

***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 amottization	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.

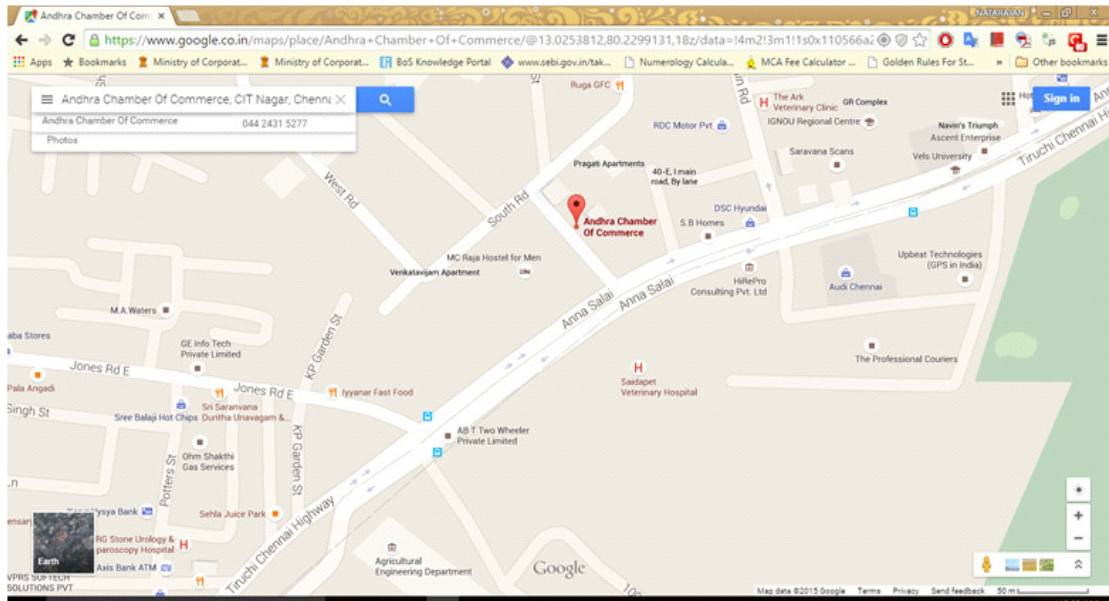
**By Order of the Board of Directors**

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

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

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**ROUTE MAP OF THE AGM VENUE**



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

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report of Crimson Metals Engineering Company Limited along with the audited financial statements for the year ended March 31, 2016.

**FINANCIAL HIGHLIGHTS**

**2015-2016      2014- 2015**

*Amount in Rupees*

S. NO	PARTICULARS	Audited financial Statement for the year ended 31.03.2016	Audited financial Statement for the year ended 31.03.2015
1	INCOME	459212988	445120047
2	EXPENDITURE	451403805	438075155
3	PROFIT BEFORE TAX	7809183	7044892
4	CURRENT TAX	1524330	1365000
5	DEFERRED TAX	1408808	(2961280)
4	PROFIT AFTER TAX	4876045	8641182

**PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY.**

During the year 2015-2016, the Company has earned a net profit after tax of Rs.4876045 as against Rs.8641182 earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs.459212988 during the year 2015-2016 as against Rs.445120047 achieved in 2014-2015.

During the year under review there is no change in the nature of activity of the company.

**DIVIDEND & TRANSFER OF PROFIT TO RESERVES:**

In order to conserve resources the board of directors has decided not to declare any dividend for the current financial year 2015-16 and has not proposed to transfer any of its profits to reserves.

**MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There has been no loan, guarantees and investment given or made by the Company under Section 186 of the Act during the financial year 2014 – 2016.

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The company doesn't have any subsidiaries, associates and joint venture companies.

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

The information as required to be disclosed on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure I" to this Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Board Composition and Independent Directors**

The Board consists of the Executive Chairman, two Executive directors and three Independent Directors.

Independent Directors are appointed for a term of five years and are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI LODR.

**Retirement by Rotatio :-**

In terms of Section 152 of the Companies Act 2013, Ms.R.Uma, who retire by rotation at the forthcoming AGM and is eligible for re-appointment. Ms.R.Uma offered herself for re-appointment. Her Brief profile is included in the Notice of forthcoming Annual General Meeting of the company

**Resignation of Director :-**

Mr.A.J.Menon has resigned from the position of Director with effect from 03.09.2015 and Mr.N.Seshadri has resigned from the position of Whole Time Director w.e.f. 25.04.2016.

The Board had placed on record its appreciation for the outstanding contributions made by the above director during his tenure of office.

**APPOINTMENT OF DIRECTOR(S)**

Further a resolution relating to the appointment of Mr.Chandrakesh Pal as Whole Time director and Mr. Naresh Sharma as Independent Director have also been placed before the shareholders for their confirmation at the ensuing Annual General Meeting.



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**Key Managerial Personnel :**

The Re-appointment of Mr Vinay Kumar Goyal, (Managing Director) is also put forth to the members for their approval at the ensuing Annual General Meeting.

During the year under review Mr. Debidutta Mishra has tendered his resignation as CFO. The Board had placed on record its appreciation for the contributions made by the above KMP during his tenure of office.

The company is in the process of finding a suitable KMP for the post of Company Secretary & Chief Financial Officer.

**INDEPENDENT DIRECTORS' DECLARATION**

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting of the Company.

**POLICY OF DIRECTORS APPOINTMENT AND REMUNERATION**

Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of the Act are covered under the Board's policy formulated by the Company and the same is available on the Company website [www.crmetal.in](http://www.crmetal.in).

**INFORMATION U/s 197(12) OF THE COMPANIES ACT 2013**

The information required under section 197 (12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel ) Rules, 2014 is attached herewith as Annexure-II.

**AUDITORS**

**STATUTORY AUDITORS**

As per the provisions of the Companies Act 2013, M/s. Abhay Jain & Co, Chartered Accountants, (firm registration no. 000008S) were appointed auditors of the company from the conclusion of the 30<sup>th</sup> Annual General Meeting (AGM) of the company held on 29<sup>th</sup> September 2014 till the conclusion of 34<sup>th</sup> AGM, subject to ratification of their appointment at every AGM. The company has received confirmation from the audit firm regarding their consent and eligibility under sections 139 and 141 of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

The Audit committee and the Board of Directors have recommended to ratify the appointment of auditors for the financial year 2016-17. The necessary resolution is being placed before the shareholder for their approval.

**COMMENT ON STATUTORY AUDITOR REPORT**

There are no qualifications, reservations, remarks or disclaimers made by Abhay Jain & Co, Statutory auditor, in their auditor report. The statutory auditor have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2015-16.

**SECRETARIAL AUDITOR**

Pursuant to the requirements of Section 204 (1) of the companies Act 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, M/s Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake Secretarial Audit of the Company for the financial year 2015-16.

The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure III.

**COMMENT ON SECRETARIAL AUDITOR REPORT**

With reference to the remarks made by the secretarial auditor, in the Secretarial Audit Report, the company has taken the corrective measures during the current financial year.

**INTERNAL CONTROL AND ITS ADEQUACY**

The Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. M/s Singhi & Co, Chartered Accountant was appointed as internal auditors of the Company. The internal auditors of the Company regularly conduct audit and submit his quarterly reports, which are reviewed by the Audit Committee. The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**RELATED PARTY TRANSACTIONS**

During the year 2015 – 2016, the Company had not entered into any material transaction with related parties as per section 188 of the Companies Act, 2013. Hence the question of reporting under the requirement of said section doesn't arise.



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**EXTRACT OF ANNUAL RETURN**

The details forming part of extract of Annual Return in form MGT -9 as provided under Sub Section (3) of the Section 92 of the Companies Act,2013 (the "Act") is annexed herewith as Annexure –IV to this report.

**RISK MANAGEMENT POLICY**

The risk management is overseen by the Audit committee/ Board of Directors of the company in a continuous basis. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available in the Company website [www.crmetal.in](http://www.crmetal.in)

**DISCLOSURE AS PER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PERVECTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has in place a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2015-16, the Company has not received any sexual harassment complaints.

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

**CORPORATE GOVERNANCE REPORT**

Since your company's paid up capital and Net worth is less than Rs.10 Crores and Rs.25 Corers respectively, the provisions of clause 27 of the SEBI LODR,2015 relating to Corporate Governance, is not applicable to the Company.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met 5 (Five) times during the financial year, and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**ANNUAL BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and the Nomination and Remuneration Committees.

**PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

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

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman of the Board and the Executive Directors was carried out by the Independent Directors.

