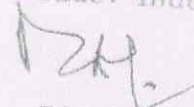


17th ANNUAL REPORT

F.Y. 2009-2010

For Sudev Industries Ltd.



Director/Auth. Signatory

SUDEV INDUSTRIES LIMITED

Regd. Office: A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)

Corporate Office: 2102, HIG Duplex, Sector 16A, Vasundhra, Ghaziabad, (U.P.)

**BOARD OF DIRECTORS
& COMMITTEES**

BOARD OF DIRECTORS Shri Rajiv Agarwal, Chairman / Executive Director; Mrs. Anupma Agarwal, Executive Director; Shri Naveen Khatri and Shri S. K. Srivastava and Non-Executive Independent Director
AUDIT COMMITTEE Shri Naveen Khatri, Chairman; Shri Rajiv Agarwal and Shri S. K. Srivastava
AUDITORS M/s Gupta Jalan & Associates, Chartered Accountants, 316, Express Tower, Azadpur Commercial Complex, New Delhi-110033
REGISTRAR & SHARE TRANSFER AGENTS Beetal Financial & Computer Services Pvt. Ltd 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062
LISTING OF SHARES a. Delhi Stock Exchange b. The Bombay Stock Exchange, Mumbai c. UP Stock Exchange, Kanpur d. Jaipur Stock Exchange e. Chennai Stock Exchange f. Kolkata Stock Exchange.
REGISTERED OFFICE A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)
CORPORATE OFFICE 2102, HIG Duplex, Sector-16A, Vasundhra, Ghaziabad (U.P.)
CONTENTS Notice; Directors' Report; Corporate Governance Report; Auditors' Report; Balance Sheet; Proxy Form and Attendance Slip

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the Members of SUDEV INDUSTRIES LIMITED will be held at the Registered Office of the Company at A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.) on Thursday, the 30th September, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010 and the Reports of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Shrish Kant Srivastava who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order and on behalf of the Board
For SUDEV INDUSTRIES LTD.**

Place: Ghaziabad
Date: 31 August, 2010

Sd/-
Rajiv Agarwal
(Director)

REGISTERED OFFICE: A-74/1 & 2, UPSIDC Area,
Sikandrabad, Distt. Bulandshahr (U.P.)

CORPORATE OFFICE: 2102, HIG Duplex, Sector-16A,
Vasundhra, Ghaziabad (U.P.)

NOTES:

1. 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. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the 21st September, 2010 to 30th September, 2010 (both days inclusive).

3. As per SEBI Guidelines, Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd., 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062 as its Registrar and Share Transfer Agents for both physical and demat shares.
4. Shareholders of the Company may opt for conversion of their physical holding to demat holdings by lodging their physical Share certificate with Dematerialization Request form with their Depository Participant.
5. Corporate Members are requested to send a duly certified copy of the Board resolution/ power of attorney authorising their representative to attend and vote at the Annual General Meeting.
6. Members are requested to notify any change in their address.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members seeking any information with regard to accounts are requested to write to the company at least 10 days in advance so as to enable the company to keep information ready.
9. Member desirous of making nomination in respect of their shareholding in the company as permitted under section 109 of the Companies Act, 1956, are requested to write to the Company's Registrar in the prescribed form.
10. Member may note that no gift/gift coupons shall be distributed at the venue of the meeting.
11. Details of Directors seeking Appointment/ re-appointment at the Annual General Meeting (in pursuant of clause 49 of the Listing Agreement):

Name of Director	Shrish Kant Srivastava
Age	43 years
Date of Appointment as a Director	29/09/2007
Expertise	Rich experience in corporate financing and investments.
Outside Directorships / Committee Memberships / Chairmanships in Public Companies	Nil
Qualifications	Post Graduate
Shareholding in the Company	Nil

**By order and on behalf of the Board
For SUDEV INDUSTRIES LTD.**

Place: Ghaziabad
Date: 31 August, 2010

Sd/-
Rajiv Agarwal
(Director)

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 17th Annual Report on the operations of the company and the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Rs in lacs	
	2009-10	2008-09
Sales	NIL	NIL
Other Income	3.40	NIL
Gross Profit/ (Loss) before Depreciation	3.40	(1.26)
Less: Depreciation	NIL	NIL
Profit/ (Loss) before Tax	3.40	(1.26)
Provision for Tax	NIL	NIL
Balance in Profit/Loss A/c	(349.10)	(347.83)
Profit/ (Loss) carried to Balance Sheet	(349.16)	(349.10)

GENERAL REVIEW AND PROSPECTS

During the year under review, the Company did not carry out any manufacturing operations as the assets of the company are in the possession of UP Financial Corporation (UPFC), the financial institution. The Directors have worked out for a one time settlement with UPFC and plan to make the payment in current financial year.

