

***CRIMSON METAL ENGINEERING COMPANY LIMITED***

***Annual Report  
and Accounts for the year ended  
31st March 2016***

**32**

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

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**CIN No. L27105TN1985PLC011566**

**BOARD OF DIRECTORS**

Shri. Vinay Goyal (Managing Director)  
Shri. S.N. Seshadri (Whole-time Director) resigned w.e.f. 25.04.2016  
Smt. R.Uma (Whole - Time Director)  
Shri. A.J. Menon (Director) Resigned w.e.f. 03.09.2015  
Shri. Rama IyengarSrinivasa Chari (Independent Director)  
Shri. Krishan Chand Batra (Independent Director)  
Shri. Mahabir Singh (Director) deceased on 30.05.2015  
Shri. Chandrakesh Pal (Whole Time Director) appointed w.e.f.23.12.2015  
Shri. Naresh Sharma (Independent Director) appointed w.e.f 23.12.2015

**COMPLIANCE OFFICER**

Shri Chandrakesh Pal  
[investorgrievance@crmetal.in](mailto:investorgrievance@crmetal.in)

**AUDITORS**

M/s. Abhay Jain & Co.,  
Chartered Accountants,  
Bushra House, Flat A-4, 2nd Floor,  
6/46, Nowroji Road, Chetpet,  
Chennai - 600 031.

**SECRETARIAL AUDITORS**

M/S.LAKSHMMI SUBRAMANIAN & ASSOCIATES  
COMPANY SECRETARIES  
81, MNO COMPLEX,  
GREAMS ROAD  
THOUSAND LIGHTS,  
CHENNAI 600006

**REGISTERED OFFICE**

"K Sons Complex"  
163/1,Prakasam Road, II Floor,  
Chennai - 600 108

**WORKS - TUBE MILL DIVISION**

Sedarpet Industrial Estate  
Mailam Road, Pondicherry 605 111.

**WORKS-FLAT PRODUCTS DIVISION**

Karasur Village,  
Villianur Commune, Pondicherry.

**STOCK EXCHANGE**

Bombay Stock Exchange  
P.J.Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai-400 001  
  
Scrip Code: 526977

**SHARE TRANSFER AGENTS**

M/s. Cameo Corporate Services Ltd.,  
"Subramanian Building",  
1, Club House Road,Chennai - 600 002.  
Ph : 28460390, 28460391, Fax : 044-28460129

## CRIMSON METAL ENGINEERING COMPANY LIMITED

CIN : L27105TN1985PLC011566

163/1 PRAKASAM ROAD, BROADWAY, CHENNAI.600 108

Notice is hereby given that the 32nd Annual General Meeting of the Company will be held on Wednesday, the 28<sup>th</sup> September 2016 at Andhra Chamber of Commerce Velagapudi Ramakrishna Building, 23, Third Cross Street, West C.I.T Nagar, Nandhanam, Chennai- 600 035 at 10.30 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements for the financial year ended 31<sup>st</sup> March, 2016 together with the Reports of Board of Directors and Auditors.
2. To appoint a Director in the place of Ms.R.Uma(DIN: 07029264) who retires by rotation and being eligible, offers herself for re-appointment.

### 3. RATIFICATION OF THE APPOINTMENT OF STATUTORY AUDITOR

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

RESOLVED that in terms of the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the Members at the 30<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014, the appointment of M/s M/s Abhay Jain & Co, Chartered Accountants (Registration No. 000008S), as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 34<sup>th</sup> Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.

### SPECIAL BUSINESS

#### 4. CONFIRMATION OF APPOINTMENT OF WHOLE TIME DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of section 149, 152 and any other applicable provisions of the companies Act 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) MR. CHANDRAKESH PAL (holding DIN no. 07277936) who was appointed as

ADDITIONAL DIRECTOR of the Company at the board meeting held on 23.12.2015 in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the 32nd Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who is liable to retire by rotation”..

“RESOLVED FURTHER that pursuant to Section 196, 197 and other applicable provisions of Companies Act, 2013 (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the approval of the members be and is hereby accorded to the board for the appointment of MR. CHANDRAKESH PAL as a Whole-Time Director of the Company for a period of 5 years with effect from 23.12.2015, on the terms and conditions contained in the explanatory statement, as recommended by the Remuneration Committee and approved by the Board of Directors at their respective meetings held on 23.12.2015.