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This code helps the Company to maintain the standard of business ethics and ensure compliance with the legal requirements of the company

The code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance officer is responsible to ensure adherence to the Code by all concerned

The code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders

All the Board Members and the Senior Management personnel have confirmed compliance with the Code

**WHISTLE BLOWER POLICY/VIGIL MECHANISM**

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies ( Meetings of Board and its Powers ) Rules,2014 and clause 49 of the Listing Agreement, the Board of Directors had approved the policy

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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on vigil mechanism / whistle blower and the same was hosted on the website of the Company. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year

**BOARD COMMITTEES**

The Board had constituted the following committees Viz Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your company is not having profits more than Rs. 5 crores, in the year 2015-16 and therefore Constituting of a CSR Committee and its compliance in accordance with the provisions of Section 135 of the Act, does not arise.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

I Industry structure and developments.  
Crimson Metal Engineering Company Ltd is in to steel industry. Our Company has survived the toughest period in the industry and that's why its identity in the industry is well established.

II. Discussion on financial performance with respect to operational performance

As far as the financial performance of the company is concerned, during the year 2015-2016, the Company has earned a net profit after tax of Rs.4876045 as against Rs.8641173 earned in the previous year. On the sales front, the Company has achieved a turnover of about Rs.459212988 during the year 2015-2016 as against Rs.445120047 achieved in 2014-2015. In the operational performance front the company has achieved increased tonnage of production during the current financial year when compared to the earlier financial year.

III. Opportunities and Threats.

Due to the expanding economy, industries where company's products are used will also look up giving growth opportunities for the company.

However dumping of raw materials, making the end product prices volatile is a threat to be managed.

IV. Segment-wise or product-wise performance.

The company is operating in single segment and product viz., manufacture of pipes.

V. Outlook

Outlook of the industry continues to be good. With the economy looking up with all round growth we hope the company's products will also have better growth.

VI. Risks & Concerns

The main risk to which the company is exposed to is the fluctuation in the Raw material prices and the competition from the various competitors. During the course of year the company has broad based its operations. This, we believe will strengthen the company to weather any unforeseen volatility in its operations.

VII. Internal Control Systems

The Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. M/s Singhi & Co, Chartered Accountant was appointed as internal auditors of the Company. The internal auditors of the Company regularly conduct audit and submit his quarterly reports, which are reviewed by the Audit Committee. The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

VII. Material developments in Human Resources / Industrial Relations front, including number of people employed

No Material developments have occurred in Human Resources / Industrial Relations front.

VIII. Cautionary Statement :

Statement in the management discussion, prescribing the company's objective and expectations may be "forward looking statements" within the meaning of applicable SEBI laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic demand/ supply and price conditions in the domestic/ international markets, change in government regulations, tax laws, other statutes and incidental factors.

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

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**DISCLOSURE OF ACCOUNTING TREATMENT :**

No differential treatment has been followed during the financial year 2015 -16 in preparation of the financial statements.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Act, the Directors hereby confirm:

1. That in the Preparation of Final Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies 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 at the end of the Financial Year and of the Profit or Loss of the Company for that period;
3. That they had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. That they had prepared the Annual Accounts on a Going Concern basis.

5. That they laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating properly; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the contributions made by employees at all levels, towards the continued growth and prosperity of your Company. Directors take this opportunity to convey their thanks to all the valued shareholders and the valuable services rendered by the Officers and Staff at all levels.

For and on behalf of the Board

VINAY KUMAR GOYAL  
MANAGING DIRECTOR  
DIN-00134026

R.UMA  
WHOLE TIME DIRECTOR  
DIN: 07029264

Place: Chennai

Date: **13.08.2016**

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

**ANNEXURE I**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

<b>CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION</b>		
	<b>Current Year</b>	<b>Previous Year</b>
<b>1. Electricity</b>		
Purchase Units	27,33,196	22,66,320
Rate/Unit in Rs.	6.38	7.09
Total Cost in Rs.	174,30,098	160,77,542
Own Generated (Diesel) in Rs.	1,75,051	2,37,392
Total Cost	176,05,149	163,14,934
<b>2. Furnace Oil (in Lts)</b>	1,25,770	2,21,150
<b>3. LPG (in Kgs)</b>	3,67,339	1,44,950
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production MTS	50,332	35,281
Electricity Units	54.30	64.24
Furnace Oil Lts	8.06	15.08
LPG in Kgs	12.33	10
<b>C. TECHNOLOGY ABSORPTION</b>	<b>NIL</b>	<b>NIL</b>
<b>NOTE : CURRENT YEAR CONSUMPTION INCLUDES JOBWORK PRODUCTION</b>		

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

**Annexure II**

**Disclosures pursuant to rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Particulars	Disclosure Details			
	Vinay Kumar Goyal	S.N.Seshadri	Chandrakesh Pal**	R.Uma
the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	18	2.1	3.4	0.8
the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, \4Company Secretary or Manager, if any, in the financial year	20	Negative	Not applicable being appointed for part of the year	9
the percentage increase in the median remuneration of employees in the financial year;	Approximately up to 10% excluding workmen			
the number of permanent employees on the rolls of company	_____			
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;)	Average percentile increase for Managerial grade was up to 10%( approximately)Average percentile increase for Non-Managerial grade was up to 10%( approximately)			
affirmation that the remuneration is as per the remuneration policy of the company	The Company affirms that the remuneration is as per the remuneration policy of the company			

**\*\*Appointed w.e.f. 23.12.2015**



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**Annexure III**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the**  
**Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**The Members**

**Crimson Metal Engineering Company Limited**  
**163/1 Prakasam Road,**  
**Broadway,**  
**Chennai-600108**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Crimson Metal Engineering Company Limited** (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, 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 reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Crimson Metal Engineering Company Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions as applicable to the Company during the period of audit:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 to the extent applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. 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, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Applicable with effect from 15 May, 2015);
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- v. The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1 December, 2015).
- vi. 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 applicable with effect from 1 July 2015.
- vii. In our opinion and as identified and informed by the Management, the company has no Specific laws applicable since it is engaged in the business of manufacturing of pipes.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above except that: -

- The company is in the process of initiating the strict compliances of both the Secretarial Standards (Since being the first year of implementation) in certain areas.
- The company, being a listed entity, is in the process of appointing certain KMP in terms of Section 203, of the Companies Act, 2013.
- There has been some delay in filing of certain e-form(s) filed with MCA.

We further report that there were no actions/events in the pursuance of

- a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, with regard to point (vii) above, the company is in the process of establishing adequate systems and processes to monitor and ensure compliance with other applicable general laws viz., Industrial Laws, Environmental, Human Resources and labour laws, including the following laws:

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Employees' State Insurance Act, 1948
3. The Contract Labour (Regulation & Abolition) Act, 1970
4. The Factories Act, 1948
5. The Industrial Disputes Act, 1947
6. The Industrial Employment (Standing Orders) Act 1946
7. The Workmen's Compensation Act, 1923 & Rules
8. Payment of Gratuity Act 1972 & Rules
9. The Payment of Bonus Act, 1965
10. The Minimum Wages Act, 1948
11. The Maternity Benefit Act, 1961
12. Apprentices Act, 1961

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act by filing necessary forms with the MCA.

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

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-

**Lakshmmi Subramanian**

**Senior Partner**

**FCS No. 3534**

**C.P.NO. 1087**

**Place: Chennai**

**Date: 12/08/2016**

**ANNEXURE-A**

**The Members**

**Crimson Metal Engineering Company Limited**

**163/1 Prakasam Road,**

**Broadway,**

**Chennai-600108**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 random 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 the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the 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 a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-

**Lakshmmi Subramanian**

**Senior Partner**

**FCS No. 3534**

**C.P.NO. 1087**

**Place: Chennai**

**Date: 12/08/2016**

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

**ANNEXURE IV**

**EXTRACT OF ANNUAL RETURN**  
**FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and  
 Rule 12(1) of the Company (Management & Administration) Rules, 2014)

**Financial Year ended on 31.03.2016**

**I. REGISTRATION AND OTHER DETAILS :**

CIN	L27105TN1985PLC011566
Registration Date	<b>15.02.1985</b>
Name of the Company	<b>CRIMSON METAL ENGINEERING COMPANY LTD</b>
Category / Sub-Category of the Company	Company Limited by shares
Address of the Registered office and contact details	163/1 II FLOOR, PRAKASAM ROAD, BROADWAY, CHENNAI-600108
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited 1, Subramaniam Building, Club House Road, Chennai – 600 002

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

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

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	manufacturers of Black Pipe (ERW Pipe & G I Pipe)	73061919	100.00

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

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :**

**(i) Category-wise Share Holding**

**Name of the Company** : CRIMSON METAL ENGINEERING COMPANY LTD  
**Face Value** : 10 /-  
**Paidup Shares as on 01-Apr-2015** : 4428207  
**Paidup Shares as on 31-Mar-2016** : 4428207  
**For the Period From** : 01-Apr-2015 To : 31-Mar-2016