DIVIDEND

Due to continued losses and no activity in the company, the Directors regret to recommend any dividend.

PARTICULARS OF EMPLOYEES

During the year no employee, whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under Section 217 of the Companies Act, 1956. Therefore, the information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, is not being given.

PUBLIC DEPOSIT

Your Company has not received any deposits from Public under Section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Shrish Kant Srivastava, Director of the Company, is retiring by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENTS

Directors' Responsibility Statements as required under Section 217(2AA) of the Companies Act, 1956 is as follows:

- (i) In preparation of the annual accounts as on 31st March, 2010, the applicable accounting standards issued by the Institute of Chartered Accountants of India as applicable to the company have been followed.
- (ii) The accounting policies were selected and applied consistently and the judgments and estimates were made that were 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 ended on 31st March, 2010 and of the Loss of the company for the period ended on 31st March, 2010.
- (iii) Proper and sufficient care was taken 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) Annual accounts were prepared on a going concern basis.

AUDITORS

The company's Auditors M/S GUPTA JALAN & ASSOCIATES, Chartered Accountants retire and are eligible for re-appointment. The company has received letter from the auditors to the effect that their re-appointment if made, would be within the limits specified under Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

As regards the observations in the Auditor's in their Report of 27th May, 2010 these are self explanatory and therefore, do not call for further comments.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

During the year the company was not involved in any manufacturing activities, which require consumption of energy or technology absorption.

FOREIGN EXCHANGE EARNINGS & OUTGO - NIL

CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

No **Management Discussion and Analysis Report** is being annexed hereto as there was no manufacturing activity in the company because of the taking over of the possession of the assets of the company by UP Financial Corporation, the financing Institution.

LISTING AGREEMENTS

The securities of the Company are listed on Delhi Stock Exchange, Bombay Stock Exchange, UP Stock Exchange- Kanpur, Jaipur Stock Exchange, Chennai Stock Exchange and Kolkata Stock Exchange.

The Company has paid Annual Listing Fees for the Bombay Stock Exchange and Delhi Stock Exchange. However the Company has not paid the listing fees for the other stock exchanges.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and on my own behalf, we take this opportunity to thank our customers, bankers, and all the shareholders for the co-operation and assistance extended to the Company and look forward to their continued support.

**For and On behalf of the Board of Directors
For SUDEV INDUSTRIES LTD.**

Place: Ghaziabad
Date: 31st August, 2010

Sd/-
Rajiv Agarwal
Director

Sd/-
Anupma Agarwal
Director

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India has introduced a code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code in terms of clause 49 of the listing agreement.

1. PHILOSOPHY

It has been a constant endeavor on the part of the Company to achieve excellence in Corporate Governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the Corporate sector.

Your Company's philosophy is to implement the Corporate Governance Practices for the benefits of all the stakeholders and continuously improve upon the process for effective functioning of the Board of Directors, its Committees and the executive management.

2. BOARD OF DIRECTORS

The Board of Directors of the company comprises of four directors out of which two directors are independent and Non executive director and two are promoter directors. The Board meets at least once in each quarter to consider various matters.

As on 31st March, 2010 the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreements of the stock Exchanges. The chairman of the Board is Mr. Rajiv Agarwal. The composition and membership of other Board / Committees of Directors is given hereunder:

Name of the directors	Category	Other Directorships in Public Companies	Committee Membership	Committee Chairmanship
Mr. Rajiv Agarwal	Executive Director	None	1	Nil
Mrs. Anupma Agarwal	Executive Director	None	Nil	Nil
Mr. S K Srivastava	NE/Independent Director	None	1	Nil
Mr. Naveen Khatri	NE/Independent Director	None	1	1

3. MEETINGS OF THE BOARD AND ATTENDANCE THEREAT

The Board of Directors of your company met six times on 16-04-2009, 28-04-2009, 20-07-2009, 31-08-2009, 26-10-2009 and 29-01-2010 during the year under review. The company did not pass any resolution by postal ballot during the year. The attendance of various directors at the Board Meetings has been as under:

Serial No	Name of the director	No of board Meetings attended	Whether attended the last AGM
------------------	-----------------------------	--------------------------------------	--------------------------------------

