDC, Taloja Industrial Area,  
District Raigad, 410208, Maharashtra

**Unit No. II**

Gat No. 21,41 and 61, Village Hedavali, Khopoli-Pali Road,  
Taluka Sudhagad, District Raigad 410205, Maharashtra

(t) **Foreign currency risk management**

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Movements in the exchange rates can result in fluctuation in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company hedges cash flows up to a specific tenure using forward exchange contracts in respect of its exports and / or imports. The Company uses forward foreign exchange contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecast transactions.

**(u) Commodity price risk**

The Company is exposed to movement in metal commodity price of steel. Our sales contracts are on fixed price basis. Profitability in case of firm price orders is impacted by movement in the prices of steel. The Company primarily purchases its raw materials in the open market from third parties. The Company either places long term firm price order with the suppliers or builds stock on need basis to mitigate the risk.

**(v) Address for correspondence**

Shareholders may correspond with the Registrar and Share Transfer Agent on all matters relating to dematerialization of shares, payment of dividend and any other query relating to equity shares of the Company at:

Bigshare Services Private Limited  
Unit: John Cockerill India Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East, Mumbai 400059  
Tel. No.: 022-62638200

Fax No.: 022-62638299  
Email: investor@bigshareonline.com

The Company has designated **investors@cmifpe.com** as an exclusive email ID for Investors for the purpose of registering complaints and the same email ID has been displayed on the Company's website. Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised form. For all investor related matters, the Company Secretary & Compliance Officer can be contacted at:

Mehta House, Plot No. 64,  
Road No. 13, MIDC, Andheri East,  
Mumbai 400 093  
Tel. No.:022-66762727  
Fax No.:022-66762737  
Email: investors@cmifpe.com

Shareholders are requested to quote their folio nos. / DP ID & Client ID, email address, telephone number and full address while corresponding with the Company and its Registrar and Share Transfer Agent.

## GENERAL BODY MEETINGS

### Details of General Meetings and Special Resolutions passed

The information relating to Annual General Meetings held during the past three years and the Special Resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any Special Resolution passed
2016-2017	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	July 28, 2017	2.30 p.m.	- Determination of fees for delivery of documents to shareholders
2017-2018	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	July 27, 2018	2.30 p.m.	No Special Resolution passed
2018-2019	Mehta House, Plot No. 64, Road No. 13, MIDC, Andheri East, Mumbai 400 093	August 1, 2019	2.30 p.m.	- Re-appointment of Ms. Roma Balwani (DIN 00112756) as an Independent Director - Commission on Profits to Non-Executive Directors

During the year under review, the Company approached the members through 2 postal ballots for three special resolutions, details of which are given below :

**1. Postal Ballot for re-appointment of Mr. Raman Madhok (DIN 00672492) as the Managing Director of the Company for a period of six months**

Date of Postal Ballot Notice : October 30, 2019  
Voting Period : November 11, 2019 to December 11, 2019  
Date of declaration of results : December 13, 2019

Sr. No.	Special Resolution	No. of valid votes received	No. and % of votes in favour	No. and % of votes against
1.	Re-appointment of Mr. Raman Madhok (DIN 00672492) as the Managing Director of the Company for a period of six months	3736123	3734622 (99.96%)	1501 (0.04%)

**2. Postal Ballot for change of name and adoption of new set of Articles of Association of the Company**

Date of Postal Ballot Notice : February 7, 2020  
Voting Period : February 17, 2020 to March 17, 2020  
Date of declaration of results : March 18, 2020

Sr. No.	Special Resolution	No. of valid votes received	No. and % of votes in favour	No. and % of votes against
1.	Change of name of the Company from CMI FPE Limited to "John Cockerill India Limited" and consequent amendment to the Memorandum of Association and Articles of Association	3707583	3707582 (100.00%)	1 (0.00%)
2.	Alteration / Adoption of new set of Articles of Association of the Company as per Companies Act, 2013	3707583	3707582 (100.00%)	1 (0.00%)

### Procedure for postal ballot :

In compliance with the provisions of the Act, read with the Rules issued thereunder and the Listing Regulations, the Company provided electronic voting (e-voting) facility to all its members for both the postal ballots. The Company engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing e-voting facility to all its members. The members had the option to vote either by postal ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with the postage pre-paid business reply envelopes for both the postal ballots to its members whose names appeared on the Register of Members / list of beneficiaries as on the cut-off date. The postal ballot notice for each postal ballot was sent to the members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) or with the Company’s Registrar and Share Transfer Agent (in case of physical shareholding) and through courier to the members whose email ids were not so registered. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements for both the postal ballots under the Secretarial Standards issued by the Institute of Company Secretaries of India, Act and the Rules issued thereunder.

Mr. Vijay Kumar Mishra, Partner of M/s. VKM & Associates, Practicing Company Secretaries was appointed as the Scrutinizer for carrying out both the postal ballot process in a fair and transparent manner.

Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the members as on the cut-off date. Members desiring to vote through physical postal ballot forms were requested to return the forms, duly completed and signed, so as to reach the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submitted his reports to the Managing Director, after completion of scrutiny and the consolidated report of the e-voting and

voting by postal ballot for each of the postal ballot was then announced by the Managing Director. The results were displayed on the Company’s website – www.johncockerillindia.com, besides being communicated to the Stock Exchange and e-voting website of NSDL.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

### IX. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATIONS

The status of compliance with discretionary recommendations of Regulation 27 of the Listing Regulations is provided below :

#### • The Board of Directors

The present Chairman is a foreign national and a Non-Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and provide valuable inputs in directing the Company. The Board carefully evaluates the qualifications and experience of every Independent Director at the time of the appointment, and also involves the Independent Directors in various Business Committees, to enable them to contribute to the Company.

#### • Separate posts of Chairman and Managing Director

The Chairman of the Board is a Non-Executive Director and his position is separate from that of Managing Director.

#### • Audit qualifications

During the year under review, there is no audit qualification on the Company’s financial statements.

#### • Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

{ This Certificate is being issued in pursuance with Para 3(x)(c)(iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 }

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of **JOHN COCKERILL INDIA LIMITED** (formerly known as CMI FPE Limited) (hereinafter known as “the Company”), having its Registered Office at Mehta House, Plot No. 64, Road No. 13, MIDC Andheri (East), Mumbai 400093, Maharashtra, India incorporated vide its Company Registration Number L99999MH1986PLCO39921 on 28<sup>th</sup> May, 1986 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

On the basis of examination and verification, *we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities and Exchange Board of India / MCA or any such statutory authority.*

The Board of Directors of the Company comprises of 7 (seven) Directors and the Board is composed as follows:

Sr. No.	Name of the Director	DIN	Type of the Director	Date of Appointment	Status of the Director
1	Balaji Rao Jagannathrao Doveton	00025254	Independent Director	30/10/2008	Active
2	Sundararajan Natararajan	00051040	Independent Director	28/10/2010	Active
3	Roma Ashok Balwani	00112756	Independent Director	29/10/2014	Active
4	Nandkumar Vasant Dhekne	02189370	Additional Director	07/02/2020	Active

Sr. No.	Name of the Director	DIN	Type of the Director	Date of Appointment	Status of the Director
5	Vivek Mukund Bhide	02645197	Additional Director	08/02/2020	Active
6	Yves Ernest Honhon	02268831	Non-Executive Director	25/06/2008	Active
7	Joao Felix Da Silva	07662251	Non-Executive Director	30/05/2017	Active

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x)(c)(iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

**For VKM & ASSOCIATES**  
**Company Secretaries**

**(Vijay Kumar Mishra)**  
**Partner**

**FCS No. 5023**

**CP No. 4279**

**UDIN No. : F005023B000334935**

Place: Mumbai

Date: 17/06/2020

## Certificate on Compliance with Code of Conduct

To,

**The Shareholders of John Cockerill India Limited**  
(formerly CMI FPE Limited)

I, Vivek Bhide, Managing Director, declare that all the Directors and Senior Management Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct, for the year ended March 31, 2020.

**For John Cockerill India Limited**  
**(formerly CMI FPE Limited)**

**Vivek Bhide**

**Managing Director**

**DIN : 02645197**

Place: Mumbai

Date : June 25, 2020

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Members of John Cockerill India Limited (formerly CMI FPE Limited)

- The Corporate Governance Report prepared by John Cockerill India Limited (formerly CMI FPE Limited) (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

- The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the

preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

- The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
  6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
  7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
    - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
    - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
    - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
    - iv. Obtained and read the minutes of the following committee meetings held between April 01, 2019 to March 31, 2020:
      - (a) Board of Directors;
      - (b) Audit Committee;
      - (c) Annual General Meeting (AGM);
      - (d) Nomination and Remuneration Committee;
      - (e) Stakeholders Relationship Committee;
      - (f) Risk Management Committee
    - v. Obtained necessary representations and declarations from the directors of the Company including the independent directors.
    - vi. Obtained and read the policy adopted by the Company for related party transactions.
    - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee, and also annual general meeting in which these transactions were approved by the shareholders.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
  8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.
- Opinion
9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.
- Other matters and Restriction on Use
10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
  11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Place of Signature: Mumbai

Date: June 25, 2020

Membership Number: 101143

UDIN: 20101143AAAABM3135

# INDEPENDENT AUDITOR'S REPORT

**To the Members of John Cockerill India Limited (formerly CMI FPE Limited)**

## Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of John Cockerill India Limited (formerly CMI FPE Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 38(f) of the Ind AS financial statements, which describes the Management's assessment of uncertainties related to the COVID-19 pandemic, and its consequential financial impacts on the operations of the Company, its cash flows and recoverable amounts of its assets. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition on contracts with customers as per Ind AS 115</b> <i>(as described in note 23 of the accompanying Ind AS financial statements)</i></p> <p>The Company derives its revenues from sale of goods and services pursuant to contracts with customers. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, 'Revenue from Contracts with Customers'.</p> <p>Due to the nature of the contracts, revenue is accounted over a period of time, using the input method, which requires significant judgments and estimates to be made by Management, including identification of contractual obligations, expected duration and cost of fulfilling the obligations, the Company's right to receive payments for performance completed till date, changes in scope or duration and consequential revisions to contract price or costs, and recognition of liability for lossmaking contracts / onerous obligations. As a result, revenue, costs and profits can vary during project execution, and on reassessment of project estimates.</p> <p>Accordingly, considering the complexities involved, revenue recognition for contracts is considered as a key audit matter.</p>	<p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> <li>- understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for these contracts and evaluated the design and operating effectiveness of the financial controls through our test of control procedures.</li> <li>- read the accounting policy of the Company relating to revenue recognition, to assess compliance with the requirements of Ind AS 115.</li> <li>- evaluated Management judgments and assumptions for contracts selected on a sample basis, regarding estimates of expected costs-to-complete, timing and recognition of variation orders, and assumptions made in calculating warranty provisions, with underlying data, including the possible effect from the pandemic relating to COVID-19.</li> <li>- inspected a sample of underlying customer contracts, evaluated contract terms to assess revenue recognition over a period of time, and tested completeness of costs incurred and compared those with estimated costs (including residual costs-to-complete), in order to determine if significant variations in work-scope, contract duration, cost of key inputs, and foreign exchange rates have been considered in the periodic reassessment of residual costs-to-complete.</li> <li>- evaluated Management's assessments around potential for liquidated damages for projects behind contracted schedule and contingency provisions to mitigate contract-specific financial risks.</li> <li>- read and tested the presentation and disclosure as per the requirements of Ind AS 115, of such contracts in the Ind AS financial statements.</li> </ul>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

## Responsibilities of Management for the Ind AS Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33(i) to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 and 19 to the Ind AS financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

UDIN: 20101143AAAABN6213

Place of Signature: Mumbai

Date: June 25, 2020

### **Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified during the year by the Management, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the Management, title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (b) and (c) of the Order are not applicable to the Company, and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cold rolling mill complexes, processing lines, chemical equipment industrial furnaces & auxiliary equipment, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	83.02	2013-14 (A.Y)	Income Tax Appellate Tribunal (ITAT), Mumbai
The Central Excise Act, 1944	Service Tax – Cenvat Credit (excluding interest and penalty)	5,320.86	2010-11 to June 2017	CESTAT, Mumbai
Tamil Nadu Value Added Tax, 2006	Sales Tax (excluding interest and penalty)	3.15	2012-13	Deputy Commissioner III, Chennai

\*Net of Deposits

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the

management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

UDIN: 20101143AAAABN6213

Place of Signature: Mumbai

Date: June 25, 2020

**Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of  
John Cockerill India Limited (formerly CMI FPE Limited)  
Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of John Cockerill India Limited (formerly CMI FPE Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Ind AS financial statements.

