23RD
ANNUAL REPORT
2009-10

STEEL STRIPS GROUP

INDIAN ACRYLICS LIMITED

STEEL STRIPS GROUP

BOARD OF DIRECTORS

Sh. Anurag Agarwal, I.A.S.	Chairman
Sh. R. K. Garg	Managing Director
Sh. Dheeraj Garg	Additional Managing Director
Shri A.S. Chatha, I.A.S. (Retd),	Director
Rear Adm. M.M. Chopra (Retd.)	Director
Sh. A.K. Mahajan	Nominee PSIDC
Sh. S.K. Awasthi	Nominee PNB
Prof. (Dr.) B.B. Tandon	Director
Sh. H.K. Singhal	Finance Director

COMPANY SECRETARY

Sh. Bhavnesh K. Gupta

BANKERS

Punjab National Bank
State Bank of India
State Bank of Patiala
Indian Overseas Bank

AUDITORS

S.C. Dewan & Co.
Chartered Accountants,
Swastik Vihar, Panchkula.

REGD. OFFICE & WORKS

Village Harkishanpura
Distt. Sangrur (Punjab) - 148 026
(on Patiala-Sangrur Highway)

CORPORATE OFFICE

SCO 49-50, Sector 26
Madhya Marg,
Chandigarh - 160 019
INDIA

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NOTICE:

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held as scheduled below:

DAY AND DATE	***:***	***WEDNESDAY, THE 29TH SEPTEMBER, 2010***
TIME	***:***	***11.30 A.M.***
VENUE	***:***	***COMPANY'S WORKS AT:***
		VILLAGE HARKISHANPURA, DISTT.
		SANGRUR (PB) – 148 026 (ON PATIALA-SANGRUR
		HIGHWAY).

To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2010, and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Rear Adm. M.M. Chopra, Retd., who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Dheeraj Garg, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s S. C. Dewan & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:

   "RESOLVED THAT Shri A.S. Chatha who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, be and is hereby, appointed as a Director of the Company."

By order of the Board of Directors
FOR INDIAN ACRYLICS LTD.

PLACE : Harkishanpura, (Distt. Sangrur)
DATED: 20th August, 2010

BHAVNESH K. GUPTA
COMPANY SECRETARY

NOTES :

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out above is annexed hereto.
2. A member 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 of the Company. However, the proxy form duly completed and signed should be deposited at the Registered Office of the Company or at the Administrative Office at SCO 49-50, Sector 26, Chandigarh, not later than 48 hours before the time fixed for the commencement of the meeting.

3. Shareholders are requested to notify changes, if any, in the address, along with PIN CODE NUMBER and make all correspondence relating to shares at Registered Office/ Administrative Office of the Company.
4. Register of Members and Share Transfer Books of the Company will remain closed from 20/09/2010 to 29/09/2010 (both days inclusive).
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day prior to the date of meeting.
6. Members/Proxies are requested to bring attendance slip sent herewith duly filled in for attending the meeting.
7. Members having any queries relating to the Annual Report are requested to send their queries to the Registered Office/ Administrative Office of the Company at least seven days before the date of Annual General Meeting.

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

ITEM NO.5

Your Directors have appointed Shri A.S. Chatha, I.A.S. (Retd) as Additional Director and he holds the office of the Company until the conclusion of this Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the name of Shri A .S. Chatha, I.A.S. (Retd) for appointment as Director alongwith requisite payment of Rs.500/-.

Shri A.S. Chatha, B.E. (Hons), joined the I.A.S. cadre of Punjab in 1963 and served it with distinction till 1995. He held wide range of assignments from the field to the secretariat such as Deputy Commissioner of Patiala, Sangrur, Ludhiana, Managing Director, PSIDC Ltd., Joint Secretary, Ministry of Commerce, Govt. of India and Principal Secretary, Department of Industries, Cooperation, Housing, Irrigation and Power, Home and Justice and finally as Chief Secretary to the Govt. of Punjab.

After his retirement in 1995, he held the following assignments:

1.) Chairman, Punjab State Electricity Board.

2.) Member, Chief Minister's Advisory Committee on Industrial Development from 2002 to 2003.

3.) Chairman, Punjab Third Finance Commission from 2004 to 2006.

At present, he is Director on the Board of following companies:

1. Cotton County Retail Ltd., Ludhiana 2. WWICS Ltd., SAS Nagar

In view of his knowledge and vast experience, the appointment of Shri A S Chatha as Director is considered to be in best interest of the Company. The Board of Directors recommend his appointment for your approval as a Special Resolution. None of the Directors, except Shri A S Chatha himself, is interested in the proposed resolution.

By order of the Board
for INDIAN ACRYLICS LIMITED

Place : Chandigarh
Dated : 20th August 2010

BHAVNESH K GUPTA
Company Secretary

DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting the 23rd Annual Report of the Company together with Audited Accounts for the financial year ending 31st March, 2010.

FINANCIAL HIGHLIGHTS

		(Rs. in lacs)
	2009-10	2008-09
Domestic Sales (Net of Excise)	**29498**	33633
Export Sales	**11328**	2800
Other Income	**1061**	376
Total Income	**41887**	36809
Gross Profit/Loss before interest & depreciation	**7109**	(4768)
Interest & other financial chargecharge	**1871**	1535
Profit/(Loss) before depreciation	**5238**	(6303)
Depreciation	**1997**	1059
Net Profit/(Loss)	**3241**	(7362)
Provision for tax	**5**	(7)
Prior period adjustment	**28**	(16)
Extraordinary Items		
I. Write back due to Settlement (OTS) of IFCI dues	**-**	4218
II. Provision for accumulated cenvat	**-**	(963)
Profit available for appropriation/(Net loss)	**3208**	(4130)

The year 2009 would be marked as an important year for the Acrylic Fibre Industry. When the year began, major world economies were in recession. Acrylic Fibre Industry faced the prospect of a substantial contraction in consumption with no sign of recovery in the demand. However, the forecast were belied – demand was robust, acrylic fibre plants achieved higher capacity utilization and market prices started improving. With raw material prices remaining subdued, most acrylic fibre producers were able to record good performance and substantial jump in the margins.

Production during the year 2009-10 increased from 28005 MT to 36636 MT. The sales also increased from 28197 MT to 36611 MT. Better sale volumes were achieved by pushing Exports from 2474 MT in the last year to 10977 MT during the current year. The sale of acrylic yarn however was lower as Company does not have its own manufacturing facility and sufficient capacity was not available in the market for making acrylic yarn.

As against Rs.7362 lacs of net loss before tax, prior period adjustments & extraordinary items in the previous year, the Company has earned a net profit of Rs. 3241 Lacs during the year. There is an additional depreciation charge of Rs. 472 Lacs during the year consequent to change of method of charging depreciation from straight line method to written down value method in respect of a part of the plant and machinery due to technological changes & obsolescence. The net profit after tax for the year is Rs.3208 Lacs as against a net loss of Rs. 4130 Lacs in the previous year.

Due to heavy carried over losses suffered by the Company in the previous year, Company has requested for restructuring of the loans and the same is pending for approval under the CDR mechanism.

The raw material prices have increased sharply during last quarter putting pressure on finished product prices. The loss of gross margin caused by high raw material prices will be partially off-set by sale of power recently started by the Company under "Open-Access" scheme and lowering of cost of production due to energy conservation measures being taken. The revenues from sale of power are increasing. Efforts are also being made further to cut the cost by using new technologies available for conservation of power, process improvements etc.

The Company received the following awards/ recognitions during the year:

1. **Certificate of Registration of Quality Management System – ISO 9001:2008** for Manufacture and supply of Dry Spun Acrylic Fiber, Dry Spun Acrylic Tow (Grey and Dyed) and Dry Spun Acrylic Tops (Grey and Dyed)
2. Recognition as **"Export Trading House"** by Government of India Ministry of Commerce & Industry for a period of five years effective from 1st April 2009 to 31st March 2014.
3. Certificate for **"OeKo-Tex Standard 100"** from M/s HOHENSTEIN TEXTILE TESTING INSTITUTE Germany certifying acrylic fibres made by the company free from any harmful substances and meet the human-ecological requirements of the standard presently established for baby articles.

STEEL STRIPS GROUP

Distribution of shareholding as on 31st March 2010

Share holding of		Shareholders		Share Amount	
Face Value(Rs.)	Face Value (Rs.)	Number	%age to Total	In Rs.	%age to Total
10	To 5000	103754	92.30	139389890	10.62
5001	To 10000	4283	3.8	138773800	2.95
10001	To 20000	2007	1.7	933537380	2.55
20001	To 30000	695	0.62	18786110	1.43
30001	To 40000	305	0.27	11320960	0.86
40001	To 50000	438	0.39	21473370	1.64
50001	To 100000	500	0.44	39163340	2.98
		112415	**100**	**1313221620**	**100**

Dematerialization of shares and liquidity:

Trading in Equity shares of our company is permitted only in dematerialized form effective from 26.09.2000 as per the notification issued by the Securities and Exchange Board of India (SEBI). Our company has signed agreements with both the Depositories viz. NSDL & CDSL. The Company has appointed M/s Alankit Assignments Ltd. 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110055, as common agency to look after dematerialization of shares as well as for physical transfer of shares. Our Company's capital comprises only of Equity Shares and the company does not have any preference shares, ADRs or GDRs. The company has dematerialized 1022 lakhs equity shares comprising 77.81% of the total Equity till date.