1.	Mr. Rajiv Agarwal	6	Yes
2.	Mrs. Anupma Agarwal	6	Yes
3.	Mr. S K Srivastava	6	Yes
4.	Mr. Naveen Khatri	6	Yes

4. DETAILS OF DIRECTORS

The information / details pertaining to the Directors seeking appointment / re-appointment in the Annual General Meeting, to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, are furnished below:

- a) Mr Rajiv Agarwal, aged 48 years, is an Executive Director of the company. He is a Chartered Accountant and is associated with the Company since 1993.
- b) Mrs Anupma Agarwal, aged 42 years, is an Executive Director of the Company. She is post graduate in commerce and is associated with the Company since 1993.
- c) Mr. Shirish Kant Srivastava, aged 43 years, is a non-executive independent director of the Company. He is a post graduate in commerce and is associated with the Company since 2007. He has rich experience in corporate financing and investments. He does not hold any shareholding in the company. He is not a director in any other public limited company.
- d) Mr. Naveen Khatri, aged 36 years, is a non-executive independent director of the Company and is associated with the Company since 2008. Mr. Naveen Khatri is having a vast experience of more than 12 years in trading business.

5. CODE OF CONDUCT

The Company has adopted the Conduct for the senior management of the Company, including the Executive Directors of the Company. Further, the Board has also laid down a Code of Conduct for the Non- Executive Directors of the Company. All Board members and senior management personnel have affirmed compliance with the applicable Code of Conduct.

6. COMMITTEES OF THE BOARD

(i) Audit Committee

In terms of clause 49 –II of the listing agreement, an audit committee was constituted. Composition of the audit committee and Detail of meetings attended are as follow:

Sl. No.	Name of the director	Category	No of Committee Meetings held	No. of Committee meetings attended
1.	Mr. Naveen Khatri	Non executive Independent Director	4	4
2.	Mr. Rajiv Agarwal	Executive Director	4	4
3.	Mr. S. K. Srivastava	Non executive Independent Director	4	4

The chairman of the Audit Committee is Mr. Naveen Khatri, who is a non-executive independent director and is proficient in financial accounting knowledge as per clause 49 of the listing agreement.

Term of reference: The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with the Stock Exchange.

(ii) Remuneration Committee / Compensation Policy:

Your Directors are neither being paid any remuneration nor sitting fees is being paid to the directors, therefore, your company has not constituted any remuneration committee.

iii) Shareholders / Investors Grievance Committee:

The company has not constituted shareholder/investor grievance committee keeping in view total number of shareholders, trading volume of the shares, number of shares/transmissions of shares and complaints received from the shareholders during the year. At present all these activities of the company are being looked after by the share transfer agent of the company M/s Beetal Financial & Computer Services Pvt Ltd., New Delhi.

During the year the company has not received any complaints. There is no pending complaint against the company as on 31st March 2010.

7. GENERAL BODY MEETINGS

The last three Annual General Meetings were held at the as per details below:

Year	Day	Date	Time	Location
2007	Saturday	29.09.2007	11.00 A.M	Regd. Office
2008	Tuesday	30.09.2008	11.00 A.M.	Regd. Office
2009	Wednesday	30.09.2009	11.00 A.M.	Regd. Office

No postal ballots were used for voting at these meetings in respect of the resolutions passed therein.

8. DISCLOSURES

The Company has complied with the requirements of the stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI.

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

9. CEO/CFO CERTIFICATION

The CEO/CFO certificate for the year ended 31st March, 2010 has been annexed at the end of this report. Similarly, the CEO/CFO also gives quarterly certification on the financial results while placing the quarterly financial results before the board in terms of Clause 41 of the listing agreement entered into with stock exchange.

10. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES, 2009

The company has followed the “Corporate Governance Voluntary Guidelines, 2009” in all respects and the company has tried its full to comply on all the material points mentioned therein during the year under review particularly with respect to composition & remuneration of the Board of Directors, its responsibilities, Audit committee, Secretarial Audit and Whistle Blowing Mechanism.

11. CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES

The company has tried to adhere to the “Corporate Social Responsibility Voluntary Guidelines, 2009” with its full endeavor with respect to the care of all stakeholders, ethical functioning, human / staff rights & welfare, environmental precautions, social and inclusive development.

12. MEANS OF COMMUNICATION

The Board of Directors normally approves and takes on record unaudited financial results of the company within one and half month of the close of the quarter/Half year and announces forthwith the result to the stock exchanges, where the shares of the company are listed. However, as there were no business activities conducted by the company during the year, the company has not published audited/unaudited results as required by the listing agreement with the stock exchange.

13. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :

Date and Time : 30th September, 2010 at 3.00 p.m.
Venue : A-74/1&2, UPSIDC Area,
Sikandrabad (U.P.)

Financial Year : 01st April, 2009 to 31st March, 2010

Book Closure date : 21st September, 2010 to 30th September, 2010
(both days inclusive)

Dividend Payment date : No dividend has been recommended

The equity shares of the company are listed at the following stock exchanges:

- a. Delhi Stock Exchange
- b. The Stock Exchange, Mumbai
- c. UP Stock Exchange, Kanpur
- d. Jaipur Stock Exchange
- e. Chennai Stock Exchange
- f. Kolkata Stock Exchange.

Stock Code - 526530

Stock Price Data - No trading of the shares of the company could take place during the year as the trading has not yet started on the Delhi Stock Exchange and the shares of the company remained suspended by the other Stock Exchanges for trading purposes.

Registrar and Share Transfer Agents: M/s Beetal Financial & Computer Services Pvt. Ltd
3rd Floor , 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir,
New Delhi-110062

Distribution of Shareholding:

Category	Shares	
	Number	% of Total
Indian Promoters	1301100	30.88
Private Corporate Bodies	1536300	36.46
Banks and Mutual Funds	420500	09.98
Indian Public	955400	22.68

Share Transfer System:

The company has a sound share transfer process, for the purpose of making the share transfer process smooth and speedy and for this purpose the company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd as its share transfer agent.

Dematerialisation of Shares:

The company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Ltd vide ISIN INE670C01018 to facilitate holding and trading of the shares in electronic form.

Address for correspondence: 2102, HIG DUPLEX, SECTOR-16A,
VASUNDHRA, GHAZIABAD, U.P

Declaration by Chairman

I, Rajiv Agarwal, Chairman of Sudev Industries Limited, hereby confirm pursuant to clause 49(1)(D) of the listing agreement, that:

1. The Board of Directors of the company has laid down a code of conduct for all Board members and senior management of the Company; and
2. All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2010.

Sd/-
Rajiv Agarwal
Chairman

Place: Ghaziabad
Date: 31st August, 2010

CEO/CFO CERTIFICATION

We, Rajiv Agarwal and Anupma Agarwal, the Directors of the Company, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2010 are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the audit committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For and On behalf of the Board of Directors
For SUDEV INDUSTRIES LTD.**

Place: Ghaziabad
Date: 31st August, 2010

Sd/-
Rajiv Agarwal
(Director)

Sd/-
Anupma Agarwal
(Director)

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

**To the Members of
Sudev Industries Limited
Sikandrabad (U.P.)**

We have examined the compliance of conditions of Corporate Governance by Sudev Industries Limited ("the Company"), for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the "Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement)", issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

**For and on behalf of
Gupta Jalan & Associates
Chartered Accountants**

Sd/-
Inder Mohan Singh
Partner
Membership No. 87877

New Delhi,
31st August, 2010

AUDITORS CERTIFICATE ON CASH FLOW

We have verified the cash flow statement of M/s Sudev Industries Limited for the year ended 31st March, 2010. This statement has been compiled by the Company from the Audited financial statements for the year ended 31st March, 2010. We found the same in accordance with the requirements of clause 32 of the Listing Agreements with the stock exchanges.

**For and on behalf of
Gupta Jalan & Associates
Chartered Accountants**

Sd/-
Inder Mohan Singh
Partner
Membership No. 87877

Place: New Delhi

Date: 27st May, 2010

AUDITOR'S REPORT

**To,
The Members of
Sudev Industries Limited**

- 1.) We have audited the attached Balance Sheet of M/s Sudev Industries Limited, as on 31st March, 2010 and also the profit and loss statement for the year ending 31st March, 2010. The 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.
- 2.) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain, reasonable assurance about whether the financial statements are free of any material misstatements, an audit examining on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis of our opinion.
- 3.) As required by the Companies (Auditors Report) Order, 2002 issued by the Central Government of India in terms of sub-section 227 of the Companies Act, 1956, we enclose in the annexure (1) a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received by us. The company does not has any branch as on date.
- c) The company's Balance Sheet and the profit and loss account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and the profit and loss Account dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representation received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that

none of the directors is disqualified as at 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
- i) in case of the Balance Sheet of the state of affairs of the company as on 31st March, 2010; and
 - ii) in the case of Profit and loss Account of the loss of the company for the year ended on that date.