Category code	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. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>										
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	1742712	0	1742712	39.3547	1742712	0	1742712	39.3547	0.0000
b.	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB - TOTAL (A)(1)</b>		<b>1742712</b>	<b>0</b>	<b>1742712</b>	<b>39.3547</b>	<b>1742712</b>	<b>0</b>	<b>1742712</b>	<b>39.3547</b>	<b>0.0000</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB - TOTAL (A)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>		<b>1742712</b>	<b>0</b>	<b>1742712</b>	<b>39.3547</b>	<b>1742712</b>	<b>0</b>	<b>1742712</b>	<b>39.3547</b>	<b>0.0000</b>
<b>B. PUBLIC SHAREHOLDING</b>										
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>SUB - TOTAL (B)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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Category code	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	
a.	BODIES CORPORATE	800	45040	45840	1.0351	0	45040	45040	1.0171	-0.0180
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	30840	426920	457760	10.3373	46880	422000	468880	10.5884	0.2511
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	45800	78280	124080	2.8020	35480	30080	65560	1.4805	-1.3215
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	FOREIGN CORPORATE BODIES	0	17040	17040	0.3848	0	17040	17040	0.3848	0.0000
	NON RESIDENT INDIANS	0	2040775	2040775	46.0858	1333	2087642	2088975	47.1742	1.0884
		0	2057815	2057815	46.4706	1333	2104682	2106015	47.5590	1.0884
	<b>SUB - TOTAL (B)(2)</b>	<b>77440</b>	<b>2608055</b>	<b>2685495</b>	<b>60.6452</b>	<b>83693</b>	<b>2601802</b>	<b>2685495</b>	<b>60.6452</b>	<b>0.0000</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>77440</b>	<b>2608055</b>	<b>2685495</b>	<b>60.6452</b>	<b>83693</b>	<b>2601802</b>	<b>2685495</b>	<b>60.6452</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>1820152</b>	<b>2608055</b>	<b>4428207</b>	<b>100.0000</b>	<b>1826405</b>	<b>2601802</b>	<b>4428207</b>	<b>100.0000</b>	<b>0.0000</b>
	<b>C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1820152</b>	<b>2608055</b>	<b>4428207</b>	<b>100.0000</b>	<b>1826405</b>	<b>2601802</b>	<b>4428207</b>	<b>100.0000</b>	<b>0.0000</b>

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

**ii) Shareholding of promoters**

Name of the Company : CRIMSON METAL ENGINEERING COMPANY LTD

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	FOLIO / DP_CL_ID
		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	VINAY KUMAR GOYAL	455821	10.2935	0.0000	0	0.0000	0.0000	-10.2935	'TL000014
2	PREMCHAND GOYAL	423570	9.5652	0.0000	0	0.0000	0.0000	-9.5652	'00007724
3	DEEPIKA GOYAL	203430	4.5939	0.0000	0	0.0000	0.0000	-4.5939	'00007578
4	NITIN KUMAR GOYAL	160595	3.6266	0.0000	0	0.0000	0.0000	-3.6266	'TL000015
5	SHAKUNTALA DEVI GOYAL	102994	2.3258	0.0000	0	0.0000	0.0000	-2.3258	'00007872
6	PREMCHAND GOYAL HUF	85944	1.9408	0.0000	0	0.0000	0.0000	-1.9408	'TL000070
7	VINAY KUMAR & SONS HUF	83010	1.8745	0.0000	0	0.0000	0.0000	-1.8745	'TL000087
8	HINA GOYAL	81336	1.8367	0.0000	0	0.0000	0.0000	-1.8367	'00007873
9	ANURADHA GOYAL	81012	1.8294	0.0000	0	0.0000	0.0000	-1.8294	'00007871
10	SUNIL KUMAR GOYAL	65000	1.4678	0.0000	0	0.0000	0.0000	-1.4678	'TL000010

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

**Name of the Company : CRIMSON METAL ENGINEERING COMPANY LTD**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/ DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	VINAY KUMAR GOYAL						
	At the beginning of the year 01-Apr-2015	455821	10.2935	455821	10.2935	'1204940000167961	AHOPG4904E
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	455821	10.2935	455821	10.2935		
2	PREM CHAND GOYAL						
	At the beginning of the year 01-Apr-2015	423570	9.5652	423570	9.5652	'1204940000167923	ACUPG1545Q
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	423570	9.5652	423570	9.5652		
3	DEEPIKA GOYAL						
	At the beginning of the year 01-Apr-2015	203430	4.5939	203430	4.5939	'1204940000167879	AEAPG8661F
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	203430	4.5939	203430	4.5939		
4	NITIN KUMAR GOYAL						
	At the beginning of the year 01-Apr-2015	160595	3.6266	160595	3.6266	'1204940000167904	AHOPG4903D
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	160595	3.6266	160595	3.6266		
5	SHAKUNTALADEVI						
	At the beginning of the year 01-Apr-2015	102994	2.3258	102994	2.3258	'1204940000168207	AKUPS2685P
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	102994	2.3258	102994	2.3258		
6	PREMCHAND GOYAL AND SONS HUF .						
	At the beginning of the year 01-Apr-2015	85944	1.9408	85944	1.9408	'1204940000177885	AAAHP2886D
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	85944	1.9408	85944	1.9408		
7	VINAY KUMAR GOYAL HUF						
	At the beginning of the year 01-Apr-2015	83010	1.8745	83010	1.8745	'1204940000171281	AAEHV0170J
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	83010	1.8745	83010	1.8745		
8	HINA DEVI GOYAL						
	At the beginning of the year 01-Apr-2015	81336	1.8367	81336	1.8367	'1204940000167883	AHLPG7138H
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	81336	1.8367	81336	1.8367		
9	ANURADHA GOYAL						
	At the beginning of the year 01-Apr-2015	81012	1.8294	81012	1.8294	'1204940000167864	AHOPG4905F
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	81012	1.8294	81012	1.8294		
10	SUNIL KUMAR GOYAL						
	At the beginning of the year 01-Apr-2015	65000	1.4678	65000	1.4678	'1204940000167942	ACUPG1485H
	Purchases	-	-	-	-	-	-
	Sales	-	-	-	-	-	-
	At the end of the Year 31-Mar-2016	65000	1.4678	65000	1.4678		

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

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

**Name of the Company : CRIMSON METAL ENGINEERING COMPANY LTD**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/ DP_CL_ID
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	A J MENON					'00007895
	At the beginning of the year 01-Apr-2015	1392857	31.4541	1392857	31.4541	
	At the end of the Year 31-Mar-2016	1392857	31.4541	1392857	31.4541	
2	GIRISH JHUNJHUNUWALA					'TL000104
	JT1 : SURYAJHUNJHUNUWALA	134000	3.0260	134000	3.0260	
	At the beginning of the year 01-Apr-2015	134000	3.0260	134000	3.0260	
	At the end of the Year 31-Mar-2016					
3	SURYA JHUNJHUNUWALA					'TL000112
	JT1 : GIRISH JHUNJHUNUWALA	106667	2.4088	106667	2.4088	
	At the beginning of the year 01-Apr-2015	106667	2.4088	106667	2.4088	
	At the end of the Year 31-Mar-2016	106667	2.4088	106667	2.4088	
4	VIDYADEVIJHUNJHUNUWALA					'TL000105
	JT1 : SUNDER JHUNJHUNUWALA	79718	1.8002	79718	1.8002	
	At the beginning of the year 01-Apr-2015	79718	1.8002	79718	1.8002	
	At the end of the Year 31-Mar-2016	79718	1.8002	79718	1.8002	
5	VIDYA DEVI JHUNJHUNUWALA					'TL000151
	JT1 : SHYAMSUNDARJHUNJHUNUWALA	64000	1.4452	64000	1.4452	
	At the beginning of the year 01-Apr-2015	64000	1.4452	64000	1.4452	
	At the end of the Year 31-Mar-2016	64000	1.4452	64000	1.4452	
6	SURYA JHUNJHUNUWALA					'TL000152
	JT1 : GIRISH JHUNJHUNUWALA	60000	1.3549	60000	1.3549	
	At the beginning of the year 01-Apr-2015	60000	1.3549	60000	1.3549	
	At the end of the Year 31-Mar-2016	60000	1.3549	60000	1.3549	
7	GIRISH JHUNJHUNUWALA					'TL000153
	JT1 : SURYA JHUNJHUNUWALA	60000	1.3549	60000	1.3549	
	At the beginning of the year 01-Apr-2015	60000	1.3549	60000	1.3549	
	At the end of the Year 31-Mar-2016					
8	CHANDRASHEKAR KRISHNA MURTHY					'00007795
	At the beginning of the year 01-Apr-2015	48200	1.0884	48200	1.0884	
	Purchase 23-Oct-2015	132000	2.9808	180200	4.0693	
	Purchase 22-Jan-2016	8000	0.1806	188200	4.2500	
	At the end of the Year 31-Mar-2016	188200	4.2500	188200	4.2500	
9	PRABHAVATHY P C					'00007621
	At the beginning of the year 01-Apr-2015	36000	0.8129	36000	0.8129	
	Sale 24-Jul-2015	-36000	0.8129	0	0.0000	
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000	
10	BILASRAI GOYAL					'IN30036020013049
	At the beginning of the year 01-Apr-2015	35480	0.8012	35480	0.8012	
	At the end of the Year 31-Mar-2016	35480	0.8012	35480	0.8012	