Demat ISIN Number allotted to the Company by NSDL and CDSL for equity shares is INE862B01013

REGISTERED OFFICE & WORKS:

Village Harkishanpura, Sub-Tehsil Bhawanigarh, Distt. Sangrur (Punjab) – 148 026.

ADDRESS FOR CORRESPONDENCE & CORPORATE OFFICE:

SCO 49-50, Sector 26, Madhya Marg, Chandigarh – 160 019.

Phone No. 0172-2793112, 2792385, 2790979 Fax No. 0172-2794834, 2790887

Designated E-Mail address for Investor Services: shares@indianacrylics.com

Website : www.indianacrylics.com

On Behalf of Board of Directors

Place: Chandigarh
Dated: 31ST May 2010

ANURAG AGARWAL
CHAIRMAN

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN ANNUAL GENERAL MEETING

Name of Director	Sh. M M Chopra	Sh. Dheeraj Garg
Date of Birth	28/03/1933	11/05/1972
Date of Appointment	29/05/1999	29/11/1997
Qualification Experience in Specific functional areas	Retired from Indian Navy where he held various prestigious positions. After retiring from navy, he has functioned as the Director of M/s National Stock Exchange Ltd. He has been guiding our Company to streamline procedures, better co-ordination and faster decision making.	A Business Administrator Graduate from U.S.A. is the Managing Director of the Steel Strips Wheels Limited.He is having more than 14 years Industrial Experience of varied nature to his credit.
Chairman/ Member of the Committee of Board of Directors of the Company.	Chairman of Audit Committee, Remuneration Committee and Member of Sub-Committee	Chairman of Sub-Committee of Steel Strips Wheels Ltd.
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director	Member of audit Committee of Steel Strips Ltd.	Member of Secretarial Committee.
No. of shares held in the Company	Nil	1104434

CERTIFICATE OF CORPORATE GOVERNANCE

We have examined the Company's compliance of conditions of Corporate Governance by Indian Acrylics Limited for the year ended on 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

On the basis of our review of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company, we certify that the company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S C Dewan & Company
Chartered Accountant

Place: Chandigarh
Dated: 31.05.2010

S C DEWAN
Partner
M.No. 15678

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for Directors & Senior Management Personnel of the Company. The Code of Conduct is available on the website.

I confirm that the Company has in respect of the financial year ended March 31, 2010 received from the senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of conduct applicable to them.

Place : Chandigarh
Dated: 31.05.2010

H K Singhal
Finance Director

STEEL STRIPS GROUP

AUDITORS' REPORT

To

The Shareholders,
Indian Acrylics Limited.

We have audited the attached Balance Sheet of M/s INDIAN ACRYLICS LIMITED as at 31.03.2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters as specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:-
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (ii) In our opinion, proper books of accounts as required under the law, have been kept by the Company so far as appears from our examination of such books.
   (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
   (iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
   (v) On the basis of written representation received from Directors, as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies as per schedule of Notes on 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: -
      (a) In the case of Balance Sheet, of the state of affairs of the company as at 31.03.2010, and,
      (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
      (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 31.05.2010

S.C. Dewan
Partner

Referred to in Paragraph I of our report of even date:

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
3. The company has not granted or taken any loan, secured or unsecured loans to/ from companies covered in the register maintained under section 301 of the Act.

4. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

5. The transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered in the register. Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The company has not accepted any deposit from the public.

7. The company has an internal audit system commensurate with its size and nature of its business.

8. Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub – section (I) of section 209 of the Act. Such accounts and records have been made and maintained.

9. The company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities except for the demands/ claims disputed by the company as per details given below:

In Respect of	Amount (Rs.In Lakhs)	Forum
SalesTax	78.68	Supreme Court
Excise Duty	99.36	Commissioner,Excise
	2.81	Asstt. / Dy. Commissioner, Excise
	21.29	Cestat
	113.95	Additional Commissioner (Excise)
	8.20	Commissioner (Appeals) Excise
	314.95	Supreme Court
Custom duty	29.37	Additional Commissioner (Customs)
	17.79	Cestat
	54.55	Commissioner (Customs)

10. The company has been registered for a period of more than five years, having existing share capital of Rs.13132.22 lakhs. Its accumulated losses at the end of the financial year amount to Rs.10002.60 lakhs and are more than 50% of its net worth. It has earned cash profit in the financial year under review and incurred cash loss in the immediately preceding financial year.

11. The company has defaulted in payment of dues to IDBI amounting to Rs.1361 lakh on account of instalments of principal loan and Rs.1259 lakh on account of arrears of interest excluding penal interest and liquidated damages, as the amount is unascertainable for the period from October 2005 to March 2010.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is not a chit fund company.

14. The company is not running any Nidhi/ Mutual Benefit Fund/ Society.

15. The company is not a Financing Company.

16. The company has not given any guarantee for loans taken by others from bank or financial institutions.

17. The term loans were applied for the purpose for which the loans were obtained, as per the information available from the records of the company.

18. The funds raised by the company on short terms basis have not been used for long-term investment.

19. The company has not issued any Debentures to the public. However non-convertible debentures were issued to the financial institutions in lieu of funded interest in March 1996, which already stand secured by their respective security documents.

20. The company has not raised any money by Public Issue during the year.

21. No fraud on or by the company has been noticed or reported during the year.

22. The Company is a potential sick company under the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 and a report, in this connection, has been filed with BIFR as required under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.

for S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 31.05.2010

S.C. Dewan
Partner

STEEL STRIPS GROUP

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010 (Rs in lacs)	AS AT 31.03.2009 (Rs in lacs)
SOURCE OF FUNDS			
Shareholders' Funds	1	**13,132.22**	13,132.22
Reserves & Surplus	2	**119.23**	119.23
LOAN FUNDS			
Secured Loans	3	**11,845.83**	17,715.05
Total		**25,097.28**	30,966.50
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	**40,118.98**	39,786.89
Less: Depreciation		**25,776.77**	23,779.66
Net Block		**14,342.21**	16,007.23
Capital Work-in-Progress			
(including advances on capital account)		**293.76**	382.82
		14,635.97	16,390.05
INVESTMENTS	5	**-**	31.32
CURRENT ASSETS,LOANS & ADVANCES			
Inventories	6	**6,559.94**	8,231.90
Sundry Debtors	7	**3,336.05**	2,177.33
Cash and Bank Balances	8	**1,466.53**	2.868.83
Other Current Assets	9	**253.79**	311.97
Loans & Advances	10	**1,900.20**	2,498.28
		13,516.52	16,088.31
Less: Current Liabilities & Provision	11	**13,057.81**	14,754.21
Net Current Assets		**458.71**	1,334.10
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Profit & Loss Account		**10,002.60**	13,211.03
Total (Rs.)		**25,097.28**	30,966.50
Notes on Accounts	16		

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

S.C. Dewan
Partner

ANURAG AGARWAL
Chairman

R.K. GARG
Mg. Director

B.B. TANDON
Director

Place: CHANDIGARH
Dated: 31.05 2010

H.K. SINGHAL
Finance Director

B.K. GUPTA
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010 (Rs in lacs)	AS AT 31.03.2009 (Rs in lacs)
INCOME			
Sales and Other Income	12	**41,887.03**	36,809.42
EXPENDITURE			
Manufacturing & Other Expenses	13	**34,778.07**	41,577.69
Financial Expenses	14	**1,870.73**	1,535.16
Depreciation		**1,997.11**	1,059.40
		38,645.91	44,172.25
Profit / (Loss) before Taxation and Non recurring / Extraordinary Items		**3,241.11**	(7,362.84)
Extra ordinary Items			
Provision made for accumulated cenvat		**-**	(963.35)
Write back in term of onetime settlement of term Load of IFCI		-	4,218.13
Prior Period Adjustment		**(28.16)**	(15.64)
		(28.16)	3,239.14
Profit / (Loss) after Taxation and Non recurring / Extraordinary Items		3,212.95	(4,123.70)
Provision for Tax			
- Fringe Benefits Tax		0.88	6.51
- Income Tax (MAT)		3.64	-
		4.52	6.51
Profit / (Loss) after Taxation carried to Balance Sheet		3,208.43	(4,130.21)
Loss Brought forward from previous year		13,211.03	9,080.81
Net Loss carried over to Balance Sheet		10,002.60	13,211.03
Earning / (Loss) per share - Basic and Diluted (Rs.)		2.45	(3.15)
Weighted average number of shares		13,13,22,162	13,13,22,162

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

S.C. Dewan
Partner

ANURAG AGARWAL
Chairman

R.K. GARG
Mg. Director

B.B. TANDON
Director

H.K. SINGHAL
Finance Director

B.K. GUPTA
Company Secretary

Place: CHANDIGARH
Dated: 31.05 2010

STEEL STRIPS GROUP

CASH FLOW STATEMENT FOR 31ST MARCH, 2010

(Rs. in Lacs)