**For Gupta Jalan & Associates
Chartered Accountants**

Date: Delhi
Place: 27th May, 2010

Sd/-
(Inder Mohan Singh)
Partner
M. No. 087877

ANNEXURE

**STATEMENT REFERRED TO IN PARAGRAHPH ABOVE OF OUR REPORT
OF EVEN DATE**

1. The assets of the company including fixed assets have been taken over by the U.P.F.C., the financial institution. No physical verification has been conducted by the management during the year.
2. The assets of the company including the inventories have been taken over by the U.P.F.C, the financial institution. No physical verification has been conducted by the management. Valuations of the inventories have been done as per the books of the company. The net realizable may differ and will affect the profit and loss of the company to that extent.
3. We are informed that the company has not taken/ granted any loans, secured or unsecured from companies firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us there is no continuing failure to correct major weaknesses in internal control.
5. As explained to us, there has not been any transaction during the year that needs to be entered in the register maintained under section 301 of the companies Act, 1956 and exceeding during the year to Rs. 5,00,000 or more in respect of each such party.
6. The company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.
7. The company has no formal Audit Department as such. However its control procedure ensures reasonable internal checking of its financial and other records.
8. As per information the company is not required to maintained cost records as prescribed by the central Government u/s 209(1) (d) of companies Act, 1956.
9. According to the records of the company the dues of Sales Tax, income tax, customs, wealth tax, excise duty less which has not been deposited on account of disputes is pending are as under:-

Name of the statute	Name of the dues	Amount (Rs in lacs)	Forum where dispute is pending
Income Tax Act	Tax	182.00	High Court of Delhi

10. The company has been incurring losses since its commercial production in the year 1996. The assets of the company had however been taken over by U.P.F.C., the financial institution u/s 29 SFC Act, in 1998. The company has however accumulated losses to the tune of Rs. 3,49,16,528.23 for the financial year 2009-2010 which is more than 50% of its net worth.
11. Since the company has defaulted in payment of dues of U.P.F.C., the financial institution of the company, its assets were taken over by U.P.F.C. u/s 29 of SFC Act in 1998.
12. The company has not granted loans and advances on the loss of security by way of pledge of shares debentures and securities.
13. The company is not a chit fund, nidhi, mutual receipt / society therefore the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable.
14. In our opinion the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from banks or financial institution.
16. No other loans have been raised during the year.
17. The company has not raised any funds whether short or long term.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money from the public during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed during the year.

**For Gupta Jalan & Associates
Chartered Accountants**

Date: Delhi
Place: 27th May, 2010

Sd/-
(Inder Mohan Singh)
Partner
M. No. 087877

SUDEV INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2010

<u>PARTICULARS</u>	<u>SCHEDULE NO.</u>	<u>AMOUNT (RS.) THIS YEAR</u>	<u>AMOUNT (RS.) LAST YEAR</u>
SOURCE OF FUNDS			
<u>Share holder's funds</u>			
Share Capital	1	35,007,375.00	35,007,375.00
LOAN FUNDS			
Secured Loan	2	34,268,637.00	34,268,637.00
Total		<u>69,276,012.00</u>	<u>69,276,012.00</u>
APPLICATION OF FUNDS			
<u>Fixed Assets</u>			
(a) Gross Block	3	33,243,478.97	33,243,478.97
(b) LESS : Depreciation		13,062,005.68	13,062,005.68
Net Block		<u>20,181,473.29</u>	<u>20,181,473.29</u>
INVESTMENT	4	-	500,000.00
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventory	5	5,151,972.00	5,151,972.00
(b) Sundry Debtors	6	6,430,158.75	5,590,158.75
(c) Cash & Bank Balance	7	65,606.31	306,174.56
(d) Loans & Advances	8	3,113,219.00	3,413,219.00
		<u>14,760,956.06</u>	<u>14,461,524.31</u>
Less : CURRENT LIABILITIES & PROVISIONS	9	<u>582,945.58</u>	<u>777,327.58</u>
Net Current Assets		14,178,010.48	13,684,196.73
MISC. EXPENDITURE	10		
Preliminary Expenses (To the extent not W/o or adjusted)		-	-
PROFIT & LOSS ACCOUNT		<u>34,916,528.23</u>	<u>34,910,341.98</u>
		<u>69,276,012.00</u>	<u>69,276,012.00</u>

NOTES TO THE ACCOUNTS 14
(Schedules referred to above form an integral part of Balance Sheet)

AUDITOR'S REPORT

In terms of our report of even date attached

For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

(I.M. Singh)

Partner

M. NO. 087877

Sd/-

RAJIV AGARWAL

Director

Sd/-

ANUPMA AGARWAL

Director

Date: 27-05-2010

Place: New Delhi

SUDEV INDUSTRIES LTD.

