

SRI SAARBATI STEEL TUBES LIMITED
CHENNAI

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*Annual Report
and Accounts for the year ended
31st March 2009*

25

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)
Shri. Rama Iyengar Srinivasa Chari (Director)

AUDITORS

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

REGISTERED OFFICE

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.

Sri Saarbati Steel Tubes Limited

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

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the shareholders of the company will be held on Tuesday the 29th day of September 2009 11.00 A.M. at Andhra Chamber of Commerce Velagapudi Ramakrishna Bldg. 23, Third Cross Street. West C.I.T Nagar, Nandanam, Chennai – 600 035.

ORDINARY BUSINESS:

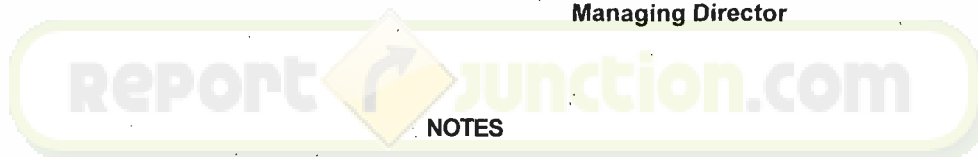
1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Directors who retires by rotation.
3. To appoint Auditors and to fix their remuneration.

Place: Chennai
Date : 26.08.2009

By Order of the Board

-sd-

Vinay Goyal
Managing Director



1. A MEMBER OF THE COMPANY, WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A "PROXY" TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 the share transfer books of the company will remain closed on 29.09.2009.
4. Members are requested to notify immediately changes in their respective addresses, if any, quoting their folio number enabling the company to send the communication, properly.
5. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for 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.

Sri Saarbati Steel Tubes Limited**7. 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.**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

Name of Director	Expertise in Specific Functional Areas	Qualifications	Director-Ship in Other Public Companies	Chairman/ Member of Committee of Other Public Companies
A.J. Menon	More than 30 years. Fellow member of British Institute of Management. Chairman of the Planters Association	Holding Many Diplomas in various business Managements	NIL	NIL
A.K. DAS	More than 20 years of business experience in steel tube industry.	M. Tech from IIT, kharagpur	NIL	NIL

For and on behalf of the Board

Place: Chennai

Date : 26.08.2009

sd/-
Chairman



*Sri Saarbati Steel Tubes Limited***DIRECTORS' REPORT**

Your Directors have the pleasure in presenting the ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March 2009 and the Profit and Loss account for the year ended on that date.

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from **SRI SAARBATI STEEL TUBES LIMITED** to **CRIMSON METAL ENGINEERING COMPANY LIMITED** by virtue of a Special Resolution at the Extra Ordinary General Body Meeting held on 29.01.2009 subsequently a fresh certificate of incorporation has been obtained from the Registrar of Companies, Chennai regarding the change of name from Sri Saarbati Steel Tubes Limited to Crimson Metal Engineering Company Limited with effect from 2nd April, 2009.

Hence w.e.f. 2nd April, 2009 the name of the Company is **CRIMSON METAL ENGINEERING COMPANY LIMITED**

PERFORMANCE

The financial results for the year ended 31st March 2009 are as under:

Rs. (In Lacs)

	31.03.2009	31.03.2008
Income	10114.51	6034.77
Expenditure	9594.73	5934.90
Profit / (Loss) before Tax	1359.68	44.08
Profit / (loss)After Tax	1356.51	41.22

COURSE OF BUSINESS AND OUTLOOK:

During the year progress has continued in the company's performance. Your company had achieved a turnover of Rs. 10,114.51 Lacs as compared to the turnover of Rs. 6,034.77 Lacs. The profit before tax was Rs. 1,359.68 lacs as compared to profit of Rs.44.08 Lacs in the previous year. With the continued confidence of all our associates, we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

FIXED DEPOSIT:

The Company has not accepted any Fixed Deposit from the Public during the year.

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 2009.

DIRECTORS

A.J. Menon and A.K. Das retire by rotation and being eligible, offer for re- appointment.

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.

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.

Sri Saarbat Steel Tubes Limited**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:**

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

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

Since the company has no export activities, no reporting is required to be given under this heading.

FOREIGN EXCHANGE EARNINGS/OUTGO:

Foreign Earnings: NIL (P Y NIL)

Foreign Outgo: Rs 4,10,672 (P Y Rs 12,74,867) towards Overseas Travels.

DIRECTORS RESPONSIBILITY STATEMENT

Directors hereby declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors 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 period and of the profit or loss of the company for that period;
- iii) that the directors had taken proper and sufficient care 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 ;
- iv) 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 31/03/2009 duly certified by the auditors of the company is annexed.

ACKNOWLEDGEMENTS:

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 our employees, the Board would like to express its sincere appreciation and gratitude.