		CURRENT YEAR	PREVIOUS YEAR
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	**3,241.11**	(7,362.84)
	ADJUSTMENT FOR :		
	i) ADD : DEPRECIATION	**1,997.11**	1,059.40
	ii) ADD : INTERST & FINANCIAL CHARGES EXPENSES	**1,870.73**	1,535.16
	LESS : FRINGE BENEFITS TAX	**0.88**	6.51
	LESS : INCOEME TAX (MAT)	**3.64**	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**7,104.44**	(4,774.80)
	ADJUSTMENTS FOR :		
	TRADE AND OTHER RECEIVABLES	**(560.65)**	2,400.33
	INVENTORIES	**1,671.96**	1,996.89
	TRADE PAYABLES / CURRENT LIABILITIES	**(1,696.40)**	(499.43)
	CASH GENERATED FROM OPERATIONS	**6,519.37**	(877.00)
	CASH FLOW BEFORE EXTRAORDINARY ITEMS		
	EXTRAORDINARY ITEMS / PRIOR PERIOD ADJUSTMENT	**(28.16)**	3,239.14
	NET CASH FROM OPERATING ACTIVITIES	**6,491.20**	2,362.14
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	PURCHASE OF FIXED ASSETS	**243.06**	91.65
	SALE OF USED CAR	**-**	1.54
	INVESTMENTS (LONG TERM)	**(31.32)**	(0.75)
	NET CASH USED IN INVESTING ACTIVITIES	**211.74**	89.36
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	INTEREST & FINANCIAL CHARGES PAID	**1,504.18**	2,682.19
	SUBSIDY RECIEVED	**-**	50.00
	TERM LOANS & OTHER SHORT TERM DEBT REPAYMENTS*	**6,526.82**	(1818.64)
	NET CASH USED IN FINANCING ACTIVITIES	**8,030.99**	813.54
D.	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**		
	NET INCREASE/(DECREASE) IN CASH AND CASH EUQIVALENTS	**(1,751.53)**	1,459.24
	CASH AND CASH EQUIVALENTS (OPENING BALANCE)	**1,941.26**	482.01
	CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	**189.72**	1,941.25

***** Inclding reduction in short Term Debt by Rs. 5723.03 Lacs

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

S.C. Dewan
Partner

ANURAG AGARWAL
Chairman

R.K. GARG
Mg. Director

B.B. TANDON
Director

H.K. SINGHAL
Finance Director

B.K. GUPTA
Company Secretary

Place: CHANDIGARH
Dated: 31.05 2010

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2010

PARTICULARS	AS AT 31.03.2010 (Rs in lacs)	AS AT 31.03.2009 (Rs in lacs)
SCHEDULE '1' SHARE CAPITAL		
AUTHORISED		
1500 Lac (Previous Year 1500 Lac) Equity Shares of Rs. 10/- each	**15,000.00**	15,000.00
ISSUED,SUBSCRIBED AND PAID UP		
131322162 Equity Shares of Rs.10/- each fully paid up. (Previous year 131322162)	**13,132.22**	13,132.22
Total (Rs.)	**13,132.22**	13,132.22
SCHEDULE '2' RESERVES & SURPLUS		
1 **CAPITAL RESERVE**		
Capital Subsidy	**-**	80.00
Less: Transfer to general Reserve	**-**	80.00
Total	**-**	-
2 **GENERAL RESERVE**		
Opening Balance	**80.00**	-
Add: Transfer from Capital Subsidy	**-**	80.00
Total	**80.00**	80.00
3 **SHARE PREMIUM**	**39.23**	39.23
Total (Rs.)	**119.23**	119.23
SCHEDULE '3' SECURED LOANS		
1 From Financial Institutions		
Foreign Currency Loans (already crystallised in rupees)	**678.68**	678.68
Rupee Term Loan	**1,492.51**	1,492.51
Funded Interest	**1,747.87**	1,747.87
Interest Accrued and due	**1,708.62**	1,329.02
Total	**5,627.68**	5,248.08
Less : Adhoc payments made during the year 2008-09 to IDBI pending Restructuring/Settlement	**450.00**	450.00
Total	**5,177.68**	4,798.08
2. From Banks		
Rupee Term Loans	**607.96**	807.94
Working Capital Term Loan (Rupee Loan)	**250.12**	374.02
Foreign Currency Loans	**2,133.47**	2,613.37
Cash Credit Account	**1,530.60**	1,239.56
Short Term Debt	**2,128.71**	7,851.74
Interest Accrued and Due	**17.30**	30.34
Total (Rs.)	**11,845.83**	17,715.05

i) The Term Loans / working capital term loan from Financial Institutions / banks are secured by mortgage created or to be created on all the immovable assets of the Company, both present and future, hypothecation of all the moveable assets including movable machinery, machinery parts, tools and accessories and other movables, both present and future (save and except book debts), subject to charges created or to be created in favour of the Company's Bankers for securing working capital limits. These Loans are further guaranteed by the managing director besides two directors.

ii) Cash Credit / Working capital borrowings are secured by hypothecation of book debts, raw-material, finished goods, semi-finished goods, consumable stores and spares including stocks in transit of the company as well as of Indlon Chemicals Ltd. and also by a second charge on the fixed assets of the company and further guaranteed by the managing director besides two directors and Indlon Chemicals Limited.

iii) Short Term Debt is secured against the letters of comfort issued by Banks.

STEEL STRIPS GROUP

SCHEDULE - '4' FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 31.03.09 (Rs. in lacs)	Additions (Rs. in lacs)	Sale (Rs. in lacs)	Cost as at 31.03.10 (Rs. in lacs)	Upto 31.03.09 (Rs. in lacs)	For the year (Rs. in lacs)	**Upto 31.03.10 (Rs. in lacs)**	**As at 31.03.10 (Rs. in lacs)**	As at 31.03.09 (Rs. in lacs)
A. Land	265.19	-	-	265.18	-	-	**-**	**265.18**	265.18
B. Site Development	335.60	-	-	335.60	-	-	**-**	**335.60**	335.60
C. Building									
i. Factory	5,786.44	14.01	-	5,800.45	2,397.18	193.39	**2,590.58**	**3,209.87**	3,389.26
ii. Housing Colony	301.92	-		301.92	77.22	4.92	**82.13**	**219.79**	224.70
D. Plant & Machinery	31,831.23	249.60	-	32,080.83	20,526.51	1,723.88	**22,250.37**	**9,830.45**	11,304.73
E. Electrical Installation	644.52	54.20	-	698.72	301.30	48.09	**349.39**	**349.33**	343.22
F Tubewell	20.58	6.63	-	27.21	4.25	0.36	**4.60**	**22.60**	16.33
G. Weigh Bridge	11.27	-	-	11.27	8.29	0.54	**8.84**	**2.43**	2.98
H. Tools & Implements	33.01	-	-	33.01	27.37	0.78	**28.15**	**4.86**	5.64
I. Furniture/ Fixture & Office Equipment	428.75	5.07	-	433.82	320.07	22.08	**342.13**	**91.68**	108.68
J. Vehicles	128.37	2.60	-	130.97	117.48	3.08	**120.56**	**10.41**	10.89
Total (Rs.)	39,786.88	332.11 #	0.00	40,118.98	23,779.66	1,997.11	**25,776.77**	**14,342.21**	16,007.24
Previous Year	39,491.88	296.56	1.54	39,786.89	22,720.26	1,059.40	**23,779.66**	**16,007.23**	16,771.64

CAPITAL WORK IN PROGRESS	As At 31.03.2010 (Rs.in Lacs)	As At 31.03.2009 (Rs.in Lacs)
1. Advance to Capital Goods Suppliers	**233.33**	149.05
2. Expenses Pending Allocation (Schedule-15)	**-**	0.33
3. Building/Plant & Machinery under Erection/ Installation	**60.44**	233.44
Total (Rs.)	**293.77**	382.81

Includes Pre-operative expenses of Rs. Nil (Previous Year Rs. 12.99 lacs)

SCHEDULE - '5' INVESTMENTS

Investment (Unquoted) - Long Term - Non Trading		
Investment in Subsidiary - at cost	**31.32**	32.07
Less : Reduction in carrying amount	**6.58**	0.75
Less : Investment received back during the year	24.74	-
Total (Rs)	**-**	31.32

SCHEDULE - '6' INVENTORIES

(As taken valued and certified by the Management)			
(At lower of cost or estimated realisable value)			
1.	Raw Materials	**1,812.18**	1,043.47
2.	Raw Material at Port	**5.28**	4,598.22
3.	Raw Material at High Seas Transit	**2,300.18**	-
4.	Raw Material in Inland Transit	**30.80**	400.66
5.	Consumable Stores	**764.01**	887.79
6.	Stock in Process	**466.58**	566.36
7.	Finished Goods	**1180.92**	735.39
	Total (Rs.)	**6,559.94**	8,231.90

