

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 27th Annual General Meeting of the Company will be held at Andhra Chamber of Commerce Velagapudi Ramakrishna Bldg, 23, Third Cross Street, West C.I.T Nagar, Nandhanam, Chennai – 600 035 on 30th day of September 2011 at 10.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Balance Sheet as at 31st March 2011, the Profit and Loss Account for the Year ended 31st March 2011 and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Ram Iyengar Srinivasa Chari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. A.J.Menon who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and if though fit, to pass with or without modification, the following resolutions as Ordinary Resolutions:

5. **RESOLVED THAT** Shri. Krishan Chand Batra, be and is hereby appointed as the Director of the Company, whose period of office shall be subject to retirement of Directors by rotation.
6. **RESOLVED THAT** Shri. Mahabir Singh, be and is hereby appointed as the Director of the Company, whose period of office shall be subject to retirement of Directors by rotation.

RE-APPOINTMENT OF WHOLE TIME DIRECTORS

To consider and if though fit, to pass with or without modification, the following resolutions as Special Resolutions:

7.
 - a) **“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. A.K.DAS as Wholetime Director for a further period of Five years with effect from 01.10.2011 on non-rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 03.09.2011.”
 - b) **“RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. A.K.DAS in such manner as may be agreed to between the Board of Directors and Mr. A.K.DAS provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”
 - c) **“RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/ Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company.”

Crimpsom Metal Engineering Company Limited
(Formerly known as Sri Saarbati Steel Tubes Limited
Regd. Office : 163/1, Prakasam Road,
II Floor, Chennai - 600 108.

d) **“RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. A.K.DAS the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.”

e) **“RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

f) **“RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution”

8.

a) **“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. S.N.SESHADRI as Wholetime Director (Works) for a further period of Five years with effect from 01.10.2011 on rotational basis on a remuneration of not exceeding a sum of Rs.1.25 lakhs per month, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 03.09.2011.”

b) **“RESOLVED FURTHER THAT** the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. S.N.SESHADRI in such manner as may be agreed to between the Board of Directors and Mr. S.N.SESHADRI provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”

c) **“RESOLVED FURTHER THAT** the company on attaining adequate profits the Board of Directors/ Remuneration committee constituted by the Board do hereby authorise to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to the above Managerial Personnel, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company.”

d) **“RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. S.N.SESHADRI the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.”

e) **“RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

f) **“RESOLVED FURTHER THAT** the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution”

Place: Chennai
Date: 03.09.2011

By the order of the board

Vinay Goyal
Managing Director

Crimpsom Metal Engineering Company Limited
(Formerly known as Sri Saarbati Steel Tubes Limited
Regd. Office : 163/1, Prakasam Road,
 II Floor, Chennai - 600 108.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Instrument of Proxies, in order to be effective, must be received at the Company's Registered office not later than 48(forty eight) hours before the time fixed for holding the Annual General Meeting. A form of Proxy is enclosed.
3. The Register of Members and Transfer Books of the Company will remain closed from Tuesday 27.09.2011 to Friday 30.09.2011(both days inclusive)
4. Members are requested to notify immediately the changes in their respective addresses, if any, quoting their folio number enabling the attached admission slip duly completed and signed, for admission to the meeting hall.
5. Shareholders / Proxy holders are requested to bring their copy of the annual report with them at the meeting and to produce at the entrance the attached admission slip duly completed and signed for the admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.
7. Explanatory statement pursuant to section 173(2) of the companies act, 1956 for item No. 5 to 8 is attached herewith:
8. Details of directors seeking appointment and re-appointment at the forthcoming Annual General Meeting of the company. Also refer to the explanatory statement to the notice for other appointees details.

Name of the Director	Expertise in specific functional area	Qualifications	Directorship in other public companies	Committee Chairman/Member of other public Companies
Shri. Ram Iyengar Srinivasa Chari	Retired Chief Secretary of Pondicherry	MA	NIL	NIL
Shri. A.J. Menon	More than 32 years. Fellow Member of British Institute of Management. Chairman of the Planters Associateion	H o l d i n g Diplomas in B u s i n e s s Management	NIL	NIL
Shri. Mahabir Singh	Retired Assistant Commissioner Of Police In New Delhi	B.Sc	NIL	NIL
Shri. Krishan Chand Batra	Expertise in Business	B.A	NIL	NIL
Shri. A.K. Das	More than 24 years experience in Steel Tube Industry	M.Sc., M.Tech	NIL	NIL
Shri. S.N. Seshadri	more than 38 years of experience in industrial area, especially over 21 years of experience in pipe industry	B.Tech	NIL	NIL

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

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

Item No. 5 & 6

The Company has Co-opted Shri. Krishan Chand Batra and Shri. Mahabir Singh as Additional Directors at the Board Meeting held on 12.11.2010. These Directors vacates their office of Directorship at the ensuing Annual General Meeting . Notice has been received from members proposing their candidature for appointment as Directors and an amount of Rs.500/- for each director has been deposited with the Company by the said Members pursuant to section 257 of the Companies Act, 1956.

The Brief profile and experience of the proposed directors are given in the Notes annexed herewith. Except the appointee directors none of the present Directors of the company is in any way concerned or interested in the said resolution.

Item No.7

The tenure of Shri. A.K.Das as Whole Time Director expires on 30th September 2011. Considering the exemplary service provided by him in the past and his irrevocable role in the wholesome development of the Company, the Board of Directors has recommended the reappointment of Shri. A.K.Das as Whole Time Director for a further period of five years with effect from 01.10.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 03rd August 2011, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval.

Except the appointee director none of the present Directors of the company is in any way concerned or interested in the said resolution

Item No.8

The tenure of Shri. S.N.Seshadri as Whole Time Director expires on 30th September 2011. Considering the exemplary service provided by him in the past and his irrevocable role in the wholesome development of the Company, the Board of Directors has recommended the reappointment of Shri. S.N.Seshadri as Whole Time Director (Works) for a further period of five years with effect from 01.10.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 03rd August 2011, for approval of shareholders at the Annual General Meeting.

The Board of Directors of your Company recommends this resolution for your approval.

Except the appointee director none of the present Directors of the company is in any way concerned or interested in the said resolution

CRIMSON METAL ENGINEERING COMPANY LIMITED
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DIRECTORS' REPORT

Your directors have the pleasure in presenting the 27th Annual Report and that of the Auditors together with the audited Balance Sheet as at 31st March 2011 and profit and loss account for the year ended on that.

PERFORMANCE

The financial results for the year ended 31st March 2011 are as under:

Rs. (In Lacs)

	31.03.2011	31.03.2010
Income	8116.51	6810.62
Expenditure	7959.60	6444.94
Profit / (Loss) before Tax	101.16	429.27
Profit / (loss)After Tax	101.16	429.27

COURSE OF BUSINESS AND OUTLOOK

During the year progress has continued in the company's performance. Your company had achieved a turnover of Rs. 8165.34 lacs as compared to the turnover of Rs.6618.31 lacs. The profit before tax was 101.16 lacs as compared to profit of Rs. 429.27 lacs. With continued confidence of all our associates, we will aggressively meet all the challenges with renewed faith in our company and the future that we all share.

The company has received the sanctioned scheme from BIFR and is taking steps to implement the order. Among others reorganisation of capital is implemented as Per BIFR order,as elaborately explained under point 13 under Significant accounting policies. Your company is taking all proactive steps to come out of BIFR"

Dividend:

Since the Board of Directors have adjusted the current year profits against the accumulated losses of the previous years, not recommended any dividend for the financial year ended 31st March 2011.

DIRECTORS:

Shri Ram Iyengar Srinivasa Chari and Shri. A.J.Menon retires by rotation and being eligible offer for re-appointment.

During the year the Board of Directors have appointed Shri. Krishan Chand Batra and Shri. Mahabir Singh as Additional Directors U/s.260 of the Companies Act, 1956 and these Directors vacates the office at the ensuing Annual General Meeting . Notice has been received from members proposing the candidature of the said directors for appointment as Directors pursuant to section 257 of the Companies Act, 1956.

