

15th ANNUAL REPORT

2007- 2008

SUDEV INDUSTRIES LIMITED

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

SUDEV INDUSTRIES LIMITED

Registered Office & Work

A 74/1 & 2 UPSIDC Area,
Sikandrabad (U.P.)

Board of Directors

Mr. Rajiv Agarwal
Mrs. Anupama Agarwal
Mr. S. K. Srivastava

Auditors

M/S Gupta Jalan & Associates
Chartered Accountants
316 Express Tower
Azadpur Commercial Complex
Delhi 110 033.

Registrar for Share Transfer

BEETAL FINANCIAL &
COMPUTER SERVICES (P) LTD.
321 – S Chirag Delhi,
(Near Shahid Bhagat Singh College)
New Delhi 110 017.

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NOTICE

Notice is hereby given that the Annual General Meeting of the Members of SUDEV INDUSTRIES LIMITED will be held at Registered Office of the Company at A-74/1 & 2 UPSIDC Area, Sikandrabad, Distt. Bulandshahr (U.P.) on 30th September , 2008 at 11.00 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, 2008 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 of the Board
For SUDEV INDUSTRIES LTD

Place : Sikandrabad
Date : 31st August, 2008

Sd/-
Rajiv Agarwal
Director

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 20th September, 2008 to 30th September, 2008 (both days inclusive).
3. As per SEBI Guidelines, Company has appointed M/s Beetal Financial & Computer Services Pvt. Ltd., 321-S Chirag Delhi, New Delhi – 110017 as its Registrar and Share Transfer Agent for both physical and demat shares.

DIRECTORS' REPORT

To the Members,

Your Directors are presenting the Annual Report and the audited accounts for the year ended on 31st March, 2008.

FINANCIAL RESULTS

	Rs in lacs	
	2007-08	2006-07
Sales	NIL	NIL
Other Income	NIL	NIL
Gross Profit/ (Loss) before Depreciation	(2.36)	(2.98)
Less: Depreciation	(-----)	(11.99)
Profit/ (Loss) before Tax	(2.36)	(14.98)
Provision for Tax	NIL	NIL
Balance in Profit/Loss A/c	(345.48)	(330.49)
Profit/ (Loss) carried to Balance Sheet	(347.83)	(345.48)

GENERAL REVIEW AND PROSPECTS

During the year under review, the Company did not carry out any operations as the assets of the company are in the possession of UP Financial Corporation (UPFC), the financial institution. The Directors are still working for a one time settlement with UPFC. They are also exploring the possibility of selling the unit to repay the liabilities of the financing institution after arriving at a one time settlement.

The directors are also exploring other avenues to make the company operational.

DIVIDEND

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

PARTICULARS OF EMPLOYEES

Information required as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 forming part of this report for the year ended 31st March, 2007 is NIL.

PUBLIC DEPOSIT

The company has not accepted any public deposits during the year or in earlier years.

DIRECTORS

Pursuant to the provisions of section 255 and 256 of the Companies Act, 1956 Mr. Rajiv Agarwal, Director retires at this Annual General Meeting and being eligible offers himself for reappointment.

DIRECTOR'S 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 31.03.08 the applicable accounting standards issued by the Institute of Chartered Accountants of India as applicable to the company has been followed.
- (ii) The accounting policies were selected and applied consistently and the judgement 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 31.03.2008 and of the Loss of the company for the period ended on 31.03.2008.
- (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. Members are requested to appoint the auditors for the year ended 31.03.2009.

AUDITORS REPORT

As regards the observations in the Auditor's in his Report of even date 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.

FOREIGN EXCHANGE EARNINGS & OUTGO - NIL

CORPORATE GOVERNANCE

During the year under report, your company is required to implement the requirements of code of corporate governance in accordance with clause 49 of the listing agreement with the stock exchanges and has complied accordingly to the best of its ability, as detailed in a report on Corporate Governance issued as 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.

ACKNOWLEDGEMENT

Your directors acknowledge with gratitude the cooperation and assistance received from Shareholders, Patterns and all those associated with the company during the year under review.

