

18th ANNUAL REPORT

F.Y. 2010-2011

SUDEV INDUSTRIES LIMITED

Regd. Office: A-74/1 & 2, UPSIDC Area, Sikandrabad
Distt. Bulandshahr (U.P.)- 203205

Corp. Office(s): 208, 2nd Floor, 1378/21, Naiwala, Karol Bagh, New Delhi-110005

MU-68-D, Pitam Pura, New Delhi-110088

**PLEASE NOTE THAT NO GIFTS WHATSOEVER WILL BE DISTRIBUTED TO
THE SHAREHOLDERS AT THE ANNUAL GENERAL MEETING**

SUDEV INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Rajiv Agarwal
Mrs. Anupma Agarwal
Shri Naveen Khatri
Shri S. K. Srivastava

Chairman/ Executive Director
Executive Director
Independent Non Executive Director
Independent Non Executive Director

AUDITORS

Gupta Jalan & Associates
Chartered Accountants
316, Express Tower
Azadpur Commercial Complex
New Delhi-110033

BANKERS

Axis Bank Limited

REGISTERED OFFICE

SUDEV INDUSTRIES LIMITED
A-74/1 & 2, UPSIDC Area
Sikandrabad
Distt. Bulandshahr (U.P.)- 203205

CORPORATE OFFICES

SUDEV INDUSTRIES LIMITED
208, 2nd Floor, 1378/21, Naiwala, Karol Bagh, New Delhi-110005
MU-68-D, Pitam Pura, New Delhi-110088

STOCK EXCHANGES

Bombay Stock Exchange, Mumbai
Delhi Stock Exchange Association Limited, Delhi
UP Stock Exchange, Kanpur
Jaipur Stock Exchange, Jaipur
Chennai Stock Exchange, Chennai
Kolkata Stock Exchange, Kolkata

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
Tel: 91-11-2996 1281-83; Fax: 91-11-2996 1284
E-mail: beetal@beetalfinancial.com
Website: www.beetalfinancial.com

COMPANY IDENTIFICATION NO.

L25201UP1995PLC018150

WEBSITE

www.sudev.co.in

Annual General Meeting: 30th Day of September, 2011

Time: 10:00 A.M.

Venue: A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)- 203205

BOOK CLOSURE DATES

(22/09/2011 - 30/09/2011)

SUDEV INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 18th 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.)- 203205 on Friday, the 30th September, 2011 at 10.00 a.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, 2011 and the Reports of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Rajiv Agarwal who retires by rotation and being eligible, offers himself 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 LIMITED**

Sd/-
Rajiv Agarwal
(Director)

Place: New Delhi
Date: 30/08/2011

REGISTERED OFFICE: A-74/1 & 2, UPSIDC Area, Sikandrabad,
Distt. Bulandshahr (U.P.)- 203205

CORPORATE OFFICES: 208, 2nd Floor, 1378/21, Naiwala, Karol Bagh, New Delhi-110005
MU-68-D, Pitam Pura, New Delhi-110088

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 22nd September, 2011 to 30th September, 2011 (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 authorizing 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. Members 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. Members 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 to Clause 49 of the Listing Agreements):

Name of Director	Rajiv Agarwal
Age	50 Years
Date of Appointment as a Director	20/04/1992
Expertise in specific functional area	Business Strategy & Finance.
Outside Directorships / Committee Memberships Chairmanships in Public Companies	Nil
Qualifications	Commerce Graduate
Shareholding in the Company	6.02%

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

Sd/-
**Rajiv Agarwal
(Director)**

Place: New Delhi
Date: 30/08/2011

SUDEV INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 18th Annual Report on the operations of the company and the Audited Statement of Accounts for the year ended 31st March, 2011.

1. Financial Results and performance of the Company

Particulars	Current year 2010-2011 (Rs. in Lacs)	Previous year 2009-2010 (Rs. in Lacs)
Net Sales & Other Income	2.22	3.40
Profit before depreciation and Tax	0.42	(0.06)
Less : Depreciation	NIL	NIL
Profit/(Loss) before Extra Ordinary Item and Tax	0.42	(0.06)
Profit/(Loss) before Tax	0.42	(0.06)
Less:		
a) Current Income Tax	0.07	NIL
b) Current Fringe Benefit Tax	NIL	NIL
Profit/(Loss) after Tax	0.35	(0.06)
Less: Balance, being Loss brought forward From Previous Year	(349.17)	(349.10)
Balance, being Profit/Loss carried to Balance Sheet	(348.82)	(349.16)

During the year under review, the Company has earned a profit of Rs.34,598/- as compared with the results of previous year during which the company suffered a loss of Rs.6,186/-. Your Directors are very much positive to revive and bring on top the manufacturing activities of the company and adopt some new business lines and new avenues of earnings in which the company can venture and produce good results and maximize shareholders wealth.