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

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed

to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Vinayak Pujare**

Partner

Membership Number: 101143

UDIN: 20101143AAAABN6213

Place of Signature: Mumbai

Date: June 25, 2020

# John Cockerill India Limited (formerly CMI FPE Limited)

## Balance Sheet as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	5,505.98	5,950.59
(b) Capital work-in-progress		84.45	73.35
(c) Right-of-use assets	4	321.95	-
(d) Intangible assets	5	9.12	14.95
(e) Intangible assets under development		-	1.09
(f) Financial assets			
(i) Trade receivables	6	3,616.57	1,241.28
(ii) Other financial assets	7	91.94	517.33
(g) Non-current tax assets (Net)	8	251.75	579.80
(h) Other non-current assets	9	919.89	808.07
<b>Total non-current assets</b>		<b>10,801.65</b>	<b>9,186.46</b>
<b>Current assets</b>			
(a) Inventories	10	1,407.08	1,201.28
(b) Contract assets	11.1	10,693.06	15,117.56
(c) Financial assets			
(i) Trade receivables	6	7,785.02	10,781.53
(ii) Cash and cash equivalents	12	4,378.75	10,805.86
(iii) Bank balances other than (ii) above	13	1,481.57	870.67
(iv) Other financial assets	7	60.54	271.49
(d) Other current assets	9	8,462.37	10,560.07
<b>Total current assets</b>		<b>34,268.39</b>	<b>49,608.46</b>
<b>Total Assets</b>		<b>45,070.04</b>	<b>58,794.92</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	493.78	493.78
(b) Other equity	15	20,244.21	18,601.35
<b>Total equity</b>		<b>20,737.99</b>	<b>19,095.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	16	17.17	-
(ii) Trade payables	17		
- Total outstanding dues to micro and small enterprises		23.92	43.96
- Total outstanding dues to other than micro and small enterprises		302.44	1,039.72
(iii) Other financial liabilities	18	87.00	87.00
(b) Provisions	19	435.41	357.70
(c) Deferred tax liabilities (Net)	20	134.61	231.33
<b>Total non-current liabilities</b>		<b>1,000.55</b>	<b>1,759.71</b>
<b>Current liabilities</b>			
(a) Contract liabilities	11.2	12,953.72	28,728.57
(b) Financial liabilities			
(i) Lease liabilities	16	20.89	-
(ii) Trade payables	17		
- Total outstanding dues to micro and small enterprises		482.69	1,020.64
- Total outstanding dues to other than micro and small enterprises		8,649.51	7,278.35
(iii) Other financial liabilities	18	180.01	102.36
(c) Provisions	19	789.63	667.97
(d) Current tax liabilities (Net)	21	155.74	52.49
(e) Other current liabilities	22	99.31	89.70
<b>Total current liabilities</b>		<b>23,331.50</b>	<b>37,940.08</b>
<b>Total Liabilities</b>		<b>24,332.05</b>	<b>39,699.79</b>
<b>Total Equity and Liabilities</b>		<b>45,070.04</b>	<b>58,794.92</b>

Summary of significant accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No. 101143

Place: Mumbai

Date: June 25, 2020

**For and on behalf of the Board of Directors**

**Joao Felix Da Silva**

Chairman

DIN: 07662251

**Kiran Rahate**

Chief Financial Officer

Place: Mumbai

Date: June 25, 2020

**Vivek Bhide**

Managing Director

DIN: 02645197

**Haresh Vala**

Company Secretary

**Yves Honhon**

Director

DIN: 02268831

# John Cockerill India Limited (formerly CMI FPE Limited)

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1</b> Revenue from operations	23	<b>37,100.35</b>	49,623.90
<b>2</b> Other income	24	<b>1,575.15</b>	2,131.00
<b>3 Total Income (1+2)</b>		<b>38,675.50</b>	51,754.90
<b>4 Expenses</b>			
(a) Construction materials consumed	25.a	<b>20,864.58</b>	33,019.22
(b) Changes in inventories of finished goods and work-in-progress	25.b	<b>(124.74)</b>	143.51
(c) Employee benefits expense	26	<b>5,945.59</b>	5,450.28
(d) Finance costs	27	<b>308.64</b>	9.60
(e) Depreciation and amortisation expense	28	<b>566.70</b>	577.53
(f) Other expenses	29	<b>8,223.18</b>	7,851.37
<b>Total expenses (4)</b>		<b>35,783.95</b>	47,051.51
<b>5 Profit before tax (3-4)</b>		<b>2,891.55</b>	4,703.39
<b>6 Tax expense:</b>	30		
(a) Current tax		<b>566.66</b>	902.60
(b) Deferred tax		<b>(49.61)</b>	291.05
		<b>517.05</b>	1,193.65
<b>7 Profit for the year from continuing operations (5-6)</b>		<b>2,374.50</b>	3,509.74
<b>8 Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit plans		<b>(134.38)</b>	36.36
(ii) Income tax relating to above item	30.2	<b>33.82</b>	(12.71)
		<b>(100.56)</b>	23.65
B (i) Items that will be reclassified to profit or loss:			
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		<b>(49.09)</b>	11.96
(ii) Income tax relating to above item	30.2	<b>13.29</b>	(4.14)
		<b>(35.80)</b>	7.82
<b>Total other comprehensive income (A+B)</b>		<b>(136.36)</b>	31.47
<b>9 Total Comprehensive income for the year (7+8)</b>		<b>2,238.14</b>	3,541.21
<b>10 Earnings per share (of ₹ 10/- each):</b>	31		
(a) Basic (₹)		<b>48.09</b>	71.08
(b) Diluted (₹)		<b>48.09</b>	71.08

Summary of significant accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No. 101143

Place: Mumbai

Date: June 25, 2020

**For and on behalf of the Board of Directors**

**Joao Felix Da Silva**

Chairman

DIN: 07662251

**Kiran Rahate**

Chief Financial Officer

Place: Mumbai

Date: June 25, 2020

**Vivek Bhide**

Managing Director

DIN: 02645197

**Haresh Vala**

Company Secretary

**Yves Honhon**

Director

DIN: 02268831

# John Cockerill India Limited (formerly CMI FPE Limited)

## Statement of changes in equity for the year ended March 31, 2020

### A. Equity share capital

(₹ in lakhs)

Particulars	Amount
<b>Balance at March 31, 2018</b>	<b>493.78</b>
Change in equity share capital during the year	-
<b>Balance at March 31, 2019</b>	<b>493.78</b>
Change in equity share capital during the year	-
<b>Balance at March 31, 2020</b>	<b>493.78</b>

### B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	General reserve	Retained earnings	Effective portion of cash flow hedges	
<b>Balance at March 31, 2018</b>	<b>1,466.27</b>	<b>9,075.03</b>	<b>4,743.24</b>	<b>(1.58)</b>	<b>15,282.96</b>
Profit for the year	-	-	3,509.74	-	3,509.74
Other comprehensive income for the year, net of income tax	-	-	23.65	7.82	31.47
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,533.39</b>	<b>7.82</b>	<b>3,541.21</b>
Adjustment on adoption of Ind AS 115 net of tax	-	-	15.30	-	15.30
Equity dividend (Amount per share ₹ 2/-)	-	-	(98.76)	-	(98.76)
Special equity dividend (Amount per share ₹ 2/-)	-	-	(98.76)	-	(98.76)
Dividend distribution tax	-	-	(40.60)	-	(40.60)
<b>Balance at March 31, 2019</b>	<b>1,466.27</b>	<b>9,075.03</b>	<b>8,053.81</b>	<b>6.24</b>	<b>18,601.35</b>
Profit for the year	-	-	2,374.50	-	2,374.50
Other comprehensive income for the year, net of income tax	-	-	(100.56)	(35.80)	(136.36)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,273.94</b>	<b>(35.80)</b>	<b>2,238.14</b>
Equity dividend (Amount per share ₹ 10/-)	-	-	(493.78)	-	(493.78)
Dividend distribution tax	-	-	(101.50)	-	(101.50)
<b>Balance at March 31, 2020</b>	<b>1,466.27</b>	<b>9,075.03</b>	<b>9,732.47</b>	<b>(29.56)</b>	<b>20,244.21</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No. 101143

Place: Mumbai

Date: June 25, 2020

**For and on behalf of the Board of Directors**

**Joao Felix Da Silva**

Chairman

DIN: 07662251

**Kiran Rahate**

Chief Financial Officer

Place: Mumbai

Date: June 25, 2020

**Vivek Bhide**

Managing Director

DIN: 02645197

**Haresh Vala**

Company Secretary

**Yves Honhon**

Director

DIN: 02268831

# John Cockerill India Limited (formerly CMI FPE Limited)

## Cash Flow Statement for the year ended March 31, 2020

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities:</b>		
Profit before tax	2,891.55	4,703.39
Adjustments for:		
Depreciation and amortisation expense	566.70	577.53
Bad trade and other receivables, loans and advances written off	13.57	0.82
Credit balances write back	(62.75)	(150.51)
Reversal of allowance for doubtful trade receivables/contract assets (net)	(80.72)	(295.57)
Allowance/(Reversal of allowance) for doubtful advances/deposits	-	(10.51)
Provision/(Reversal of provision) for estimated losses on contracts (net)	1.99	(93.86)
Provision for warranties (net)	217.84	344.71
Reversal of provision for employee benefits (net)	(20.46)	(140.64)
Loss/(Gain) on disposal/write off of property, plant and equipment (net)	1.78	(6.87)
Interest expense	8.13	15.88
Interest income	(379.60)	(1,328.94)
Unrealised foreign exchange loss/(gain) (net)	(585.49)	283.76
<b>Operating profit before working capital changes</b>	<b>2,572.54</b>	<b>3,899.19</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Inventories	(205.80)	240.57
Trade receivables	1,421.36	(2,959.98)
Loans	-	0.07
Other financial assets	142.10	(2.69)
Contract assets, other assets	6,073.70	(17,908.34)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	(21.53)	3,858.56
Other financial liabilities, lease liabilities	9.76	(40.78)
Contract liabilities, other liabilities	(15,765.25)	10,113.02
<b>Cash used in operations</b>	<b>(5,773.12)</b>	<b>(2,800.38)</b>
Income tax (paid)/refund (net)	(16.44)	(1,037.89)
<b>Net cash used in operating activities (A)</b>	<b>(5,789.56)</b>	<b>(3,838.27)</b>
<b>B Cash flow from investing activities:</b>		
Payments for property, plant and equipment	(173.65)	(452.89)
Payments for intangible assets	(6.22)	(2.67)
Proceeds from disposal of property, plant and equipment	18.09	22.02
Interest received	335.11	1,292.65
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(193.89)	1,787.69
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(20.56)</b>	<b>2,646.80</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Cash Flow Statement for the year ended March 31, 2020 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>C Cash flow from financing activities:</b>		
Payment of lease liabilities (including interest)	(23.89)	-
Dividend and dividend tax paid (Including changes in unpaid dividend)	(594.27)	(240.50)
<b>Net cash used in financing activities (C)</b>	<b>(618.16)</b>	<b>(240.50)</b>
<b>Net decrease in Cash and cash equivalents (A+B+C)</b>	<b>(6,428.28)</b>	<b>(1,431.97)</b>
Cash and cash equivalents as at the beginning of the year	10,805.86	12,243.73
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	1.17	(5.90)
<b>Cash and cash equivalents as at the end of the year (Refer Note 12)</b>	<b>4,378.75</b>	<b>10,805.86</b>

### Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Unpaid dividend	Lease obligation
<b>As at March 31, 2018</b>	<b>4.68</b>	<b>-</b>
Cash flow	(3.44)	-
Other	1.06	-
<b>As at March 31, 2019</b>	<b>2.30</b>	<b>-</b>
Cash flow	(1.25)	(23.89)
New leases	-	65.68
Other	2.26	(3.73)
<b>As at March 31, 2020</b>	<b>3.31</b>	<b>38.06</b>

### Notes:

- (i) Figures in brackets are outflows/deductions.  
(ii) The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

**per Vinayak Pujare**

Partner

Membership No. 101143

Place: Mumbai

Date: June 25, 2020

**For and on behalf of the Board of Directors**

**Joao Felix Da Silva**

Chairman

DIN: 07662251

**Kiran Rahate**

Chief Financial Officer

Place: Mumbai

Date: June 25, 2020

**Vivek Bhide**

Managing Director

DIN: 02645197

**Haresh Vala**

Company Secretary

**Yves Honhon**

Director

DIN: 02268831



# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### 1 General information:

The name of the Company changed from CMI FPE Limited to John Cockerill India Limited effective June 16, 2020.