PARTICULARS	AS AT 31.03.2010 (Rs in lacs)	AS AT 31.03.2009 (Rs in lacs)
SCHEDULE - '7' SUNDRY DEBTORS		
(Unsecured and considered good unless otherwise stated) Outstanding for a period exceeding six months	**179.98**	206.59
Less: Provision for bad & doubtful debts	**81.49**	92.31
	98.49	114.28
Others - Considered good	**3,237.57**	2,063.05
Total (Rs.)	**3,336.05**	2,177.33
SCHEDULE - '8' CASH & BANK BALANCES		
Cash-in-Hand	**4.71**	2.00
Cheques and Drafts in Hand pending Collection	**413.18**	234.11
WITH SCHEDULED BANK		
In Current Account	**417.07**	668.54
Fixed Deposit Receipts (Under bank lien)	**631.56**	1,964.18
Total (Rs.)	**1,466.53**	2,868.83
SCHEDULE - '9' OTHER CURRENT ASSETS		
Security Deposits	**90.34**	129.53
Interest Receivable	**41.88**	64.36
Prepaid Expenses	**61.06**	80.97
Tax Deducted At Source	**60.51**	37.11
Total (Rs.)	**253.79**	311.96
SCHEDULE - '10' LOANS AND OTHER ADVANCES		
(Unsecured considered good) (Advance recoverable in Cash or in kind or for value to be received)		
Accumulated Cenvat	**1,171.09**	1,926.75
Other Advances	**729.12**	571.53
Total (Rs.)	**1,900.20**	2,498.28
SCHEDULE - '11' CURRENT LIABILITIES & PROVISIONS		
A. **CURRENT LIABILITIES**		
i. Sundry Creditors		
- For Purchase-SME units	**27.99**	34.43
- Others	**10,469.74**	12,164.31
- For Capital Goods	**64.48**	69.82
- Expenses Payable	**643.60**	767.05
ii. Other Liability	**559.31**	507.02
iii. Cheques Issued But not yet presented for payment	**59.49**	96.62
B. PROVISIONS		
-Provisions for Cenvat doubtful of recovery	**963.35**	963.35
-Provisions for Gratuity & Earned leaves	**120.69**	90.41
-Provisions for Excise Duty on Finished Goods	**75.13**	24.07
-Provision for Income Tax (MAT)	**3.64**	-
-Provisions for Others	**70.38**	37.12
Total (Rs.)	**13,057.81**	14,754.20

PARTICULARS		AS AT 31.03.2010 (Rs in lacs)	AS AT 31.03.2009 (Rs in lacs)
SCHEDULE '12' - SALE AND OTHER INCOME			
I.	**GROSS SALES**		
	- Domestic	**31,718.39**	35,471.10
	- Export	**11,327.58**	2,800.05
	Total	**43,045.97**	38,271.15
	- Less: Excise Duty	**2,219.97**	1,838.01
	- **NET SALES**	**40,826.00**	36,433.14
II.	Sales of Scrap	**161.42**	69.63
III.	Interest Received on Fixed Deposits with Banks & on Income Tax Refund	**60.26**	90.96
IV.	Agricultural Income	**2.61**	2.78
V.	Exchange Fluctuation (Import)	**553.22**	0.00
VI.	Sale of Certified Emission Reductions	**160.85**	90.53
VII.	Sale of Power	**107.18**	121.70
VIII.	Others Misc. Income	**15.48**	0.67
	Total	**41,887.03**	36,809.41
SCHEDULE - '13' SALE & MANUFACTURING & OTHER EXPENSES			
I)	**MANUFACTURING COST**		
	Raw Material Consumed	**25,497.71**	26,431.58
	Purchase of Goods Traded & Yarn Charges	**1,926.29**	6,339.99
	Power & Fuel	**4,532.85**	3,077.70
	Repair & Maintenance	**197.16**	102.51
	Stores, Spares, Consumables	**873.27**	472.70
	Factory Expenses	**186.54**	117.97
		33,213.81	36,542.15
	(Increase)/Decrease in stock of finished goods, work in progress		
	Opening Stock		
	Finished Goods		
	- Own Manufactured	**605.09**	925.73
	- Trading	**130.31**	596.84
	Stock in Process	**566.36**	472.79
	Total	**1,301.76**	1,995.36
	Closing Stock		
	Finished Goods		
	- Own Manufactured	**864.26**	605.09
	- Trading	**316.66**	130.31
	Stock in Process	**466.58**	566.36
		1,647.49	1,301.76
	(Increase)Decrease in stock	**(345.74)**	693.60
	EMPLOYEE COST		
	Salary & Other Allowances	**689.48**	586.92
	Contribution to PF & Other funds	**69.86**	56.60
	Staff welfare	**65.59**	67.76
	Staff Training and Recuritment	**6.28**	6.79
	Gratuaity	**47.28**	11.04
	Managerial Remuneration	**22.40**	67.43
		900.89	796.53
	ADMINISTRATIVE COST		
	Rent	**73.01**	95.00
	Rates and Taxes	**6.07**	6.06
	Auditors' Remuneration	**6.00**	6.00
	Advertisements & Publicity	**0.42**	1.68
	Insurance	**36.77**	39.66

PARTICULARS	AS AT 31.03.2009 (Rs in lacs)	AS AT 31.03.2008 (Rs in lacs)
Travelling Expenses-Foreign		
- Director	**21.30**	0.64
- Others	**21.55**	12.16
Travelling Expenses-Inland		
- Directors	**2.42**	2.87
- Others	**64.70**	61.85
Miscellaneous Expenses	**206.93**	163.32
Exchange Fluctuation (Import)	**-**	2,878.98
(Profit) / Loss on sale of assets	**-**	0.23
Bad abd Doubtful Debts	-	15.62
Bad and Doubtfull Advances	**7.55**	-
Decrease in carrying amount of investment in subsidiary	**6.58**	0.75
	453.29	3.284.82
SELLING AND DISTRIBUTION EXPENSES		
- Freight Outward	**139.55**	151.45
- Commission	**35.39**	4.55
- Cess and Acrylic Fibre	**-**	-
- Others	**6.94**	19.59
Export Expenses		
- Commission	**59.72**	25.92
- Freight Forwarding & Clearing Expenses	**314.22**	59.36
	555.81	260.86
Total (Rs.) :-	**34,778.07**	41,577.96
Less: Transfer to Project under commissioning Pre-Operative/Trial-run Expenses	**-**	0.28
Total	**34,778.07**	41,577.68

SCHEDULE - '14' INTEREST & FINANCIAL EXPENSES

1.	Interest on Term Loans & WCTL	**716.67**	818.13
2.	Working Capital interest & Bank Charges	**1,154.06**	717.03
	Total	**1,870.73**	1,535.16

SCHEDULE - '15' PRE-OPERATIVE EXPENSES PENDING ALLOCATION

1.	Opening Balance	**0.33**	13.04
	Add: Pre-operative/trial Run Expenses	**0.00**	0.28
	transferred from Manufacturing & other Expenses		
	Total (Rs.)	**0.33**	13.32
	Less: Capitalized	**0.33**	12.99
	Balanced carried over to Capital	**-**	0.33
	Work in progress		

SCHEDULE – 16

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

i) The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standard and relevant presentational requirements of the Companies Act, 1956.

ii) **FIXED ASSETS**:

Fixed Assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes and other incidental expenses. Cenvat credit available is deducted from cost of fixed assets.

Capital work-in-progress includes advances paid for purchase of Fixed Assets, preoperative expenses pending capitalisation, and capital work in progress. As per practice, expenses incurred on modernisation/ debottlenecking of plant are capitalised.

iii) **Depreciation** :

Depreciation is provided as per rates specified in Schedule XIV of the Companies Act, 1956 as per details given below:

S.No.	Name of Asset	
1.	Building	SLM Basis
2.	Plant & Machinery	
	a) All Machinery commissioned for Phase-I during 1993-94 for capacity of 12000 MT per annum	WDV Basis (See Note 24)
	b) Others	SLM Basis
3.	Other Assets (Vehicles, Furniture & Fixture)	WDV Basis

The plant being a continuous process plant, rates of depreciation as applicable to continuous process industry have been applied.

iv) **Inventories :**

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of various items of inventories are computed as under:-

- In case of raw materials stores and spares, at weighted average cost plus direct expenses.
- In case of work in process, at raw material cost plus conversion expenses depending upon stage of completion.
- In case of finished goods, at raw materials cost plus conversion cost, packing cost, excise duty and other overheads to bring the goods to present condition and location.
- Raw material and other stocks lying at port pending clearance at cost inclusive of custom duty actually paid. The custom duty payable on material lying into bond is accounted on clearance for home consumption.

v) **Retirement Benefits :**

Gratuity and earned leave encashment has been provided for in the books of accounts on acturial valuation basis as at the end of the year.

vi) **Interest :**

Interest in respect of fixed deposits lying with banks has been accounted for on accrual basis.

vii) **Investment :**

Long term investment have been valued at cost less reduction (if any) in the carrying amount of the investment. Reduction in carrying amount is written off to Profit & Loss Account.