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**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

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

**Name of the Company : CRIMSON METAL ENGINEERING COMPANY LTD**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/ DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	VINAY KUMAR GOYAL						
	At the beginning of the year 01-Apr-2015	455821	10.2935	455821	10.2935	1204940000167961	AHOPG4904E
	At the end of the Year 31-Mar-2016	455821		10.2935	455821	10.2935	

**(v) INDEBTEDNESS**

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

(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	138790550	173305581	7946289	320042420
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	138790550	173305581	7946289	320042420
<b>Change in Indebtedness during the financial year</b>				
● Addition	-	-	-	-
● Reduction	-1072768	-7658132	-2656793	-11387693
<b>Net Change</b>	<b>-1072768</b>	<b>-7658132</b>	<b>-2656793</b>	<b>-11387693</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	137717782	165647449	5289492	308654727
<b>Total (i+ii+iii)</b>	<b>137717782</b>	<b>165647449</b>	<b>5289492</b>	<b>308654727</b>

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

**I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

S.No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		VINAY KUMAR GOYAL	NARAYANAMURTHY SESHADRI	RAJARAM UMA	Chandrakesh Pal**	
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	29,10,310	270612	96692	111924	3389538
2.	Stock Option	Nil	Nil	Nil		
3.	Sweat Equity	Nil	Nil	Nil		
4.	Commission- as % of profit- others	Nil	Nil	Nil		
5.	Others – Retirement benefits Provision for leave salary	Nil	Nil	Nil		
	<b>Total (A)</b>	<b>29,10,310</b>	<b>270612</b>	<b>96692</b>	<b>111924</b>	<b>3389538</b>
	Ceiling as per the Act	WITHIN SCHEDULE V LIMITS				

\*\* Appointed w.e.f. 23.12.2015

**B. Remuneration to other directors : NIL**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -**

S.No	Particulars of Remuneration	Name of CFO	Total Amount
		Debidutta Mishra**	
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	253828	253828
2.	Stock Option	Nil	
3.	Sweat Equity	Nil	
4.	Commission- as % of profit- others	Nil	
5.	Others – Retirement benefits Provision for leave salary	Nil	
	<b>Total</b>	<b>253828</b>	<b>253828</b>

\*\* Resigned w.e.f. 03.09.2015

**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)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF CRIMSON METAL ENGINEERING COMPANY LIMITED REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Crimson Metal Engineering Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give the true and fair view of the financial position, financial performance and cash flows of the Company with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of the appropriate accounting policies, making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**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 Section 143(3) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



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

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2. As required by Section 143(3) of the Act, we report that :
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
  - e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters included in the auditor's report and to the best of our information and according to the explanation given to us.
    - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
    - 2) 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.
    - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

**For ABHAY JAIN & Co.,  
Chartered Accountants  
(FRN. 000008S)**

**Place : Chennai  
Date : 30.05.2016**

**(A K JAIN)  
Partner  
M No 70224**

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

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of CRIMSON METAL ENGINEERING COMPANY LIMITED. On the accounts of the Company for the year ended 31<sup>st</sup> March, 2016.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable  
  
(c) The title deeds of immovable properties are held in the name of the Company.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore the provision of clause 3(3a), (3b) and (3c) of the said order are not applicable to the Company
4. In our opinion, and according to the information and explanations given to us, the Company has not given any loan nor made any investment and not provided guarantee or any security as such the provisions of Section 185 and 186 of the Companies Act, 2013 is not applicable on the Company.
5. The Company has not accepted any Deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at [balance sheet date] which have not been deposited on account of a dispute, are as follows :

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

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Adoption of Incorrect Jobwork Value	9.71	A/Y 2005-06 A/y 2006-07	Hon'ble Madras High Court
Central Excise Act, 1944	Wrong Availment of Cenvat	154.69		Hon'ble Madras High Court

1. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans and borrowings to any financial institution or bank or Government as at the balance sheet date.
2. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(9) of the Order are not applicable to the Company.
3. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
4. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
5. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(12) of the Order are not applicable to the Company.
6. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
7. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review<sup>39</sup>. Accordingly, the provisions of Clause 3(14) of the Order are not applicable to the Company.
8. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(15) of the Order are not applicable to the Company.
9. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(16) of the Order are not applicable to the Company.

**For ABHAY JAIN & Co.,**  
**Chartered Accountants**  
**(FRN. 000008S)**

**Place : Chennai**  
**Date : 30.05.2016**

**(A K JAIN)**  
**Partner**  
**M No 70224**

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

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016**

PARTICULARS	NOTES	Amount in Rupees	
		March 31, 2016	March 31, 2015
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	44,282,070	44,282,070
(b) Reserves & Surplus	4	(4,614,695)	(9,490,740)
		<u>39,667,375</u>	<u>34,791,330</u>
<b>(2) Share Application Money Pending Allotment</b>			
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	165,647,449	173,305,581
(b) Deferred Tax Liabilities (Net)	6	8,586,895	7,178,087
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions			
		<u>174,234,344</u>	<u>180,483,668</u>
<b>(4) CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	7	137,717,782	138,790,550
(b) Trade Payables	8	33,660,478	26,508,242
(c) Other Current Liabilities	9	10,342,773	14,705,544
		<u>181,721,033</u>	<u>180,004,336</u>
<b>TOTAL</b>		<u><u>395,622,752</u></u>	<u><u>395,279,334</u></u>
<b>(II) ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
<b>(a) FIXED ASSETS</b>			
(i) Tangible Assets	10	134,336,116	143,784,073
(b) Long Term Loans and Advances	11	5,289,496	7,946,289
(c) Other Non Current Assets	12	33,474	33,474
		<u>139,659,086</u>	<u>151,763,836</u>
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments			
(b) Inventories	13	38,556,734	78,159,180
(c) Trade Receivables	14	167,832,881	111,099,377
(d) Cash and cash Equivalents	15	26,463,931	9,540,996
(e) Other Current Assets	16	16,987,279	28,533,191
(b) Short Term Loans and Advances	17	6,122,842	16,182,754
		<u>255,963,666</u>	<u>243,515,497</u>
<b>TOTAL</b>		<u><u>395,622,752</u></u>	<u><u>395,279,334</u></u>

Significant Accounting Policies and  
Notes on Financial Statements 1 to 40

As per our report of even date  
for ABHAY JAIN & CO  
Chartered Accountants,  
FRN No: 000008 S

(A.K. JAIN)  
Partner.  
M.No.070224

Place : Chennai  
Date : 30.05.2016

for and on behalf of the Board

(VINAY GOYAL)  
Managing Director

(R. UMA)  
Whole time Director

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

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

PARTICULARS	NOTES	Amount in Rupees	
		March 31, 2016	March 31, 2015
Revenue from Operations	18	457,226,693	443,076,159
Other Income	19	1,986,295	2,043,888
<b>Total Revenue</b>		<b>459,212,988</b>	<b>445,120,047</b>
<b>EXPENSES</b>			
Cost of Material Consumed	20	331,324,243	332,693,912
Changes in Inventories of Finished Goods	21	4,232,136	(1,756,659)
Payment to Employees	22	12,419,963	19,557,072
Managerial Remuneration	23	3,389,538	2,873,037
Payment to Auditors	24	265,000	265,000
Insurance Expenses	25	328,517	376,609
Power & Fuel	26	36,179,347	33,356,509
Financial Expenses	27	24,682,058	26,594,393
Depreciation & Amortization Expenses	28	9,505,257	9,481,748
Other Expenses	29	29,077,746	14,633,534
Total Expenses		<b>451,403,805</b>	<b>438,075,155</b>
Profit before Exceptional Items and Tax		<b>7,809,183</b>	<b>7,044,892</b>
Exceptional Items		-	-
Profit before Extraordinary items		<b>7,809,183</b>	<b>7,044,892</b>
Extraordinary Items		-	-
Profit before Tax		<b>7,809,183</b>	<b>7,044,892</b>
Current Tax	30	1,524,330	1,365,000
Deferred Tax	31	1,408,808	(2,961,290)
<b>Profit (Loss) for the period</b>		<b>4,876,045</b>	<b>8,641,182</b>
Earnings per Equity Share			
(1) Basic		<b>1.10</b>	<b>1.95</b>
(2) Diluted			