Mr. Ramesh Menon has resigned from the Board during the financial year and the Board took on record the valuable servicess rendered by him.

Apart from the above, the Board of Directors seeks the approval of the share holders for the re-appointment of Mr.A.K.DAS and Mr.S.N.SESHADRI as whole Time Directors for a further period of Five years.

AUDITORS

The auditors of the company M/s ABHAY JAIN & CO., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment for the current financial year. The auditors have expressed their willingness to continue in office if they re-appointed. Your Board recommends their re-appointment..

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

None of the employees fall under the category specified under Sec.217 (2A) of the Companies Act, 1956 and the Rules thereunder.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTGO:

Prescribed particulars under Section 217(1)(e) of the Companies Act, 1956 are furnished as **Annexure** to this Report.

EXPORTS, INITIATIVES TAKEN TO INCREASE EXPORTS; DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCT AND SERVICES AND EXPORT PLANS:

The company has started export activities in a small way.

FOREIGN EXCHANGE EARNINGS/OUTGO:

Foreign Earnings : Rs.4826752

Foreign Outgo : Rs. Nil

Director's Responsibility Statement:

Directors hereby declare:

- That in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation related to material departures.
- That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial period and of the profit and loss of the company for that period.
- That the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance..
- That the directors had prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS:

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the company's vision and strategy to deliver another record performance.

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31.03.2011 duly certified by the auditors of the company is annexed.

Compliance Certificate:

Compliance Certificate obtained from the Practising Company Secretary is attached with this Annual Report.

Acknowledgement:

Your directors would like to express their grateful appreciation for the support and co operation of all stakeholders. At the very heart of our success and our ability to deliver quality service and satisfaction is the considerable skill and motivation of all our employees, the board would like to express its sincere appreciation and gratitude.

For and on behalf of the Board

Sd/-

Place: Chennai
Date: 03.09.2011

Chairman

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Annexure – A to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

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

II. Performance Review

The company had achieved a turnover of Rs. 8165.34 lacs as compared to Rs 6618.31 lacs in last year and made a profit of Rs. 101.16 lacs as compared to a Profit of Rs. 429.27 lacs in the previous year.

III. 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.

IV. Internal Control Systems

The company is planning further to strengthen its internal control systems and procedures commensurate with the size and nature of its business. The company has an Audit Committee comprising of Non Executive Directors to monitor the functioning.

V. Cautionary Statement:

Statement in the management discussion, corporate governance report prescribing the company's objective and expectations may be "forward looking statements" within the meaning of applicable securities 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.

Annexure – B to the Directors' Report

CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the manner, in which a company is directed, and laws and custom affecting that direction. It includes the manner in which company operates under various laws governing it, the bye laws established by itself for its operations and the distribution of rights and responsibilities primarily among directors and managers. The fundamental concern of corporate Governance is to ensure conditions whereby a company's directors and managers act in the interest of the company.

Crimson Metal Engineering Company Ltd is committed to highest standards of corporate Governance in all its activities.

I. Board of Directors

The board comprises of 7 members – 3 executive director and 4 non – executive directors, of which 4 are independent. There was no change in the directors during the year under review.

Board Meetings & Attendance of Directors

A total of 4 board meetings held during the year on the following dates: 29.05.2010, 14.08.2010, 12.11.2010 and 14.02.2011

The Annual General Meeting was held on 27th September 2010.

CRIMSON METAL ENGINEERING COMPANY LIMITED
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Name of Director	Category	Number of meetings held during his tenure	AGM attended	Number of other Directorships and Committee Memberships / Chairmanships excluding Pvt. Companies/Sec.25 companies		
				Other Directorships	Committee Memberships	Committee Chairmanships
Shri. A.K. Das	Whole-time Director (Executive)	4	Yes	Nil	Nil	Nil
Shri.S.N. Seshadari	Whole-time Director (Executive)	4	Yes	Nil	Nil	Nil
Shri.Vinay Goyal	(Managing Director – (Executive)	4	Yes	Nil	Nil	Nil
Shri.A.J. Menon	Director – Non-executive Independent	4	Yes	Nil	Nil	Nil
Shri.Ramesh Menon	Director – Non-executive Independent	3	Yes	Nil	Nil	Nil
Shri.Rama Iyengar Srinivasa Chari	Director – Non-executive Independent	4	Yes	Nil	Nil	Nil
Shri. Mahabir Singh	Director – Non-executive Independent	1	No	Nil	Nil	Nil
Shri. Krishan Chand Batra	Director – Non-executive Independent	1	No	Nil	Nil	Nil

Directors Seeking Appointment/Reappointment:

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the notes to the notice.

Code of Conduct

The Board of directors have implemented a Code of Conduct applicable to all directors and employees.

II. AUDIT COMMITTEE

I. Terms of Reference

The audit committee of the company has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with stock exchanges.

II. Composition

The audit committee comprises 4 Directors, three non-executive independent directors and one executive director namely, Shri.Rama Iyengar Srinivasa Chari, Chairman, Shri.Mahabir Singh, Member, Shri. Krishna Chand Batra, Member and Shri.Vinay Goyal, Member, who have considerable financial expertise and experience. The Head of Finance and the Statutory Auditors are permanent invitees to the committee.

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III. Attendance

The committee met four times during the year on 29.05.2010, 14.08.2010, 12.11.2010 and 14.02.2011 and attended by all the members.

III. REMUNERATION COMMITTEE

i. Constitution

The Committee consists of 3 directors – Shri.Rama Iyengar Srinivasa Chari, Chairman, Shri. Mahabir Singh, Member and Shri. Krishna Chand Batra, Member, all non executive and independent.

ii. Terms of Reference:

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing, Whole Time Directors, and to formulate a broad policy for management remuneration.

Meetings & Attendance:

During the year 2010-11 No meeting of the Remuneration Committee was held.

Remuneration Policy:

The Remuneration Policy as outlined by the Committee aims at:

- ? Recognizing and rewarding performance and achievements.
- ? While fixing the remuneration of Directors, their contribution by way of their professional services as directors, towards the growth of the Company.

This policy is in tune with current national and international practices.

The details of the remuneration paid to the Directors during the financial year 01.04.2010 to 31.03.2011 are given below:

Names of Directors	Basic Salary (Rs.)	Allowances (HRA) (Rs.)	Sitting Fees(Rs.)	As on 31.3.2010	
				No. of Shares Held	% of Holding
Mr. A.K. Das	6,27,120	NIL	Nil	Nil	Nil
Mr. S.N. Seshadri	10,12,615	NIL	Nil	80	0.001807
Mr. Vinay Goyal	4,80,000	NIL	Nil	455821	10.29358
Mr. A.J. Menon	Nil	Nil	Nil	1394190	31.4843
Mr. Rama Iyengar Srinivasa Chari	Nil	Nil	Nil	80	0.001807
Mr. Mahabir Singh	Nil	Nil	Nil	Nil	Nil
Mr. Krishan Chand Batra	Nil	Nil	Nil	40	0.000903

No sitting fees is paid to the Non-executive Directors. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

IV. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

A Shareholder's/Investor's Grievance Committee has been constituted by the Board to monitor the redressal of the shareholder's/ investors grievances. The committee reviews the status of complaints received from shareholders/ investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the shareholders/ Investors Grievance Committee.

No investor complaint has been received by the Company during the year.

Constitution

The Committee consists of 3 non- executive independent directors namely, Shri.Mahabir Singh, Chairman, Shri. Anil Kumar Das, Member and Shri.S.N.Seshadri, Member.

Mr. Anil Kumar Das is the Compliance Officer.

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V. SHARE TRANSFER COMMITTEE

A Share Transfer Committee has been constituted by the Board comprising of Shri.Mahabir Singh, Chairman, Shri. Anil Kumar Das, Member and Shri.S.N.Seshadri, Member, to look into matters relating to share transfers, transmission, issue of duplicate share certificates, etc. 11 meetings were held during the financial year under review. As on 31.03.2011 no shares transfers are pending for transfer for more than 15 days.