John Cockerill India Limited (Formerly CMI FPE Limited) ('the Company') is a subsidiary of Cockerill Maintenance and Ingenierie SA and a public limited Company incorporated and domiciled in India. The registered office of the Company is located at Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (East), Mumbai – 400 093. The Company is listed on BSE Limited.

The principal activities of the Company comprise customised design, engineering, installation, and manufacturing components of Cold Rolling Mill Complexes, Processing Lines, Chemical equipment, industrial furnaces and auxiliary equipment for the world-wide steel industry.

The Board of Directors approved the Financial Statements for the year ended March 31, 2020 and authorised for issue on June 25, 2020.

### 2 Significant Accounting Policies:

#### 2.1 Basis of preparation of Financial Statements:

Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (hereinafter referred to as the 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirement of Division II of schedule III to the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to the Financial Statement.

The Financial Statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee and all values are rounded to the nearest lakhs, except when otherwise indicated.

Summary of Significant Accounting Policies:

#### 2.2 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into accounts the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- > Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date,
- > Level 2 Inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly, and
- > Level 3 Inputs are unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 2.3 Revenue from contracts with customers:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangement, as it controls the goods or services before transferring them to the customer.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Revenue from construction contracts:

In case of construction contracts where performance obligation is satisfied over a period of time, as the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Revenue from construction contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total cost of the contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined as assessed at the contract level. Costs to obtain a contract are recognised as an expense when incurred.

Retention money receivable from project customers does not contain any significant financing component and are retained for satisfactory performance of contract.

In case of construction contracts, payment is generally due upon completion of milestone as per terms of contract. In certain contracts short term advances are received before satisfaction of performance obligations.

### Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company adopted the most likely method to recognise revenue for variable consideration.

### Warranty:

The Company generally provides limited warranties for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project.

The Company provides its clients with a fixed-period warranty on all contracts as per stipulated terms. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in Note 2.13 below

### Contract balances:

#### Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment, refer to Accounting policies of financial Instruments in Note 2.14 below.

#### Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

#### Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Sale of goods:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 - 90 days.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### **Sale of Services:**

In case of long-term maintenance contracts, revenue is recognised over the period of time based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Income from other services are recognised at the point in time.

### **Duty drawback and other export incentives:**

Export benefits under Merchandise Exports from India Scheme (MEIS), Service Exports from India Scheme (SEIS) and Duty drawback Scheme are accounted as revenue on accrual basis as and when export of goods or services take place.

### **Interest and dividend:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognised when the right to receive dividend is established.

## **2.4 Leases:**

The Company assesses at contract inception whether the Contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **As a lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **i) Right-of-use assets:**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

--> Land - 49 to 66 years

--> Flat - 1 to 3 years

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipments'.

The Right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment in Note 2.14.

Right-of-use assets were recognised and presented separately in the Balance Sheet.

#### **ii) Lease liabilities:**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Lease liability and right-to-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### iii) Short term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### As a lessor:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

## 2.5 Foreign currency transactions:

### Initial recognition:

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

### Translation:

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

### Exchange differences:

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in Note 2.14).

## 2.6 Borrowing costs:

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

## 2.7 Employee benefits:

### Defined contribution plan:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employees and employer (at a determined rate) contribute monthly. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

### Defined benefit plan:

The Company's liabilities towards gratuity is determined as at the end of the reporting date by an independent actuary using the Projected Unit Credit method.

Remeasurements, comprising of actuarial gains and losses, experience adjustments and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurement are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- > service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- > net interest expenses or income and
- > remeasurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on the Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

### **Short-term and other long-term employee benefits:**

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date.

## **2.8 Taxation:**

Income tax expense represents the sum of the income tax currently payable and deferred tax.

### **Current tax:**

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

Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Company recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Tax on dividend paid or payable to taxation authorities, which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders, continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

### **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## John Cockerill India Limited (formerly CMI FPE Limited) Notes forming part of the financial statements (Contd.)

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax assets is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax assets. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the assets to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **Current and deferred tax for the year:**

Current and deferred tax are recognised in Statement of Profit and Loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **2.9 Property, plant and equipment:**

### **Initial recognition:**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase/acquisition price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

At the date of transition to Ind AS, the Company had elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### **Depreciation:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciate them separately based on estimates of their specific useful lives.

### **Derecognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

## **2.10 Intangible assets:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Useful lives of intangible assets:

Estimated useful lives of intangible assets are as follows:

Computer software            3 years

Designs and drawings        3 years

At the date of transition to Ind AS, the Company had elected to continue with the carrying value for all of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### Derecognition:

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an Intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2.11 Impairment of property, plant and equipment and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### 2.12 Inventories:

Inventories are valued at lower of cost and net realisable value. However items held for use in the production are not valued below cost if the finished goods in which these will be incorporated are expected to be sold at or above cost.

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

Cost is arrived at on a moving weighted average method and includes, where appropriate, manufacturing overheads. Work-in-progress and finished goods inventories are valued as aforesaid based on estimated value of work completed on each project.

Material procured for a specific project is immediately expensed out to the project and is not considered as inventory.

Inventories include goods lying with vendors for job work and goods-in-transit.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Provisions and contingencies:

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable (more likely than not) that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the consideration required to settle the obligation at the reporting date.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

### **Onerous contracts:**

Present obligations arising under onerous contracts are recognised and measured as provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### **Post-sales warranties and liquidated damages:**

The Company provides its clients with a fixed-period warranty on all contracts as per stipulated terms. Costs associated with such contracts are accrued at the time related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumption. Liquidated damages are provided as per Management's estimates on case to case basis.

### **Contingencies:**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

## **2.14 Financial instruments:**

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

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

Financial assets and liabilities are recognised when the Company becomes a part to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### **Financial assets:**

#### **Financial assets at amortised cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Effective interest method:**

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

#### **Financial assets at fair value through profit or loss (FVTPL):**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the Other income as separate line item.

#### **Impairment of financial assets and contract assets:**

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For trade receivables or any contractual right to receive cash or another financial asset or contract



# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

### **Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

### **Foreign exchange gains and losses:**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

### **Financial liabilities and equity instruments:**

#### **Classification as debt or equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### **Financial liabilities subsequently measured at amortised cost:**

Financial liabilities that are not held - for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

#### **Foreign exchange gains and losses:**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are included in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

#### **Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or have expired. An exchange with a new lender or debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### **Derivative financial instruments:**

The Company enters into a foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 36.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of hedging relationship and the nature of hedged item.

### **Hedge accounting:**

The Company designates certain hedging instruments which include derivatives in respect of foreign currency risk as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on going basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### **(i) Cash flow hedges:**

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

#### **(ii) Fair value hedges:**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any change in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### **2.15 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.16 Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 2.17 Cash dividend:

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

### 2.18 Earnings per share:

Basic and diluted earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

### 2.19 Operating cycle:

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current or non-current. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### 2.20 Critical accounting judgements and key sources of estimation uncertainty:

In the course of applying the policies outlined in all notes under Section 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

In the following areas, the management of the Company has made critical judgements and estimates:

#### Revenue and profit recognition:

Recognition of revenue and profit from construction contracts is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to the costs and value of work performed to date and to be performed in bringing contracts to completion. These estimates are made by reference to changes in work scope, the contractual terms under which the work is being performed, including the recoverability of any unagreed income from variations and the likely outcome of discussions on claims and costs incurred. Management continually reviews the estimated final out-turn on contracts and makes adjustments where necessary. Based on the above, management believes it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment.

#### Useful lives of property, plant and equipment and intangible assets:

As described in Notes 2.9 and 2.10 above, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. There was no change in the useful life of property, plant and equipment and intangible assets as compared to previous year.

#### Provisions and liabilities:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgements to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Note 33 but are not recognised.

### Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 2.21 Change in accounting policy:

#### Ind AS 116 Leases:

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 4 and Note 16 respectively.

On adoption of Ind AS 116, the Company has recognized right-of-use assets amounting to ₹ 343.13 lakhs (adjusted by the prepaid lease payments amounting to ₹ 291.60 lakhs) and lease liabilities amounting to ₹ 54.76 lakhs, as at April 1, 2019. There is no impact on retained earnings as at April 1, 2019.

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 has not reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

Relied on its assessment of whether leases are onerous immediately before the date of initial application.

Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.

Excluded initial direct costs from measuring the right-of-use asset at the date of application.

Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

## John Cockerill India Limited (formerly CMI FPE Limited) Notes forming part of the financial statements (Contd.)

### Note 3 Property, plant and equipment

(₹ in lakhs)

Particulars	Land			Buildings			Plant and equipment								Total
	Freehold land	Factory road	Factory building	Office building	Factory building	Office building	Electrical installations	Quality control equipment	Furniture and fixtures	Vehicle	Office equipment	Computers			
<b>Cost or deemed cost</b>															
<b>Balance as at March 31, 2018</b>	<b>1,069.90</b>	<b>159.88</b>	<b>2,563.32</b>	<b>369.18</b>	<b>2,271.86</b>	<b>111.01</b>	<b>17.18</b>	<b>70.85</b>	<b>46.05</b>	<b>54.44</b>	<b>347.97</b>	<b>7,081.64</b>			
Additions	-	-	277.69	-	111.26	12.59	6.38	7.61	-	19.70	72.41	507.64			
Disposal	-	-	-	-	(13.73)	-	(0.04)	-	-	(0.95)	(8.91)	(23.63)			
<b>Balance as at March 31, 2019</b>	<b>1,069.90</b>	<b>159.88</b>	<b>2,841.01</b>	<b>369.18</b>	<b>2,369.39</b>	<b>123.60</b>	<b>23.52</b>	<b>78.46</b>	<b>46.05</b>	<b>73.19</b>	<b>411.47</b>	<b>7,565.65</b>			
Additions	-	-	4.11	-	78.75	5.23	-	-	-	1.21	4.19	93.49			
Disposal	-	-	-	-	-	-	(0.45)	(0.02)	(17.63)	-	(1.31)	(19.41)			
<b>Balance as at March 31, 2020</b>	<b>1,069.90</b>	<b>159.88</b>	<b>2,845.12</b>	<b>369.18</b>	<b>2,448.14</b>	<b>128.83</b>	<b>23.07</b>	<b>78.44</b>	<b>28.42</b>	<b>74.40</b>	<b>414.35</b>	<b>7,639.73</b>			
<b>Accumulated depreciation</b>															
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>(80.09)</b>	<b>(229.14)</b>	<b>(15.36)</b>	<b>(554.32)</b>	<b>(33.06)</b>	<b>(4.39)</b>	<b>(27.25)</b>	<b>(11.90)</b>	<b>(16.06)</b>	<b>(90.48)</b>	<b>(1,062.05)</b>			
Depreciation expense	-	(28.60)	(110.47)	(7.71)	(274.43)	(15.67)	(2.92)	(11.32)	(6.73)	(11.87)	(91.77)	(561.49)			
Eliminated on disposals of assets	-	-	-	-	3.53	-	-	-	-	0.27	4.68	8.48			
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>(108.69)</b>	<b>(339.61)</b>	<b>(23.07)</b>	<b>(825.22)</b>	<b>(48.73)</b>	<b>(7.31)</b>	<b>(38.57)</b>	<b>(18.63)</b>	<b>(27.66)</b>	<b>(177.57)</b>	<b>(1,615.06)</b>			
Depreciation expense	-	(17.51)	(113.22)	(7.64)	(244.82)	(16.54)	(2.96)	(9.79)	(6.43)	(12.80)	(95.34)	(527.05)			
Eliminated on disposals of assets	-	-	-	-	-	-	0.23	-	7.21	-	0.92	8.36			
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>(126.20)</b>	<b>(452.83)</b>	<b>(30.71)</b>	<b>(1,070.04)</b>	<b>(65.27)</b>	<b>(10.04)</b>	<b>(48.36)</b>	<b>(17.85)</b>	<b>(40.46)</b>	<b>(271.99)</b>	<b>(2,133.75)</b>			
Carrying value															
<b>As at March 31, 2020</b>	<b>1,069.90</b>	<b>33.68</b>	<b>2,392.29</b>	<b>338.47</b>	<b>1,378.10</b>	<b>63.56</b>	<b>13.03</b>	<b>30.08</b>	<b>10.57</b>	<b>33.94</b>	<b>142.36</b>	<b>5,505.98</b>			
As at March 31, 2019	1,069.90	51.19	2,501.40	346.11	1,544.17	74.87	16.21	39.89	27.42	45.53	233.90	5,950.59			
Estimated useful life of the asset (years)	NA	5-10	3-30	60	15	10	10	10	8	5	3-6				
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM				

Property, plant and equipment with a carrying amount of ₹ 3,551.84 lakhs (As at March 31, 2019: ₹ 3,802.45 lakhs), have been mortgaged as security for fund based and non-fund based credit facilities from banks.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 4 Right-of-use assets

(₹ in lakhs)

Particulars	Land*	Flats	Total
<b>Cost or deemed cost</b>			
<b>Balance as at April 1, 2019</b> (Refer Note 34)	<b>291.60</b>	<b>51.53</b>	<b>343.13</b>
Additions	-	14.15	14.15
Disposal	-	(10.93)	(10.93)
<b>Balance as at March 31, 2020</b>	<b>291.60</b>	<b>54.75</b>	<b>346.35</b>
<b>Accumulated depreciation</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Depreciation expense	(5.66)	(20.85)	(26.51)
Eliminated on disposals of assets	-	2.11	2.11
<b>Balance as at March 31, 2020</b>	<b>(5.66)</b>	<b>(18.74)</b>	<b>(24.40)</b>
Carrying value			
<b>As at March 31, 2020</b>	<b>285.94</b>	<b>36.01</b>	<b>321.95</b>
Estimated useful life of the asset (years)	49-66	3	
Method of depreciation	SLM	SLM	

\* Right-of-use assets with a carrying amount of ₹ 190.56 lakhs (As at March 31, 2019: ₹ Nil), have been mortgaged as security for fund based and non-fund based credit facilities from banks.