As per our report of even date  
for ABHAY JAIN & CO  
Chartered Accountants,  
FRN No: 000008 S

(A.K. JAIN)  
Partner.  
M.No.070224

Place : Chennai  
Date : 30.05.2016

for and on behalf of the Board

(VINAY GOYAL)  
Managing Director

(R. UMA)  
Whole time Director

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2016**

	Amount in Rupees	
	FY 2015-2016	FY 2014-2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>7,809,183</b>	<b>7,044,892</b>
<b>Non-cash adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation	9,505,257	9,481,748
Interest and finance charges	24,682,058	26,594,393
Exceptional item		
Interest Received	(1,446,397)	(1,227,371)
Rent Received	(180,000)	(180,000)
Misc Receipt	(1,900)	(636,517)
<b>Operating Profit before working capital changes :</b>	<b>40,368,201</b>	<b>41,077,146</b>
<b>Movements in working capital :</b>		
Inventories	39,602,446	(47,941,164)
Trade Receivables	(56,733,504)	99,367,946
Short Term Loans & Advances	10,059,913	15,342,819
Other Current assets	11,545,912	(3,360,634)
Trade Payables	7,152,236	(72,156,357)
Other Current Liabilities	(4,362,770)	(12,770,338)
<b>Cash generated from Operation</b>	<b>47,632,434</b>	<b>19,559,419</b>
<b>Less : Tax Paid</b>	<b>1,524,330</b>	<b>1,365,000</b>
<b>Net Cash From /(used in) Operating Activities (a)</b>	<b>46,108,104</b>	<b>18,194,419</b>
<b>B. Cash Flow from Investing Activities :</b>		
Other income	1,628,297	2,043,888
Purchase of Fixed Assets	(57,300)	(1,306,992)
Long term loans and advances	2,656,793	-
Investment	-	-
<b>Net Cash From /(used in) Investing Activities (b)</b>	<b>4,227,790</b>	<b>736,896</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest and finance charges	(24,682,058)	(26,594,393)
Proceed from Long Term Borrowing	(7,658,132)	6,667,774
Proceed from Short Term Borrowings	(1,072,769)	-
Share Capital	-	-
Share premium	-	-
<b>Net Cash from Financing Activities (c)</b>	<b>(33,412,959)</b>	<b>(19,926,619)</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (a+b+c)</b>	<b>16,922,935</b>	<b>(995,305)</b>
In Cash or Cash Equivalents		
Opening Balance as on 01.04.2015	9,540,996	10,536,301
Closing Balance as on 31.03.2016	26,463,931	9,540,996
	<b>16,922,935</b>	<b>(995,305)</b>

NOTE : Cash and cash equivalent represent Cash & Bank balance.

Asper our report of even date  
for ABHAY JAIN & CO  
Chartered Accountants,  
FRN No: 000008 S

(A.K. JAIN)  
Partner.  
M.No.070224

Place : Chennai  
Date : 30.05.2016

for and on behalf of the Board

(VINAY GOYAL)  
Managing Director

(R. UMA)  
Whole time Director



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

**SIGNIFICANT ACCOUNTING POLICIES**

1. a) **CRIMSON METAL ENGINEERING COMPANY LIMITED** is a Public Limited company. The company incorporated under companies' act 1956 vides RC number L27105TN1985PLCO11566 issued by Register of companies (ROC) Tamilnadu. Its share is listed on stock exchanges in India. The Company is engaged in the manufacturing and selling of Black Pipe (ERW Pipe & G I Pipe) The factory is situated in Pipdic Industrial Estate, Sedarapet Puducherry – 605111.
- b) The financial statements have been prepared in accordance with generally accepted accounting in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial Statements have been prepared under the historical cost convention on an accrual basis except in case of Land (freehold and leasehold).

**1.1 Summary of significant accounting policies**

**a. Basis of Accounting**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

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. The Company's activities in its business segments have operating cycles which do not exceed 12 months. As a result, current assets comprise elements that are expected to be realized within 12 months after the reporting date and current liabilities comprise elements that are due for settlement within 12 months after the reporting date.

**b. Use of estimates.**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**c. Tangible fixed assets.**

Tangible fixed assets, acquired by the company are reported at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to the location and condition for its intended use. Examples of directly attributable expenses included in the acquisition cost are delivery and handling cost, installation, legal services and consultancy services.

Where the construction or development of any such assets requiring a substantial period of time set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the assets is ready for its intended use.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight like method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, taking in to account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.,

**d. Borrowing costs**

Borrowing cost includes interest. Borrowing costs directly attribute to the acquisition, construction or

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

production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**e. Inventories**

Raw materials, components, store and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the site.

**f. Revenue Recognition**

Revenue from sale of products is recognized when practically all significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits following to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. This usually occurs upon dispatch and collection of the receivable is reasonably certain.

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'other income' in the statement of Profit and Loss.

**g. Employee Benefits**

Liability for employee benefits, both short and long term, which are due as per the terms of employment, are recorded in accordance with Accounting Standard -15 (Revised) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

- a. In respect of Gratuity, the Company offers a non contributory defined benefit plan to its employees. Year end accrued liabilities of gratuity payable to employees are provided for Rs 2,14,037/- based on the liability as estimated by the management. This policy is not in accordance with the Revised Accounting Standard AS-15 "Employees Benefits".
- b. Contribution to Provident Fund and other recognized fund is charged to profit and loss account.
- c. Provision for Leave Encashment is not made as per Revised Accounting Standard AS-15 "Employees Benefits".

**h. Income Taxes**

**Current Tax**

Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

**Deferred Tax**

Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred Tax Liability is created and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

**i. Segment reporting**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The company primarily operates in single business segment which is Steel Tube (Skelp, Black pipe and GI pipe), and accordingly there are no primary segments to be reported as per Accounting Standard 17 "Segment Reporting".

**j. Earning per share**

Basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period .

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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

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**k. Foreign currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange Difference**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**l. Custom & Excise Duty**

Excise Duty on finished goods lying at the factory is accounted at point of sale or dispatch. Custom Duty on imported material lying in bonded warehouse is accounted for at the time of bonding materials.

**m. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**n. Contingent Liabilities**

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

**o. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**NOTES**                      **Notes on Financial Statements for the Year ended 31st March, 2016**

PARTICULARS	Amount in Rs.	
	2016	2015
<b>3</b>	<b><u>SHARE CAPITAL</u></b>	
	<b>Authorised</b>	
98,50,000 Equity of Rs.10/- Each	98,500,000	98,500,000
15,000 Preference Shares of Rs.100/-Each	1,500,000	1,500,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>3.1</b>	<b><u>Issued, Subscribed &amp; Paid Up Capital</u></b>	
4428207 equity shares of Rs 10/- each fully paid up.	44,282,070	44,282,070
	<b>44,282,070</b>	<b>44,282,070</b>
<b>3.2</b>	The detrail of Shareholders holding more than 5% shares.	
A J MENON	31.45%	31.45%
VINAY KUMAR GOYAL	10.29%	10.29%
PREMCHAND GOYAL	9.56%	9.56%
<b>3.3</b>	The reconciliation of the number of shares outstanding is set out below	
Equity shares at the beginning of the year	44,282,070	44,282,070
Add: Shares issued on preferential allotment		
Add: Bonus shares issued		
	<b>44,282,070</b>	<b>44,282,070</b>
<b>4</b>	<b><u>RESERVES &amp; SURPLUS</u></b>	
<b>4.1</b>	<b><u>SHARE PREMIUM</u></b>	
Share premium (Equity shares ) Opening balance	9,571,429	9,571,429
	<b>9,571,429</b>	<b>9,571,429</b>
<b>4.3</b>	<b><u>PROFIT AND LOSS ACCOUNT</u></b>	
Profit & Loss Account Debit	(19,062,169)	(25,813,931)
Less Adjusted against		
Adjustment of Depreciation		<b>(1,889,420)</b>
Profit for the Year	4,876,045	8,641,182
	<b>(14,186,124)</b>	<b>(19,062,169)</b>
<b>TOTAL</b>	<b>(4,614,695)</b>	<b>(9,490,740)</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>5 LONG TERM BORROWING</b>		
<b>Unsecured Loan</b>		
Loan from Others (Corporate deposits)	37,039,071	36,299,052
Trade Deposit	125,000,000	130,000,000
Term loan from Central Bank of India	3,608,378	7,006,529
<b>Securities offered</b>		
Secured by Hypothecation of Plant & Machinery, Fixtures, Electrical Items & Miscellaneous items purchased/to be purchased out of Term Loan		
<b>TOTAL</b>	<b>165,647,449</b>	<b>173,305,581</b>
<b>6 DEFERRED TAX LIEBILITY(NET)</b>		
Deffered Tax Liability related to Fixed Assets	7,178,087	10,139,377
Deffered tax Liability for the year	1,408,808	(2,961,290)
<b>TOTAL</b>	<b>8,586,895</b>	<b>7,178,087</b>
<b>7 SHORT TERM BORRINGS</b>		
<b>SECURED</b>		
<b>Central Bank of India</b>	137,717,782	138,790,550
(Secured by Hypothecation of Stock in Trade, receivable , EM on Factory Land, Building , Plant & Machinery, all movable and immovable assets and personal guarantee of Managing Director of the company)		
<b>TOTAL</b>	<b>137,717,782</b>	<b>138,790,550</b>
<b>Total of Short Term Borrowingas</b>	<b>137,717,782</b>	<b>138,790,550</b>
<b>8 TRADE PAYABLES</b>		
Trade Payables General Purchase	29,237,012	25,040,265
Trade Payables Expenses	4,423,466	1,467,978
Trade Payables Raw Material		
<b>TOTAL</b>	<b>33,660,478</b>	<b>26,508,242</b>
<b>9 OTHER CURRENT LIABILITIES</b>		
Deposit Trade Security		
Other Liabilites	5,750,258	7,674,507
Advance from Customers	396,827	904,142
TDS Payable		
Provision for Gratuity	2,099,088	2,099,441
Provision for Taxation	1,524,330	3,136,600
Provision for Excise Duty on Closing Stock	572,271	890,854
<b>TOTAL</b>	<b>10,342,773</b>	<b>14,705,544</b>