VI. GENERAL BODY MEETINGS.

I. Annual General Meetings held during the last three years are as under:

Financial Year	Location	Date and Time	No. of Special Resolution passed
2007-2008	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	26/09/08 10.00 a.m.	Nil
2008-2009	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	29/09/09 11.00 a.m.	Nil
2009-2010	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	27/09/10 10.00 a.m.	Nil

III. Postal Ballot

During the financial year under review, no postal ballots were used for voting at meetings. At the ensuing AGM there is no item on the agenda that is required to be passed by postal ballot.

VII. DISCLOSURES

I. Related Party Transactions

There has been no materially significant related party transactions with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance with Regulations

The company has complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor as any penalty or stricture been imposed on the Company by Stock Exchange, SEBI or any other Statutory authority during the last three years.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

V. Whistle Blower Policy

Steps are being taken to establish a Whistle Blower Policy for the employees of the Company. However at present, every employee of the Company has the right to report to the management, concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct. No employee of the company has been denied access to the audit committee.

VI. COMMUNICATION APPROACH

Quarterly results are taken on record by the Board of Directors and submitted to Stock Exchange as per the requirements of the listing agreement and published in the Trinity (English) and Makkal Kural (Tamil).

The company has its own website, viz., www.sarbatisteel.com and all vital information relating to the company and its performance including financial results, performance updates etc. are regularly posted on the website under the head "Investors".

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the Corporate sector. After introducing E-filing of various Returns through the MCA portal, MCA by its circular dated 21.4.2011 has now made permissible the service of documents through electronic mode to shareholders.

As a responsible corporate citizen, the Company shall endeavour to support the Green Initiative of the Government. This however would be possible only with the active support and co-operation of shareholders.

The company has attached a separate format to its shareholders to send an email confirmation to its designated ID mentioning the name, Folio No. and the E-mail id of the shareholder for communication. On this confirmation,

- i) The company would henceforth send all Notices, Annual Report and other communication to these shareholders through E-mail.
- ii) Copies of same would be available under "Investors" in our website www.sarbatisteel.com

VII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report forms a part of the Directors Report.

VIII. GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting.

The 27th Annual general meeting will be held on 30th September 2011 at Andhra Chamber of Commerce 23, 3rd Cross Street, Chennai-35 at 10.00 a.m.

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II. Tentative Financial Reporting Calendar 2011-12

Financial Reporting 2011	From	To	Date
1 st Quarter	April	June	Second week of Aug 2011
2 nd Quarter	July	September	Second week of November 2011
3 rd Quarter	October	December	Second week of February 2012
4 th Quarter	January	March	Second week of May 2012
Annual General Meeting	April 2011	March 2012	By the 4 th week of September 2012

III. Book Closure

The date of closure is Tuesday 27-09-2011 to 30-09-2011 (Both days inclusive).

IV. Stock Exchange Listing

Stock Exchange	Stock Code
Bombay Stock Exchange	526977
Madras / Delhi / Ahmedabad Stock Exchange Ltd.	Applied for Delisting

V. Market price data

NO TRASACTIONS REPORTED IN ANY OF THE EXCHANGES

VI. Registrar & Transfer Agent

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

VII Share Transfer System

Presently the share transfer documents which are received by the Company/RTA are processed, approved and kept ready for dispatch within 15 days from the date of the receipt.

VIII Dematerialisation of shares:

The equity shares of the company have not been admitted for dematerialisation due to the negative networth of the Company.

IX. Shareholding pattern as on 31.03.2011

Category	No. of Shares Held	Percentage of Share holding
A.PROMOTER HOLDING		
1.Promoters		
Indian Promoters	1742712	39.35%
Foreign Promoters	NIL	
2.Persons acting in concert	NIL	
Sub-Total	1742712	39.35%
B.Non-Promoters Holding		
3. Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b.Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions/Non-government Institutions)	NIL	NIL
c. FIIs	NIL	NIL
Sub-Total	NIL	NIL
4. a. Private Corporate Bodies	45040	1.01%
b. Indian Public	582640	13.17%
c. Foreign Corporate Bodies	17040	0.38%
d. NRI	2040775	46.09%
Sub-Total	2685495	60.65%
Grand Total	4428207	100.000%

Share Distributions Schedule as on 31-03-2011

Sl. No.	Category of Shares	No. of Holders	%of Holders	Rs.	% of Capital
1	Up to 5000	5345	97.1464	3008800	6.79
2	5001 - 10000	74	1.3400	514800	1.16
3	10001 - 20000	25	0.4500	370000	0.84
4	20001 - 30000	5	0.0900	125200	0.28
5	30001 - 40000	8	0.1500	267940	0.61
6	40001 - 50000	1	0.0200	41200	0.09
7	50001-100000	14	0.2500	1016800	2.30
8	100001 and above	30	0.5500	38937330	87.93
	TOTAL	5502	100.00	44282070	100.00

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

X. Registered Office Location

The company has its Registered. Office at # 163/1,Prakasam Road, K Sons Complex, II Floor, Broadway, Chennai – 600 108.

XI. email Id for Investor Grievance Redressal:
investorgreivence@crmetal.in

IX. Non-Mandatory Requirements:

a. **Board:** The Company maintains the office of the Chairman at the registered office of the Company.

b. **Remuneration Committee:** The Board has duly constituted a Remuneration Committee, which determines the remuneration package for the Directors.

d. **Audit Qualifications:** There are no qualifications by the Auditor in the financial statements.

e. **Training of Board members and Mechanism for evaluating non-executive Board members:** Periodical meetings are held with outside skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices.

f. **Whistle blower Policy:** As mentioned earlier, steps are being taken to formulate the Whistle Blower Policy by the Company

Place: Chennai
Date: 03.09.2011

For and on behalf of Board
Sd/-
Managing Director

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

CODE OF CONDUCT

We hereby declare that the code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of our Company at www.sarbatisteel.com and all Board members and senior management of the company have affirmed compliance of the Code.

Place: Chennai
 Date : 03.09.2011

For and on behalf of Board
 Sd/-
 Managing Director

Annexure A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION.

During the year under report, Company has consumed energy detailed below:-

1.Electricity		Current Year	Previous Year
Purchased Units		6177620	6078535
Rate/unit		Rs. 3.670	Rs. 3.307
Total Cost		Rs.22645129	Rs.20102473
Own Generated Diesel :		42711832	Nil
2. Firewood		4322185	Nil
3.Furnace Oil		853105	1341510
Total Cost		27555173	32833314
B.Consumption per unit of Production:			
Production	MTs.	27924	25478
Electricity	Units	221.23	238.58
Furnace oil	Lts.	46.70	52.65
C.Technology Absorption :		NIL	NIL

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

Annexure – C to the Directors' Report
MANAGING DIRECTOR/ WHOLE TIME DIRECTOR CERTIFICATION

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2011, we Vinay Goyal, Managing Director and A.K.Das, Whole Time Director certify that

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Vinay Goyal
Managing Director

A.K.Das
Whole Time Director

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

Auditors' Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To the Members of CRIMSON METAL ENGINEERING COMPANY LIMITED (Formerly Known as SRI SAARBATI STEEL TUBES LIMITED).

We have examined the compliance of the conditions of Corporate Governance by the company with the Stock Exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2011, no investor grievances are pending against the company for the period exceeding one month as per records maintained by the company which are presented to the shareholders / investors Grievance Committee.