Current Investments are carried at cost less provision, if any, for diminution in fair value.

viii) **Cenvat & Excise Duty**

Purchases, Sales and Stocks are shown net of cenvat credit available. Balance in the cenvat account is shown as current assets and excise duty expenditure is booked on gross basis. Provision made for excise duty liability on stock of finished goods lying at the year end is booked in excise duty expenditure account and liability for the same is shown as provisions under schedule of current liabilities.

ix) **Recognition of Income/Expenditure :**

All revenues and expenses are accounted for on accrual basis except for medical reimbursement payable, claims receivable and export incentives which are accounted for on cash basis, unless otherwise explained hereafter. All expenses are shown as net of Input Tax credit as Service Tax credit is adjustable against excise duty under cenvat credit Rules.

x) **Foreign Exchange Fluctuations :**

a) Foreign currency assets / liabilities not covered by forward contracts are restated at the rates prevailing at the end of the year.

b) Any income or expense on account of exchange difference is recognised in the Profit and Loss Account as per the requirement of AS-11 issued by ICAI, New Delhi.

2. Contingent Liabilities, alongwith there nature and description in brief as required under AS –29, not provided for in the books of accounts, are as under :

	As at 31.03.2010 (Rs.in Lacs)	As at 31.03.2009 (Rs.in Lacs)
a) Letters of Credit outstanding for Import of Raw materials / Spares	**2871.09**	1099.02
b) Claims against the company / disputed liabilities not acknowledged as debts:		
i) In respect of Sales Tax Surcharge on exempted sales	**78.68**	78.68
ii) In respect of Excise Duty demand on account of valuations & cenvat credit disputes.	**560.55**	549.85
iii) In respect of custom duty on account of cancellation of DEPB scrips validly purchased by us from the market, duty demand on goods lost in high seas and Additional duty levied in 2006 Union budget recovered by debit in DFCE licence.	**101.71**	181.13
iv) Others *	**519.00**	519.00

* There is an Arbitration award dated 16.03.2002 of US$ 10.22 Lacs (approx Rs.519 lacs) and interest against the company awarded by Arbitration Panel in favour of E.I. Dupont (USA). The award has not reached its finality as company has filed objections on 29.06.2002 in the hon'ble High Court and the matter is now Sub-Judice. In the opinion of the management and as per the legal advice received by the company, no liability against the company has yet arisen. Accordingly, the awarded amount is not considered as a liability. As such, no provision for the same has been made in the books.

vi)Besides, the Sales Tax Department proposed to limit the exemption of sales tax only to incremental production. However, the case has since been decided in favour of the company. Department has disputed the same in Supreme Court and final decision is still pending. Sales Tax liability has been provided for as per Sales Tax Returns filed and adjusted against the exemption certificate. In view of the legal opinion obtained, the company is confident that no liability will arise on account of these demands. As such , no provision for the same has been made in books.

c) Estimated amount of contracts remaining to be executed on capital account and not provided for in the Books of Accounts (Net of Advance). Rs.244.28 lacs Rs.40.98 lacs

3. a) Previous year figures have been regrouped and rearranged, wherever considered necessary, to make them comparable with those of current year.
   b) Figures have been rounded off to the nearest rupee in lacs.
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, unless stated otherwise. The Provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
5. Schedule 1 to 16 form an integral part of the accounts of the Company.
6. No provision for income tax has been made in the books of accounts as there are no taxable profits for the year under consideration, under the provisions of the Income Tax Act. However, Provision of MAT has been made in the financial year
7. The debit and credit balances in the accounts of a few suppliers, customers and others are subject to confirmation and reconciliation.
8. Debtors include a sum of Rs.1.13 Lacs (Previous year Rs.11.96 lacs), maximum during the year Rs.13.46 lacs (Previous year Rs.13.55 lacs) receivable from Indlon Chemicals Ltd., a subsidiary company under the provisions of section 4(1)(a) of the Companies Act, 1956.
9. Sundry debtors, outstanding for more than six months, include a sum of Rs.81.49 lacs (Previous year Rs.92.31 lacs) recoverable from a few customers against which the company has filed legal cases. Against this, a provision for doubtful debts has been made in the books to the extent of Rs.81.49 lacs (Previous year Rs.92.31 lacs).
10. The company is mainly in one business segment viz Manufacture and Sale / Trading of Acrylic Fibre / Yarn. There is no other reportable segment in accordance with Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India dealing with the segment reporting.
11. The Net Deferred Tax asset of Rs.2136.37 lacs as at 31.03.2010 (including Rs. 3388.61 lacs upto 31.03.2009) has not been recognized in view of uncertainity of its realisation, as recommended under Accounting Standard AS-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The details of deferred tax assets are as under:-

(Rs. in lacs)

	As at 1st April, 09	For the year 2009-2010	**As at 31st Mar,10**
Deferred Tax Assets being tax impact thereon			
(i) Tax on unabsorbed losses and / or depreciation carried forward as per Income tax laws.	5523.79	(1890.90)	**3632.89**
(ii) Tax on expenses charged in the books, but allowance deferred under Income tax laws	865.82	276.08	**1141.90**
Total :	6389.61	(1614.82)	**4774.79**
Deferred Tax Liabilities being tax impact thereon			
(i) Tax on difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts.	3001.00	(362.58)	**2638.42**
(ii) Others	-	-	**-**
Net Deferred Tax Asset	3388.61	(1252.24)	**2136.37**

12. EARNING PER SHARE (EPS)

Basic/Diluted Earning Per Share

		Current Year (Rs.in lacs)	Previous Year (Rs.in lacs)
Profit / (Loss) after tax as per profit & loss account		**3208.43**	(4130.22)
Less : Dividend and tax thereon in respect of preference shares		**-**	-
Profit available for the shareholders	(A)	**3208.43**	(4130.22)
No. of equity shares	(B)	**131322162**	131322162
Earning / (Loss) per share (Rs.) (basic & Diluted)	(A/B)	**2.45**	(3.15)
Nominal value per equity share		**Rs.10.00**	Rs.10.00

Computation of weighted average number of equity shares outstanding during the period.

	Current Year(No)	Previous Year(No)
No. of equity shares at the beginning of the year	**131322162**	131322162
No. of equity shares issued during the year	-	-
Total number of equity shares outstanding as at the end of the year.	**131322162**	131322162
Weighted average number of equity shares outstanding during the period.	**131322162**	131322162

13. As per restructuring package approved under the corporate debt restructuring (CDR) system in Jan'03, NPV of interest losses shall be converted to Zero Rate Interest Loan to be recovered after 2014-15 after a review to be made after 10 years. No provision for the same has been made in the books of accounts, as the amount is unascertainable at this stage.
14. The company invested a sum of Rs.56.67 lacs in Indilun Acrylics (Shanghai) Co. Ltd a wholly owned subsidiary company in China during the year 2005-06 by way of share capital. The company is privately held and not listed on any stock exchange. There is decline in the carrying amount of this investment and the resultant reduction of 6.58 lacs in the carrying amount is written off to Profit and Loss Account. This subsidiary company has been closed during the year and balance of Rs. 24.74 lacs received back. As such investment at the end of the year is nil.

15. Managerial Remuneration

The remuneration payable to the Managing Director and Finance Director was approved by the shareholders in the AGM held on 29th Sept 2009. The same is Rs.2 lacs per month and annual perquisites upto Rs.24 lacs per annum plus 5% commission on the net profits payable to the Managing Director and Rs.1 lacs per month plus reimbursement of house rent upto 60% of the salary and other perquisites upto maximum Rs.12 lacs per annum to Finance Director. The company applied to Govt., Department of Company Affairs for their approval. The Department of company Affair has approved a remuneration @ Rs.75000/- per month payable to the Managing Director w.e.f. 01-03.2009 and same amount to the Finance Director w.e.f. 01-02-2009 pending further review. Accordingly, the same has been provided for in the books of accounts on the basis of Govt. approval.

Profit & Loss Account includes Managerial remuneration as under:

	Current Year(Rs.in Lacs)	Previous Year(Rs.in Lacs)
Salary	**14.63**	33.55
Perquisites / Sitting Fee	**6.02**	29.86
Contribution towards Provident Fund	**1.75**	4.02
Total:	**22.40**	67.43

Note : a) The above figure does not include contribution to Gratuity provision as separate figures are not available.

b) Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule XIII of the Companies Act, 1956.

As and when, the Govt. approval for the payment of the remuneration as approved by the shareholders is obtained, the balance amount of the remuneration shall be provided in books of account in that year.

16. Amount received from sale of Certified Emission Carbon Credits has been accounted as Income in the Profit & Loss Account. Company has about 0.19 lacs units of certified Emission Reductions (CERs) accrued upto 31st March 2010 as per the verification report of SGS from the two projects already implemented. Income from the same shall be accounted for as and when realized.