2. Dividend

The Board of Directors does not recommend any dividend for the year 2010-2011.

3. Public Deposit

The Company has not accepted any deposits including fixed deposits from the public under section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975, during the financial year.

4. Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

That in the preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures;

That the Directors have in selection of the accounting policies have consulted the statutory auditors and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at end of the financial year and of the profit or loss of the Company for the year under review;

That 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; and

That the annual accounts for the FY ended 31st March, 2011 have been prepared on a 'going concern' basis.

5. Directors

During the year under review Mr. Rajiv Agarwal, Director of the company retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment to the Board of your Company.

6. Accounts and Auditors Report

The observations of the Auditors' Report read together with the relevant notes to the accounts are self-explanatory and therefore, do not call any further comments.

7. Auditors

The Company's auditors M/s. Gupta Jalan & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting of the Company. They being eligible offer themselves for re-appointment. A certificate has been received from the Auditors to the effect that their appointment if made would be within the prescribed limits under 224 (1B) of the Companies Act, 1956.

8. Personnel

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.

9. Conservation of Energy and Technology Absorption

The Company's (Disclosure of Particulars in the Report of the Board of Directors') Rules, 1998, require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B prescribed by the Rules. During the year the company was not involved in any manufacturing activities, which require consumption of energy or technology absorption.

10. Foreign Exchange Earnings & Outgo - NIL

11. Corporate Governance

Your Company has followed good corporate governance practices since inception in accordance with the code of 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 Agreements with the Stock Exchanges forms part of the Annual Report.

12. Secretarial Compliance Certificate

The Company has obtained a compliance certificate from a practicing Company Secretary and the same is annexed hereto and forms part of the report.

13. Statement pursuant to Listing Agreements:

The Company's securities are presently listed at 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.

The Management's Discussion and Analysis in compliance with Clause 49 of the Listing Agreements forming part of this Report is attached hereto and forms part of this report.

14. Acknowledgement

Your directors 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 LIMITED**

Sd/-
Rajiv Agarwal
Director

Sd/-
Anupma Agarwal
Director

Place: New Delhi
Date: 30/08/2011

SUDEV INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

In the present rapidly changing business scenario, good Corporate Governance helps in accomplishing long term Corporate Goals to increase the Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the sound Corporate Governance.

1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

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.

Your Company has complied with the requirements of the Corporate Governance Code, the disclosure requirements of which are given below.

2. BOARD OF DIRECTORS

The constitution of Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with business issues.

Composition of Board of Directors:

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

Meetings of the Board and Attendance thereat:

The Board of Directors of your company met 8 times 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	8	Yes
2.	Mrs. Anupma Agarwal	8	Yes
3.	Mr. S K Srivastava	4	Yes
4.	Mr. Naveen Khatri	8	Yes

Details of Director(s):

Details of the Director(s) seeking appointment/re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreements, have been given along with the Notice of Annual General Meeting.

3. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board members/ senior management of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct as on 31st March, 2011. A declaration to that effect, duly signed by the Chairman is annexed and forms a part of this report.

4. COMMITTEES OF THE BOARD

The constitution of Committees of the Board aims at ensuring support to the Board regarding the activities assigned to the committees.

(i) Audit Committee

In terms of Clause 49 of the Listing Agreements and Section 292A of the Companies Act, 1956, an audit committee has been constituted. Composition of the audit committee and detail of meetings held and 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	Independent NE Director	4	4
2.	Mr. Rajiv Agarwal	Executive Director	4	4
3.	Mr. S. K. Srivastava	Independent NE 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 agreements.

Terms 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 Agreements with the Stock Exchanges.

(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:

In terms of Clause 49 of the Listing Agreements the company has constituted shareholders/ investor grievance committee keeping in view the total number of shareholders, number of shares transfer, transmission of shares. This Committee addresses all issues and shareholders' complaints. Composition of the shareholders/ investor grievance committee and detail of meetings held and 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	Independent NE Director	2	2
2.	Mr. Rajiv Agarwal	Executive Director	2	2
3.	Mr. S. K. Srivastava	Independent NE Director	2	2

The chairman of the shareholders/ investor grievance committee is Mr. Naveen Khatri, who is a non-executive independent director. Mr. Rajiv Agarwal is the Compliance Officer of the Company.