### Note 5 Intangible assets

(₹ in lakhs)

Particulars	Computer software
<b>Cost or deemed cost</b>	
<b>Balance as at March 31, 2018</b>	<b>74.20</b>
Additions	1.58
Disposals	-
<b>Balance as at March 31, 2019</b>	<b>75.78</b>
Additions	7.31
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>83.09</b>
<b>Accumulated amortisation</b>	
<b>Balance as at March 31, 2018</b>	<b>(44.79)</b>
Amortisation expense	(16.04)
Disposals	-
<b>Balance as at March 31, 2019</b>	<b>(60.83)</b>
Amortisation expense	(13.14)
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>(73.97)</b>
Carrying value	
<b>As at March 31, 2020</b>	<b>9.12</b>
As at March 31, 2019	14.95
Estimated useful life of the asset (years)	3
Method of amortisation	SLM

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 6 Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade receivables (Non-current)</b>		
Trade receivables	3,758.38	1,020.57
Receivables from related parties (Refer Note 32)	–	220.71
<b>Gross trade receivables</b>	<b>3,758.38</b>	<b>1,241.28</b>
Less: Impairment allowance	(141.81)	–
<b>Net trade receivables (Non-current)</b>	<b>3,616.57</b>	<b>1,241.28</b>
<b>Footnotes:</b>		
<b>Break-up for security details (Non-current):</b>		
Secured, considered good	796.75	–
Unsecured, considered good	2,961.63	1,241.28
Credit impaired	–	–
Less: Impairment allowance	(141.81)	–
	<b>3,616.57</b>	<b>1,241.28</b>
<b>Trade receivables (Current)</b>		
Trade receivables	4,581.92	8,864.19
Receivables from related parties (Refer Note 32)	3,517.03	2,482.02
Gross trade receivables	8,098.95	11,346.21
Less: Impairment allowance	(313.93)	(564.68)
<b>Net trade receivables (current)</b>	<b>7,785.02</b>	<b>10,781.53</b>
<b>Footnotes:</b>		
<b>Break-up for security details (Current):</b>		
Secured, considered good	–	1,403.50
Unsecured, considered good	7,817.40	9,644.99
Credit impaired	281.55	297.72
	<b>8,098.95</b>	<b>11,346.21</b>
Less: Impairment allowance	(313.93)	(564.68)
	<b>7,785.02</b>	<b>10,781.53</b>

Trade receivables include retention monies of ₹ 8,670.45 lakhs (As at March 31, 2019: ₹ 5,458.70 lakhs).

Trade receivables have been hypothecated as security for fund and non fund based bank facilities.

Trade receivables are non-interest bearing. Trade receivable other than retention are generally on terms of 30 to 90 days credit and certain retention monies to be released towards the end of the project based on the terms of the contracts.

In determining the allowance for doubtful trade receivable, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of days receivables (including retention) are due and the rates used in the provision matrix.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

(₹ in lakhs)

Age of receivables - past due	As at March 31, 2020	As at March 31, 2019
Outstanding (Default risk and time value delay)		
Upto 1 Year	1,841.26	1,311.65
1-2 Years	44.10	38.46
2-3 Years	23.17	117.02
3-4 Years	112.81	4.11
4-5 Years	4.11	1,285.13
Above 5 Years	685.13	-

(₹ in lakhs)

Movement in the expected credit loss allowance	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	266.96	222.83
Allowances/(write back) during the year	(92.77)	44.13
Balance at end of the year	174.19	266.96

### Note 7 Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
(a) Security deposits	31.26	30.10
(b) Accruals		
Interest accrued on deposits	0.93	10.47
(c) Others		
Balances held as margin money (restricted with maturity more than 12 months)*	59.75	476.76
<b>Total</b>	<b>91.94</b>	<b>517.33</b>
<b>Current</b>		
(a) Security deposits	2.98	1.23
(b) Accruals		
Interest accrued on deposits	25.63	93.32
(c) Others		
(i) Receivables towards gratuity	30.43	1.47
(ii) Other receivables	1.50	134.32
(iii) Foreign currency forward contracts - cash flow hedge	-	41.15
<b>Total</b>	<b>60.54</b>	<b>271.49</b>

\* Margin money deposit pertains to deposit given to banks for bank guarantees and letter of credit.



# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provisions)	251.75	579.80
<b>Total</b>	<b>251.75</b>	<b>579.80</b>

### Note 9 Other assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
(a) Capital advances	–	7.50
(b) Prepaid expenses*	19.12	294.37
(c) Balances with government authorities		
(i) CENVAT credit receivable	–	6.42
(ii) Value Added Tax credit receivable	33.13	138.46
(iii) Service Tax credit receivable	431.42	361.32
(d) Others		
Export benefit receivable	436.22	–
<b>Total</b>	<b>919.89</b>	<b>808.07</b>
<b>Current</b>		
(a) Advances to related parties (Refer Note 32)	87.45	740.18
(b) Prepaid expenses (Refer Note 35)**	192.81	130.46
(c) Balances with government authorities		
(i) Value Added Tax credit receivable	146.42	318.57
(ii) GST credit receivable	3,789.90	5,434.38
(d) Others		
(i) Advances paid to suppliers	2,965.87	3,646.62
(ii) Other advances	69.06	43.16
(iii) Export benefit receivable	1,210.86	246.70
<b>Total</b>	<b>8,462.37</b>	<b>10,560.07</b>

\* Prepaid expenses towards land classified as 'Right-of-use assets' on adoption of Ind AS 116: Leases (Refer Note 4)

\*\* Includes gratuity paid in advance of ₹ 14.99 lakhs.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 10 Inventories

(At lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Construction materials	996.55	933.77
Goods-in-transit	13.39	0.61
	1,009.94	934.38
(b) Work-in-progress (Spares components)	84.90	39.12
(c) Finished goods	158.28	79.32
(d) Stores and spares	153.96	148.46
<b>Total</b>	<b>1,407.08</b>	<b>1,201.28</b>

The cost of inventories recognised as an expense during the year was ₹ 36.67 lakhs (for the year ended March 31, 2019: ₹ 113.16 lakhs).

The above inventories have been hypothecated as security for fund and non fund based bank facilities.

### Note 11 Contract balances

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>11.1 Contract Assets</b>		
Due from customers on construction contracts	10,721.28	15,117.56
Less: Impairment allowance	(28.22)	–
<b>Total</b>	<b>10,693.06</b>	<b>15,117.56</b>
<b>11.2 Contract Liabilities</b>		
Advance from customers *	10,553.01	27,908.49
Due to customers on construction contracts	2,400.71	820.08
<b>Total</b>	<b>12,953.72</b>	<b>28,728.57</b>

\* Advance from customers includes ₹ 50.53 lakhs (as at March 31, 2019: ₹ 10,342.06 lakhs) received from group companies.

### Contract balances

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	11,401.59	12,022.81
Contract assets	10,693.06	15,117.56
Contract liabilities	12,953.72	28,728.57

As at March 31, 2020, trade receivable has decreased on account of decrease in revenue from construction contracts as compared to March 31, 2019.

Contract assets have decreased on account of reduction in level of operations.

Contract liabilities as at March 31, 2020 have reduced on account of advances received from customer being adjusted during the year and lower amount of new advances received during the year from new contracts.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	8.35	3.80
(b) Cheques on hand	-	1.12
(c) Balances with banks		
(i) In current accounts	2,607.06	2,745.05
(ii) In EEFC accounts	63.34	2,823.08
(iii) In bank deposit accounts with maturity less than 3 months	1,700.00	5,232.81
<b>Total</b>	<b>4,378.75</b>	<b>10,805.86</b>

### Note 13 Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) In earmarked accounts		
(i) Unpaid dividend accounts	3.31	2.30
(ii) Balances held as margin money guarantees and other commitments	988.26	868.37
(b) In term deposit accounts with maturity more than 3 months but less than 12 months at inception	490.00	-
<b>Total</b>	<b>1,481.57</b>	<b>870.67</b>

Earmarked bank balances are restricted to use and it relates to unclaimed dividend and balances with banks held as margin money for security against bank guarantees and letter of credit.

### Note 14 Share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised				
Equity shares of ₹ 10/- each with voting rights	8,000,000	800.00	8,000,000	800.00
Preference shares of ₹ 100/- each	200,000	200.00	200,000	200.00
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10/- each with voting rights	4,937,813	493.78	4,937,813	493.78
<b>Total</b>	<b>4,937,813</b>	<b>493.78</b>	<b>4,937,813</b>	<b>493.78</b>

#### Refer Notes (i) to (iv) below

#### Notes:

#### (i) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of dividend recognised as distribution to equity shareholders was ₹ 10/- per share (March 31, 2019: ₹ 4/- per share).

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

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Equity Shares		Equity Shares	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	4,937,813	493.78	4,937,813	493.78
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,937,813	493.78	4,937,813	493.78

### (iii) Details of shares held by the Holding Company and its Subsidiaries:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Equity shares with voting rights, fully paid</b>	<b>Number of shares</b>	<b>Number of shares</b>
Cockerill Maintenance and Ingenierie SA, the Holding Company	3,697,700	3,697,700
CMI Industry Automation Private Limited, Subsidiary of the Holding Company	5,500	5,500

### (iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Cockerill Maintenance and Ingenierie SA	3,697,700	74.89%	3,697,700	74.89%

### Note 15 Other equity

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	1,466.27	1,466.27
General reserve	9,075.03	9,075.03
Retained earnings	9,732.47	8,053.81
Other Comprehensive income:		
Effective portion of cash flow hedges	(29.56)	6.24
<b>Total</b>	<b>20,244.21</b>	<b>18,601.35</b>

#### Notes:

- Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.
- Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- The effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of 'Effective portion of cash flow hedges' will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 16 Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Right-to-use: Flats	17.17	-
<b>Total</b>	17.17	-
<b>Current</b>		
Right-to-use: Flats	20.89	-
<b>Total</b>	20.89	-

### Note 17 Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Other than acceptances:		
Dues to related parties (Refer Note 32)	192.44	310.41
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	23.92	43.96
Total outstanding dues other than micro enterprises and small enterprises	110.00	729.31
<b>Total</b>	326.36	1,083.68
<b>Current</b>		
Other than acceptances:		
Dues to related parties (Refer Note 32)	1,147.67	1,007.40
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	482.69	1,020.64
Total outstanding dues other than micro enterprises and small enterprises	7,501.84	6,270.95
<b>Total</b>	9,132.20	8,298.99

Credit period varies as per the contractual terms of various suppliers/vendors. No interest is generally charged by the suppliers/vendors. The Company has appropriate policy in place to ensure that all dues are paid within the credit terms agreed with the parties.