For and on behalf of Board of Directors

Place: Sikandrabad
Date: 31.08.2008

Sd/-
Rajiv Agarwal
Director

REPORT ON CORPORATE GOVERNANCE

In compliance with the clause 49 of the listing agreement with the stock exchanges the company hereby submits the report on the matters mentioned in the said clauses and practice followed by the company:

1. Company's Philosophy on the Code of Governance:

Your company has always adhered to the tenets of good corporate governance even before it was made mandatory with a clear site of the right of information by the shareholders with respect to Companies operations and performance.

2. Code of Conduct

We at Sudev Industries Ltd. Have laid down a Code of Conduct for all Board Members and senior management of the company. The code has been circulated to all the Board Members and senior management of the company and they have affirmed compliance with the same.

3. Company's Present Status on Adherence to the Code of Corporate Governance

Your company has been passing through a very difficult phase during the past few years and this has resulted in total erosion of the net worth of the company as on 31st March, 2007. The assets of the company are already in the possession of UP Financial Corporation, the financing institution.

4. Board of Directors:

The Board of Directors of the company comprises of three directors out of which only one is an independent or Non executive director. The independent and non executive director do not have any material pecuniary relationship or transactions with the company, promoters, management which may affect their judgments in any manner. The Board meets at last once in a quarter to consider various matters.

Particulars of the directorship of the Board, membership and office of the chairman of Board/ Committee across all companies and attendance at Board meetings and Annual General Meeting of the Company are given below:

Name of Director	Executive/ Non Executive	No.of outside Directorship in public cos.	Membership held in comm. Of directors	Chairmanship Held in comm. of directors	No.of Board Meeting Attended	Whether attended last AGM
Mr Rajiv Agarwal	Executive	-	-	-	5	YES
Mrs Anupma Agarwal	Executive	-	-	-	5	YES
Mr S.K. Srivastava	Non Executive	-	-	-	5	YES

During the financial year 2007-08, five Board Meetings were held on 30.04.2007, 29.07.2007, 31-08-2007, 29-10-2007 and 31-01-2008 and the AGM was held on 30th September, 2007.

Audit Committee

Keeping in view of no business activities of the company, the company has not constituted any audit committee during the year. However, it is also not mandatory for the company to constitute Audit Committee, as paid up capital of the company is less than 5 crores.

Remuneration Committee/Compensation Policy:

In the absence of any remuneration (including sitting fees) is being paid to the directors, your company has not constituted a remuneration committee.

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 2008.

Disclosure Regarding Appointment or Re-Appointment of Directors

Mr Rajiv Agarwal aged 43 years is an executive director of the company. He is a Chartered Accountant and is associated with the company since 1993.

Mrs Anupma Agarwal aged 41 years is an Executive Director of the company. She is post graduate in commerce and is associated with the company since 1993.

Mr Hemant Gaur aged 48 years is a non executive director of the company. He is a post graduate in commerce and is associated with the company since 2001.

Note : All the above directors are not associated with any other public limited company.

General Body Meeting

Location and time where the last 3 Annual General Meetings were held are as under :

F.Y.	DATE	LOCATION	TIME
------	------	----------	------

2004-2005	30.09.2005	A-74/1&2 UPSIDC Area Sikandrabad (U.P.)	11A.M.
2005-2006	30.09.2006	----- DO -----	11 A.M.
2006-2007	30.09.2007	----- DO -----	11 A.M.

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

- 1 **(a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, subsidiary or the relatives of the directors, etc. that may have potential conflict with the interest of the company at large.**

None of the transactions with any of the related party were in conflict with the interest of the company.

- (b) Details of non-compliance by the company, penalties strictures imposed on the company by stock exchange or SEBI, or any other statutory authority, on any matter related to the capital markets, during the last three years.**

None

2. **Means of Communication:**

The Board of Directors normally approves and takes on record unaudited financial results of the company within one 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.

General Shareholder Information

Annual General Meeting :

Date and Time : 30th September 2008 at 11 AM
Venue : A 74/1&2 UPSIDC Area

Sikandrabad (U.P.)

