

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 Wholtime 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
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

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.

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

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

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

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
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

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.

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

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.

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

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,

- The company would henceforth send all Notices, Annual Report and other communication to these shareholders through E-mail.
- 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.