The Company has delegated share transfer powers to its Registrar and Share Transfer Agent.

The Committee takes care and looks into investor complaints and also reviews the performance of Registrar to Issue and Share Transfer Agent of the company and suggests the measures for overall improvement.

During the year, there was no complaint received from the investors. All the transfers received during the financial year processed by the Registrar and Share Transfer Agent and no transfers were pending.

5. GENERAL BODY MEETINGS

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

Year	Day	Date	Time	Location
2008	Tuesday	30.09.2008	11.00 A.M.	Regd. Office
2009	Wednesday	30.09.2009	11.00 A.M.	Regd. Office
2010	Thursday	30.09.2010	3.00 P.M.	Regd. Office

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

No Extra Ordinary General Meetings (EGM) was held during the financial year 2010-11.

6. DISCLOSURES

The Company has complied with the requirements of the stock Exchanges, 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, their subsidiaries 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.

7. CEO/CFO CERTIFICATION

The CEO/CFO certificate for the year ended 31st March, 2011 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 Agreements entered into with stock exchanges.

8. 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.

9. 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.

10. DEMATERIALISATION OF SHARES

M/s. Beetal Financial & Computer Services Pvt. Ltd. has been appointed as common agency for undertaking physical transfers and to act as depository Registrar.

11. MEANS OF COMMUNICATION

Quarterly Financial Results and Annual Report of the company are sent to the Stock Exchanges as per the requirements of the Listing Agreements. During FY 2010-2011 the quarterly results of the Company were published in leading English newspapers viz. the Pioneer, and in regional newspapers viz. Haribhoomi.

12. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	Date and Time: 30 th September, 2011 at 10.00 a.m. Venue: A-74/1&2, UPSIDC Area, Sikandrabad (U.P.)- 203205
Financial Year	01 st April, 2010 to 31 st March, 2011
Book Closure	22 nd September, 2011 to 30 th September, 2011 (both days inclusive)
Dividend Payment rate	No Dividend
Listing on 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	BSE: 526530 DSE: 119399
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.
Dematerialization	The Company's shares are available for trading in Depository System with NSDL & CDSL vide ISIN INE670C01018.
Registered Office	A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)- 203205
Corporate Offices	208, 2nd Floor, 1378/21, Naiwala, Karol Bagh, New Delhi-110005 MU-68-D, Pitam Pura, New Delhi-110088
Website	www.sudev.co.in
E-mail Id	rajiv@sudev.co.in
Registrar & 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 Tel: 91-11-2996 1281-83; Fax: 91-11-2996 1284 E-mail: beetal@beetalfinancial.com ; Website: www.beetalfinancial.com
Address for correspondence	Shareholders correspondence should be addressed to our Registrar and Transfer Agent at the above given address.
Share Transfer System	The Company has a sound share transfer process. For the purpose of making the share transfer process smooth and speedy the company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd as its share transfer agent.
Whistle Blowing Mechanism	Company has not denied any personal access to the Audit Committee and is always welcoming such efforts of the shareholders or employees. Further the company has laid

down a whistle blowing policy recommended by the audit committee for safeguards of the shareholders and employees of the company.

Shareholding Pattern as on 31.03.2011

Shares of Rs.10/- each.

Category	No. of Shares	Percentage of Shareholding
Promoters	1308100	31.05%
Person acting in concert	0	0%
Corporate Bodies	1968650	46.72%
Indian Public	936550	22.23%
Non Resident Indians	0	0%
Grand Total	4213300	100%

MANAGEMENT ANALYSIS & DISCUSSION REPORT

The company has suffered losses due to discontinuity of its operations. The structure of the plastic manufacturing industry in India has emerged on the global center-stage.

The Company's operation is carried out under single division. The Company is planning to search a good alliance partner to build up a strong base in the plastic manufacturing industry and related services.

The Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any un-authorized use or disposition of assets, and that the transactions are authorized, recorded and reported correctly. It ensures adherence to and compliance with internal control policies and procedures as well as regulatory requirements.

The Audit Committee reviews adequacy of internal controls.

DECLARATION BY CHAIRMAN

I, Rajiv Agarwal, Chairman of Sudev Industries Limited hereby confirm pursuant to clause 49(1)(D) of the listing agreements 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, 2011.