**FIXED ASSETS As on 31 / 03 / 2016**  
**NOTES-10**

*Amount in Rs.*

Particulars	Rate %	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Cost as on 01.04.2015	Additions During the Year	Deletion	Total As on 31.03.2016	As on 01.04.2015	For the Year	Adjustment	Deletion	Total As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Land		2,428,588	-	-	2,428,588	-	-	-	-	-	2,428,588	2,428,588
Building	3.17%	107,649,817	-	-	107,649,817	-	28,460,889	3,412,499	-	31,873,388	75,776,429	79,188,928
Plant & Machinery	4.75%	127,968,169	-	-	127,968,169	66,717,69	6,078,488	-	-	72,796,185	55,171,984	61,250,472
Tools and equipments	6.33%	5,164,210	-	-	5,164,210	4,906,000	-	-	-	4,906,000	258,210	258,210
Office Equipment	19.00%	2,327,959	-	-	2,327,959	2,211,561	-	-	-	2,211,561	116,398	116,398
Furniture & fittings	9.50%	4,243,686	-	-	4,243,686	4,031,502	-	-	-	4,031,502	212,184	212,184
Refrigrator	19.00%	36,670	-	-	36,670	34,836	-	-	-	34,836	1,834	1,834
Airconditioner	19.00%	1,124,041	30,600.00	-	1,154,641	1,067,839	5,814	-	-	1,073,653	80,988	56,202
Vehicles	11.88%	3,016,949	-	-	3,016,949	3,016,949	-	-	-	3,016,949	-	-
Television	19.00%	159,873	-	-	159,873	151,879	-	-	-	151,879	7,994	7,994
Computer	31.67%	4,893,447	26,700	-	4,920,147	4,648,773	8,456	-	-	4,657,229	262,918	244,674
Communication Equipment	19.00%	371,777	-	-	371,777	353,188	-	-	-	353,188	18,589	18,589
<b>TOTAL</b>		<b>259,385,186</b>	<b>57,300</b>	<b>-</b>	<b>259,442,486</b>	<b>115,601,113</b>	<b>9,505,257</b>	<b>-</b>	<b>-</b>	<b>125,106,370</b>	<b>134,336,116</b>	<b>143,784,073</b>
<b>PREVIOUS YEAR</b>		<b>258,078,194</b>	<b>1,306,992</b>	<b>-</b>	<b>259,385,186</b>	<b>104,229,945</b>	<b>9,481,748</b>	<b>1,889,420</b>	<b>-</b>	<b>115,601,113</b>	<b>143,784,073</b>	<b>153,848,249</b>

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Company has adopted the estimated useful life of fixed assets as stipulated by Schedule II to the Act, except in the case of Plant and Machinery where, based on the condition of the plants, regular maintenance schedule, material of construction and past experience, the Management has considered useful life of 20 years instead of 15 years.