RESOLVED FURTHER that

a) The aggregate of salary, perquisites and allowances of MR. CHANDRAKESH PAL, Whole Time Director of the Company in any one financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (including applicable rules, if any) as amended from time to time;

b) in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of MR. CHANDRAKESH PAL, Whole Time Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013; and

c) the Board (including any Board Committee exercising powers conferred by this resolution) be and is hereby authorized, in its absolute discretion and from time to time, to fix, within the range of remuneration detailed in the explanatory statement, the salary and other allowances / entitlements including performance bonus / incentive, if any, of MR. CHANDRAKESH PAL.”

FURTHER RESOLVED THAT the Board of Directors be and are hereby generally authorized to sign and file necessary e-form with the registrar of the companies, Ministry of Company Affairs, on all matters including the above resolution.

#### 5. APPOINTMENT OF INDEPENDENT DIRECTOR

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

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**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Shri. Naresh Sharma, holding DIN 07340455, who was appointed as an additional director of the Company by the Board of Directors in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the 32<sup>nd</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 22<sup>nd</sup> December 2020, not liable to retire by rotation.”

RESOLVED FURTHER that except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company shall remain unchanged.

**6. RATIFICATION OF PAYMENT OF REMUNERATION TO MANAGING DIRECTOR**

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

**RESOLVED THAT** pursuant to provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) the Shareholders of the company do ratify the payment of not exceeding a sum of Rs.6,00,000/-, towards medical insurance premium for Mrs. Anuradha Goyal and Mr. Arpit Goyal being family members of Mr. Vinay Kumar Goyal, Managing Director relating to the financial year ended 31.03.2016.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby severally authorized to include the above item of business in the ensuing General Meeting and to do all acts, deeds and things in order to bring effect to the above resolution.

**7. RE-APPOINTMENT OF MANAGING DIRECTOR**

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and subject to such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and

be and is hereby accorded to the board for the re-appointment of Mr. Vinay Kumar Goyal (DIN 00134026) as Managing Director of the Company for a period of three years from 01.08.2016 to 31.07.2019 on the following terms and conditions as recommended by the Remuneration Committee and approved by the Board of Directors at their respective meetings held on 30.05.2016.”

**I. REMUNERATION**

**(a) SALARY**

Rs. 2,50,000 (Rupees Two lakhs Fifty thousands only) per month.

**(b) INCENTIVE / COMMISSION**

Equivalent to 1% of the net profits of the Company, subject to a ceiling of an amount equal to annual salary.

**II. PERQUISITES**

**(a) MEDICAL INSURANCE PREMIUM**

Payment of Medical Insurance Premium for self and family members not exceeding a sum of Rs.6,00,000/- per annum. For the above purpose, “Family” includes spouse, dependent children and parents.

**(b) CLUB MEMBERSHIP FEES.**

Payment of Club Membership Fees for self and family members not exceeding a sum of Rs.10,00,000/- per annum. For the above purpose, “Family” includes spouse, dependent children and parents.

**(c) CONTRIBUTION TO PROVIDENT FUND AND SUPERANNUATION FUND**

Contribution to Provident Fund and Superannuation Fund, as per Rules of the Company, to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

**(d) LEAVE AND ENCASHMENT OF LEAVE**

As per Rules of the Company.

**(e) GRATUITY AND / OR CONTRIBUTION TO GRATUITY FUND**

As per Rules of the Company.

**(f) USE OF CAR AND TELEPHONE**

Company maintained car with driver for use on Company's business, telephone at residence and cellular phone provided by the Company will not be considered as perquisite. However, personal long distance calls and use of car for private purposes shall be borne by the Director.

**(g) REIMBURSEMENT OF EXPENSES**

Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company, as per Rules of the Company.

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**III. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS**

Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to the applicable provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company/Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Vinay Kumar Goyal subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."

By Order of the Board

**VINAY KUMAR GOYAL**  
Managing Director  
DIN-00134026

Place : Chennai

Date : **13.08.2016**

**NOTES**

1- A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purpose.

2- The Register of Members and Transfer Books of the Company will remain closed from Friday, 23rd September 2016 to Wednesday, 28th September 2016 (both days inclusive) for the purpose of AGM.

3- Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

4- The Ministry of Corporate Affairs (vide circular nos. 17/ 2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges/ SEBI LODR Regulations 2015 permits companies to send soft copies of the Annual Report to all those shareholders who have **registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no/DP Id/ Client Id to the company's email id : [investorgrievance@crmetal.in](mailto:investorgrievance@crmetal.in).**

5- Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent – M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.

6- Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.

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7- Information about Directors retiring by rotation.