Sd/-
Rajiv Agarwal
(Chairman)

Place: New Delhi
Date: 30/08/2011

SUDEV INDUSTRIES LIMITED

Chief Executive Officer (CEO) and Chief Financial Officer(CFO) Certification:

To the best of our knowledge and belief we hereby certify that:

- a) We have reviewed the Balance Sheet and Profit and Loss Account as on 31st March, 2011 and all its schedules and notes on accounts, as well as Cash Flow Statements and the Directors Report.
- b) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
- c) These statements together present a true and fair view of the Company and are in compliance with the existing accounting standards and/ or applicable laws/ regulations.
- d) We are responsible for establishing and maintaining internal control and have evaluated the effectiveness of internal control system of the Company.
- e) There is no instance of significant Fraud that involves management or employees having a significant role in the Company's internal control systems.
- f) We have indicated to the Auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and/ or accounting policies during the year.

Sd/-
Rajiv Agarwal
(Director)

Sd/-
Anupma Agarwal
(Director)

Place: New Delhi
Date: 30/08/2011

SUDEV INDUSTRIES LIMITED

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

**To
The Members
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, 2011 as stipulated in Clause 49 of the Listing Agreements 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 Agreements)", 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 Agreements.

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,
30/08/2011

SUDEV INDUSTRIES LIMITED

AUDITORS CERTIFICATE ON CASH FLOW

We have verified the cash flow statement of M/s Sudev Industries Limited for the year ended 31st March, 2011. This statement has been compiled by the Company from the Audited financial statements for the year ended 31st March, 2011. 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: 30/08/2011

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, 2011 and also the profit and loss statement for the year ending 31st March, 2011. 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2011 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, 2011; and
- ii) in the case of Profit and loss Account of the profits of the company for the year ended on that date.

**For Gupta Jalan & Associates
Chartered Accountants**

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

Date: New Delhi
Place: 27/05/2011

SUDEV INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH. 2011

<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		<u>13,062,005.68</u>	<u>13,062,005.68</u>
Net Block		20,181,473.29	20,181,473.29
INVESTMENT	4	-	-
 CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventory	5	5,151,972.00	5,151,972.00
(b) Sundry Debtors	6	6,190,158.75	6,430,158.75
(c) Cash & Bank Balance	7	130,979.31	65,606.31
(d) Loans & Advances	8	<u>3,113,219.00</u>	<u>3,113,219.00</u>
		14,586,329.06	14,760,956.06
Less : CURRENT LIABILITIES & PROVISIONS	9	<u>373,720.58</u>	<u>582,945.58</u>
Net Current Assets		14,212,608.48	14,178,010.48
MISC. EXPENDITURE	10		
Preliminary Expenses (To the extent not W/o or adjusted)		-	-
PROFIT & LOSS ACCOUNT		<u>34,881,930.23</u>	<u>34,916,528.23</u>
		<u>69,276,012.00</u>	<u>69,276,012.00</u>

Schedule/Notes to accounts referred to above form an integral part of the accounts

AUDITORS REPORT

In terms of our report of even date
For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For Sudev Industries Limited

Sd/-
I.M. SINGH
(Partner)

Sd/-
Rajiv Agarwal
(Director)

Sd/-
Anupma Agarwal
(Director)

Place : New Delhi
Date : 27-05-2011

SUDEV INDUSTRIES LTD.

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

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	-
Other Income	222,340.00	
Total	<u>222,340.00</u>	<u>340,000.00</u>
<u>EXPENDITURE</u>		
Material & Manufacturing Exp.	12	
Administrative & Other Expenses	13	
Total	<u>180,142.00</u>	<u>346,186.25</u>
Profit/(Loss) before depreciation	42,198.00	(6,186.25)
Less: Depreciation	-	-
	<u>42,198.00</u>	<u>(6,186.25)</u>
Profit/(Loss) before tax	42,198.00	(6,186.25)
Less : Provision for Tax	7,600.00	NIL
Profit/(Loss) after tax	34,598.00	(6,186.25)
Balance brought forward from last year	<u>(34,916,528.23)</u>	<u>(34,910,341.98)</u>
Balance carried to B/S	(34,881,930.23)	(34,916,528.23)
Notes to the Accounts	14	

Schedule/Notes to accounts referred to above form an integral part of the accounts

AUDITORS REPORT

In terms of our report of even date
For GUPTA JALAN & ASSOCIATES
Chartered Accountants