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>11 LONG TERM LDEPOSITS WITH GOVT &amp; OTHERS</b>		
<b>11.1 Deposit with Govt &amp; Semi Govt</b>		
DEPOSIT ELECTRICITY	1,569,341	1,569,341
DEPOSIT FAX	500	500
DEPOSIT FOR APPEAL	-	104,982
DEPOSIT GAS	925,400	925,400
DEPOSIT OTHERS	-	2,551,811
DEPOSIT SALES TAX (AP)	251,045	251,045
DEPOSIT TELEPHONES	55,317	55,317
DEPOSIT TELEX	20,000	20,000
FIXED DEPOSIT IOB PONDY - EB	159,688	159,688
FIXED DEPOSIT SALES TAX	245,000	245,000
HOUSE RENT ADVANCE	133,000	133,000
MARGIN MONEY BHEL	-	-
RELAINCE INDUSTRIES LTD	49,900	49,900
RENT ADVANCE	1,220,305	1,220,305
SECURITY DEPOSIT WITH BSNL	110,000	110,000
SHV ENERGY PVT LTD	550,000	550,000
<b>TOTAL</b>	<b>5,289,496</b>	<b>7,946,289</b>
<b>12 OTHER NON CURRENT ASSETS</b>		
<b>12.1 Deposit Others</b>		
National Savings Certificate	33,474	33,474
<b>TOTAL</b>	<b>33,474</b>	<b>33,474</b>
<b>13 INVENTORIES</b>		
Raw material (Valued at cost)	13,998,354	49,011,392
Finished Product(valued at cost or market value which ever is less)	4,907,224	9,612,451
Scrap	243,213	88,705
Stores and Spares	19,407,943	19,446,632
<b>TOTAL</b>	<b>38,556,734</b>	<b>78,159,180</b>
<b>14 TRADE RECEIVABLES</b>		
(Unsecured Considered Good)		
More than Six month	4,175,765	2,841,118
Less than six month	163,657,116	108,258,259
<b>TOTAL</b>	<b>167,832,881</b>	<b>111,099,377</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	346,797	151,521
Balance with Bank :		
In current account	16,864,803	137,144
In Fixed Deposit	9,252,331	9,252,331
<b>TOTAL</b>	<b>26,463,931</b>	<b>9,540,996</b>
<b>16 OTHER CURRENT ASSETS</b>		
TDS Receivable	8,287,785	11,708,255
Cenvat Credit & PLA Account	7,229,452	10,747,562
Service Tax Receivables	3,848	848,938
Accrued Interest on NSC & FD	1,348,765	838,128
Other Receivables	-	4,272,879
ED Refund Receivable-Others	117,429	117,429
<b>TOTAL</b>	<b>16,987,279</b>	<b>28,533,191</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>17</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>	
	(Unsecured considered good, recoverable in cash or in kind or for value to be received)	
	Advance to Suppliers	7,511,053
	Advance to Staff	172,750
	PREPAID EXPS	702,726
	Advances and Deposits	7,796,225
	<b>TOTAL</b>	<b>16,182,754</b>
<b>18</b>	<b><u>REVENUE FROM OPERATIONS</u></b>	
	Sales of goods manufactured	347,160,677
	Sales of Scrap	12,291,330
	Sale or supply of services	83,624,152
	Less: Sales Expenses	
	<b>Revenue from operations</b>	<b>443,076,159</b>
<b>19</b>	<b><u>OTHER INCOME</u></b>	
	Interest Received	1,227,371
	Rent Received	180,000
	Misc Receipt	636,517
	<b>Total other income</b>	<b>2,043,888</b>
	<b>TOTAL INCOME</b>	<b>445,120,047</b>
<b>20</b>	<b><u>COST OF MATERIAL CONSUMED</u></b>	
<b>20.1</b>	<b><u>COST OF RAW MATERIAL CONSUMED :</u></b>	
	Opening stock	1,113,530
	Add:Purchase	365,317,692
	<b>330,439,412</b>	<b>366,431,222</b>
	Less: Closing stock	49,011,392
	<b>Raw material consumed</b>	<b>317,419,830</b>
<b>20.2</b>	<b><u>MANUFACTURING EXPENSES</u></b>	
	Carriage Inwards	4,042,327
	Labour Charges	4,540,182
	Consumption of Stores	6,588,460
	Machinery Maintenance	103,113
	<b>TOTAL</b>	<b>15,274,082</b>
	<b>Total Cost of Material Consumed (19.1+19.2)</b>	<b>332,693,912</b>
<b>21</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE</u></b>	
	<b><u>Closing Inventories:</u></b>	
	Finished Goods	9,601,487
	Other Goods	99,669
	<b>TOTAL</b>	<b>9,701,156</b>
	<b><u>Opening Inventories:</u></b>	
	Finished Goods	7,827,145
	Other Goods	88,019
	<b>TOTAL</b>	<b>7,915,164</b>
	<b>Increase / Decrease in Stock (A)</b>	<b>1,785,992</b>
	<b><u>EXCISE DUTY</u></b>	
	Opening	861,521
	Closing	890,854
	<b>Change in Excise Duty (B)</b>	<b>(29,333)</b>
	<b>Change in inventories of finished goods (A+B)</b>	<b>1,756,659</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>22 EMPLOYEE BENEFITS EXPENSES</b>		
<b>(I) SALARY &amp; WAGES</b>		
Salary	10,426,552	14,915,844
Full and Final Settlement	-	1,911,206
Bonus	406,497	516,020
<b>TOTAL (i)</b>	<b>10,833,049</b>	<b>17,343,070</b>
<b>CONTRIBUTION TO PROVIDENT &amp; OTHER FUNDS</b>		
PF Companies Contribution	374,179	443,586
ESI Companies Contribution	760,442	309,578
<b>TOTAL (ii)</b>	<b>1,134,621</b>	<b>753,164</b>
<b>STAFF WELFARE EXPENSE</b>		
Staff Welfare	238,256	836,392
Gratuity	214,037	624,446
<b>TOTAL (iii)</b>	<b>452,293</b>	<b>1,460,838</b>
<b>TOTAL (I)+(II)+(III)</b>	<b>12,419,963</b>	<b>19,557,072</b>
<b>23 MANAGERIAL REMUNERATION</b>		
Directors Salary	3,389,538	2,873,037
	<b>3,389,538</b>	<b>2,873,037</b>
<b>24 PAYMENT TO AUDITORS</b>		
Audit Fees	265,000	265,000
	<b>265,000</b>	<b>265,000</b>
<b>25 INSURANCE EXPENSES</b>		
Insurance	328,517	376,609
	<b>328,517</b>	<b>376,609</b>
<b>26 POWER &amp; FUEL EXPENSES</b>		
Power & Fuel	36,179,347	33,356,509
	<b>36,179,347</b>	<b>33,356,509</b>
<b>27 Financial expenses</b>		
Interest to Bank	18,155,985	18,872,738
Bank Charges	2,025,063	2,559,786
Interest-Others	4,501,010	5,161,869
<b>TOTAL</b>	<b>24,682,058</b>	<b>26,594,393</b>
<b>28 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation for the Year	9,505,257	9,481,748
<b>TOTAL</b>	<b>9,505,257</b>	<b>9,481,748</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>29 OTHER EXPENSES</b>		
Rent & Lease Rent	3,715,200	3,511,560
Postage & Telegram	171,871	210,756
Telephone	220,950	479,299
Travelling Expenses	782,065	1,006,410
Printing & Stationery	148,197	190,752
Subscription & Membership	321,970	290,339
Club Expenses	134,079	153,395
Office Maintenance	536,020	564,138
Vehicle Maintenance	-	15,710
General Expenses	240,079	461,444
Penalty	57,500	-
Professional Charges	1,508,922	715,700
Licence Fee	350,405	158,779
Rates & Taxes	2,135,561	1,624,856
Repairs & Maintenance	522,165	514,648
Sundry Balance written off	690,674	858,239
Service tax Expenses	436,174	-
Discount	1,895,177	-
Swach Bharat Cess	20,046	-
Insurance Claim Irrecoverable	4,272,879	-
Appeal Charges	483,969	-
Sales Tax Expenses	6,561,171	-
Freight & Transportation	3,672,722	3,599,484
Advertisement	82,758	76,618
Commission & Brokerage	113,279	201,407
Exchange Rate Fluctuation	3,913	-
<b>TOTAL</b>	<b>29,077,746</b>	<b>14,633,534</b>
<b>29.1 PAYMENT TO AUDITORS</b>		
Audit Fees	125,000	125,000
Tax Audit Fees	55,000	55,000
I.T Matters	75,000	75,000
Vat Audit Fees	10,000	10,000
Service Tax	-	-
	<b>265,000</b>	<b>265,000</b>
<b>30 CURRENT TAX</b>		
Current Tax for the year	1,524,330	1,365,000
	<b>1,524,330</b>	<b>1,365,000</b>
<b>31 DEFERRED TAX</b>	1,408,808	<b>(2,961,290)</b>
	<b>1,408,808</b>	<b>(2,961,290)</b>
<b>32 EARNINGS PER SHARE</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations		
Profit after Tax	4,876,045	8,641,182
Net Profit for EPS calculation	4,876,045	8,641,182
Weighted average number of shares outstanding during the year (Nominal value of Rs.10/-per share each) in absolute numbers	4,428,207	4,428,207
Basic and diluted earning per share	<b>1.10</b>	<b>1.95</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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PARTICULARS	Amount in Rs.	
	2016	2015
<b>33</b>	<b><u>CONTINGENT LIABILITIES</u></b>	
(i)	<b>On account of pending appeals of Central Excise</b>	
a)	38,051,782	38,051,782
	Job work incorrect adoption of value vide ref:V/73/15/61/2004-CXADJ/8/02/05 for Rs.20226475/-	
b)	Wrong availment of Cenvat credit vide ref.V/73/15/100/2005-CX ADJ/25/01/06 for Rs.16506601/-	
c)	Removal of waste & scrap without payment of duty vide ref: V/Ch.73/15/55/2006-CX ADJ/29/01/09 for Rs.1318706/-	
(ii)	-	-
	Non Filing of ER-6 Return for the Year 2012-13 V/Ch.73/15/27/2013 CX.Adj dt.14/08/13	
(iii)	1,310,000	1,310,000
	Electricity tax on electricity bill PONDY Rs.13.10 lacs	
(iv)	30,769,823	34,801,055
	LC Outstanding as on 31.3.16	
<b>34</b>	<b><u>SEGMENT REPORTING</u></b>	
	As per information given to us and to the best of our knowledge company is only manufacturing of Skelp, MS Pipes & GI Pipes therefore segment reporting in this case is not applicable.	
<b>35</b>	<b><u>RELATED PARTY DISCLOSURE</u></b>	
<b>35.1</b>	<b><u>Nature of Relationship</u></b>	
	<b><u>Key Managerial Person</u></b>	
i)	NIL	NIL
	Holding Company	
ii)	NIL	NIL
	Subsidiaries	
	<b><u>iii) Key Managerial Personnel</u></b>	
	Mr VinayGoyal (Managing Director)	
	Ms.Uma (Whole Time Director)	
	Mr Chandrakesh Pal(Whole Time Director)	
<b>36</b>	<b><u>Nature of Transaction</u></b>	
	<b><u>Directors Remuneration</u></b>	
	2,910,310	2,400,000
	Mr VinayGoyal (Managing Director)	
	270,612	271,692
	Mr S.N Seshadri (Whole Time Director)	
	-	179,386
	Mr.Ram Kishan Yadav	
	111,924	-
	Mr.Chandrakesh Pal(Whole Time Director)	
	96,692	21,959
	Ms.Uma	
	<b>3,389,538</b>	<b>2,873,037</b>
	<b>TOTAL</b>	
<b>37.1</b>	<b><u>IMPORTED &amp; INDIGENOUS RAW MATERIALS CONSUMED</u></b>	
	-	317,453,155
	Imported	
	<b>316,441,058</b>	<b>317,453,155</b>
	<b>TOTAL</b>	
	<b><u>Percentage of consumption</u></b>	
	0.00%	0.00%
	Imported	
	100.00%	100.00%
	Indigenous	
	<b>100.00%</b>	<b>100.00%</b>
	<b>TOTAL</b>	

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

PARTICULARS	Amount in Rs. As at 31 st March	
	2016	2015
<b>37.2</b>	<b><u>DETAILS OF IMPORTED &amp; INDIGENOUS RAW MATERIALS CONSUMED</u></b>	
H R COIL	270,702,788	272,573,527
G P COIL	45,738,270	12,029,628
ZINC	-	32,850,000
Indigenous	<b>316,441,058</b>	<b>317,453,155</b>
<b>38</b>	<b>Other Receivable included the following</b>	
Insurance Claim Receivable	-	4,272,874
Job work Income Receivable	-	-
License on hands	-	-
<b>TOTAL</b>	<b>-</b>	<b>4,272,874</b>
<b>39</b>	<b><u>Detail of finished goods</u></b>	
<b>39.1</b>	Purchase of stock in trade	
<b>39.2</b>	332,771,613	347,160,677
<b>39.3</b>	Closing stock of finished goods	
Opening	9,612,451	7,827,145
Closing	4,934,248	9,612,451
<b>40</b>	<b><u>GENERAL</u></b>	
a)	Balance in Sundry Debtors/ Creditors and advances . are subject to confirmation	
b)	Previous Year's Figures have been re-arranged and re-grouped wherever necessary.	
c)	Tax deducted at source from the payment to contractors, Professional charges, Comission, intrest and Salaries have been deposited.	
d)	In view of insufficient information from the suppliers regarding their status as SSI units the amount due to small scale Industrial Undertakings cannot be ascertained.	