Financial Year : 1 April 2007 to 31 March 2008

Book Closure date : 20th September 2008 to 30th September 2008
(both days inclusive)

Dividend Payment date : No dividend has been recommended

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

- 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 -

Stock Price Data - No trading of the shares of the company could take place during the year as the shares of the company remained suspended by the stock exchanges for trading purposes.

Registrar and Share Transfer Agents : M/s Beetal Financial & Computer Services Pvt. Ltd
321-S Chirag Delhi
New Delhi – 110017

Distribution of Shareholding:

Category	Shares	
	Number	% of Total
Indian Promoters	309600	7.39
Private Corporate Bodies	2271850	53.92
Banks and Mutual Funds	469900	11.15
Indian Public	1161950	27.58

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 No. IN E670C01018 to facilitate holding and trading of the shares in electronic form.

Address for correspondence: A 247 2nd Floor
Sector 19, Noida – 201 301

Auditor's Report

To
Auditors' Report to the member of
Sudev Industries Limited

1. We have audited the attached Balance Sheet of M/S SUDEV INDUSTRIES LIMITED, as on 31st, March 2008 and also the Profit & Loss Account 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.
2. 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.
3. As required by the companies (Auditor's Report) Order, 2002 issued by the Central Government of India in term of sub-section (4-A) of 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 purposes of our audit:
- (b) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditor's Report(s) have been forwarded to us and have been appropriately dealt with.

- (c) The Company's Balance Sheet and the Profit & Loss accounts dealt with by this report are in agreement with the books of account (and with the audited returns from the branches.)
- (d) In Our Opinion, the Balance Sheet and Profit & Loss account dealt with 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 the written representation received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March 2008 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 an to the best of our information and according to the explanation given to us, the said 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.
- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008.
and
- ii) In the case of the Profit & Loss Account, of the loss of the company for the year ended on that date.

For Gupta Jalan & Associates
Chartered Accountants

Date: 31/08/2008
Place: Delhi

Sd/-
(I.M.SINGH)
Partner.

ANNEXURE
STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF
EVEN DATE

1. The asset of the company including fixed assets has been taken over by 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 inventories has been taken over by U.P. F.C. financial institution No Physical verification has been conducted by the management. Valuation of the inventories has been as per books of the company. The net realizable value may differ and will affect the Profit & Loss of the company to that extent.
3. We are informed that the company has not taken/granted any loans, secured or unsecured, from to 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 explanation given to us, there are adequate internal control procedures 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,. In our opinion and according toothed 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 need 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.
7. The company has no formal internal Audit Department as such. How ever it control procedures ensure reasonable internal checking of its financial and other records.
8. As Per information, the company is not required to maintain cost records as prescribed by the central Government U/s 209(I) (d) of the 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 and the forums where the dispute is pending are as under:-

Name of the statute	Nature of Dues	Amount (Rs. In Laces)	forum where dispute is pending
Income Tax Act	Tax	Rs.182.00	ITAT, New Delhi. (ITAT order is in favour of the company)

10. The companies has been incurring losses since its commercial production in the year 1996.The assets of the company had however been taken dues by UPFC the financial Institutions U/s 29 of SFC Act, in 1998 .The Company however has acuminated to the tunes of Rs. 31447782.40 for financial year 2007-2008. Which are more than 50% its net worth.

11. Since the company had defaulted in repayment of dues of UPFC the financial institution of the company its assets were taken over by UPFC U/s 29 of 6FC act in 1998.
12. The company has nor granted loans and advances on the loss of security by way of pledge of shares debentures and the securities.
13. The Company is nor a chit fund nidhi mutual receipt/society. therefore the provisions of clause 4 (xii) the companies) Auditors Report) under 2003, and our applicable to the company.
14. In our opinion the company's nor dealing in or loading 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 other from banks or financial institution.
16. No than loan has been raised during the year.
17. The company has not raised any funds whether short term or long term.
18. The company has not made any preferential allotment of shares during the year
19. The company has nor issued any debentures during the year.
20. The company has nor raised any money from public during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For Gupta Jalan & Associates
Chartered Accountants