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

For ABHAY JAIN & CO.,
Chartered Accountants

Place : Chennai
Date : 03.09.2011

(A.K. JAIN)
Partner
M. No. 70224
FRN : 000008 S

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

AUDITOR'S REPORT

TO THE MEMBERS OF M/S. CRIMSON METAL ENGINEERING COMPANY LIMITED(Formerly Known as SRI SARBATI STEEL TUBES LIMITED, CHENNAI)

1. We have audited the attached Balances Sheet of M/S.CRIMSON METAL ENGINEERING COMPANY LIMITED (Formerly Known as SRI SAARBATI STEEL TUBES LIMITED), as at 31st March 2011 and also the Profit & Loss Account and Cash Flow Statement of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a Test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides, a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956. and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we set out in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, 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 the audit.
 - b) In our opinion proper books of accounts as required by Law have been kept by the company, so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss account and cash flow statement dealt with by this report have been prepared, in all material respects, in compliance with the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as 31st march 2011 from being appointed as a director in terms section 274(1)(g) of the Companies Act 1956.
 - f) As stated in Note to accounts Point no 13 company has reduced its share capital to 40% to Rs.20353500 and share premium of Rs. 39088375 has been set off against accumulated losses. Subject to this, In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2011; and
 - (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For ABHAY JAIN & CO.,
Chartered Accountants

(A.K. JAIN)
Partner

M. No. 70224
FRN : 000008 S

Place : Chennai
Date : 03.09.2011

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

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF
M/S. CRIMSON METAL ENGINEERING COMPANY LIMITED (Formerly known as SRI SAARBATI STEEL TUBES LIMITED),
CHENNAI, THE ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011.

- (i)(a) The Company records showing full particulars including quantitative details and situation of Fixed Assets have been lost and an FIR has been filed on 03.08.2003 in that regard. It was explained to us that record from 01.04.2003 is being made. Further, the Company is taking efforts to make the records of Fixed Assets for earlier period as much as possible.
- (b) Some of the Fixed Assets were physically verified by the management randomly during the year in accordance with a programme of verification which, in our opinion, provides for physical verification of all assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) None of the Fixed Assets have been revalued during the year.
- (ii) (a) The Inventories of the company at its locations have been physically verified during the year by the management.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventories and the discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account.
- (iii) (a) The company has taken loans secured or unsecured from an individual and two of the Corporate bodies for Rs.8.87 Crores. The Maximum amount involved during the year was Rs.12.34 Crores.
- (b) As explained to us that Loans so taken is interest free and none of the conditions on which loan has been accepted is prejudicial to the interest of the company except the loan taken from Anudeep Towers (P) Ltd. The rate of Interest so paid is not prejudicial to the interest of the company.
- (c) The company is regularly paying the principal amount as stipulated.
- (d) There is no overdue amount of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventories, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal Controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of any party covered during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any fixed deposits from the public during the year.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have already broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out detailed examination of such accounts and records.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including investor's education protection fund, Income Tax, Wealth Tax, customs duty,

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

excise duty, cess and other material statutory dues applicable to it. However some delays were there in payment of provident fund, Employee state insurance during the year.

- (b) According to the information and explanation given to us, the details of disputed sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited as on 31 st March 2011 on account of dispute are given below:

Nature of Statute	Nature of Dues	Amount (Rs in Lacs)	Period to which the amount relates Asst. Years	Forum where the dispute is pending
Sales Tax Act	Sales Tax	1.5	Interest for the year 1992-93	Sales tax Department for waiver of interest as per BIFR order Dt.30.6.2011
Sales Tax Act	Sales Tax	0.6	Interest for the year 1993-94	- do -
Sales Tax Act	Sales Tax	9.3	Interest for the year 2002-03	- do -
Sales Tax Act	Sales Tax	2.7	Interest for the year 2003-04	- do -
Sales Tax Act	Sales Tax	0.38	Interest for the year 2004-05	- do -
Sales Tax Act	Sales Tax	0.66	Interest for the year 2005-06	- do -
Sales Tax Act	Sales Tax	0.9	Interest for the year 2001-02	- do -
Sales Tax Act	Sales Tax	0.05	Interest for the year 2002-03	- do -
Sales Tax Act	Sales Tax	0.51	CST not allowed	- do -

- (x) The accumulated losses of the company exceed fifty percent of net worth at the end of the year. The company has not incurred cash loss during immediately preceding financial year.
- (xi) In our Opinion and according to information and explanation given to us , there were no amounts due to a Financial Institution, Banks or Debenture Holders.As such Provision of clause 4(xi) of the company (Auditor's Report) Order 2003 are not applicable to the company..
- (xii) The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit/society. Therefore, the provision of clause 4 (xiii) of the companies (Audit Report) Order 2003, are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiii) of the companies (Audit Report) Order 2003, are not applicable to the company.

(xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanation given to us no terms loans raised by the company during the year.

(xvii) According to the information and explanations given to us and an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.

(xviii) According to the information and explanations given to us, BIFR has ordered to the Company for preferential allotment of 2392857 equity shares of Rs.10/- each at a premium of Rs.4/- to parties and companies covered in the register maintained under section 301 of the Act. The Company has preferentially allotted shares accordingly.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.

(xx) We verified the books of accounts of the company and report that the company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For ABHAY JAIN & CO.,
Chartered Accountants

(A.K. JAIN)

Partner

M. No. 70224

FRN : 000008 S

Place : Chennai
Date : 03.09.2011

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

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCH	Year Ended 31.03.2011	Year Ended 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	A	44,282,070	50,883,750
Reserves & Surplus	B	9,571,429	93,491,741
		53,853,499	144,375,491
LOAN FUNDS			
Secured Loan	C	-	59,535,000
Unsecured Loan	D	88,708,868	41,679,686
Deferred Tax Liability		6,895,045	6,764,000
		95,603,913	107,978,686
		149,457,412	252,354,177
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	166,737,996	225,732,373
Less : Depreciation		77,097,220	86,775,704
		89,640,776	138,956,669
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES	F	50,400	50,400
	G		
Inventories		104,662,912	99,522,997
Sundry Debtors		31,360,959	19,042,604
Cash & Bank Balances		9,653,634	868,518
Other Current Assets		27,359,863	30,553,277
Loans & Advances		10,058,588	10,463,583
		183,095,955	160,450,979
LESS: CURRENT LIABILITIES & PROVISIONS	H	169,834,136	173,212,407
		13,261,818	(12,761,428)
Profit & Loss Account		46,504,418	126,108,535
		149,457,412	252,354,177
Notes forming part of Accounts	R		

As per our report of even date annexed

for **ABHAY JAIN & CO.,**
Chartered Accountants

Sd/-

A.K. JAIN

Partner

M.No. 70224

for and on behalf of the Board

Sd/-

(VINAY GOYAL)

Managing Director

Sd/-

S.N. SESHADRI

Whole Time Director (Works)

Sd/-

A.K. DAS

Whole Time Director

Place : Chennai
Date : 03.09.2011

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCH	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales & Other Receipts	I	816,534,833	661,831,275
Other Income		4,383,676	1,308,738
Increase/Decrease in Stock	J	(9,266,629)	17,922,742
TOTAL		811,651,880	681,062,755
EXPENDITURE			
Material Consumed	K	610,215,394	461,622,610
Manufacturing Expenses	L	102,478,927	122,665,014
Payment to Employees	M	39,715,464	21,402,834
Financial Expenses	N	4,162,163	4,497,194
Administrative Expenses	O	18,774,077	15,722,315
Selling Expenses	P	20,614,735	18,584,040
		795,960,759	644,494,007
PROFIT BEFORE DEPRECIATION		15,691,121	36,568,749
LESS : DEPRECIATION		(6,758,145)	(6,361,406)
BUSINESS PROFIT		8,932,976	30,207,343
EARLIER YEAR EXPS WRITTEN BACK		1,183,563	12,719,933
PROFIT BEFORE TAXATION		10,116,539	42,927,276
Less : Deferred Tax		131,045	149,000
Balance of Loss Brought Forward		(126,108,536)	(168,886,812)
Less : Share Capital Written off		30,530,250	-
Less: Share Premium Written off		39,088,375	-
Balance Carried to Balance Sheet		(46,504,418)	(126,108,535)
Notes forming part of Accounts	R		