### Note 18 Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Trade/security deposits received	87.00	87.00
<b>Total</b>	87.00	87.00
<b>Current</b>		
(a) Unpaid dividends *	3.31	2.30
(b) Other payables		
(i) Payables for capital goods	39.40	50.28
(ii) Contractually reimbursable expenses	12.25	13.22
(iii) Trade/security deposits received	2.00	5.00
(iv) Foreign currency forward contracts - fair value hedge	83.55	-
(v) Foreign currency forward contracts - cash flow hedge	39.50	31.56
<b>Total</b>	180.01	102.36

\* The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 19 Provisions

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
(a) Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 35)	217.24	204.29
(ii) Provision for gratuity (Refer Note 35)	–	0.92
	217.24	205.21
(b) Provision - Others:		
Provision for warranties	218.17	152.49
	218.17	152.49
<b>Total</b>	<b>435.41</b>	<b>357.70</b>
<b>Current</b>		
(a) Provision for employee benefits:		
Provision for compensated absences (Refer Note 35)	49.95	82.44
	49.95	82.44
(b) Provision - Others:		
(i) Provision for warranties	733.81	581.65
(ii) Provision for estimated losses on contracts	5.87	3.88
	739.68	585.53
<b>Total</b>	<b>789.63</b>	<b>667.97</b>

For movement in Provisions refer movement schedule below:

(₹ in lakhs)

Particulars	Provision for warranties	Provision for estimated losses on contracts
<b>As at March 31, 2018</b>	<b>390.05</b>	<b>121.01</b>
Recognised during the year	471.02	–
Utilisation during the year	(16.70)	(23.26)
Unused amount reversed	(110.23)	(93.87)
<b>As at March 31, 2019</b>	<b>734.14</b>	<b>3.88</b>
Recognised during the year	291.69	1.99
Utilisation during the year	(17.25)	–
Unused amount reversed	(56.60)	–
<b>As at March 31, 2020</b>	<b>951.98</b>	<b>5.87</b>

Of the above, the following amounts are expected to be incurred within a year:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for warranties	733.81	581.65
Provision for estimated losses on contracts	5.87	3.88

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Provision for warranties

The Company gives warranties on certain products, undertaking to repair or replace the items that fail to comply with agreed upon specification during the warranty period. Provision made as at March 31, 2020 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one to three years from the date of Balance Sheet.

### Provision for estimated losses on contracts

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the Statement of Profit and Loss and provision for estimated loss is recognised in the Balance Sheet.

### Note 20: Deferred tax (liabilities)/assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	(432.93)	(656.94)
Deferred tax assets	298.32	425.61
<b>Deferred tax (liabilities)/assets</b>	<b>(134.61)</b>	<b>(231.33)</b>

### Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at March 31, 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Recognised in equity during 2018-19	Balance as at March 31, 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at March 31, 2020
<b>Deferred tax (liabilities)/assets in relation to</b>								
Property, plant and equipment and intangible assets	(611.72)	(15.27)	-	-	(626.99)	194.06	-	(432.93)
Provisions for employee benefits	159.80	(45.64)	(12.71)	-	101.45	(14.08)	33.82	121.19
Provisions for doubtful debts/ advances	290.70	(93.38)	-	-	197.32	(75.52)	-	121.80
Carried forward business loss/ unabsorbed depreciation	211.00	(211.00)	-	-	-	-	-	-
Fair value of financial instruments	(5.74)	(20.86)	-	-	(26.60)	70.05	-	43.45
MAT credit entitlement (Net)	-	126.84	-	-	126.84	(126.84)	-	-
Lease rental	-	-	-	-	-	1.94	-	1.94
Other temporary difference	40.75	(31.74)	(4.14)	(8.22)	(3.35)	-	13.29	9.94
	<b>84.79</b>	<b>(291.05)</b>	<b>(16.85)</b>	<b>(8.22)</b>	<b>(231.33)</b>	<b>49.61</b>	<b>47.11</b>	<b>(134.61)</b>

### Reconciliation of deferred tax (liabilities)/assets (net):

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance as of April 1</b>	<b>(231.33)</b>	84.79
Tax income/(expense) during the period recognised in profit or loss	49.61	(291.05)
Tax income/(expense) during the period recognised in OCI	47.11	(16.85)
Tax income/(expense) during the period recognised in equity	-	(8.22)
<b>Closing balance as at March 31</b>	<b>(134.61)</b>	(231.33)

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 21 Current tax liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for tax (net of advance tax)	155.74	52.49
<b>Total</b>	<b>155.74</b>	<b>52.49</b>

### Note 22 Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Statutory remittances (Contribution to PF and ESIC, Withholding Taxes, VAT, GST, etc.)	97.47	89.67
(ii) Interest accrued on GST	1.84	0.03
<b>Total</b>	<b>99.31</b>	<b>89.70</b>

### Note 23 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Revenue from contracts with customers:</b>		
(a) Construction Revenue [Refer Note (i) below]	33,775.55	47,296.54
(b) Sale of products (Spares components)	929.40	1,336.67
(c) Sale of services	168.63	97.63
	<b>34,873.58</b>	<b>48,730.84</b>
<b>B Other operating revenues [Refer Note (ii) below]</b>	<b>2,226.77</b>	<b>893.06</b>
<b>Total (A+B)</b>	<b>37,100.35</b>	<b>49,623.90</b>

### Notes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Construction revenue comprises:		
Cold Rolling Mill	3,126.36	9,430.81
Continuous Annealing Line	8,213.76	1,158.47
Continuous Galvanizing Line	14,456.41	25,441.78
Acid Regeneration Plant	1,672.66	12.86
Pickling Line	1,590.90	4,571.92
Colour Coating Line	3,170.01	4,420.45
Rewinding Line	567.34	1,237.10
Others	978.11	1,023.15
<b>Total - Construction revenue</b>	<b>33,775.55</b>	<b>47,296.54</b>



# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(ii) Other operating revenues comprise:		
Sale of scrap	80.07	86.22
Duty drawback and other export incentives	1,962.78	683.85
Others:		
Liquidated damages received	168.19	105.99
Shared services income	15.73	17.00
<b>Total - Other operating revenues</b>	<b>2,226.77</b>	<b>893.06</b>

### 21.1 Disaggregated revenue information

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(a) Revenue by geographical location:</b>		
Within India	12,603.18	3,044.83
Outside India	22,270.40	45,686.01
<b>Total</b>	<b>34,873.58</b>	<b>48,730.84</b>
<b>(b) Timing of Revenue Recognition</b>		
Goods and services transferred over time	33,775.55	47,296.54
Goods transferred at a point in time	929.40	1,336.67
Service transferred at a point in time	168.63	97.63
<b>Total</b>	<b>34,873.58</b>	<b>48,730.84</b>

### 23.2 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue as per contracted price</b>	<b>40,920.07</b>	<b>38,457.34</b>
Adjustments:		
Add/(less): Unbilled revenue - Due from customers on construction contracts	(4,465.86)	9,134.55
Add/(less): Billing in excess of contract revenue	(1,580.63)	1,138.95
<b>Revenue from contract with customers</b>	<b>34,873.58</b>	<b>48,730.84</b>

### 23.3 Set out below is the amount of revenue recognised from:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	773.38	1,669.72
<b>Total</b>	<b>773.38</b>	<b>1,669.72</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### 23.4 Remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2020 is ₹ 53,760.42 lakhs. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2020 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

### Note 24 Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss [Refer Note (i) below]	230.27	1,330.82
(b) Other interest income [Refer Note (ii) below]	152.10	-
(c) Other non-operating income [Refer Note (iii) below]	37.75	588.21
(d) Net foreign exchange gains	1,155.03	211.97
<b>Total</b>	<b>1,575.15</b>	<b>2,131.00</b>

### Notes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Interest income earned on financial assets that are not designated as at fair value through profit or loss comprises:		
Interest from banks on deposits (at amortised cost)	227.50	1,328.94
Other interest	2.77	1.88
<b>Total - Interest income</b>	<b>230.27</b>	<b>1,330.82</b>
(ii) Other interest income		
Interest on income tax refund	121.72	-
Interest on sales tax refund	30.38	-
<b>Total - Other interest income</b>	<b>152.10</b>	<b>-</b>
(iii) Other non-operating income comprises:		
Gain on sale of property, plant and equipment	-	6.87
Liabilities/provisions no longer required written back	75.31	148.96
Provision for trade receivables no longer required written back	16.17	388.00
Credit balances written back	62.75	150.51
Miscellaneous income	17.24	28.32
Gain/(loss) arising on financial assets designated as at amortised cost	(133.72)	(134.45)
<b>Total - Other non-operating income</b>	<b>37.75</b>	<b>588.21</b>

### Note 25.a Construction materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	934.38	1,072.91
Add: Purchases*#	20,940.14	32,880.69
	21,874.52	33,953.60
Less: Closing stock	1,009.94	934.38
<b>Construction materials consumed</b>	<b>20,864.58</b>	<b>33,019.22</b>

\* Construction material consumed + Closing stock - Opening stock

# Purchases include ₹ 10,258.10 lakhs (Year ended March 31, 2019: ₹ 13,318.52 lakhs) being cost of equipments bought and supplied directly to customer's site as a part of construction contracts.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note:

Since the Company is in the business of executing projects for its clients on turnkey basis, the Company is following percentage of completion method as prescribed under Ind AS 115 Revenue from Contracts with Customers under which project stock, manufactured items and other direct costs are considered as project cost incurred till date. Purchases figure is derived figure. Inventory procured for a specific project is immediately booked to the project as consumed and is not considered as inventory. In view of the above, itemwise break-up for cost of materials consumed is not available in the system.

### Note 25.b Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year:		
Finished goods	79.32	157.53
Work-in-progress	39.12	104.42
	118.44	261.95
Inventories at the end of the year:		
Finished goods	158.28	79.32
Work-in-progress	84.90	39.12
	243.18	118.44
<b>Net (increase)/decrease</b>	<b>(124.74)</b>	143.51

### Note 26 Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	5,331.69	4,801.11
Contributions to: (Refer Note 35)		
- Provident fund	240.74	220.01
- Superannuation fund	45.37	44.85
- Gratuity fund	53.78	72.04
Staff welfare expenses	274.01	312.27
<b>Total</b>	<b>5,945.59</b>	5,450.28

### Note 27 Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense on statutory dues	15.53	17.23
(b) Loss/(gain) arising on financial liabilities measured at amortised cost	115.06	(193.40)
(c) Other borrowing costs:		
Bank Charges	172.72	185.77
(d) Interest on Leasehold liabilities	5.33	-
<b>Total</b>	<b>308.64</b>	9.60

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 28 Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (Refer Note 3)	527.05	561.49
Depreciation on right-to-use asset (Refer Note 4)	26.51	-
Amortisation on intangible assets (Refer Note 5)	13.14	16.04
<b>Total</b>	<b>566.70</b>	<b>577.53</b>

### Note 29 Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spare parts	298.22	355.15
Project related expenses (Refer Note 38)	657.64	317.66
Labour and processing charges	726.35	1,114.64
Erection expenses	419.07	182.85
Power and fuel	234.25	232.13
Repairs:		
- Buildings	12.23	13.31
- Plant and machinery	33.90	57.75
- Others	253.26	235.28
Rent	-	32.09
Rates and taxes	241.65	156.54
Insurance	31.64	22.21
Commission on sales	700.61	560.62
Loss on sale/write off of property, plant and equipment (net)	1.78	-
Unrealised loss on mark-to-market derivative contracts	83.55	-
Allowance for doubtful trade receivables/contract assets	(64.55)	92.43
Brand fees	201.79	261.15
Warranties (Refer Note 19)	291.69	471.02
Liquidated damages	0.02	1.29
Estimated losses on contracts (Refer Note 19)	1.99	(93.87)
Packing and forwarding expenses	2,631.75	2,362.37
Travelling and conveyance	438.98	635.91
Postage, telex and telephone expenses	24.88	24.02
Expenditure on corporate social responsibility (Refer Note 38)	11.63	8.97
Payments to auditors [Refer Note (i) below]	52.10	52.91
Legal and professional [Refer Note (ii) below]	505.69	313.71
Bad trade and other receivables, loans and advances written off	13.57	0.82
Miscellaneous expenses	419.49	440.41
<b>Total</b>	<b>8,223.18</b>	<b>7,851.37</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

Note:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(i) Payments to the auditors comprises (net of GST input credit):</b>		
<b>As auditor:</b>		
Audit fee	26.50	24.20
Limited review	12.80	14.25
<b>In other capacity</b>		
Other service	12.80	13.60
Reimbursement of expenses	–	0.86
<b>Total</b>	<b>52.10</b>	<b>52.91</b>
<b>(ii) Legal and professional includes (net of GST input credit):</b>		
Cost auditors for cost audit	2.30	2.30
<b>Total</b>	<b>2.30</b>	<b>2.30</b>

Note 30 Income tax expense recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current tax</b>		
In respect of the current year	599.60	944.30
In respect of prior year	(32.94)	(41.70)
	<b>566.66</b>	<b>902.60</b>
<b>Deferred tax</b>		
In respect of the current year	(49.61)	291.05
	<b>(49.61)</b>	<b>291.05</b>
<b>Total income tax expense recognised in the Statement of Profit and Loss</b>	<b>517.05</b>	<b>1,193.65</b>

Note 30.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax from continuing operation	2,891.55	4,703.39
Indian Statutory income tax rate	29.120%	34.944%
Income tax expense	842.02	1,643.55
Effect of expenses that are not deductible in determining taxable profit	9.49	32.76
Utilisation of previously unrecognised tax losses	–	(56.72)
MAT tax credit entitlement previously unrecognised	(207.97)	(439.66)
Impact of change in tax rate for future period*	(95.71)	–
Others	(30.78)	13.72
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>517.05</b>	<b>1,193.65</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

\*The Company continues to pay income tax under older tax regime and has not opted for lower tax rate pursuant to Taxation Law (Amendment) Act, 2019 considering the accumulated MAT credit and other benefits under the Income Tax Act, 1961. The Company plans to opt for lower tax regime once these benefits are utilised which is expected by financial year ending 2020. Accordingly, deferred tax liabilities (Net) on temporary differences which are expected to reverse after financial year ending 2020 have been reversed in the current financial year amounting to ₹ 95.71 lakhs. Accordingly, deferred tax liabilities have been decreased by ₹ 95.71 lakhs and the tax charge for the year have decreased by ₹ 95.71 lakhs.