Name of the Director	R. Uma	Chandrakesh Pal	Naresh Sharma
Din	07029264	07277936	07340455
Age	50	40	31
Date of appointment	06/01/2015	23/12/2015	23/12/2015
Experience in years	15	15	5
No.of shares as on 31.03.2016	Nil	Nil	Nil
Directorship in other public companies	Nil	Nil	Nil
Chairman/Member of committees of other company	Nil	Nil	Nil
Relationship with any other Director	Nil	Nil	Nil

8- Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

9- Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 41st Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

The Company will provide the e-voting facility through CDSL. The e-voting procedures are set out below :

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Sunday 25.09.2016 at 9.00 a.m. and ends on Tuesday 27.09.2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ( record date ) 21.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(iii) Click on " Shareholders " tab

(iv) Now, select the " CRIMSON METAL ENGINEERING COMPANY LIMITED " from the drop down menu and click on " SUBMIT"

(v) Now enter your user ID

a. For CDSL: 16 digits beneficiary ID

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the image verification as displayed and click on Login

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form

PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

\* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.



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**DOB#** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend Bank Details#** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for CRIMSON METAL ENGINEERING COMPANY LIMITED

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

10- Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

(i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" i.e. one share – one vote unlike one person one vote principle, further, as per the provision of the Companies Act, 2013, demand for poll will not be relevant.

(ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.

(iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

(iv) The facility for voting through ballot form shall be made available to all the shareholders who could not exercise their vote through e-voting. The ballot paper in Form MGT-12 is being sent to all the

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members, along with this report. The voting rights of Members shall be in proportion their shares of the paid up equity share capital of the Company as on 21.09.2016.

A Member desiring to exercise vote by ballot paper should complete the Ballot Form attached with this report and send it to :CRIMSON METAL ENGINEERING COMPANY LIMITED, 163/1 PRAKASAM ROAD, BROADWAY, CHENNAI.600 108.

Please return the form duly completed through post or courier, so as to reach the company on or before 5.00 p.m on 27.09.2016

The facility of voting through ballot form shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot form

- (v) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares on the cut-off date i.e. 21.09.2016 may obtain the login ID and password by sending an email to [investorgrievance@crmetal.in](mailto:investorgrievance@crmetal.in), [investor@cameoindia.com](mailto:investor@cameoindia.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote
- (vi) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days after the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing , who shall countersign the same and declare the result of the voting forthwith.
- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.crmetal.in](http://www.crmetal.in) and website of CDSL <http://www.evotingindia.com> and also forward the same to the Bombay Stock Exchange Limited simultaneously, where the Company's shares are listed.

11. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No.21/99 dated July 8, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
12. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
13. **Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.**
14. **Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.**
15. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered/Corporate Office of the Company during the business hours on all working days from the date hereof up to the time of the Meeting.
16. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members who have not registered their email id with their Depository Participants are requested to do so and support the green initiative. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned above quoting their folio number(s).
17. Explanatory Statement relating to Item Nos. 4, 5 & 6 is attached herewith.

Managing Director

**VINAY KUMAR GOYAL**

DIN-00134026

Place : Chennai

Date : 13.08.2016



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**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 23.12.2015, appointed **Mr.Chandrakesh Pal** as an additional director / Whole Time Director under the provisions of the Companies Act read with Articles of Association of the Company. Accordingly, **Mr.Chandrakesh Pal** holds office as such up to the date of the forthcoming Annual General Meeting. The Board has proposed to appoint him as a Whole Time Director of the Company pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 w.e.f 23.12.2015 for a period 5 years on a Monthly Remuneration of not exceeding a sum of Rs.40000/- (including all allowances and perquisites) as recommended by the nomination and remuneration committee, approved by the Board of Directors at their meeting held on 23.12.2015.

The Company has received a notice along with the deposit of requisite amount under Section 160 of the Act from a member proposing **Mr.Chandrakesh Pal** as a candidate for the office of a director of the Company.**Mr.Chandrakesh Pal** has confirmed to the Board that he qualifies to be the director as per the Companies (Appointment and Qualification of Directors) Rules, 2014. The Directors are of the view that **Mr.Chandrakesh Pal** fulfils the conditions specified in the Act and Rules made thereunder for his appointment as a Director of the Company. The Directors are of the view that **Mr.Chandrakesh Pal** would bring valuable experience and the Company would benefit from his appointment as Director. Accordingly, the Board commends the passing of the Ordinary Resolution proposed at item no. 4 of the Notice.

This statement should be treated as an abstract of the terms of the contract with **Mr.Chandrakesh Pal**, Whole Time Director under Section 190 of the Companies Act, 2013.

None of the Directors KMPs and/or their relatives, except **Mr.Chandrakesh Pal**, is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

**ITEM NO. 5**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 23.12.2015, appointed **Shri Naresh Sharma** as an additional director (Independent) under Section 161(1) of the Act read with the Articles of Association

of the Company. Accordingly, **Shri Naresh Sharma** holds office as a director up to the date of the forthcoming Annual General Meeting. It is proposed to appoint him as a Non-executive Independent Director of the Company for five consecutive years till 22.12.2020 in terms of Section 149 of the Act.