17. Related party disclosures:

Details of transaction entered into with related parties during the year as required by Accounting Standard–18 on "Related party disclosures" issued by the Institute of Chartered Accountants of India are as under:-

(Rs.in lacs)

Particulars	Subsidiaries Company	Key Management Personnel (KMP)	Enterprises over which KMP is able to exercise significant influence	Total for Current Year	Total for Previous Year
Purchase of Fixed Assets	NIL	NIL	NIL	**NIL**	NIL
Purchase of goods (net)	Rs. 5.25	NIL	NIL	**Rs. 5.25**	NIL
Recoverable at end of previous year	Rs. 1.13	NIL	NIL	**Rs.1.13**	Rs.11.96
Services availed	NIL	NIL	Rs. 17.88	**Rs. 17.88**	Rs. 18.25
Civil Construction & Maintenance	NIL	NIL	NIL	**NIL**	Rs. 3.59
Lease Rent paid	NIL	NIL	Rs. 32.28	**Rs. 32.28**	Rs. 44.19
Management Contracts (Salaries)	NIL	Rs. 22.40	NIL	**Rs. 22.40**	Rs. 67.43
Remuneration paid to relatives of KMP during the year.				**Rs.1.77**	Rs. 1.80
Amounts written off or written back in the period in respect of debts due from or to related parties.			NIL	**NIL**	

Note:

1. Subsidiary Company : 1). Indlon Chemicals Ltd
   2). Indilun Acrylics (Shanghai) Co. Ltd.
2. Key Management Personnel (Whole time Directors) : Mr.R.K.Garg, Managing Director; Mr.H.K.Singhal, Finance Director; Mr. Dheeraj Garg, Addl. Managing Director

3. Enterprises over which Key Management personnel (KMP) are able to exercise significant control and with whom transactions have taken place during the year:

1) SAB Industries Ltd.- 2) Steel Strips Ltd. 3) Malwa Chemtex Udyog Ltd.

4) Steel Strips Wheels Ltd 5) Steel Strips Infrastructures Ltd.

4. Relatives of the Key Management Personnel (with whom transactions have taken place):- Mr. Suresh Aggarwal is related to Mr. H.K. Singhal (brother of Mr. H. K. Singhal) and employed with the company. Mr.Dheeraj Garg (son of Sh.R.K.Garg, Managing Director) is Additional Managing director on board.

18. Detail of Provisions as per AS-29

(Rs in Lacs)

	Cenvat Doubtful of Recovery	Employee Benefits (Gratuity Earned Leave)*	Excise duty on Finished Goods lying in stocks	Doubtful Debts.	Others
Balance as at April 1,2009	963.35	90.41	24.07	92.31	37.12
Provision made during the year	-	30.28	75.13	-	36.90
Provision written off/ back during the period	-	-	24.07	10.82	-
Balance as at March 31,2010	**963.35**	**120.69**	**75.13**	**81.49**	**74.02**

* Note: Past liability funded with L.I.C.

19. Sundry creditors include a sum of Rs.2.18 lacs (Previous Year Rs.1.79 Lacs) due to Micro and Small & Medium Undertakings which are outstanding for more than 45 days as at 31.03.10. This information is required to be disclosed under the Micro, Small and Medium Enterprises development Act 2006, as determined to the extent the parties have been identified on the basis of information with the company.

20. Payments to auditors included under the head Auditors' Remuneration:

Particulars	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
Audit Fee including Tax Audit Fee	**4.50**	4.50
Certification Charges	**1.50**	1.50
Total	**6.00**	6.00

Service Tax has not been included in above being modvatable.

21. Unpaid interest on term borrowings from IDBI has been provided for in the books at the simple interest rate as fixed in the CDR package. No provision for the Liquidated Damages / Penal Interest has been made as Company has moved for restructuring / settlement with them. The amount is not ascertainable due to non receipt of dues notices from IDBI.

22. Excise Duty balance lying in Cenvat account as at 31st March, 2010 amounted to Rs.1171.09 lacs (Previous year Rs.1926.75 lacs). However, it seems difficult to use the entire amount of cenvat in future due to continuance of inverted duty structure. Therefore, it has been considered prudent to provide for a sum of Rs.963.35 lac, lying unused for more than two years, as doubtful of recovery.This provision was made during the year 2008-09.The company is confident of use of the balance cenvat of Rs. 207.69 lac, and the same has been shown as Current Asset in the schedule of 'Current Assets, Loan and Other Advances' as per Accounting Policy being consistently followed by the company.

23. The company has taken the Group Gratuity and Group Leave encashment policies from LIC and entire premiums demanded by them for the year 2009-10 have been paid / provided for as per the requirements of AS-15.

24. Phase I of the plant consisting of installed capacity of 12,000 MT per annum was commissioned during the year 1993-94. Depreciation in respect of machinery installed in Piping, Polymer, Solution & Monomer Preparation, Filtration & recovery section, all utilities machinery including power generation & distritution system and wash draw section is being charged on written dwn value method. And depreciation on remaining machines is being charged on straight line method. In view of technological changes in Acrylic Fibre Industry and obsolescence, the method of depreciation has been changed during this year from straight line method to written down value method in respect of all the remaining items of plant & machinery and electrical installation commssioned in 1993-94.

In compliance with the Accounting Standards (AS6) issued by the institute of Chartered Accountants of India, depreciation has been recomputed from the date of commissioning / capitalization of Plant & Machinery & Electrical Installation at WDV rates applicable to those years. Consequent to this change, there is additional charge during the year of Rs. 471.64 lacs including the effect relating to previous years and the same has been charged to Profit & Loss Account.

Had there been no change in the method of depreciation, the charge would have been lower by above amount and accordingly profit for the current year would have been higher by the same amount.

STEEL STRIPS GROUP

ADDITIONAL INFORMATION PERSUANT TO PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II,SCHEDULE VI,OF COMPANIES ACT,1956.

A)	Quantitative Data	Item manufactured	**2009-2010 Qty.(MT)**	2008-2009 Qty.(MT)
1)	Licenced/Registered Capacity	Acrylic Fibre & Waste	**Delicenced**	Delicenced
2)	Installed Capacity #	Acrylic Fibre & Waste	**42000**	42000
3)	Production	Acrylic Fibre	**35971**	27543
		Acrylic Fibre Waste	**665**	462

AS certified by the Management and relied on by the Auditors being a technical matter.

		CURRENT YEAR		**PREVIOUS YEAR**	
4)	**Raw Material consumed**	**Qty.(MT)**	**Value(Rs.in Lacs)**	**Qty.(MT)**	**Value(Rs.in Lacs)**
i)	Acrylonitrile	**33775**	**22053.98**	25790	23527.52
ii)	Dimethyl Formamide	**1048**	**527.93**	832	453.35
iii)	Methyl Acrylate	**1391**	**837.70**	1617	1215.52
Iv)	V.A.M	**924**	**435.36**	93	48.27
iv)	Others	**-**	**1642.74**	-	1186.92
5)	**Stock & Sales of goods produced**				
i)	Opening Stock				
	Acrylic Fibre	**627**	**593.32**	774	886.48
	Acrylic Fibre Waste	**21**	**11.77**	66	39.25
ii)	Closing Stock				
	Acrylic Fibre	**597**	**828.69**	627	593.32
	Acrylic Fibre Waste	**76**	**35.57**	21	11.77
iii)	Sales				
	Acrylic Fibre	**36001**	**40745.07**	27690	31621.47
	Acrylic Fibre Waste	**610**	**328.58**	507	280.84
6)	**Purchase, Sale and stocks of goods traded in (Acrylic Yarn / Fibre)**				
i)	Opening Stock	**109**	**130.31**	528	596.84
ii)	Purchase	**1393**	**1926.29**	4189	6339.69
iii)	Sale	**1173**	**1972.32**	4563	6368.84
iv)	Capitive	**42**	**-**	-	-
v)	Closing Stock	**277**	**316.66**	109*	130.31
	* The closing stock is net of processing loss of 10 MT (Previous year processing loss of 45 MT).				
B)	**CIF Value of imported goods**				
a)	Raw Material		**19800.47**	-	18689.50
b)	Components & Spare parts		**213.05**	-	70.04
c)	Capital goods		**-**	-	-
C)	**Consumption of Raw-Materials & Stores and spares**				
i)	Raw Material	**%age**	**(Rs.in Lacs)**	%age	(Rs.in Lacs)
a)	Indigenous	**22.39**	**5707.70**	7.02	1855.62
b)	Imported	**77.61**	**19790.01**	92.98	24575.96
ii)	Store and Spares				
a)	Indigenous	**78.99**	**689.83**	77.60	366.80
b)	Imported	**21.01**	**183.44**	22.40	105.90
D)	**Expenditure in Foreign Currency**		**Current Year**		**Previous Year**
a)	Directors Travelling		**11.92**		0.64
b)	Staff Travelling		**9.58**		4.70
E)	**Earnings in Foreign Exchange**		**11084.50**		2644.29
F)	**- F.O.B Value of Export**		**11084.50**		2644.29

G) Expenditure on Employees

i) Employees drawing remuneration of not less than Rs.24,00,000/- per annum(previous year Rs.24,00,000/-) and employed throughout the year :

- No. of Employees	Nil	1
- Salaries and Allowances (Rs.in Lacs)	Nil	45.75
- Contribution to Provident & Other Fund (Rs in Lacs)	Nil	2.88
ii) Employees drawing remuneration not less than 2,00,000/-per month (Previous year Rs.2,00,000/-)and employed for a part of the year .	None	None