### Note 30.2 Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of the defined benefit obligations	33.82	(12.71)
Net loss/(gain) on designated portion of hedging instruments in cash flow hedge	13.29	(4.14)
Total income tax recognised in other comprehensive income	47.11	(16.85)
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	33.82	(12.71)
- Items that may be reclassified to profit or loss	13.29	(4.14)
	47.11	(16.85)

### Note 31 Earnings per share (EPS)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Basic and Diluted</b>		
Net Profit for the year attributable to the equity shareholders (₹ in lakhs)	2,374.50	3,509.74
Weighted Average Number of Equity Shares (in numbers)	4,937,813	4,937,813
Par value per share (₹)	10.00	10.00
Earnings per share - Basic (₹)	48.09	71.08
Earnings per share - Diluted (₹)	48.09	71.08

### Note 32 Related party transactions

Note	Particulars
	<b>List of related parties and relationship</b>
<b>a)</b>	<b>Enterprises exercising control</b>
	Holding Company Cockerill Maintenance & Ingenierie SA
<b>b)</b>	<b>Other related parties with whom transactions have taken place during the year</b>
	Fellow Subsidiaries (with whom Company has made transactions during the year/previous year)
	CMI Industry Automation Private Limited
	CMI UVK GmbH
	CMI Brasil Servicos
	CMI Engineering (Beijing) Co. Ltd.
	CMI Europe Environment
	CMI Industry Americas Inc.

## John Cockerill India Limited (formerly CMI FPE Limited) Notes forming part of the financial statements (Contd.)

Note	Particulars		
c)	<b>Key Management Personnel (KMP)</b>	Mr. Joao Felix Da Silva - Chairman	
		Mr. Vivek Bhide - Managing Director (from 8.2.2020)	
		Mr. Raman Madhok - Managing Director (upto 7.2.2020)	
		Mr. Kiran Rahate - Chief Financial Officer (from 1.8.2019)	
		Mr. Akash Ohri - Chief Financial Officer (upto 30.7.2019)	
		Mr. Haresh Vala - Company Secretary	
		<b>Non-Executive Independent Directors</b>	<b>Non-Executive Directors</b>
		Mr. D. J. Balaji Rao	Mr. Yves Honhon
		Mr. N. Sundararajan	Mr. Fabrice Orban (upto 30.10.2019)
		Ms. Roma Balwani	
		Mr. Nandkumar Dhekne (from 7.2.2020)	
		Mr. Raman M. Madhok (upto 6.8.2019)	
	Enterprises over which Key Managerial Personnel are able to exercise significant influence (with whom Company has made transactions during the year)	Indo-Belgian Luxembourg Chamber of Commerce and Industry	

**Note:** Related parties have been identified by the Management.

### d.1) Details of related party transactions during the year ended March 31, 2020 and balances outstanding as at March 31, 2020:

(₹ in lakhs)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Others	Total
Purchase of goods	291.93 (952.41)	2,583.89 (4,490.32)	- (-)	- (-)	2,875.82 (5,442.73)
Receiving of services	60.78 (-)	37.05 (7.55)	- (-)	- (-)	97.83 (7.55)
Sale of goods	15,005.67 (14,377.13)	- (2.57)	- (-)	- (-)	15,005.67 (14,379.70)
Shared services income	- (-)	18.56 (20.06)	- (-)	- (-)	18.56 (20.06)
Rendering of services	24.95 (29.47)	- (6.49)	- (-)	- (-)	24.95 (35.96)
Sales of assets	- (-)	- (-)	0.09 (-)	- (-)	0.09 (-)
Compensation of key managerial personnel	- (-)	- (-)	839.71 (638.85)	- (-)	839.71 (638.85)
Sitting fees paid to non-executive directors	- (-)	- (-)	34.50 (32.20)	- (-)	34.50 (32.20)
Commission to non-executive directors	- (-)	- (-)	30.00 (37.00)	- (-)	30.00 (37.00)
Brand and technology fees	201.79 (266.05)	- (-)	- (-)	- (-)	201.79 (266.05)
Expenses reimbursement received	71.53 (10.51)	6.43 (-)	- (-)	- (-)	77.96 (10.51)
Expenses reimbursement paid	9.30 (233.27)	- (-)	- (-)	- (-)	9.30 (233.27)
Miscellaneous Expenses	- (-)	- (-)	- (-)	0.37 (0.10)	0.37 (0.10)

## John Cockerill India Limited (formerly CMI FPE Limited) Notes forming part of the financial statements (Contd.)

Nature of transactions	Holding Company	Fellow Subsidiaries	KMP	Others	Total
<b>Balances outstanding at the end of the year:</b>					
Trade receivables	3,513.17 (2,695.92)	3.86 (6.81)	- (-)	- (-)	3,517.03 (2,702.73)
Advance received from customers	50.53 (10,342.06)	- (-)	- (-)	- (-)	50.53 (10,342.06)
Advances paid to suppliers	- (-)	84.75 (740.18)	- (-)	- (-)	84.75 (740.18)
Trade payables	620.32 (965.52)	719.79 (352.29)	- (-)	- (-)	1,340.11 (1,317.81)

**Note:** All above figures are inclusive of taxes. Figures in bracket relates to the previous year.

### d.2) The significant related party transactions are as under:

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lakhs
Purchase of goods	CMI Engineering (Beijing) Co. Ltd.			830.13 (1,802.50)
	CMI Industry Automation Private Limited			524.17 (2,587.45)
	CMI UVK GmbH			1,229.59 (-)
	CMI Europe Environment			- (100.37)
Receiving of services	CMI Industry Automation Private Limited			37.05 (0.31)
	CMI UVK GmbH			- (7.24)
Sale of goods	CMI Industry Automation Private Limited			- (2.57)
Shared services income	CMI Industry Automation Private Limited			18.56 (20.06)
Rendering of services	CMI Industry Automation Private Limited			- (3.88)
	CMI Brasil Servicos			- (2.61)
Sales of assets		Akash Ohri		0.09 (-)
Compensation of key managerial personnel		Vivek Bhide *		77.67 (-)
		Raman Madhok		658.51 (552.66)
		Kiran Rahate		37.53 (-)
		Akash Ohri		35.14 (58.32)
		Haresh Vala		30.86 (27.87)
Expenses reimbursement received	CMI Industry Automation Private Limited			5.98 (-)
	CMI UVK GmbH			0.14 (-)
	CMI Industry Americas Inc.			0.31 (-)



## John Cockerill India Limited (formerly CMI FPE Limited) Notes forming part of the financial statements (Contd.)

Nature of transactions	Fellow Subsidiaries	KMP	Others	₹ in lakhs
Miscellaneous Expenses			Indo-Belgian Luxembourg Chamber of Commerce and Industry	0.37 (0.10)
Trade receivables	CMI Industry Automation Private Limited			3.55 (4.25)
	CMI Industry Americas Inc.			0.31 (-)
	CMI Brasil Servicos			- (2.56)
Advances paid to suppliers	CMI Engineering (Beijing) Co. Ltd.			48.48 (53.11)
	CMI UVK GmbH			36.27 (660.90)
	CMI Industry Automation Private Limited			- (26.17)
Trade payables	CMI Industry Automation Private Limited			310.07 (337.97)
	CMI Engineering (Beijing) Co. Ltd.			216.41 (14.32)
	CMI UVK GmbH			193.31 (-)

**Note:** There were no amounts written off or written back during the year in respect of debts due from or to related parties.

\* The appointment of Mr. Vivek Bhide as the Managing Director of the Company and his remuneration is subject to approval of the shareholders by special resolution at the ensuing Annual General Meeting.

### d.3) Details of transactions with Key Management Personnel

Nature of transactions	₹ in lakhs
Short Term Employee Benefits **	799.81 (599.99)
Post-Employment Benefits **	39.90 (38.86)
<b>Total</b>	<b>839.71</b> <b>(638.85)</b>

\*\* As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

### d.4) Sitting fees for attending board meeting paid to Non-Executive Directors

Nature of transactions	₹ in lakhs
Mr. D. J. Balaji Rao	13.00 (10.60)
Mr. N. Sundararajan	9.50 (9.00)
Ms. Roma Balwani	8.60 (5.50)
Mr. Raman M. Madhok	3.40 (7.10)
<b>Total</b>	<b>34.50</b> <b>(32.20)</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### d.5) Commission to Non-Executive Directors

Nature of transactions	₹ in lakhs
Mr. D. J. Balaji Rao	10.00 (10.00)
Mr. N. Sundararajan	10.00 (11.00)
Ms. Roma Balwani	10.00 (8.00)
Mr. Raman M. Madhok	- (8.00)
<b>Total</b>	<b>30.00</b> <b>(37.00)</b>

### d.6) Terms and Conditions

- i) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- ii) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- iii) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

### Note 33 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(i) Contingent liabilities</b>		
<b>(a) Claims against the Company not acknowledged as debt</b>		
Service tax*	<b>18,218.04</b>	18,326.84
Sales tax**	<b>3.66</b>	3.66
Local Body Tax - PMC ***	<b>56.25</b>	56.25
Excise duty	<b>-</b>	312.18
Taxation matters:		
1) Demands against the Company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:		
- Income Tax	<b>110.98</b>	117.66
2) Items in respect of which the company has succeeded in appeal, but the Income-tax Department is pursuing appeal and exclusive of effect of similar matters in respect of assessments remaining to be completed:		
- Income Tax	<b>94.20</b>	30.67
<b>(b) Other matters for which the Company is contingently liable</b>		
Advance licence - custom duty elements	<b>393.72</b>	252.76
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	<b>11.61</b>	43.63
Intangible assets	<b>-</b>	6.23

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### \*Matters relating to:

During the period April 2010 to December 2014, the Company had paid service tax for services rendered and paid excise duty on dispatch of goods considering contracts as divisible contracts. Service tax department issued Show cause Notice dated October 21, 2015 for demanding service tax of ₹ 4,817.55 lakhs categorised as “works contract” service by the Department on which excise duty of ₹ 10,510.51 lakhs had been paid. The Company had replied to Show cause notice and personal hearing had also been held. The Commissioner of Central Excise & Service Tax, Large Taxpayer Unit vide their order dated November 30, 2016 upheld the service tax liability of ₹ 4,817.55 lakhs, penalty of ₹ 4,817.65 lakhs and interest, as applicable, estimated to be ₹ 6,519.83 lakhs. An appeal had been filed by the Company before CESTAT, Mumbai dated March 20, 2017. The Company had paid appropriate excise duty on goods manufactured and service tax on service rendered. The order is seen by the Company as change of opinion by the department after higher bench judgement in one of the recent case. The Company had pre-deposited ₹ 361.17 lakhs.