The Company has received a notice along with the deposit of requisite amount under Section 160 of the Act from a member proposing **Shri Naresh Sharma** as a candidate for the office of a director of the Company.**Shri Naresh Sharma** has confirmed to the Board that he qualifies to be an independent director within the meaning of Clause 49(II) (B) (1) and Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Directors are of the view that **Shri Naresh Sharma** fulfils the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company. The Directors are of the view that **Shri Naresh Sharma** would bring valuable experience and the Company would benefit from her appointment as Director. Accordingly, the Board commends the passing of the Ordinary Resolution proposed at item no. 5 of the Notice. A copy of the draft letter setting out the terms and conditions of his appointment as Independent Director will be available for inspection by members at the registered office of the Company during the business hours on any working day up to the time of AGM.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, except **Shri Naresh Sharma**, is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

**ITEM NO.6 & 7 :**

The Company during the financial year 2015-16 has made a sum of Rs.6,00,000 approximately towards medical insurance premium for Mrs.Anuradha Goyal and Mr.Arpit Goyal being family members of Mr. Vinay Kumar Goyal, Managing Director. Since the payment of above amount requires the approval of Shareholders at the ensuing annual General Meeting by way of ratification the resolution in Item No. 6 is placed before the shareholders for approval.

Shri Vinay Kumar Goyal was reappointed as Managing Director for a period of Five years w.e.f. 01.08.2011. He has helped the company in achieving greater heights in terms of turnover and the profitability of the company with his rich experience in the field of steel industry. His re-appointment will benefit the company in many ways. The Board of directors has reappointed Mr. Vinay Kumar Goyal as Managing Director subject to the approval of the members in the Annual General Meeting for a further period of three years w.e.f.01.08.2016 at the remuneration as recommended by the Remuneration Committee at its meeting held on 30.05.2016 as detailed in the resolution available in the notice of AGM.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

Details as required in clause (iv) of Section II , Part II of Schedule V of the Companies Act 2013

**General Information :-**

- 1) Nature of Industry : Manufacturing of Steel pipes
- 2) Date of Commencement of business: The company had commenced its business from the date of its inception.
- 3) Financial Performance :

Particulars	For the period ended 31.03.2016
Revenue	
Gross Revenue from operation	457226693
Other income	1986295
Total revenue	459212988
Expenses	
Cost of materials consumed	331324243
Changes in inventories	4232136
Employees benefits expenses	12419963
Managerial Remuneration	3389538
Payment to Auditors	265000
Insurance expenses	328517
Power and fuel	36179347
Finance cost	24682058
Depreciation and amortization	9505257
Other expenses	29077746
Total expenses	451403805
Profit / ( Loss ) before tax	7809183
Current Tax	1524330
Deferred tax	1408808
Profit / ( Loss ) for the year	4876045
Earning per equity share	1.10

- 4) Foreign investment or collaborators if any: NIL  
Information about Mr. Vinay Kumar Goyal
  - 1) Background details: Promoter and has rich experience in manufacturing of Steel pipes.
  - 2) Past remuneration: 200000/- per month exclusive of perquisites and other allowances .
  - 3) Recognition or awards: Nil
  - 4) Job profile and his suitability: Managing Director w.e.f.01.08.2016]

- 5) Remuneration proposed: 250000/- ( Two Lakh Fifty Thousands only )per month plus perquisites and other allowances. The overall limit of the salary inclusive of perquisites and other allowances shall not exceed the ceiling as provided in section II (A) Part II of Schedule V of the Companies Act 2013.

- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

Only minimum remuneration proposed to managerial personnel and comparatively lower than any other company in the same industry and with the same kind of operation

- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any,

Mr. Vinay Kumar Goyal is holding 455821 shares comprising 10.29% in the paid up capital of the company and is not related to any other directors on the board.

**Other information :-**

- 1) Reason for loss or inadequate profits :  
The company has inadequate profit due to the increased cost of raw materials and other components required for manufacturing the product
- 2) Steps taken or proposed to be taken for improvement:  
The company has taken steps to reduce variable cost and to increase sales by sales promotion
- 3) Expected increase in productivity and profits in measurable terms:

The rated capacity of plants will be achieved subject to market condition.

None of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Vinay Kumar Goyal.

**By Order of the Board of Directors**

**VINAY KUMAR GOYAL**  
Managing Director  
DIN-00134026

**Place : Chennai**  
**Date : 13.08.2016**