Date: 31/8/2008
Place: New Delhi

Sd/-
(I.M. SINGH)
Partner

SUDEV INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH. 2008

<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	34,807,375.00	34,807,375.00
LOAN FUNDS			
Secured Loan	2	34,268,637.00	34,268,637.00
Total		<u>69,076,012.00</u>	<u>69,076,012.00</u>
APPLICATION OF FUNDS			
<u>Fixed Assets</u>			
(a) Gross Block	3	37,966,210.91	38,187,038.91
(b) LESS : Depreciation		<u>17,784,737.62</u>	<u>17,983,309.77</u>
Net Block		20,181,473.29	20,203,729.14
INVESTMENT	4	500,000.00	500,000.00
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventory	5	5,151,972.00	5,151,972.00
(b) Sundry Debtors	6	5,590,158.75	5,590,158.75
(c) Cash & Bank Balance	7	72,266.56	9,861.56
(d) Loans & Advances	8	<u>3,413,219.00</u>	<u>3,413,219.00</u>
		14,227,616.31	14,165,211.31
Less : CURRENT LIABILITIES & PROVISIONS	9	<u>731,709.58</u>	<u>726,091.58</u>
Net Current Assets		13,495,906.73	13,439,119.73
MISC. EXPENDITURE	10		
Preliminary Expenses (To the extent not W/o or adjusted)		114,985.02	385,204.96
PROFIT & LOSS ACCOUNT		<u>34,783,646.96</u>	<u>34,547,958.17</u>
		<u>69,076,012.00</u>	<u>69,076,012.00</u>

AUDITORS REPORT

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

Sd/-
(Rajiv Agarwal)
Managing Director

Place : New Delhi

Date : 31-08-2008

Sd/-

Sd/-
(I.M. SINGH)
PARTNER

(Anupma Agarwal)
Director

SUDEV INDUSTRIES LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	AMOUNT (RS.) <u>THIS YEAR</u>	AMOUNT (RS.) <u>LAST YEAR</u>
<u>INCOME</u>		
Sales	-	-
Profit on sale of fixed assets	52,744.15	-
Increase /Decrease in Stocks	11	-
Total	<u>52,744.15</u>	<u>-</u>
<u>EXPENDITURE</u>		
Material & Manufacturing Exp.	12	298,371.94
Administrative & Other Expenses	13	288,432.94
Total	<u>288,432.94</u>	<u>298,371.94</u>
Profit/(Loss) before depreciation	(235,688.79)	(298,371.94)
Less: Depreciation	-	1,199,907.98
	<u>(235,688.79)</u>	<u>(1,498,279.92)</u>
Profit/(Loss) before tax	(235,688.79)	(1,498,279.92)
Less : Provision for Tax	NIL	NIL
Profit/(Loss) after tax	(235,688.79)	(1,498,279.92)
Balance brought forward from last year	<u>(34,547,958.17)</u>	<u>(33,049,678.25)</u>
Balance carried to B/S	(34,783,646.96)	(34,547,958.17)
Notes to the Accounts	14	

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

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

Sd/-
(Rajiv Agarwal)
Managing Director

Place : New Delhi

Date : 31-08-2008

Sd/-
(I. M. SINGH)
Partner

Sd/-
(Anupma Agarwal)
Director

SUDEV INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

SCHEDULE 1	SHARE CAPITAL	AS AT 31.03.2008	AS AT 31.3.2007
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)		7,325,625.00	7,325,625.00
		<u>34,807,375.00</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>
<u>SCHEDULE - 4</u>	<u>INVESTMENTS</u>		
unquoted, at cost Share Aplication Money Long Well Invesrment Pvt Ltd		500,000.00	500,000.00
		<u>500,000.00</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		5,590,158.75	5,590,158.75
Other debts		---	---
		<u>5,590,158.75</u>	<u>5,590,158.75</u>

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2008

AS AT 31.3.2007

SCHEDULE - 7**CASH & BANK BALANCES**

Cash in hand	72,266.56	9,861.56
Balance with Schedule Bank in Current Account	-	-
	<u>72,266.56</u>	<u>9,861.56</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	417,300.00	417,300.00
	<u>3,413,219.00</u>	<u>3,413,219.00</u>