In continuation to the above matter, the Company had further received show cause notice dated December 22, 2017 for the period January 2015 to March 2015 demanding service tax of ₹ 175.46 lakhs categorised as “works contract” service on which excise duty of ₹ 377.56 lakhs had been paid and show cause notice dated March 19, 2018 for the period April 2015 to June 2017 demanding service tax of ₹ 759.27 lakhs categorised as “works contract” service on which excise duty of ₹ 1,670.08 lakhs had been paid. The Company had replied to Show cause notice and personal hearing had also been held. The Commissioner of Central Excise & Service Tax, Large Taxpayer Unit vide their order dated February 14, 2019 upheld the service tax liability of ₹ 175.46 lakhs and ₹ 759.27 lakhs respectively and penalty of ₹ 175.46 lakhs and ₹ 759.27 lakhs respectively and interest, as applicable, ₹ 148.67 lakhs and ₹ 475.43 lakhs respectively. An appeal had been filed by the Company before CESTAT, Mumbai dated May 06, 2019. The Company had paid appropriate excise duty on goods manufactured and service tax on service rendered. The order is seen by the Company as change of opinion by the Department after higher bench judgement in one of the recent case. The Company had pre-deposited ₹ 13.16 lakhs and ₹ 56.94 lakhs respectively.

\*\*Matter relating to omission of trading purchases and adoption of wrong output tax on lubricants noticed during VAT Audit for the year 2012-13 against which the Company had filed the petition before Joint Commissioner (Vellore) and appeal before Appellate Deputy Commissioner III Chennai respectively.

\*\*\*Matter relating to Panvel Municipal Corporation had raised Local Body Tax demand for the period from 01.01.2017 to 31.03.2017 and from 01.04.2017 to 30.06.2017 under rule 33 of Panvel Municipal Corporation Act vide order dated November 13, 2018 & March 14, 2019 respectively. Total demand was of ₹ 186.97 lakhs consisting LBT Tax of ₹ 117.80 lakhs, interest of ₹ 12.92 lakhs and penalty of ₹ 56.25 lakhs. Of which Tax had been paid and interest is provided in the books. Penalty is not provided in the books. Appeals were filed by the Company in PMC Appellate Authority dated November 29, 2018 and March 27, 2019 respectively against demand of interest and penalty.

### Note 34 Lease liabilities:

#### Lessee

The Company has taken flats under cancellable operating leases.

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Company has lease contracts for various items of Plant and machinery, land, flat, vehicles and other equipment used in its operations. Leases of land generally have lease terms between 49 and 66 years, while flat generally have lease terms between 1 and 3 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of Plant and machinery and vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The Company had total cash outflows for leases of ₹ 23.89 lakhs in March 31, 2020.

Refer Note 4 for additions to right-of-use assets and the carrying amount of right-of-use assets as at March 31, 2020.

The effective interest rate for lease liabilities is 10.70%.

The maturity analysis of lease liabilities are disclosed in Note 36.13.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020
Depreciation expenses of Right-of-use assets	26.51
Interest expenses on lease liabilities	5.33
Expenses related to short term leases	42.93
Expenses related to leases of low value assets, excluding short term leases of low value assets	-
Variable lease payments not included in measurement of lease liabilities	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>74.77</b>

### Note 35 Employee benefits

#### a) Defined contribution plan

##### Superannuation

All eligible employees are entitled to benefits under superannuation, a defined contribution plan. The Company makes quarterly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond its quarterly contribution.

Company's contribution to superannuation recognised in Statement of Profit and Loss of ₹ 45.37 lakhs (for the year ended March 31, 2019 ₹ 44.85 lakhs) (included in Note 26).

##### Provident Fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employees and employer (at a determined rate) contribute monthly. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Company's contribution to provident fund recognised in Statement of Profit and Loss of ₹ 240.74 lakhs (for the year ended March 31, 2019 ₹ 220.01 lakhs) (included in Note 26).

#### b) Defined benefit plans:

##### Gratuity (funded)

The Company sponsors funded defined benefit plans for all eligible employees. The defined benefit plan is administered by a separate fund that is legally separated from the entity.

Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60 years, without any payment ceiling. The vesting period for gratuity as payable under The payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as investment risk, interest rate risk, liquidity risk and salary risk.

##### a) Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

##### b) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

##### c) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of liquid assets not being sold in time.

##### d) Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

No other post-retirement benefits are provided to these employees.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Balance Sheet</b>		
The assets, liabilities and surplus/(deficit) position of the defined benefit plan at the Balance Sheet date were:		
Present value of defined benefit obligation	683.98	586.15
Fair value of plan assets	(698.97)	(585.23)
<b>Net liability / (asset) recognised in the Balance Sheet (Refer Note 9 and 19)</b>	<b>(14.99)</b>	0.92
<b>B. Movements in present value of obligation and fair value of plan assets</b>		
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	586.15	583.97
Current service cost	53.71	64.15
Interest cost	45.23	44.93
Re-measurement (or Actuarial) loss / (gain) arising from:		
- change in demographic assumptions	31.67	-
- change in financial assumptions	(88.51)	(159.71)
- experience variance (i.e. Actual experience vs assumptions)	191.22	125.27
Benefits paid	(135.49)	(72.46)
Present value of DBO at the end of the year	683.98	586.15
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	585.23	481.40
Investment income	45.16	37.04
Actual company contributions	125.25	137.33
Benefits paid	(56.67)	(72.46)
Return on plan assets, excluding amount recognised in net interest expense	-	1.92
Plan assets at the end of the year	698.97	585.23
<b>C. Statement of Profit and Loss</b>		
Current service cost	53.71	64.15
<b>Finance Cost</b>		
Interest cost	45.23	44.93
Interest income (expected returns on plan assets)	(45.16)	(37.04)
<b>Component of defined benefit cost recognised in Statement of Profit and Loss (Refer Note 26)</b>	<b>53.78</b>	72.04
Remeasurement of net defined benefit liability:		
-Actuarial losses/(gains) on defined benefit obligation	134.38	(34.44)
-Return on plan assets (excluding interest income)	-	(1.92)
<b>Net impact on other comprehensive income (before tax)</b>	<b>134.38</b>	(36.36)
<b>Total</b>	<b>188.16</b>	35.68
<b>D. Composition of the plan assets is as follows:</b>		
(percentage or value)		
Insurer managed funds	100.00%	100.00%

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### E. Principal Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Discount rate	<b>6.15%</b>	7.70%
Salary escalation	<b>2.50%</b>	2.50%
Attrition		
Age (Years)		
Upto 30	<b>20.00%</b>	5.00%
31-40	<b>4.00%</b>	3.00%
41-44	<b>4.00%</b>	2.00%
Above 44	<b>5.00%</b>	2.00%
Mortality rates	<b>100% of IALM 2012-14</b>	100% of IALM 2006-08
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	<b>37.96</b>	39.98

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Interest income on plan asset is a component of the return on plan asset and is determined by multiplying the fair value of the plan assets by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments.

The estimate of future salary increase, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

### F. Experience adjustments:

(₹ in lakhs)

Gratuity	<b>2019-2020</b>	2018-2019	2017-2018	2016-2017	2015-2016
Present value of DBO	<b>683.98</b>	586.15	583.97	444.43	309.28
Fair value of plan assets	<b>698.97</b>	585.23	481.40	430.21	412.04
Funded status Surplus/(Deficit)	<b>14.99</b>	(0.92)	(102.57)	(14.22)	102.76
Experience (gain)/loss adjustments on plan liabilities	<b>191.22</b>	125.27	28.79	23.02	24.04
Experience gain/(loss) adjustments on plan assets	<b>-</b>	1.92	(0.47)	(0.16)	5.52

### G. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

#### Impact on Defined Benefit Obligation

(₹ in lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	<b>(44.93)</b>	<b>50.39</b>	(40.13)	45.37
Future Salary Growth (1% movement)	<b>51.76</b>	<b>(46.87)</b>	47.34	(42.43)
Attrition rate (1% movement)	<b>23.34</b>	<b>(28.90)</b>	17.37	(19.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

H. The weighted average duration (based on discounted cashflow) of the defined benefit obligation at the end of reporting period is 7 years.

### Compensated absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation, or resignation, at the rate of daily salary, as per current accumulation of leave days restricted to maximum 60 days.

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of unfunded obligation (₹ in lakhs)	267.19	286.73
Expense/(Income) recognised in Statement of Profit and Loss (₹ in lakhs)	32.72	(16.03)
Discount rate percentage (p.a.)	6.15%	7.70%
Salary escalation rate (p.a.)	2.50%	2.50%

### Note 36 Financial Instruments

#### 36.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company is a debt free company and cash required for operation is managed through internal accruals.

#### 36.2 Categories of financial instruments

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
		Carrying values	Carrying values	Fair value	Fair value
<b>Financial assets</b>					
<b>Measured at amortised cost</b>					
i. Cash and cash equivalents	12	4,378.75	10,805.86	4,378.75	10,805.86
ii. Bank balances other than cash and cash equivalents	13	1,481.57	870.67	1,481.57	870.67
iii. Trade receivables	6	11,401.59	12,022.81	11,401.59	12,022.81
iv. Other financial assets	7	152.48	747.67	152.48	747.67
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>					
Derivative instruments in designated hedge accounting relationships (net)	7, 18	-	9.59	-	9.59
<b>Financial liabilities</b>					
<b>Measured at fair value through profit or loss (FVTPL)</b>					
Derivative financial instruments	18	83.55	-	83.55	-
<b>Measured at amortised cost</b>					
i. Trade payables	17	9,458.56	9,382.67	9,458.56	9,382.67
ii. Other financial liabilities	18	143.96	157.80	143.96	157.80
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>					
Derivative instruments in designated hedge accounting relationships (net)	7, 18	39.50	-	39.50	-

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### 36.3 Financial risk management objective

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk threshold, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risk arising from the financial instruments:

- Market risk (includes foreign currency risk and price risk)
- Credit risk and
- Liquidity risk

### 36.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in the market prices. The Company in the ordinary course of its business is exposed to risks related to changes in foreign currency exchange rates.

The Company seeks to minimise the effect of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivatives for speculation purposes.

### 36.5 Foreign Currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company hedges cash flows up to a specific tenure using forward exchange contracts in respect of exports, imports, other receivables and payables. The Company uses forward foreign exchange contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecast transactions.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as under:

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
USD	8,719.87	2,444.46	10,308.72	872.31
EUR	1,143.15	712.07	1,726.14	877.13
CNY	-	270.88	-	14.32

### 36.6 Foreign Currency risk sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant major foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity and the balances below would be negative.

(₹ in lakhs)

Particulars	Increase		Decrease	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Receivable</b>				
USD	87.20	103.09	(87.20)	(103.09)
EUR	11.43	17.26	(11.43)	(17.26)
<b>Payable</b>				
USD	(24.44)	(8.72)	24.44	8.72
EUR	(7.12)	(8.77)	7.12	8.77
CNY	(2.71)	(0.14)	2.71	0.14



# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### 36.7 Forward foreign exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors for managing foreign currency exposure. The policy has approved use of forward contracts to manage the foreign currency risk.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period.

Particulars	No. of contracts	Type	Foreign Currency (FC)	Amount in Foreign currency In lakhs	INR Equivalent ₹ in lakhs	MTM gain / (loss) ₹ in lakhs
As at March 31, 2020	9	Sell	USD	39.58	2,904.00	(123.05)
As at March 31, 2019	5	Sell	USD	109.00	7,648.75	9.59

### 36.8 Commodity price risk

The Company is exposed to movement in metal commodity price of steel. Our sales contracts are on fixed price basis. Profitability in case of firm price orders is impacted by movement in the prices of steel. The Company primarily purchases its raw materials in the open market from third parties. The Company either places long term firm price order with the suppliers or builds stock on need basis to mitigate the risk.

### 36.9 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company is debt free Company and has not borrowed fund during the year from banks, therefore, the Company is not exposed to interest rate risk.

### 36.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables, contract assets, deposits with banks, derivative financial instruments and other financial instruments.

### 36.11 Trade receivables

Customer credit risk is managed centrally by the Company. The Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. Further, majority of the Company's customers are Companies with strong financial stability. Credit risk on receivables is also mitigated by securing the same against letters of credit of reputed banks. Trade receivables spread across diverse geographical areas with no significant concentration of credit risk. Outstanding trade receivables are regularly monitored and appropriate actions are taken for collection of overdue receivables. The Company's exposure to counterparties are continuously reviewed and monitored by the management. Credit period varies as per the contractual terms with the customers. No interest is generally charged on overdue trade receivables.

The Company directly reduces the gross carrying amount of financial assets when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amount of financial assets are net of allowance for doubtful accounts, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. The Company has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historic credit loss experience and adjusted for forward looking information. The expected credit loss is based on the ageing of the days and the expected credit loss rate.