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

PARTICULARS	AMOUNT (RS.) THIS YEAR	AMOUNT (RS.) LAST YEAR
<u>INCOME</u>		
<u>Sales</u>	-	-
Profit on sale of Investment	340,000.00	-
Increase /Decrease in Stocks	11	-
Total	<u>340,000.00</u>	<u>-</u>
<u>EXPENDITURE</u>		
Material & Manufacturing Exp.	12	
Administrative & Other Expenses	13	126,695.02
Total	<u>346,186.25</u>	<u>126,695.02</u>
Profit/(Loss) before depreciation	(6,186.25)	(126,695.02)
Less: Depreciation	-	-
	<u>(6,186.25)</u>	<u>(126,695.02)</u>
Profit/(Loss) before tax	(6,186.25)	(126,695.02)
Less : Provision for Tax	NIL	NIL
Profit/(Loss) after tax	(6,186.25)	(126,695.02)
Balance brought forward from last year	<u>(34,910,341.98)</u>	<u>(34,783,646.96)</u>
Balance carried to B/S	(34,916,528.23)	(34,910,341.98)
Notes to the Accounts	14	

Schedules referred to above form an integral part of the accounts.

AUDITOR'S REPORT

In terms of our report of even date attached

For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
(I.M. Singh)
Partner
M. NO. 087877

Sd/-
RAJIV AGARWAL
Director

Sd/-
ANUPMA AGARWAL
Director

Date: 27-05-2010
Place: New Delhi

SUDEV INDUSTRIES LIMITED

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

SCHEDULE 1	SHARE CAPITAL	AS AT 31.03.2010	AS AT 31.03.2009
Authorised 5000000 equity shares of Rs.10/- each		50,000,000.00	50,000,000.00
Issued. Subscribed & Paid up 4213300 equity shares of Rs.10/- each Fully paidup in cash		42,133,000.00	42,133,000.00
Less: Allotment money in arrears (Other than from Director)		7,125,625.00	7,125,625.00
		<u>35,007,375.00</u>	<u>34,807,375.00</u>
<u>SCHEDULE - 2</u>	<u>SECURED LOANS</u>		
(a) Term Loan from U.P. F.C. (agaist Hypothecation of fixed & current assets)		34,268,637.00	34,268,637.00
		<u>34,268,637.00</u>	<u>34,268,637.00</u>
SCHEDULE - 4	INVESTMENTS		
Unquoted, at cost Share Application Money Long Well Invesrment Pvt Ltd		-	500,000.00
		<u>-</u>	<u>500,000.00</u>
<u>SCHEDULE - 5</u>	<u>INVENTORIES</u>		
(As certified by the management)			
Raw Material		1,910,162.00	1,910,162.00
Finished Goods		3,241,810.00	3,241,810.00
		<u>5,151,972.00</u>	<u>5,151,972.00</u>
<u>SCHEDULE - 6</u>	<u>SUNDRY DEBTORS</u>		
(Unsecured) Outstanding for a period exceeding Six months Other debts		5,590,158.75 840,000.00 ---	5,590,158.75 --- ---
		<u>6,430,158.75</u>	<u>5,590,158.75</u>

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2010

AS AT 31.03.2009

SCHEDULE - 7

CASH & BANK BALANCES

Cash in hand	16,901.56	66,174.56
Balance with Schedule Bank in Current Account	48,704.75	240,000.00
	<u>65,606.31</u>	<u>306,174.56</u>

SCHEDULE - 8

LOANS & ADVANCES

Advances recoverable in cash or kind or for value to be received or pending adjustments (Unsecured)	2,995,919.00	2,995,919.00
Security Deposit	117,300.00	417,300.00
	<u>3,113,219.00</u>	<u>3,413,219.00</u>

SCHEDULE - 9

CURRENT LIABILITIES & PROVISIONS

Sundry Creditors for goods & Expenses	247,479.58	547,479.58
Audit fees payable	76,378.00	70,760.00
Due to managing Director	234,088.00	134,088.00
<u>PROVISIONS</u>	25,000.00	25,000.00
For Gratuity		
	<u>582,945.58</u>	<u>777,327.58</u>

SCHEDULE -10

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses / share issue expenses	-	114,985.02
Less : Written off during the period	-	114,985.02
	<u>-</u>	<u>-</u>