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

ANURAG AGARWAL
Chairman

R.K. GARG **B.B. TANDON**

Place
Date

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

i) REGISTRATION DETAILS **(Rs. In Thousands)**

Registration No.	L24301PB1986PLC006715
State Code	16
BALANCE SHEET	31.03.2010

ii) CAPITAL RAISED DURING THE YEAR

Public issue	Nil	Bonus Issue	Nil
Right issue	Nil	Private Placement	Nil

iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	2509728	Total Assets	2509728
Source of funds		**Application of Funds**	
Paid-up Capital	1313222	Net Fixed Assets	1463597
Reserves & surplus	11923	Investments	-
Secured Loans	1184583	Net Current Assets	45871
Unsecured Loans	--	Misc. Expenditure	--
iv) PERFORMANCE OF COMPANY		Accumulated Losses	1000260 -
Turnover	4188703		
Total Expenditure	3864591		
Profit/(Loss) before Tax	321295		
Profit/(Loss) after Tax	320843		
Earning Per Share in Rs.	2.45		
Dividend Rate%	Nil		

v) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS) Item code No. (ITC Code)

Item Code No. (ITC CODE)	Product Description
5503.30	ACRYLIC FIBRE
5501.30	ACRYLIC TOW
5505.10	ACRYLIC WASTE

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

S.C. Dewan
Partner

ANURAG AGARWAL
Chairman

R.K. GARG
Mg. Director

B.B. TANDON
Director

H.K. SINGHAL
Finance Director

B.K. GUPTA
Company Secretary

Place: CHANDIGARH
Dated: 31.05 2010

STEEL STRIPS GROUP

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY.

1. Name of subsidiary company Co. Ltd.	Indlon Chemicals Ltd.
2. The financial year of the subsidiary company ended on.	31st March, 2010
3. Date from which it became subsidiary company.	31st August, 1994
4. (a) Number of shares held by Indian Acrylics Ltd. in the subsidiary at the end of the financial year of the subsidiary company.	Nil
(b) Extent of interest of holding company at the end of the financial year of subsidiary.	Subsidiary under Section 4(1)(a) of the Companies Act, 1956
5. The net aggregate amount of the subsidiary company's Profit/(Loss), so far as it concerns the members of the Holding Company.	Nil
(a) Not dealt within the Holding Company's accounts:	
(i) For the financial years ended 31.03.2010.	N.A.
(ii) For the previous financial years since it became the subsidiary.	N.A.
(b) Dealt within the Holding Company's Accounts :	
(i) For the financial year ended 31.03.2010.	N.A.
(ii) For the previous financial years since it became the subsidiary.	N.A.

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

S.C. Dewan
Partner

ANURAG AGARWAL
Chairman

R.K. GARG
Mg. Director

B.B. TANDON
Director

H.K. SINGHAL
Finance Director

B.K. GUPTA
Company Secretary

Place: CHANDIGARH
Dated: 31.05 2010

DIRECTORS' REPORT

To

The Members,

The Directors of your company have pleasure in presenting the 23rd Annual Report of the company together with Audited Accounts for the financial year ending 31st March, 2010.

PERFORMANCE

(Rs. in thousands)

	31.03.2010	31.03.2009
Sales & other Income	**549.11**	443.41
Prior period adjustments	**985.20**	(233.61)
Provision for Tax	**106.71**	--
Net Profit/(Loss) after tax	**583.99**	(749.49)

The Company achieved a turnover of Rs.5.49 lac as against Rs.4.43 lac during the previous year and earned net profit of Rs. 5.84 lac. The performance of the Company during the year was encouraging as compared to last year. The Company is mainly dependent on availability of acrylic fibre from the holding company i.e. Indian Acrylics Limited as well as the idle capacity available with the spinners for jobbing purposes. The international prices of acrylic fibre and yarn are now hardening up, which may improve the prospects of the company in future.

FIXED DEPOSITS

The company has not accepted any fixed deposits during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

i) The Directors confirm that, in preparation of the Balance Sheet and the Profit and Loss Account of the Company, the accounting standards have been followed along with proper explanation relating to material departures.

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors M/s S.C. Dewan & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

DIRECTORS

Since the last Annual General Meeting, no changes have taken place in the Board of Directors.

Shri H.K. Singhal and Shri R.K. Garg retire by rotation and, being eligible, offer themselves for re-appointment.

PERSONNEL

The provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable.

In terms of Section 217(1)(e) of the Companies Act, 1956 (as amended) and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish hereunder the additional information as required:

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information regarding conservation of Energy and Technology Absorption is not applicable as the company does not have any manufacturing facilities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : None.

b) Total foreign exchange used and earned : Nil (Previous year Nil)

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support received by the Management from all associates.

for and on behalf of the Board

Chandigarh **S.Kansal** **H.K. Singhal**
31.05.2010 Executive Director Director

STEEL STRIPS GROUP

AUDITORS' REPORT

To

The Shareholders,
Indlon Chemicals Limited.

We have audited the attached Balance Sheet of M/s INDLON CHEMICALS LIMITED as at 31.03.2010 and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. 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.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters as specified in paragraph 4 and 5 of the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:-
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (ii) In our opinion, proper books of accounts as required under the law, have been kept by the Company so far as appears from our examination of such books.
   (iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
   (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
   (v) On the basis of written representation received from Directors, as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies as per schedule of Notes on 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: -
   (a) In the case of Balance Sheet, of the state of affairs of the company as at 31.03.2010, and,
   (b) In the case of Profit & Loss Account, of the profit for the year ended on that date.

for S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 31.05.2010

S.C. Dewan
Partner

ANNEXURE

Referred to in Paragraph 1 of our report of even date.

1. The company does not have any fixed assets.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
3. The company has not granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. There were no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act.
6. The company has not accepted any deposit from the public.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub – section (l) of section 209 of the Act.
9. The company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales – tax, Service Tax, Wealth – tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
10. The company has been registered for a period of more than five years, having existing share capital of Rs.5.00 lakhs. Its accumulated losses at the end of the financial year amount to Rs.5.69 lakhs. It has earned cash profit in the financial year under review and incurred cash loss in the immediately preceeding financial year.
11. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year under review.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund company.
14. The company is not running any Nidhi/ Mutual Benefit Fund/ Society.
15. The company is not a Financing Company.
16. The company has given corporate guarantee for loans taken by its holding company from banks. The terms thereof are not prejudicial to the interest of the Company.
17. The Company has not raised any term loans.
18. The Company has neither raised Short Term Funds, nor Long Term Funds during the year under consideration.
19. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
20. The company has not issued any Debentures upto date.
21. The company has not raised any money by Public Issue during the year.
22. No fraud on or by the company has been noticed or reported during the year.

for S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 31.05.2010

S.C. Dewan
Partner

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010 (Rs. in thousands)	AS AT 31.03.2009 (Rs in thousands)
SOURCE OF FUNDS			
Share Capital	1	**500.00**	500.00
		500.00	500.00
APPLICATION OF FUNDS			
Inventories	2	**129.47**	490.26
Sundry Debtors	3	**0.00**	67.67
Cash and Bank Balances	4	**131.05**	90.76
Other Current Assets	5	**0.00**	4.61
Loans & Advances	6	**708.10**	708.10
		968.63	1361.40
Less: Current Liabilities & Provisions	7	**1038.10**	2014.86
Miscellaneous Expenditure (to the extent not written off or adjusted)		**(69.47)**	(653.46)
PROFIT & LOSS ACCOUNT		**569.47**	1153.46
		500.00	500.00
Notes on Accounts	12		

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

INCOME			
Sale		**504.47**	443.41
Misc. Income		**44.64**	-
Total		**549.11**	443.41
EXPENDITURE			
Material Cost	8	**367.18**	435.42
(Increase)/Decrease in stock of Finished goods & Work in Process	9	**360.79**	39.46
Personnel, Administrative & Marketing Expenses	10	**111.96**	479.43
Financial Expenses	11	**3.68**	4.98
Total		**843.61**	959.29
Prior Period Adjustment		**985.20**	(233.61)
Profit/(Loss) Before Tax		**690.71**	(749.49)
Less :- Provision For Tax		**106.71**	-
Net Profit/(Loss) for the year		**583.99**	(749.49)
(Loss) Brought forward from previous year		**(1,153.46)**	(403.97)
Net (Loss) Carried Over to Balance Sheet		**(569.47)**	(1,153.46)