As per our report of even date annexed
for **ABHAY JAIN & CO.,**
Chartered Accountants
Sd/-
A.K. JAIN
Partner
M.No. 70224

for and on behalf of the Board
Sd/-
(VINAY GOYAL)
Managing Director
Sd/-
S.N. SESHADRI
Whole Time Director (Works)

Sd/-
A.K. DAS
Whole Time Director

Place : Chennai
Date : 03.09.2011

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

SCHEDULES TO BALANCE SHEET AS ON 31.03.2011

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
9850000 Equity Shares of Rs 10/- each	98,500,000	98,500,000
15000 Preference Shares of 100/- each	1,500,000	1,500,000
	100,000,000	100,000,000
ISSUED , SUBSCRIBED & PAID UP		
5088375 Equity Shares of Rs 10/- each fully paid [of the above shares 635350 shares are allotted as fully paid up with out receiving the cash by way of Bonus Shares in the ratio 1:1]	50,883,750	50,883,750
	50,883,750	50,883,750
Less: Reduction by 60% as per BIFR order dated 30/06/201 and balance 40% shall stand consolidated into Equity Shares of Rs.10 each again	30,530,250	
2035350 equity shares of Rs.10 each fully paid up	20,353,500	
139857 equity shares of Rs.10 each fully paid, on conversion of loan without receiving further amount	13,928,570	
1000000 equity shares of Rs.10 each fully paid up in cash	10,000,000	
	44,282,070	50,883,750
SCHEDULE 'B'		
RESERVES & SURPLUS		
Revaluation Reserves	54,403,366	55,667,722
Less: Depreciation / Written off	54,403,366	1,264,356
	0	54,403,366
Share Premium (Equity Shares) Opening Balance	39,088,375	39,088,375
Less: Transferred to Profit & Loss Account to set off against accumulated loss	39,088,375	
	NIL	
Received during the year from issue	9,571,429	
	9,571,429	93,491,741
SCHEDULE 'C'		
SECURED LOANS		
1. WORKING CAPITAL TERM LOAN		
(Secured by Hypothecation of Stock in Trade and receivable. All movable and immovable assets and personal guarantee of Directors)		
Vedha Venkateswara Finance (P) Ltd.	0	40,000,000
Shri. A.J. Menon	0	19,535,000
	0	59,535,000

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

SCHEDULE - E : FIXED ASSETS AS ON 31.03.2011

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Rates	As on 01.04.2010	Additions	Deletions	Total as on 31.03.11	Upto 31.03.10	On opening balance	On additions	On withdrawn	Total Depreciation	WDV as on 31.03.11	WDV as on 31.03.10
Land	0	2428588			2428588	0	0	0	0	0	2428588	2428588
Land [Revalued]	0	32985012		-32985012	0	0	0	0	0	0	0	32985012
Building	3.34%	42995150	2435426		45430576	17482308	1436038	30187	0	18948533	26482043	20455418
Building[Revalued]	3.34%	37854983		-37854983	0	16436629		0	-16436629	0	0	26475778
Plant & Machinery	4.75%	90989587	8754011		99743598	39561757	4322005	265447	0	44149209	55594389	51427830
Tools & Equipment	4.75%	5164210			5164210	2955887	245300	0	0	3201187	1963023	2208323
Office Equipment	4.75%	1763884	286965		2050849	1347276	83784	8529	0	1439589	611260	416608
Computer	16.21%	3145616	31513		3177129	3145616	31513	2854	0	3179983	-2854	0
Furniture & Fittings	6.33%	3952744	106126		4058870	2192781	250209	3088	0	2446078	1612792	1759963
Refrigerator	4.75%	29370	7300		36670	29370	-	0	0	29370	7300	0
Air Conditioner	4.75%	997341	126700		1124041	444161	47374	0	0	491535	632506	553180
Vehicles	9.50%	3016949	3700		3016949	3016949	-	0	0	3016949	0	0
Television	4.75%	156173	93811		159873	95520	7418	0	0	102938	56935	60653
Communication Equipments	4.75%	252766			346577	67450	12006	12393	0	91849	254728	185316
TOTAL		225732373	11845552	-70839995	166737930	86775704	6435647	322498	-16436629	77097220	89640710	138956669
Previous year figures		210617965	15114408	0	225732373	79149942	7295140	330622	0	86775704	138956669	131468023

Total Depreciation for the year 6758145
Less Depr on Revalued asset 0
Depreciation on other assets 6758145

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

SCHEDULES TO BALANCE SHEET AS ON 31.03.2011

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'D'		
UNSECURED LOAN		
From Directors	-	2,479,842
From Share holders	-	8,943,883
From Others (Corporate Deposits)	88,708,868	30,255,961
	<u>88,708,868</u>	<u>87,892,933</u>
SCHEDULE-F : INVESTMENTS		
National Saving Certificates	50,400	50,400
	<u>50,400</u>	<u>50,400</u>
SCHEDULE 'G'		
CURRENT ASSETS , LOANS & ADVANCES		
A. CURRENT ASSETS		
1. INVENTORIES		
Stores (At Cost)	19,623,456	12,523,456
Raw - Material [at cost FIFO Method]	53,876,962	43,953,938
Finished Goods [Market Price or Cost which ever is lower]	28,436,845	40,355,937
Scraps [At realisable value]	2,725,649	1,792,469
Stock with Agent	-	897,197
	<u>104,662,912</u>	<u>99,522,997</u>
2. SUNDRY DEBTORS		
[Unsecured considered good]		
Due for more than six months	3,528,138	-
Other Debtors	27,832,821	19,042,604
	<u>31,360,959</u>	<u>19,042,604</u>
3. CASH & BANK BALANCES		
Cash in Hand	516,455	208,972
Balance with Scheduled Banks		
In Current Account	5,049,685	328,919
In Fixed Deposit	4,087,493	330,627
	<u>9,653,634</u>	<u>868,518</u>
4. OTHER CURRENT ASSETS		
Deposits with Govt. / Semi Govt. Departments	1,938,062	3,928,462
TDS Receivable	3,809,557	3,573,219
Service tax Receivable	395,648	14,235
Accrued Interest on NSC & FD	142,168	653,160
ED refund receivable - others	670,311	-
Balance with Central Excise	18,304,117	19,417,638
Other Receivables	2,100,000	2,966,563
	<u>27,359,863</u>	<u>30,553,277</u>
B. LOANS & ADVANCES		
[Unsecured considered Good, receivable in cash or in kind or for value to be received thereof]		
Advance to Suppliers	6,384,622	7,684,655
Advance to Staff	284,940	505,441
Prepaid Expenses	408,936	242,289
Advances & Deposits	2,980,090	2,031,198
	<u>10,058,588</u>	<u>10,463,583</u>
GRAND ASSETS TOTAL	<u>183,095,955</u>	<u>160,450,979</u>

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

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'H'		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for purchases	154,643,049	75,786,460
Outstanding Liabilities	8,541,899	8,834,356
Advance from Customer	3,843,258	945,703
Book Overdraft from Bank	309,582	83,430,257
Provision for Excise Duty on Closing Stock	2,496,348	4,215,631
	<u>169,834,136</u>	<u>173,212,407</u>
SCHEDULE 'I'		
SALES & OTHER INCOME		
SALES		
Finished Goods	779,903,524	550,325,203
Sales Scrap	37,919,807	40,178,010
Job Work Receipts	72,896,476	114,764,703
Gross Total	<u>890,719,807</u>	<u>705,267,916</u>
Less: Excise Duty Paid	74,184,974	43,436,641
Net Sales	<u>816,534,833</u>	<u>661,831,275</u>
OTHER INCOME		
Miscellaneous Receipt	2,222,351	-
Rent Received	122,400	122,400
Interest Received	130,799	413,675
Insurance claim Received	1,090,955	491,306
Export Incentive	275,249	-
Foreign exchange rate Fluctuation-Income	-	281,357
Sundry Balances Written Back	541,923	-
Total of other income	4,383,676	1,308,738
Total Sales & Other Income	<u>820,918,509</u>	<u>663,140,013</u>
SCHEDULE 'J'		
INCREASE/DECREASE IN STOCK		
Closing Stock		
Finished Goods own	28,436,845	40,355,937
Scrap	2,725,649	1,792,469
Less: Opening Stock		
Finished Goods	40,355,937	18,288,371
Scrap	1,792,469	3,468,932
EXCISE DUTY ON STOCKS		
Excise Duty on Opening Stock	4,215,631	1,747,270
Excise Duty on Closing Stock	2,496,348	4,215,631
	<u>-9,266,629</u>	<u>17,922,742</u>
SCHEDULE 'K'		
MATERIAL CONSUMED		
Opening Stock	43,953,938	15,073,918
Add : Purchases & Expenses there on	620,138,418	490,502,630
	664,092,356	505,576,548
Less : Closing Stock	53,876,962	43,953,938
	<u>610,215,394</u>	<u>461,622,610</u>