Apart from the major customers of the Company in Spain, Belgium (where the parent company is based) and Bangladesh, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to the customer in Spain, Belgium and Bangladesh exceed 32%, 30% and 21% respectively of the trade receivables of the Company. Concentration of credit risk to any other customer did not exceed 10% of the trade receivables of the Company at reporting date.

As at March 31, 2020 the Company had contract assets amounting to ₹ 10,693.06 lakhs (As at March 31, 2019: ₹ 15,117.56 lakhs). At March 31, 2020 the Company had 2 customers (As at March 31, 2019: 2 customers) that owed the Company more than ₹ 4,000 lakhs each and accounted for approximately 92% (As at March 31, 2019: 68%) of all the contract assets outstanding.

The history of trade receivables shows a negligible impairment allowance.

### 36.12 Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, and derivative instruments. The Company attempts to limit the credit risk by only dealing with reputable banks having high-credit ratings assigned by credit-rating agencies. The Company's maximum exposure to the credit risk for the component of Balance Sheet as at March 31, 2020 and March 31, 2019 is the carrying amounts of each class of financial assets.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### 36.13 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company requires fund both for short-term operational needs as well as for long-term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short-term investments provide liquidity in the short-term and long-term. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flow and by matching the maturity profiles of the financial assets and liabilities.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in bank fixed deposits to optimise the returns on cash and cash equivalents while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

#### Liquidity exposure:

(₹ in lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	< 1 year	1-5 years	Total	< 1 year	1-5 years	Total
<b>Financial liabilities</b>						
Lease liabilities	24.96	19.25	44.21	-	-	-
Trade payable	9,132.20	384.83	9,517.03	8,298.99	1,273.54	9,572.53
Other financial liabilities	180.01	87.00	267.01	102.36	87.00	189.36
<b>Total financial liabilities</b>	<b>9,337.17</b>	<b>491.08</b>	<b>9,828.25</b>	8,401.35	1,360.54	9,761.89

The derivative assets and liabilities (Refer Notes 7 and 18) are having maturity within one year of the Balance Sheet date.

### 36.14 Collateral

Property, plant and equipment, right-of-use asset with a carrying amount of ₹ 3,742.40 lakhs (As at March 31, 2019: ₹ 3,802.45 lakhs), have been mortgaged as security for fund based and non-fund based credit facilities from banks.

The Company has access to various fund and non-fund based bank facilities. The amount of unused borrowing facilities (fund and non fund based) available for future operating activities and to settle commitments as at March 31, 2020 ₹ 15,141.87 lakhs (As at March 31, 2019 ₹ 11,365.11 lakhs).

### 36.15 Fair value measurement

#### Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of the forward contracts used for expected future sale has been determined using forward pricing, based on present value calculations.
2. The Company has disclosed financial instruments such as trade receivables (current), cash and cash equivalents, other bank balances, loans to employees, other current financial assets, trade payables (current) and other current financial liabilities at carrying value, because, their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Level wise disclosure of financial statements

(₹ in lakhs)

Particulars	Fair value		Fair Value Hierarchy	Valuation technique(s) and Key inputs
	As at March 31, 2020	As at March 31, 2019		
Derivative instruments (Derivative instruments in designated Hedge accounting relationship - hedges of highly forecasted sale/purchases using foreign currency forward contracts) - Asset/(Liability)	(39.50)	9.59	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.
“Derivative instruments measured at fair value through profit or loss - forward contracts Liability”	(83.55)	-	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

### Note 37 Segment information

The principal activities of the Company comprise customised manufacturing and installation of cold rolling mills, galvanizing lines, colour coating lines, tension levelling lines, skin pass mills, acid regeneration plants, wet flux line and pickling lines (“the projects”) for ferrous and non-ferrous industries world wide.

For management purpose, the Company comprise of only one reportable segment - Original equipment manufacturer and project management. Information is reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing the performance of the business as a whole. The CODM reviews the Company’s performance on the analysis of profit before tax at an overall entity level. Accordingly there is no other separate reportable segment as defined by Ind AS 108 “Operating Segments”.

The information relating to revenue from external customers and location of non-current assets of the single reportable segment has been disclosed as follows:

#### a) Revenue by geographical location

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India (i)	12,603.18	3,044.83
Foreign countries:		
- Spain	5,113.66	15,026.26
- Bangladesh	6,786.84	14,621.00
- Belgium	9,783.48	14,513.63
- Other countries	586.42	1,525.12
Total foreign countries (ii)	22,270.40	45,686.01
<b>Total (i) + (ii)</b>	<b>34,873.58</b>	<b>48,730.84</b>

Revenue from operations have been allocated on the basis of location of customers.

₹ 9,783.48 lakhs, ₹ 6,672.75 lakhs and ₹ 6,346.97 lakhs (For the year ended March 2019: ₹ 15,026.26 lakhs, ₹ 14,521.10 lakhs and ₹ 14,513.63 lakhs) is derived as revenue from each of the Company’s three major customers.

#### b) Non-current operating assets

All non-current assets other than financial instruments, deferred tax assets of the Company are located in India.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Note 38 Disclosure of additional information

#### (a) Corporate Social Responsibility (CSR) Expenditure:

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial year on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The expenditure has been incurred on activities specified in Schedule VII of the Companies Act, 2013.

- (i) Gross amount required to be spend during the year is ₹ 44.27 lakhs (Year ended March 31, 2019: ₹ 5.98 lakhs).  
(ii) Amount spent during the year on:

(₹ in lakhs)

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	11.63	32.64	44.27

#### (b) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of Micro and Small Enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal	92.69	56.95
Interest	-	-
(b) The amount of interest paid along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Due dates with regards to payments to be made to Micro and Small Enterprises have been determined with reference to Micro, Small and Medium Enterprises Development Act, 2006, considering criteria of quality of goods and related incidental services provided by the vendors. This has been relied upon by the auditors.

#### (c) Project related expenses comprise:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2020	For the year ended March 31, 2019
Design and engineering charges	522.02	134.08
Testing and inspection	15.91	19.99
Transport charges (inward)	75.77	113.79
Crane hire charges	24.35	39.84
Clearing and forwarding expenses (import)	1.01	3.47
Technology fees	-	4.90
Rent	18.58	1.59
<b>Total</b>	<b>657.64</b>	<b>317.66</b>

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### (d) Details of liabilities/provisions no longer required written back:

(₹ in lakhs)

Nature of expense	For the year ended March 31, 2020	For the year ended March 31, 2019
Reversal of provision for warranties	56.60	110.23
Reversal of provision for employee benefits	18.71	38.73
<b>Total</b>	<b>75.31</b>	148.96

### (e) Brand and Technology fees:

The Company has entered into an agreement with Cockerill Maintenance & Ingenierie SA for providing knowhow, access to various industrial processes, development and implementation of strategy, access to best practices for business operations, exploitation of knowledge for new business initiatives, access to new global business opportunities, etc.

The Company has entered into an agreement with Cockerill Maintenance & Ingenierie SA for rights to use the CMI Brand name. The Company pays 0.6% of net sales. The agreement has now been renewed with effect from January 1, 2020 for the tenure of 2 years.

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Technology fees	–	4.90
Brand fees	201.79	261.15

### (f) Assessment related to COVID-19

The Company being in the business of supplying plant and machinery for steel industry in India and abroad, is dependent upon the overall economic performance of the global steel industry. From this perspective, the Company is tracking the financial performance and post COVID-19 plans of all its current and potential new customers in India and abroad. Steel has been declared as an “Essential Commodity” by most of the countries and based upon the information available from various sources including the key decision makers from the customers with respect to their growth or expansion plans, the management is of the opinion that the Company is not exposed to any significant risks.

#### Financial resources, profitability and liquidity position

Due to COVID-19 and the nation-wide lock-down, the Company’s plants and offices were not fully functional during the last two weeks of FY 2019-20. While the manufacturing plants were completely shut down, the other functions were working remotely from home with approx. 50-70 % capacity. This has impacted marginally on the profits for the year. The Company has sufficient resources and liquidity available in the form of cash in hand and fund based borrowing limits to help sustain the Company in near term. The Company does not have any debt and as such is not exposed to any risk of default in debt-servicing or financial arrangements.

#### Revenue recognition

Due to COVID-19 and the nation-wide lock-down, the Company’s plants and offices were not fully functional during the last two weeks of FY 2019-20. While the manufacturing plants were completely shut down, the other functions were working remotely from home with approx. 50-70 % capacity. This has impacted marginally on the profits for the year. The Company has sufficient resources and liquidity available in the form of cash in hand and fund based borrowing limits to help sustain the Company for a period of at least the next 12 months. The Company does not have any debt and as such is not exposed to any risk of default in debt-servicing or financial arrangements.

#### Impact on accounting estimates

The Company has carried out a detailed analysis of its key project related assets such as project inventories and un-billed revenues (contract assets) with respect to each project. Considering delays in the project execution caused due to lockdowns and/or invocation of force majeure, management believes that provisions towards impairment/expected credit loss is not required in view of customers intention to complete the ongoing projects. Management has considered such information in validity in its year end reassessment of residual costs-to-complete for ongoing projects. The customer receivables are being monitored rigorously and follow-up is being done with all the customers for realizing the amounts that have become due. The Company has made the necessary provisions for the expected credit loss based upon the ageing of the receivables and the ECL model.

# John Cockerill India Limited (formerly CMI FPE Limited)

## Notes forming part of the financial statements (Contd.)

### Employee benefits

Based upon the government directives with respect to COVID-19, the Company has not deducted any amounts from the employees' compensation for the lock-down period. All the dues of the employees up to March 31, 2020 have been fully paid or provided for.

### Internal financial controls

The lock-down resulting from COVID-19 was enforced by the government from March 23, 2020. As such, all the transactions executed till such lock-down were subject to the internal controls already in place. Certain transactions such as payment of employee salaries, booking of invoices and payments to critical vendors/service providers during the lock-down period i.e. from March 23-31, 2020 have been carried out on basis of email approvals from the authorised persons.

### Hedging

Certain forward contracts are booked on projected sales and forward contracts taken to match with the project related cash inflow. Due to lock-down, manufacturing and dispatches are postponed till the start of operations at the workshops. In view of this, few of the hedges have become ineffective due to cessation of hedge relationships. Mark to market valuation amounting to ₹ 83.55 lakhs of such forward contracts is charged to the Statement of Profit and Loss.

Management has taken into account internal and external sources of information in making this assessment of the pandemic and its impact on the financial statements for the year ended March 31, 2020. However, considering the evolving nature of the pandemic, its actual impacts in future could differ from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

### Note 39 Event occurring after the Balance Sheet date

The Board of Directors recommended Equity dividend of ₹ 5/- per share (previous year ₹ 10/- per share) for the financial year 2019-20, which is subject to the approval of shareholders at the ensuing Annual General Meeting.

**Note 40** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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As per our report of even date

#### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

#### per Vinayak Pujare

Partner

Membership No. 101143

Place: Mumbai

Date: June 25, 2020

#### For and on behalf of the Board of Directors

##### Joao Felix Da Silva

Chairman

DIN: 07662251

##### Kiran Rahate

Chief Financial Officer

Place: Mumbai

Date: June 25, 2020

##### Vivek Bhide

Managing Director

DIN: 02645197

##### Haresh Vala

Company Secretary

##### Yves Honhon

Director

DIN: 02268831

The Communication Department acknowledges all those who contributed to the making of this Annual Report.

**Produced by :** The Communication Department of John Cockerill India Limited (formerly CMI FPE Limited)

# John Cockerill India Limited

(formerly CMI FPE Limited)



The John Cockerill Group develops large scale technological solutions to respond to the needs of its times: preserve natural resources, contribute to greener mobility, produce sustainably, fight insecurity and facilitate access to renewable energy.

Its offering to businesses, governments and communities consists of services and associated equipment for the sectors of energy, Defense, industry, environment, transport and infrastructure.

Driven since 1817 by the entrepreneurial spirit and thirst for innovation of its founder, in 2019 the 6000 employees of the John Cockerill Group achieved a turnover of 1.26 billion Euro in 22 countries on five continents.

Industry, one of the John Cockerill Group's 5 sectors of activity, designs, supplies and modernizes reheating furnaces, cold rolling mills, processing lines, chemical & thermal treatment installations and equipment for the steel and the non-ferrous industry.

It also provides state-of-the-art heat treatment technologies for the aviation, forging and casting industry, as well as surface treatment installations for all types of industries, including automotive and aviation, with a particular focus on the MRO (Maintenance, Repair, Overhaul) segment.

Based on decades of experience and numerous successfully running references all over the world, John Cockerill Industry also provides lifecycle services, as well as training and technical assistance.

**John Cockerill India Limited**  
(formerly CMI FPE Limited)

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