For Sudev Industries Limited

Sd/-
I.M. SINGH
(Partner)

Sd/-
Rajiv Agarwal
(Director)

Sd/-
Anupma Agarwal
(Director)

Place : New Delhi
Date : 27-05-2011

SUDEV INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULE 1	SHARE CAPITAL	AS AT 31.03.2011	AS AT 31.03.2010
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		-	-
		<u>-</u>	<u>-</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		6,190,158.75	5,590,158.75
Other debts		-	840,000.00
		---	---
		<u>6,190,158.75</u>	<u>6,430,158.75</u>

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2011 AS AT 31.03.2010

SCHEDULE - 7

CASH & BANK BALANCES

Cash in hand	122,024.56	16,901.56
Balance with Schedule Bank in Current Account	8,954.75	48,704.75
	<u>130,979.31</u>	<u>65,606.31</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	117,300.00
	<u>3,113,219.00</u>	<u>3,113,219.00</u>

SCHEDULE - 9

CURRENT LIABILITIES & PROVISIONS

Sundry Creditors for goods & Expenses	25,139.58	247,479.58
Audit fees payable	81,893.00	76,378.00
Provision for Income Tax	7,600.00	
Due to managing Director	234,088.00	234,088.00
<u>PROVISIONS</u>	25,000.00	25,000.00
For Gratuity		
	<u>373,720.58</u>	<u>582,945.58</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>

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2011

AS AT 31.03.2010

SCHEDULE - 13 OTHER EXPENSES

Bank Charges	-	827.25
Telephone & Postage	9,864.00	7,125.00
Legal & Professional Charges	11,000.00	-
Printing & Stationery	2,948.00	1,125.00
Audit Fees	5,515.00	5,618.00
Misc. Expenses	2,917.00	2,148.00
Office Exp	18,148.00	
Fees & Subscription	39,750.00	329,343.00
Preliminary & Share issue Expenses	-	-
Salary	90,000.00	-
	<u>180,142.00</u>	<u>346,186.25</u>

SUDEV INDUSTRIES LIMITED**Schedule-3****Fixed Assets as on 31-03-2011**

Particular of Assets	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As on 1.04.2010	Addition During the Year	Sale/ Adjust- ments	As on 31.03.2011	Upto 31.03.2010	For the period Ending 31.03.2011	Adjust- ments	Upto 31.03.2011	As at 31.03.2010	As at 31.03.2011
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

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 the monetary limits during the year 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.3,48,81,930.23/- for the financial year 2010-2011 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**

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

Date: New Delhi
Place: 27/05/2011

SUDEV INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

CASH FLOW FROM OPERATING ACTIVITIES	Current Year	Prev Year
Net Profit/(Loss) before tax	34598.00	(6186.25)
Adjustments for		
Depreciation	0.00	0.00
Preliminary Expenses	0.00	0.00
Operating Profit/ (Loss) before working capital changes	34598.00	(6186.25)
Adjustment for		
Trade & Other Receivables	240000.00	(540000.00)
Inventories		
Trade & Other Payables	209225.00	194382.00
Net Cash from operating activities	65373.00	(740568.25)
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	0.00	(500000.00)
CASH FLOW FROM FINANCING ACTIVITIES		
repayment of Loans	0.00	0.00
Increase in long term borrowings	0.00	0.00
Net Cash used in/ from Financing Activities	0.00	0.00
Net increase/decrease in cash and cash equivalent	65373.00	(240568.25)
Opening balance of cash and cash equivalent	65606.31	306174.56
Closing balance of cash and cash equivalent	130979.31	65606.31

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

For Sudev Industries Limited

Sd/-
I.M. SINGH
(Partner)

Sd/-
Rajiv Agarwal
(Director)

Sd/-
Anupma Agarwal
(Director)

Place : New Delhi
Date : 27-05-2011

SUDEV INDUSTRIES LIMITED

Regd. Office: A-74/1 & 2, UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.)- 203205
Corp. Office: 208, 2nd Floor, 1378/21, Naiwala, Karol Bagh, New Delhi-110005

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 18th ANNUAL GENERAL
MEETING of the Company to be held at 10.00 a.m. on Friday, the 30th September, 2011 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 18th ANNUAL GENERAL MEETING of Sudev Industries
Limited held at its registered office at Sikandarabad on 30th September, 2011 at 10.00 a.m.

Member's/ Proxy's Signature

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