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

Place: CHANDIGARH
Dated: 31.05.2010

S.C. Dewan
Partner

S. Kansal
Executive Director

H.K. Singhal
Director

STEEL STRIPS GROUP

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2010

PARTICULARS		AS AT 31.03.2010 (Rs in Thousand)	AS AT 31.03.2009 (Rs in Thousand)
SCHEDULE '1' SHARE CAPITAL			
AUTHORISED CAPITAL			
	1,00,000 Equity Shares of Rs. 10/- each	**1000.00**	**1,000.00**
ISSUED,SUBSCRIBED AND PAID UP			
	50,000 Equity Shares of Rs.10/- each fully paid up. (Last year 50,000 Equity shares)	**500.00**	500.00
	Total	**500.00**	500.00
SCHEDULE '2' INVENTORIES			
	(As taken valued and certified by the Managment) (At lower of cost or estimated realisable value)		
1	Raw Material (at cost)	**787.70**	1154.88
2	Finished goods (at cost)	**129.49**	490.26
	Total	**917.18**	1645.14
	Less Provisions for Stock lying with third parties	**787.70**	1154.88
	Total	**129.47**	490.26
SCHEDULE '3' SUNDRY DEBTORS			
	(Unsecured and considered good)		
	Outstanding for a period exceeding six months	**-**	67.67
	Others	**-**	-
	Total	**-**	67.67
SCHEDULE '4' CASH AND BANK BALANCES			
	Balance with Bank in current account	**131.05**	90.76
	Total	**131.05**	90.76
SCHEDULE '5' OTHER CURRENT ASSETS			
	VAT Recoverable	**-**	4.61
	Total	**-**	**4.61**
SCHEDULE '6' LOANS AND OTHER ADVANCES			
(Unsecured considered good)			
	Advance recoverable in cash or in kind or for value to be received		
	Advances to supplier	**708.10**	708.10
	Total	**708.10**	708.10
SCHEDULE '7' CURRENT LIABILITIES & PROVISIONS			
A.	**CURRENT LIABILITIES**		
	1. Sundry Creditors	**112.98**	1196.46
	2. Expenses Payable	**99.27**	98.94
	3. Other Liabilities	**11.03**	11.36
B.	**PROVISIONS**		
	1. For Income Tax	**106.71**	-
	2. Provision for Doubtful Advances	**708.10**	708.10
	Total	**1038.10**	2014.86

PARTICULARS	AS AT 31.03.2010 (Rs in Thousand)	AS AT 31.03.2009 (Rs in Thousand)
SCHEDULE '8' MATERIAL COST		
Opening Stock	**1154.88**	1,682.46
Add : Purchases	**0.00**	435.42
Total	**1154.88**	2117.88
Less : Closing Stocks	**787.70**	1154.88
Less : Adjustment of Previous year short recovery	**-**	527.58
Material Cost	**367.18**	435.42
SCHEDULE '9' CHANGES IN STOCK OF FINISHED GOODS		
Opening Stock	**490.26**	529.72
Closing Stock	129.47	490.26
(Increase)/Decrease in Stock	**360.79**	39.46
SCHEDULE '10' PERSONNEL ADMINISTRATIVE & MARKETING EXPENSES		
Audit Fee	**110.30**	110.30
Printing & Stationary	**-**	-
Other Misc. Expenses	**1.66**	1.96
Provision for variation in yield given by jobbers	**-**	367.18
Total	**111.96**	479.43
SCHEDULE '11' FINANCIAL EXPENSES		
1. Bank Charges	**3.68**	4.98
Total	**3.68**	4.98

SCHEDULE '12' NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

i) The financial statements are prepared under the historical cost convention in accordance with the applicable accounting standard and relevant presentational requirements of the companies Act, 1956.

il) Raw materials have been valued at cost. Material lying with spinning mills on job work basis is valued on cost excluding job charges. Finished goods have been valued at cost or estimated realizable value, whichever is less.

iii) No provision for gratuity has been made since no employee has completed the qualifying period of five years.

iv) Recognition of income/expenditure:
All revenues and expenses are accounted for on accrual basis. Job charges are accounted for after receipt of material from jobbers. Modvat availed by jobbers on material sent for conversion into yarn is taken as amount available for clearance of yarn and expenditure incurred on yarn clearance by spinning mills is adjusted against the same. Difference paid from time to time is shown as expenditure and closing balance available in current assets.

2. Contingent Liabilities not provided for
The company has executed a corporate Guarantee and has hypothecated its currents assets in favour of the Bank of M/s Indian Acrylics Ltd. for a sum of upto Rs. 13800 lacs to secure their working capital borrowings including working capital term loan.

3. a) Previous year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of current year.
b) The amounts have been rounded off in 'thousands rupees' upto two decimal points.

4. Schedules 1 to 12 form an integral part of the accounts of the company.

5. In the opinion of the board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

6. Sales Tax liability has been provided for as per Sales Tax Returns filed. Additional liability, if any arising on assessment, shall be provided for on completion of assessment.

7. Provisions for income tax has been made in the Accounts as there are taxable profits during the year.

8. Closing stocks includes a sum of Rs.787.70 (in thousands) (Previous year Rs.1154.88 (in thousands) on account of Acrylic Fibre and waste lying with jobbers for conversion into Acrylic yarn. Some of the jobbers have not returned

the yarn due to yield variation since long and company has initiated legal action for the same. In view of doubtful nature of the stocks valuing Rs.787.70 (in thousands) (Previous Year Rs. 787.70 (thousands), the company has created full provision .

9. The debit and credit balances in the accounts of suppliers, customers and others are subject to confirmation.

10. ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT,1956;

(A) QUANTITATIRE DATA OF FINISHED GOODS (ACRYLIC YARN)

		Current Year		Previous Year	
		Qty (MT)	**Value (Rs. in Thousands)**	Qty (MT)	Value (Rs. in Thousands)
1	Opening Stock	**4**	**490.**	5	530
2	Purchases			3	435
3	Sales	**3**	**504**	4	443
4	Closing Stocks	**1**	**129**	4	490

(B) There has been no expenditure or earnings in foreign exchange, nor there were any exports or imports during the year under consideration as also during the previous year.

There was no employee during the year under consideration, nor during the previous year drawing an aggregate remuneration of at least Rs. 24.00 lac per annum, if employed throughout the year, or an aggregate remuneration of at least Rs. 2.00 lac per month, if employed for a part of the year. There was no such employee during the previous year also.

ADDITIONAL INFORMATION AS REQUIRED UNDER PARK IV OF SCHEDULE VI OF THE COMPANIES ACT 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i)	REGISTRATION DETAILS	U51397HP1986PLC007043		
	State Code	06		(Rs. In Thousands)
	BALANCE SHEET	31.03.2010		
ii)	CAPITAL RAISED DURING THE YEAR			
	Public issue	Nil		
	Right issue	Nil	Bonus Issue	Nil
iii)	POSITION OF MOBLISATION AND DEPLOYMENT OF FUNDS		Private Placement	Nil
	Total Liabilities	(69)	Total Assets	(69)
	SOURCE OF FUNDS		**APPLICATION OF FUNDS**	
	Paid-up Capital	500	Net Fixed Assets	
	Reserves & surplus	(569)	Investments	Nil
	Secured Loans	Nil	Net Current Assets	(69)
	Unsecured Loans	Nil	Accumulated Losses	569
iv)	**PERFORMANCE OF COMPANY**			
	Turnover	1534		
	Total Expenditure	843		
	Profit/(Loss) before Tax	691		
	Profit/(Loss) after Tax	584		
	Earning Per Share in Rs.	Nil		
	Dividend Rate%	Nil		

v) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item code No. (ITC Code)

Item Code No. (ITC CODE)	Product Description
5503.30	ACRYLIC FIBRE
5501.30	ACRYLIC TOW
5505.10	ACRYLIC YARN

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S. C. Dewan & Co.
Chartered Accountants

Place: CHANDIGARH
Dated: 31.05.2010

S.C. Dewan
Partner

S. Kansal
Executive Director

H.K. Singhal
Director

INDIAN ACRYLICS LIMITED

Regd. Office & Works : Village Harkishanpura, Distt. Sangrur (Pb.) on
Patiala Sangrur Highway

(In case the Member is unable to be present in person at the meeting this form may be used.)

PROXY FORM

I/We_____

of _____being a member/members of **Indian Acrylics Limited** hereby appoint Mr./ Mrs. /Miss _____of _____or failing him/her, Mr./Mrs./Miss/_____of as my/our proxy to attend and to vote for me/us and on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 29th September 2010 at 11:30 a.m.at Company's Registered Office at Village Harkishanpura, Distt. Sangrur (Pb.) - 148 026 on Patiala Sangrur Highway and at any adjournment thereof.

Signed this _____ day of September 2010.

Re. 1 Revenue Stamp

Regd. Folio No./Client ID No._____

Signature _____

NOTE :

1. *The Proxy must be deposited at the Registered Office of the Company at least 48 hours before the time for holding the meeting.*
2. *A proxy need not be a member of the Company.*

INDIAN ACRYLICS LIMITED

Regd. Office & Works : Village Harkishanpura, Distt. Sangrur (Pb.) on Patiala Sangrur Highway

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Member
(IN BLOCK LETTERS) Registered Folio No./Client ID No.....

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in case the Proxy attends instead of the member (s)]

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING held on Wednesday, the 29th September 2010 at 11.30 A.M. at Company's Registered Office at Village Harkishanpura, Distt. Sangrur (Pb.) - 148 026 on Patiala Sangrur Highway.

Member's/Proxy Signature
(To be Signed at the time of handing over this slip)

STEEL STRIPS GROUP

If Undelivered please return to :

INDIAN ACRYLICS LIMITED

S.C.O. 49-50, Sector 26,
Madhya Marg, Chandigarh - 160 019

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