SCHEDULE -11

INCREASE (DECREASE) IN STOCK

Closing Stock	3,241,810.00	3,241,810.00
Less: Opening Stock	<u>3,241,810.00</u>	<u>3,241,810.00</u>
	<u>-</u>	<u>-</u>

SCHEDULE 12

MATERIAL & MANUFACTURING EXPENSES

Material Consumed :		
Opening Stock	1,910,162.00	1,910,162.00
Add : Purchase	-----	-----
	<u>1,910,162.00</u>	<u>1,910,162.00</u>
Less : Closing Stock	<u>1,910,162.00</u>	<u>1,910,162.00</u>
	<u>-----</u>	<u>-----</u>

As per our report of even date
For GUPTA JALAN & ASSOCIATES
Chartered Accountants

Sd/-
(I.M. Singh)
Partner
M. NO. 087877

Date: 27-05-2010
Place: New Delhi

For and on behalf of the Board of Directors

Sd/-	Sd/-
RAJIV AGARWAL	ANUPMA AGARWAL
Director	Director

SUDEV INDUSTRIES LIMITED**Schedule-3****Fixed Assets as on 31-03-2010**

Particular of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 1.04.2009	Addition During the Year	Sale/ Adjust- ments	As on 31.03.2010	Upto 31.03.2009	For the period Ending 31.03.2010	Adjust- ments	Upto 31.03.2010	As at 31.03.2009	As at 31.03.2010
Land and Site Development	1702394.02	0.00	0.00	1702394.02	0.00	0.00	0.00	0.00	1702394.02	1702394.02
Building	10951777.55	0.00	0.00	10951777.55	3850236.23	0.00	0.00	3850236.23	7101541.32	7101541.32
Plant & Machinery	17802344.46	0.00	0.00	17802344.46	7073327.81	0.00	0.00	7073327.81	10729016.65	10729016.65
Electricals	2786962.94	0.00	0.00	2786962.94	2138441.64	0.00	0.00	2138441.64	648521.30	648521.30
TOTAL	33243478.97	0.00	0.00	33243478.97	13062005.68	0.00	0.00	13062005.68	20181473.29	20181473.29
Previous Year	33243478.97	0.00	0.00	33243478.97	13062005.68	0.00	0.00	13062005.68	20181473.29	20181473.29

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2010

AS AT 31.03.2009

SCHEDULE - 13 OTHER EXPENSES

Bank Charges	827.25	-
Telephone & Postage	7,125.00	4,124.00
Legal & Professional Charges		-
Printing & Stationery	1,125.00	1,222.00
Audit Fees	5,618.00	5,618.00
Misc. Expenses	2,148.00	746.00
Fees & Subscription	329,343.00	
Preliminary & Share issue Expenses	-	114,985.02
	<hr/> <hr/>	<hr/> <hr/>
	346,186.25	126,695.02

As per our report of even date

For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

(I.M. Singh)

Partner

M. NO. 087877

Sd/-

RAJIV AGARWAL

Director

Sd/-

ANUPMA AGARWAL

Director

Date: 27-05-2010

Place: New Delhi

SCHEDULE -14
SUDEV INDUSTRIES LTD.

ACCOUNTING POLICES & NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

(A) SIGNIFICANT ACCOUNTING POLICIES :

- 1 Revenue /Expense Recognition:
Accounts are being maintained on accrual basis and under historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the companies Act, 1956.
- 2 Amortisation of Miscellaneous Expenditure:
Balance of Preliminary and share issue expenses are amortised over a period of ten years when commercial production begins in equal instalments.
- 3 Fixed Assets:
Fixed Assets are stated at cost of acquisition inclusive of freight, duties, tax related thereto and the cost of installation / construction and related expenses tehreto.
- 4 Depreciation :
Depreciation on the Fixed Assets is provided on the basis of the Staright Line Method at the rate of Specified under Schedule XIV of the Companies Act, 1956 (as amended up to date on probate basis with reference to the month of installation).
- 5 Taxation:
No provision for Taxation for the year ended 31st March 2010 has been provided for.
- 6 Investment:
Investment, if any, are stated at cost; Dividend Income, if any, is accounted for on receipt basis.
- 7 Valuation of Inventories:
Finished goods and goods traded in are valued at cost or market value whichever is lower.
Raw material is valued at cost.