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

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'L'		
MANUFACTURING EXPENSES		
Contract Labour Charges	11,386,543	9,043,259
Power & Fuel	50,200,302	41,293,226
Stores consumed	36,412,039	49,264,528
Machinery repairs	1,101,213	1,832,956
Building Repairs	282,059	809,804
Hire charges	1,963,175	859,746
Repair Others	278,850	5,824
Testing & Inspection	78,710	94,123
Shifting Charges	-	1,101,276
Security Services	776,036	218,661
Total	<u>102,478,927</u>	<u>104,523,403</u>
SCHEDULE 'M'		
PAYMENTS TO EMPLOYEES		
Salary & Bonus	34,402,223	33,668,190
Company's Contribution to PF/ESI	1,971,614	1,928,634
Staff Welfare Expenses	2,849,057	3,191,114
Gratuity	492,570	756,507
Total	<u>39,715,464</u>	<u>39,544,445</u>
SCHEDULE 'N'		
FINANCIAL EXPENSES		
Bank Interest	-	-
Bank charges	59,497	12,691
Interest Others	4,102,666	4,484,503
Total	<u>4,162,163</u>	<u>4,497,194</u>
SCHEDULE 'O'		
ADMINISTRATIVE EXPENSES		
Directors Travelling Expenses	587,389	1,636,508
Travelling & Conveyance	2,663,300	2,528,055
Printing & Stationery	418,182	605,799
Telex & Telephone Expenses	726,891	432,509
Postage & Telegrams	56,431	23,931
Fees, Membership & Subscription	211,219	136,707
Insurance	982,354	571,621
Director Remuneration	2,119,735	1,554,138
Rent, Rates & Taxes	2,791,000	2,475,835
Electricity Charges	308,602	302,917
Professional & Consulting Fees	1,256,030	1,165,598
Legal Expenses	42,899	73,700
License Fees	237,905	160,159
Books & Periodicals	21,305	139,718
Donations	1,568,861	37,240
General Expenses	705,881	607,541
Repair Furniture	19,370	33,112
Repair General	447,890	1,082,236
Computer Charges	350,815	86,664
Audit Fees	194,450	185,450
Internal Audit Fees	50,000	340,000
Conference and Seminar	28,591	54,191
Filling and Lisiting Fees	46,400	41,431
Repair - electricals	1,320,821	622,674
Office Exp / Pooja Exp	1,000,318	511,985
Penalty	-	274,606
Sales Tax paid	480,181	-
Gifts & Presents	29,951	59,310
Exchange rate fluctuation	107,306	-
Total	<u>18,774,077</u>	<u>15,722,315</u>

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

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'P'		
SELLING EXPENSES		
Advertisements	203,389	94,283
Sales Promotion	1,979,689	45,677
Brokerage & Commission	3,594,873	2,751,179
Freight Charges	14,011,432	14,658,441
Jobwork Expenses	30,646	83,900
Round Off	80	45
Sales Discount	794,626	950,515
	<u>20,614,735</u>	<u>18,584,040</u>

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

SRI SAARBATI STEEL TUBES LIMITED

**SCHEDULE - R: NOTES TO THE ACCOUNTS FORMING
PART OF BALANCE SHEET AND PROFIT & LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.**

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

Accounts are prepared in accordance with generally accepted accounting principle. The Company adopts the accrual concept in the preparation of accounts as going concern.

2. FIXED ASSETS

Fixed Assets are stated at cost, inclusive of acquisition and installation expenses. Less cenvat credit and accumulated depreciation.

3. DEPRECIATION

Depreciation on all Assets is provided on Straight Line Method in accordance with schedule XIV of the Companies Act, 1956 as amended.

Depreciation is provided on pro rate basis from the day assets have been put to use till accounting year close and in the case assets sold up to the date of sale.

4. INVESTMENTS

Investment made in National Saving Certificates are stated at cost.

5. INVENTORIES

Inventories are valued as under:-

Raw –Materials	
{including in process}	At Cost {FIFO Method}
Work -in-Progress	At Cost
Finished Goods	At Cost or Market value whichever is lower.
Scraps	At realizable value

6. REVENUE RECOGNITION

- a) Sales are shown at invoice price less excise duty, return and sales tax thereon.
- b) Purchases are shown at Invoice Price Less return.
- c) Expenses are accounted on accrual basis.
- d) Interest on NSC shall be recognised on cash basis.

7. CENVAT

Cenvat credit is reckoned for on the materials purchased, stores and consumables entered into the factory premises.

8. EMPLOYEE RETIREMENT BENEFIT

The Company is contributing its contribution to Provident Fund Account as per Law and Rules applicable. Company's contribution towards provident fund is charged to Revenue

Year end accrued liabilities of Gratuity payable to employees are provided for based on the liability as estimated by the Management. This policy is not in accordance with the Revised Accounting Standard AS-15 'Employees Benefits'.

Provision for leave encashment is made on the basis of company's rules and regulation.

9. FOREIGN CURRENCY TRANSACTION:

Foreign Currency Transactions are recorded on the basis of exchange rate prevailing at the date of transaction. Foreign currency monetary items are reported at the year end closing rates. Non monetary items which are carried out at historical cost are reported using the exchange rate prevailing at the date of the transaction.

The Exchange differences arising on settlement/year end restatement of monetary items are recognized in the profit and loss account in the period in which they arise.

10. DEFERRED TAX

The company has provided Rs.1.31 Lacs as deferred Liability in accordance with Accounting Standard -22 Accounting for Taxes on Income has been made on timing difference on account of Depreciation and gratuity at the Income tax rates prevailing during the year of Audit.

11. IMPAIRMENT OF ASSETS:

An asset is treated is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired after considering adjustment already carried out.

12. SEGMENT REPORTING

In the opinion of the management, as the company producing Skelp, Black Pipe and GI Pipes the external revenue on sales of Skelp is NIL for the year. These Skelp are used for captive consumption so the activities are not considered reportable segment as per Accounting Standard -17 "Segment Reporting".

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

13. SHARE CAPITAL & SHARE PREMIUM:

As per the order of BIFR, equity share capital has been reduced by 60% i.e. total paid up Equity share capital of Rs.50883750 shall stand reduced to Rs.20353500 by proportionate reduction in value of each equity share. As such total No of equity shares 5088375 reduced to 2035350. Further company has allotted 2392857 equity shares of Rs. 10 each at a premium of Rs. 4 per share.

Share Premium :

As per the instruction of BIFR share premium of Rs.39088375 has been written off against the accumulated loss of the company.

Revaluation Reserve :

Revaluation reserve of Rs.54403366 has been written off during the year. Accordingly the value of land Rs.32985012 and Building of Rs.21418354 has been reduced. Effect of this has been given in Schedule of Fixed Assets.