**SIGNATURE TO NOTES ON FINANCIAL STATEMENTS 2 TO 40**

**As per our report of Even Date Annexed**

Asper our report of even date  
for ABHAY JAIN & CO  
Chartered Accountants,  
FRN No: 000008 S

(A.K. JAIN)  
Partner.  
M.No.070224

Place : Chennai  
Date : 30.05.2016

for and on behalf of the Board

(VINAY GOYAL)  
Managing Director

(R. UMA)  
Whole time Director



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

## IMPORTANT

Company's shares are listed in Bombay Stock Exchange and can be traded. Company has obtained ISIN from CDSL and NSDL. Now shares can be demated and traded, shareholders can approach their DP for demating their shares.

ISIN NO: INE318P01016

BSE SCRIPT CODE : 526977

Date :

Dear Sir / Madam

Pursuant to the Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs (MCA) vide its circular dated 21/4/2011, your company has proposed to send the Notice / Annual Report / documents through electronic mode to our shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

Kindly arrange to send the following details to our above address duly signed, which will be considered by us for sending the future communication through Email.

<b>Company Name</b>	Crimson Metal Engineering Ltd
Folio No.	
Name (1 <sup>st</sup> / Sole Holder)	
Email ID	
Mobile Number	
Pan (Optional)	

In case if you are holding the shares in electronic mode, you may kindly register / update your correct email id with your DP, so that the future communication can be sent through the same.

Signature of the Shareholder

Thanking You,

Yours truly,  
For CRIMSON METAL ENGINEERING LIMITED

# CRIMSON METAL ENGINEERING LIMITED

CIN: L27105TN1985PLCO11566

Regd.Office : "K Sons Complex", 163/1, Prakasam Road, II Floor, Chennai 600108

Phone : 044-25240393, Fax : 044-42079967, Website : www.crmetal.in.

**32<sup>nd</sup> ANNUAL GENERAL MEETING ON WEDNESDAY THE 28TH DAY OF SEPTEMBER 2016 AT 10:30 A.M**

## ATTENDANCE SLIP

Please complete the attendance slip and hand over at the entrance of the Meeting Hall.

Name & Address of the Shareholder(s) (In block letters):

Joint Holder's Name (In block letters):

**No of Shares Held :**

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the Company. I hereby record my presence at the 32<sup>nd</sup> Annual general meeting, to be held on Wednesday, 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.

Signature of shareholder / Joint Holder / Proxy attending the Meeting.....

Electronic Voting Event Number (Even)	User ID	Password

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him / her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

# CRIMSON METAL ENGINEERING LIMITED

CIN: L27105TN1985PLCO11566

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Phone : 044-25240393, Fax : 044-42079967, Website : www.crmetal.in.

32<sup>nd</sup> ANNUAL GENERAL MEETING ON WEDNESDAY THE 28<sup>TH</sup> DAY OF SEPTEMBER 2016 AT 10:30 A.M

## FORM MGT-11

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s), holding ..... shares of the above named company, hereby appoint

1. Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her
2. Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her
3. Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>st</sup> Annual general meeting, to be held on Wednesday, 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. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Number	Description of Resolution	No. of Shares held by me	I assent to the resolution	I dissent to the resolution
<b>Ordinary Business</b>				
1	Consider and adopt the Audited Statements of Account for the year ended 31 <sup>st</sup> March, 2016 and the Reports of Directors and the Auditors thereon.			
2	Re-appointment of Smt.R.Uma(DIN: 07029264) who retires by rotation as a whole time Director			
3	Ratification of Appointment of M/s Abhay Jain & Co, Chartered Accountants as statutory auditors and fixing their remuneration.			
<b>Special Business</b>				
4	Confirmation of Appointment of CHANDRAKESH PAL (holding DIN no. 07277936) as Whole Time Director			
5	Appointment of Shri. Naresh Sharma, holding DIN 07340455 as Independent Director			
6	Ratification of payment of remuneration to Managing Director			
7	Re-Appointment of Shri. Vinay Kumar Goyal (DIN 00134026) as Managing Director of the Company			

Signed this..... day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix One  
Rupee  
Revenue  
Stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to indicate your preference. If you label column 'For, Against, Abstain' blank against all or any of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 40<sup>th</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty(50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights, In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

# CRIMSON METAL ENGINEERING LIMITED

CIN: L27105TN1985PLCO11566

**Regd. Office : "K Sons Complex", 163/1, Prakasam Road, II Floor, Chennai 600108**

**Phone : 044-25240393, Fax : 044-42079967, Website : www.crmetal.in.**

**Form No. MGT-12**

## POLLING / BALLOT PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Sl. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	EQUITY
2	Postal Address	
3	Registered Folio No / *Client ID No: (*Applicable to Investors holding shares in dematerialized form)	
4	Class of Share	

Resolution Number	Description of Resolution	No. of Shares held by me	I assent to the resolution	I dissent to the resolution
<b>Ordinary Business</b>				
1	Consider and adopt the Audited Statements of Account for the year ended 31 <sup>st</sup> March, 2016 and the Reports of Directors and the Auditors thereon.			
2	Re-appointment of Smt.R.Uma(DIN: 07029264) who retires by rotation as a whole time Director			
3	Ratification of Appointment of M/s Abhay Jain & Co, Chartered Accountants as statutory auditors and fixing their remuneration.			
<b>Special Business</b>				
4	Confirmation of Appointment of CHANDRAKESH PAL (holding DIN no. 07277936) as Whole Time Director			
5	Appointment of Shri. Naresh Sharma, holding DIN 07340455 as Independent Director			
6.	Ratification of payment of remuneration to Managing Director			
7.	Re-Appointment of Shri. Vinay Kumar Goyal (DIN 00134026) as Managing Director of the Company			

Place :

Date : .....(Signature of shareholder)

### INSTRUCTIONS

1. Members may after duly filling up the Ballot Form printed overleaf, submit the same in a sealed envelope to the Scrutinizer, **Mrs.Lakshmmi Subramanian**, Practising Company Secretary, Unit: **Crimson Metal Engineering Company Limited, "K Sons Complex", 163/1, Prakasam Road, II Floor, Chennai 600108** to his email [ldlakshmmi6@gmail.com](mailto:ldlakshmmi6@gmail.com) as to reach by 5.00 p.m. on or before Thursday, the 27<sup>th</sup> day of September, 2016. Ballot paper received thereafter will strictly be treated as if not received.
2. The consent must be accorded by recording the assent in the column 'I Assent the Resolution' and dissent in the column 'I Dissent the Resolution' by placing tick mark (  ) in the appropriate column.
3. The Company will not be responsible, if the envelope containing the Ballot Form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. In the event a member casts his votes through both the processes, i.e., e-voting and Ballot Form, the votes in the electronic system will be considered and the Ballot Form will be ignored.
6. The right of voting through Ballot Form shall not be exercised by a proxy.
7. To avoid fraudulent transactions, the identity / signature of the members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL / CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e., Cameo Corporate Services Limited). Members are requested to keep the same updated.
8. There will be only one Ballot Form for every Folio / DP ID / Client ID irrespective of the number of joint members.
9. In case of Joint Holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by the Joint Holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
10. Where the Ballot Form has been signed by an authorized representative of the body corporate / Trust / Society, etc, a certified copy of the relevant authorization / Board resolution to vote should accompany the Ballot Form.
- 11 Instructions for the e-voting procedure are available in the Notice of the AGM and are also placed on the website of the Company.

**REGISTERED BOOK - POST  
PRINTED MATTER**

**To**

**If undelivered Please return to :**

**CRIMSON METAL ENGINEERING COMPANY LIMITED  
Regd. Office : 163/1, Prakasam Road,  
K.Sons Complex, II Floor,  
Chennai - 600 108.**