For and on behalf of the Board

Place: Chennai

Date :26.08.2009

sd/-
Chairman

*Sri Saarbat Steel Tubes Limited***Annexure-A to the Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS****MANAGEMENT DISCUSSION AND ANALYSIS**

I. Sri Saarbat Steel Tubes Limited is in to steel industry. Our Company has survived the toughest period in industry and that's why it's identity in the industry is well established.

II. Performance Review

The company had achieved turnover of Rs. 10114.51 lacs as compared to Rs 6034.77 lacs in last year and made a net profit of Rs 1356.51 lacs as compared to a Net Profit of Rs.41.22 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.

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.

Sri Saarbat Steel Tubes Limited is committed to highest standards of Corporate Governance in all its activities.

I. Board of Directors

The board comprises 6 members – 3 executive director and 3 non – executive directors, of which 3 are independent. There was no change in the directors during the year under review.

Board Meetings & Attendance of Directors

A total of 9 board meetings held during the year on the following dates: 25.04.2008, 30.06.2008, 31.07.2008, 22.08.2008, 30.10.2008, 24.11.2008, 20.12.2008, 24.01.2009 and 30.01.2009. The Annual General Meeting was held on 26th September 2008.

Sri Saarbat Steel Tubes Limited

Name of Director	Category	Number of meetings held during his tenure	Number of meetings attended	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)	9	9	Yes	Nil	Nil	Nil
Shri.S.N. Seshadari	Whole-time Director (Executive)	9	9	Yes	Nil	Nil	Nil
Shri.Vinay Goyal	(Managing Director – (Executive)	9	9	Yes	Nil	Nil	Nil
Shri.A.J. Menon	Director – Non-executive Independent	9	Nil	Yes	Nil	Nil	Nil
Shri.Ramesh Menon	Director – Non-executive Independent	9	Nil	Yes	Nil	Nil	Nil
Shri.Rama Iyengar Srinivasa Chari	Director – Non-executive Independent	9	8	Yes	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.A.J.Menon, Member, Shri. C.Ramesh Menon, 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.

Sri Saarbati Steel Tubes Limited**III. Attendance**

The committee met five times during the year on 25.04.2008, 30.06.2008, 31.07.2008, 30.10.2008 and 30.01.2009 and attended by all the members.

III. REMUNERATION COMMITTEE**i. Constitution**

The Committee consists of 3 directors – Shri.Rama Iyengar Srinivasa Chari, Chairman, Shri.A.J.Menon, Member and Shri. C.Ramesh Menon, 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 2008-09, 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 1.4.2008 to 31.3.2009 are given below:

Names of Directors	Basic Salary (Rs.)	Allowances (HRA) (Rs.)	Sitting Fees(Rs.)	As on 31.3.2009	
				No. of Shares Held	% of Holding
Mr. A.K. Das	3,63,678	NIL	Nil	Nil	Nil
Mr. S.N. Seshadri	3,88,635	NIL	Nil	Nil	Nil
Mr. Vinay Goyal	4,80,000	NIL	Nil	177141	3.481%
Mr. A.J. Menon	Nil	Nil	Nil	101000	1.985%
Mr. C. Ramesh Menon	Nil	Nil	Nil	80000	1.572%
Mr. Rama Iyengar Srinivasa Chari	Nil	Nil	Nil	Nil	Nil

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.

One investor complaint received has been resolved to the satisfaction of shareholders within reasonable time. There are no complaints pending as on date of this report.

Sri Saarbati Steel Tubes Limited

Constitution

The Committee consists of 3 non- executive independent directors namely, Shri.A.J.Menon, Chairman, Shri. C.Ramesh Menon, Member and Shri.Rama Iyengar Srinivasa Chari, Member. Mr.A.K.Das is the Compliance Officer.

V. SHARE TRANSFER COMMITTEE

A Share Transfer Committee has been constituted by the Board comprising of Shri. Shri.A.J.Menon, Chairman, Shri. C.Ramesh Menon, Member and Shri.Rama Iyengar Srinivasa Chari, Member, to look into matters relating to share transfers, transmission, issue of duplicate share certificates, etc. Seven meetings were held during the financial year under review. As on 31.03.2009 no share 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
2005-2006	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	22/12/06 11.00 a.m.	Nil
2006-2007	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	26/12/07 10.30 a.m.	Nil
2007-2008	Andhra chamber of Commerce 23, 3 rd Cross Street, Chennai-35	26/09/08 10.00 a.m	Nil.

II. Extra-Ordinary General Meeting: During the financial year under review, one Extra-ordinary General Meeting was held on 24th January 2009 at 10.00 a.m at Andhra Chamber of Commerce, 23, 3rd Cross Street, Chennai-35. A Special resolution for approving the change of name of the Company from Sri Saarbati Steel Tubes Limited to Crimson Metal Engineering Company Limited was passed at this extra-ordinary general meeting.

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 the notes to the accounts 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

The results are not sent individually to the shareholders. No presentations were made to institutional investors or equity analysis.

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 25th annual general meeting will be held on 29th September 2009 at Andhra Chamber of Commerce 23, 3rd Cross Street, Chennai-35 at 11.00 a.m.