14. RELATED PARTY DISCLOSURE

Nature of Transactions	Transactions with Companies/Individuals having substantial interest in this company		Transactions with Key Management Personnel and their Relatives	
	2010-11	2009-10	2010-11	2009-10
Remuneration of Directors (See Note No.14)			21,19,735	15,54,138
Loans received A.J.Menon	-	-		11,933,312
Repayment of Loans A.J.Menon		12,585,000		7,870,680
Share Capital Received	33,500,000	NIL		
Closing Balances A.J.Menon	31,532	19,535,000		11,423,725
Unsecured Loans				
Sundry Creditors				

15. KEY MANAGEMENT PERSONAL AND THEIR REMUNARATION.

Remuneration to the Directors is Rs 21,19,735/- (Rs. 15,54,138)

Name	Designation	Total Remuneration paid during 2010-11 (Rs.)
1. Sh.Vinay Goyal	Managing Director	480000 (480000)
2. Sh.A.K.Das	Whole Time Director	627120 (418596)
3. Sh.S.N.Seshadri	Whole Time Director (Works)	1012615 (655542)

16.EARNING PER SHARE

	Current Year	Previous Year
Basic & Diluted Earnings per share	2.28	8.41
Face Value of Equity Share	Rs.10	Rs.10

17 NOTES ON ACCOUNTS

A. CONTINGENT LIABILITIES:-
(not provided in the books of a/c)

- Sales Tax demands under appeal amount to Rs.16.60 lacs (Rs 16.60 lacs)
- Excise duty demand under appeal Rs.414.15 lacs (Rs. 414.15 Lacs)
- Non fulfilment of Export Obligation – Rs. Nil (Rs. 1196.30 lacs) company got extension to fulfil the export obligation till 2016.
- Electricity Tax On Electricity Bill Rs.13.10 lakhs (Rs.13.10 Lakhs)
- Maintenance Charges Claim raised by the Pondicherry Industrial Promotion Development and Investment Corporation Ltd Rs.8.80 Lakhs (Rs.8.80 Lakhs)
- Panchayat Tax Claim raised by Villianur Commune Pachayat Rs.10.55 Lakhs (Rs.10.55 Lakhs)
- Interest and Damages on Provident Fund for Rs.14.31 Lakhs (Rs.14.31 Lakhs)
- Employee State Insurance Demand for Rs.7.16 Lacs.

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

Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

B. Quantitative Particulars

CAPACITY AND PRODUCTION

(As certified by the Management)

CAPACITY	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
PIPES		
1.Licensed Capacity	25,000	25,000
2.Installed Capacity	55,000	55,000
SKELP		
1.Licensed Capacity	36,000	36,000
2.Installed Capacity	36,000	36,000
PRODUCTION		
a.Black Pipe	16,115	13,429
b.GI Pipes	6,458	7,681
c.Skelp	11,809	9,489
JOB WORK	19,228	38,071
SKELP	4,872	3,915

b.TURNOVER

TUBE MILL	As at 31.03.2011		As at 31.03.2010	
	MTs	Rs.(lakhs)	MTs	Rs.(lakhs)
Black Pipes	10,075	3,198	5,865	2,072
GI Pipes	6,900	3,859	7,412	3,398
Scrap & Rejections	1,861	379	2,197	355
Job Work Done	-	729	-	1,148
Recoveries & Others	123	-	217	40
MS Flats	-	-	112	34
GI Flats	-	-	-	-

c. PURCHASES

TUBEMILL	As at 31.03.2011		As at 31.03.2010	
	MTs	Rs (Lakhs)	MTs	Rs (Lakhs)
Black Pipes	9	5	30	11
GI Pipes	31	15	12	5

The Unit of Measurement of Raw Material is Metric Tonnes. Whereas Finished Stocks & Sales is converted to Metric Tonnes as per Standard Table followed by the company.

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

c. STOCK	As at 31.03.2011		As at 31.03.2010	
	MTs	Rs.(lakhs)	MTs	Rs.(lakhs)
OPENING STOCK				
TUBE MILL				
Black Pipes [Own]	598.363	198.20	304.769	97.83
GI Pipes (Own)	475.652	205.36	194.654	79.71
Scrap & Recoveries	32.114	5.73	194.953	34.50
Slitting Coil	1075.233	337.70	-	-
Zinc Recoveries	32.104	12.20	-	-
ROLLING MILLS				
Skelp	-	-	18.735	5.34
CLOSING STOCK				
TUBE MILL				
Black Pipes [Own]	508.408	217.68	598.363	198.20
GI Pipes [Own]	42.485	21.05	475.652	205.36
Scrap & Recoveries	16.228	3.63	32.114	5.73
Sitting Coil	433.157	167.33	1075.233	337.70
Zinc Recovery	20.252	10.13	32.104	12.20
ROLLING MILLS				
Skelp	-	-	-	-

d. QUANTITATIVE DETAILS OF RAW MATERIALS AS ON 31.03.2011

	Opening Stock		Purchases		Consumption		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Billets	0.345	0.07	13333.409	3532.91	13159.739	3479.25	174.015	53.73
Coil	1075.233	337.70	4576.256	1696.11	5218.382	1886.48	433.107	167.33
Sockets	35.099	12.09	-	4.95	0	(0.60)	35.099	17.04
Zinc	67.324	89.68	730.239	812.49	539.351	580.86	258.212	321.30

e. EARNING IN FOREIGN CURRENCY

	31.03.2011	31.03.2010
Export Sales (C&F Value) USD	105683	41358.08
INR	4826752	1890064

f. EXPENDITURE IN FOREIGN CURRENCY

For Imports on CIF Basis	Nil	Nil
For Overseas Travel	Nil	309,405

g. CIF Value of Imports

Raw Materials	NIL	NIL
Capital Goods and Spares	NIL	NIL

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

H. REMUNERATION TO AUDITORS

As Audit fee	Rs. 125,000/-	(Rs.125,000/-)
Tax Audit	Rs. 25,000/-	(Rs.25,000/-)
IT Matters	Rs.29,000/-	(Rs.20,000/-)
Service Tax	Rs.15,450/-	(Rs.15,450/-)

J. GENERAL

Tax Deducted at Source from the payment to the Contractors, Professional charges, Commission and Rent amounting to Rs.20,02,448/- has been deposited within due date (except some delay in some cases).

K. Balances under the head Sundry Creditors, Debtors, Loans and Advances are subject to confirmation.

L. NSC are under lien with Commercial Tax Authorities as Deposit.

M. In view of the insufficient information from the suppliers regarding their status as SSI units the amounts due to Small Scale Industrial Undertakings cannot be ascertained.

N. Previous Year's figures have been rearranged and regrouped wherever found necessary to confirm to current year figures.

Notes : Production of Skelp 11809 MTs and Black Pipe 6143 MTs being used for captive consumption for Black Pipe and GI Pipe respectively.

SIGNATURES TO SCHEDULES A TO R

As per our report of even date annexed
for **ABHAY JAIN & CO.,**
Chartered Accountants
Sd/-
(A.K. JAIN)
Partner
M. No. 70224.

Sd/-
VINAYGOYAL
Managing Director

Sd/-
S.N. SESHADRI
Whole Time Director (Works)

for and on behalf of the Board
Sd/-
A.K. DAS
Whole Time Director

Place : Chennai
Date : 03.09.2011

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

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet abstract and General Business Profile

1. Registration Details

Registration No.

			1	1	5	6	6
--	--	--	---	---	---	---	---

State Code

1	8
---	---

Balance Sheet Date

3	1	-	0	3	-	1	1
---	---	---	---	---	---	---	---

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

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Preferential

2	3	9	2	8	5	7	0
---	---	---	---	---	---	---	---

3. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

		1	4	9	4	5	7
--	--	---	---	---	---	---	---

Total Assets

		1	4	9	4	5	7
--	--	---	---	---	---	---	---

Sources of Funds

Paid up Capital

			4	4	2	8	2
--	--	--	---	---	---	---	---

Reserves and Surplus

				9	5	7	1
--	--	--	--	---	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

Unsecured Loans

			8	8	7	0	9
--	--	--	---	---	---	---	---

Application of Funds:

Net Fixed Assets

			8	9	6	4	1
--	--	--	---	---	---	---	---

Investments

						5	0
--	--	--	--	--	--	---	---

Net Current Assets

			1	3	2	6	2
--	--	--	---	---	---	---	---

Miscellaneous Expenditure

							-
--	--	--	--	--	--	--	---

Accumulated Losses

			4	6	5	0	4
--	--	--	---	---	---	---	---

4. Performance of the Company (Amount in Rs. Thousands)

Turnover

		8	1	1	6	5	2
--	--	---	---	---	---	---	---

Total Expenditure

		7	9	5	9	6	1
--	--	---	---	---	---	---	---

Profit for the Year

		1	0	1	1	6	5	3	9
--	--	---	---	---	---	---	---	---	---

Profit for the Year

		1	0	1	1	6	5	3	9
--	--	---	---	---	---	---	---	---	---

Earnings per Share (Rs.)