SCHEDULE - 9**CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors for goods & Expenses	547,479.58	547,479.58
Audit fees payable	65,142.00	59,524.00
Due to managing Director	94,088.00	94,088.00
<u>PROVISIONS</u>	25,000.00	25,000.00
For Gratuity	-	-
	<u>731,709.58</u>	<u>726,091.58</u>

SCHEDULE -10**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary Expenses / share issue expenses	385,204.96	655,424.90
Less : Written off during the period	270,219.94	270,219.94
	<u>114,985.02</u>	<u>385,204.96</u>

SCHEDULE -11**INCREASE (DECREASE) IN STOCK**

Closing Stock	3,241,810.00	3,241,810.00
Less: Opening Stock	3,241,810.00	3,241,810.00
	<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	1,910,162.00	1,910,162.00
	<u>-----</u>	<u>-----</u>

SUDEV INDUSTRIES LIMITED

AS AT 31.03.2008

AS AT 31.03.2007

SCHEDULE - 13 OTHER EXPENSES

Bank Charges	-	-
Telephone & Postage	5,325.00	6,350.00
Legal & Professional Charges	-	1,500.00
Printing & Stationery	5,130.00	7,640.00
Audit Fees	5,618.00	5,612.00
Misc. Expenses	2,140.00	7,050.00
Preliminary & Share issue Expenses	270,219.94	270,219.94
	<u>288,432.94</u>	<u>298,371.94</u>
	18,213.00	

SUDEV INDUSTRIES LIMITED

Schedule-3

Fixed Assets as on 31-03-2008

Particular of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1.04.2007	Addition During the Year	Sale/ Adjust- ments	As on 31.03.2008	Upto 31.03.2007	For the period Ending 31.03.2008	Adjust- ments	Upto 31.03.2008	As at 31.03.2007	As at 31.03.2008
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
Moulds	3927564.22	0.00	0.00	3927564.22	3927564.22	0.00	0.00	3927564.22	0.00	0.00
Electricals	2786962.94	0.00	0.00	2786962.94	2138441.64	0.00	0.00	2138441.64	648521.30	648521.30
Generators	795167.72	0.00	0.00	795167.72	795167.72	0.00	0.00	795167.72	0.00	0.00
Furnitures & Fixtures	30720.00	0.00	30720.00	0.00	25615.00	0.00	0.00	0.00	5105.00	0.00
Office Equipment	190108.00	0.00	190108.00	0.00	172957.15	0.00	0.00	0.00	17150.85	0.00
TOTAL	38187038.91	0.00	220828.00	37966210.91	17983309.77	0.00	0.00	17784737.62	19982901.14	20181473.29
Previous Year	38187038.91	0.00	0.00	38187038.91	16783401.79	1199907.98	0.00	17983309.77	21403637.12	20203729.14

27744.15

SUDEV INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2008

CASH FLOW FROM OPERATING ACTIVITIES	Current Year	Prev Year
Net Profit/(Loss) before tax	(235688.79)	(1498279.92)
Adjustments for		
Depreciation	0.00	1199907.98
Preliminary Expenses	270219.94	270219.94
Operating Profit/ (Loss) before working capital changes	34531.15	(28152.00)
Adjustment for		
Trade & Other Receivables	5612.00	5612.00
Inventories	0.00	0.00
Trade & Other Payables	0.00	0.00
Net Cash from operating activities	40143.15	(22540.00)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/ Capital Expenditure	0.00	0.00
Sale of Fixed Assets	22261.85	
Net Cash used in Investing Activities	0.00	0.00
CASH FLOW FROM FINANCING ACTIVITIES		
repayment of Loans	0.00	0.00
Increase in long term borrowings		
Net Cash used in/ from Financing Activities	0.00	0.00
Net increase/decrease in cash and cash equivalent	62405.00	(22540.00)
Opening balance of cash and cash equivalent	9861.56	32401.56
Closing balance of cash and cash equivalent	72266.56	9861.56

NEW DELHI
31.08.2008

As per our report of even date
FOR SISA & ASSOCIATES
Chartered Accountants

Sd/-
Inder Mohan Singh

Sd/-
Rajiv Agarwal
Managing Director

Sd/-
Anupma Agarwal

NOTES TO ACCOUNT

Sudev Industries Limited

SCHEDULE-14

Significant Accounting Policies:

- A The Financial statement prepared under the historical cost convention in accordance with generally accepted accounting principles, applicable accounting standard and relevant presentational requirements of the companies Act, 1956.
- B.. FIXED ASSETS AND DEPRICIATION**
- (a) Fixed assets are stated at their original cost which includes expenditure in the acquisition and construction/installation and other related expenses.
- (b) Depreciation on fixed assets is provided on straight line method at the rates prescribed under schedule xiv of the companies act, 1956 (as amended up to date on prorata basis with reference to the month of installation.
- C.. 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.
- D.. INVESTMENT**
- Investment are valued at cost.
- E.. AMORTISATIONS OF MISCELLANEOUS EXPENDITURES**
- Preliminary expenses and share issue expenses are amortised in equal instalments in ten financial year when commercial production begins.
1. The possession of the plant of company at Sikandrabad (U.P.) has been taken over by the UP financial corporation.
 2. The company has not provided for interest on term loan form UP Financial corporation from financial year 2003-2004 onwards.
 3. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. NIL (Previous year Rs. NIL)
 4. **CONTINGENT LILABILITY**
 - (a) The Company has not provided interest on term loan from UP financial Corporation. The Company is in negotiation for one time settlement with the UP financial corporation.
 - (b) There are various Income Tax & Sales Tax demand which are being constructed by the company.
 5. In the opinion of the Board, the current Assets, Loans & Advances have value on Realization in the ordinary course of business at least equal to the aggregate amount states in the Balance Sheet and all known liabilities have been provided for.

6. Balances of sundry Debtors, sundry Creditors, Loans & Advances Recoverable are subject to re-conciliation and confirmation.
7. Remuneration paid to the Directors is as follow :

	CURRENT PERIOD	PREVIOUS PERIOD
Salary and Allowances	NIL	NIL

8. Additional information pursuant to paragraphs 3 & 4 Part II of schedule VI of the Companies act, 1956.

- a) (i) information in respect of turnover and finished stocks :

	2007-2008 Value (Rs.)	2006-2007 Value (Rs.)
Opening Stock	32,41,810.00	32,41,810.00
Purchases	NIL	NIL
Sales	NIL	NIL
Closing Stock	32,14,810.00	32,14,810.00

Exporst

Additional information pursuant to the provisions of part IV of schedule IV of the companies act, 1956 Balance Sheet and companies general business profile ; Refer Annexure 9 (a)

Comparative Figures :

Previous year figures have been rearranged / regrouped wherevere considred necessary and possible.

As per our Audit report of even date attached.

For Gupta Jalan & Associates
Chartered Accountants

Sd/-
(Rajiv Agarwal)
Director

New Delhi
31-08-2008

Sd/-
(I.M.Singh)
Partner

Sd/-
(Anupama Agarwal)
Director

SUDEV INDUSTRIES LIMITED
Regd. Office: 2102 HIG Duplex, Sector 16A, Vasundhra
Ghaziabad (U.P.)

PROXY FORM
ANNUAL GENERAL MEETING

I/We _____
of _____ in the district of _____
being a member / members of the above-named Company, hereby appoint
_____ of _____ in the district of _____
or failing him _____
of _____ as my / our proxy to attend and vote for
me / us on my / our behalf at the 15th Annual General Meeting of the Company to be held
on Tuesday, the 30th September, 2008 at 11.00 a.m. at and any adjournment thereof.

Signed this _____ day of _____ 2008.

Signature _____ Revenue
Stamp

Address _____

Note: The proxy form duly signed the revenue stamp should reach the Company's
Registered Office at least 48 hours before the time of the meeting.

SUDEV INDUSTRIES LIMITED

ATTENDENCE SLIP

I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the
Company at the Registered Office of the Company at 11.00 a.m. on Tuesday,
30th September, 2008.

Full name of the shareholders
(In Block Letters)

Signature

Folio No. _____

Full Name of Proxy
(In Block Letters)

Signature

Note : Shareholders attending the Meeting in person or by proxy are requested to
complete the attendance slip and hand it over at the entrance of the meeting hall.