(B) NOTES TO THE ACCOUNTS:

- 8 The possession of the plant of company at sikandarabad (U.P.) has been taken over by the U.P.F.C.
- 9 The company has not provided for interest on term loan from UPFC from F.Y. 2003-2004 onwards.
- 10 Estimated amount of contracts remaining to be executed on capital accounts and not provided (net of advances) is Rs. NIL and previous year also Rs. NIL.
- 11 Earning in Foreign Currency-NIL
- 12 The Companies does not own any amount to small scale Industrial Undertaking as on 31st March, 2010.
- 13 Contingent Liability:
 - (a) The company has not provided for interest on term loan from UPFC. The company is in negotiation for one time settlement with UPFC.
 - (b) There was one Income Tax demand against the company which the company has won in ITAT, New Delhi;

now the case is being contested through appeal in High Court of delhi by the IT department against the company.

14 In the opinion of the Board, the current asstes, Loans & Aadvances have been valued on realization in the ordinary course of business equal to the aggregate amount stated in the balance sheet and all known liabilities have been provided for.

15 Balances of sundry debtors, sundry creditors, loans and advances recoverable are subject to reconciliation and confirmation.

16	Current Year (Rs.)	Previous Year (Rs.)
Auditors Fees	5,618	5,618

17 Remuneration Paid to directors is as follows:

	Current Year (Rs.)	Previous Year (Rs.)
Salary & Allowances	NIL	NIL

18 Additional information pursuant to paragraphs 3 & 4 of Part II of schedule VI of the Comapniers Act, 1956
Information in respect of turnover and finished stock:

	2009-2010 (Rs.)	2008-2009 (Rs.)
Opening stock	32,14,810.00	32,14,810.00
Purchases	NIL	NIL
Sales	NIL	NIL
Closing stock	32,14,810.00	32,14,810.00
Exports	NIL	NIL

19 The comparative figures have been regrouped and / or rearranged wherever necessary and possible.

AUDITOR'S REPORT

In terms of our report of even date attached

For GUPTA JALAN & ASSOCIATES

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

(I.M. Singh)

Partner

M. NO. 087877

Sd/-

RAJIV AGARWAL

Director

Sd/-

ANUPMA AGARWAL

Director

Date: 27-05-2010

Place: New Delhi

SUDEV INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

CASH FLOW FROM OPERATING ACTIVITIES	Current Year	Prev Year
Net Profit/(Loss) before tax	(6186.25)	(126695.02)
Adjustments for		
Depreciation	0.00	0.00
Preliminary Expenses	0.00	114985.02
Operating Profit/ (Loss) before working capital changes	(6186.25)	(11710.00)
Adjustment for		
Trade & Other Receivables	0.00	0.00
Inventories		0.00
Trade & Other Payables	5618.00	5618.00
Net Cash from operating activities	(568.25)	(6092.00)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ Capital Expenditure	0.00	0.00
Sale of Fixed Assets	0.00	0.00
Net Cash used in Investing Activities	48704.75	0.00
CASH FLOW FROM FINANCING ACTIVITIES		
repayment of Loans	0.00	0.00
Increase in long term borrowings	0.00	
Net Cash used in/ from Financing Activities	0.00	0.00
Net increase/decrease in cash and cash equivalent	(49273.00)	(6092.00)
Opening balance of cash and cash equivalent	66174.56	72266.56
Closing balance of cash and cash equivalent	16901.56	66174.56

As per our report of even date

For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
(I.M. Singh)
Partner

Sd/-
RAJIV AGARWAL
Director

Sd/-
ANUPMA AGARWAL
Director

M. NO. 087877
Date: 27-05-2010
Place: New Delhi

SUDEV INDUSTRIES LIMITED

Regd. Office: A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)

PROXY FORM

I/We.....of.....
.....being a member/members of the above named Company, hereby
appoint Shri of or failing him
Shri..... as my/our proxy to vote for me / us on my / our
behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held at
3.00 P.M. on Thursday, the 30th September, 2010 at its Registered Office, at A-74/1 &
2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.) and at any adjournment
thereof.

Signed.....

Date

Affix
Revenue
Stamp
of Re. 1

Note: Proxy Form(s) must reach the Company's Registered Office not less than 48
hours before the Commencement of the Meeting.

L/F No..... DP ID..... Client ID.....
No. of Shares.....

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting venue.

No. of Shares held..... L/F No..... DP
ID..... Client ID Name of the attending
Member (in Block Letters)..... Name of Proxy (in Block
Letters).....

(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of Sudev
Industries Limited held at its registered office at Sikandarabad on 30th September, 2010
at 3.00 P.M.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)