					2	.	2	8
--	--	--	--	--	---	---	---	---

Dividend Rate (%)

					N	I	L
--	--	--	--	--	---	---	---

5. Generic names of three principal products / Services of the Company (As per monararity term)

a) Item Code No

	7	3	0	6	.	1	0
--	---	---	---	---	---	---	---

ERW Pipes (Black & Galvanised Pipes)

Schedule A to I & S form part of this Balance Sheet
As per our report of even date annexed

for and on behalf of the Board

for **ABHAY JAIN & CO.,**
Chartered Accountant
Sd/-
A.K. JAIN
Partner M.No. 70224

Sd/-
(VINAY GOYAL)
Managing Director

Sd/-
(S.N.SESHADRI)
Whole Time Director (Works)

Sd/-
(A.K. DAS)
Whole Time Director

Place : Chennai
Date : 03.09.2011

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

CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES

	As at 31-03-11	As at 31-03-10
NET PROFIT/ (LOSS) BEFORE TAXATION	10116539	42927276
Depreciation	[+] 6758145	[+] 6361406
Financial Expenses	[+] 4162163	[+] 4497194
Miscellaneous Income	[-] (4383676)	[-] (1308738)
OPERATING PROFIT BEFOREWORKING CAPITAL CHANGE	[+] 16653170	52477138
WORKING CAPITAL CHANGE		
Increase [-] / Decrease[+] in Inventories	[+] (5139915)	[+] (57168321)
Increase [-] / Decrease[+] in Debtors	[-] (12318355)	[-] 169348596
Increase [-] / Decrease[+] in Other Current Assets	[+] 3193414	[+] (16210615)
Increase [-] / Decrease[+] in Loan & Advances	[+] 404995	[+] (6055183)
Increase [+] / Decrease [-] in other Current Liabilities	[+] (3378271)	[+] (66513677)
CASH GENERATED FROM OPERATIONS	(17238131)	23400800
Financial Expenses	[-] 4162163	[-] 4497194
Miscellaneous Income	[+] 4383676	[+] 1308738
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(363447)	72689482
CASH FLOW FROM INVESTING ACTIVITIES		
Increase [-] / Decrease[+] in Fixed Assets	[-] (42557748)	[-] (15114408)
Increase [-] / Decrease[+] in revaluation reserve	[+] (54403366)	
NET CASH FLOW USED IN INVESTMENT ACTIVITIES (B)	(11845618)	(15114408)
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease [+] /Increase [-] in Unsecured Loan	[-] 47029182	[-] 46213247
Decrease [+] /Increase [-] in Secured Loan	[+] (59535000)	[+] 12585000
Decrease [+] /Increase [-] in Share Capital	[-] 23928570	
Decrease [+] /Increase [-] in Share Premium	[-] 9571429	
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(20994181)	58798247
Net Increase / Decrease in Cash and Cash Equivalent	8785116	(1223172)
Cash and Cash Equivalent as on at 01-04-10	868518	2091690
Cash and Cash Equivalent as on 31-03-11	9653634	868518
	8785116	(1223172)

Notes : Cash and Cash Equivalent represents Cash and Cash & Bank Balance

for and on Behalf of the Board

Place : Chennai
Date : 03.09.2011

Sd/-
VINAY GOYAL
Managing Director

Sd/-
S.N. SESHADRI
Whole Time Director (Works)

Sd/-
A.K. DAS
Whole Time Director

We have examined the Cash Flow Statement of Crimson Metal Engineering Ltd.(formerly known as Sri Saarbati Steel Tubes Ltd.,) Chennai for the year ended 31-3-2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Madras Stock Exchange and is based on & is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Shareholders of the Company.

Place : Chennai
Date : 03.09.2011

for ABHAY JAIN & CO,
Chartered Accountants,
Sd/-

[A.K. JAIN]
Partner
M.No. 70224
FRN : 000008S

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

BOARD OF DIRECTORS

Shri. Vinay Goyal (Managing Director)
Shri. A.K. Das (Whole-time Director)
Shri. S.N. Seshadri (Whole-time Director)
Shri. A.J. Menon (Director)
Shri. C. Ramesh Menon (Director) (Upto 12.11.2010)
Shri. Rama Iyengar Srinivasa Chari (Director)
Shri. Krishan Chand Batra (Director) (From 12.11.2010)
Shri. Mahobir Singh (Director) (From 12.11.2010)

AUDITORS

M/s. Abhay Jain & Co.,
Chartered Accountants,
16, Sunkurama Street, Chennai - 600 001.

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.

- FLAT PRODUCTS DIVISION

Karasur Village,
Villianur Commune, Pondicherry.

SHARE TRANSFER AGENTS

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

Printed by Image Security Printers † : 2661 3011, 2661 4072.

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If undelivered Please return to :

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

CRIMSON METAL ENGINEERING COMPANY LIMITED

(formerly known as SRI SAARBATI STEEL TUBES LIMITED)

CHENNAI

27

*Annual Report
and Accounts for the year ended
31st March 2011*

CRIMSON METAL ENGINEERING LIMITED

(Formerly known as Sri Saarbati Steel Tubes Limited)

Regd. Office : 163/1, Prakasam Road, II Floor, Chennai -600 108.

ATTENDANCE SLIP

Regd. Folio No. _____ No. of Shares held _____

I certify that I am a registered shareholder /proxy for the registered shareholder of the company.

I hereby record my presence at the 27th annual general meeting of the company to be held on 30th September, 2011

Member's /Proxy's Name _____

Signature: _____

NOTE: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

DATE : 30th September, 2011

TIME : 10.00 AM

VENUE : Andhra Chamber of Commerce,
Velagapudi Ramakrishna Building,
No. 23, IIIrd Cross Street, West CIT Nagar,
Nandanam, Chennai - 600 035

Signature of the member / proxy
Name :

-----Tear Here-----

CRIMSON METAL ENGINEERING LIMITED

(Formerly known as Sri Saarbati Steel Tubes Limited)

Regd. Office : 163/1, Prakasam Road, II Floor, Chennai -600 108.

PROXY FORM

Regd.Folio No. : _____ No. of Shares held _____

I/We.....ofin the district

being a member/members of **CRIMSON METAL ENGINEERING COMPANY LIMITED** hereby

appoint.....in the district of or failing him /

her.....of..... as my/our proxy to

~~attend and vote for me / us my / our behalf at the~~ 27th Annual General Meeting of the Company to be held on Monday, the

30th September, 2011 at **Andhra Chamber of Commerce, Velagapudi Ramakrishna Building, No. 23, IIIrd Cross Street,**

West CIT Nagar, Nandanam, Chennai - 35 and at any adjournment thereof

Affix One
Rupee
Revenue
Stamp

Signed this.....day of.....2011.

N.B: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself / herself and the proxy need not be a member of the Company.

2. This form duly completed should be deposited at the Registered Office/Share Transfer Agents M/s. Cameo Corporate Services Ltd., "Subramanian Building", 1, Club House Road, Chennai - 600 002. on or before 11.00 AM on 27th September, 2011.

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

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.

Company Name	Crimson Metal Engineering Ltd
Folio No.	
Name (1 st / 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