

SUDAS MANUFACTURING AND TRADING LTD.

ACCOUNTS
FOR THE YEAR ENDED
31st MARCH, 2010

DIRECTORS' REPORT:

To:
The Members,
SUDAS MANUFACTURING AND TRADING LIMITED

Your Directors have pleasure in presenting their Fifteenth Annual Report of the Company together with the audited statements of accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS:

During the year under review, your Company has made a profit after tax of Rs.502448/. After adding the brought forward Profit of Rs.2938129/- of the previous year, profit of Rs.3440577/- has been carried to the Balance Sheet.

2. HOLDING COMPANY:

The Company continues to be a subsidiary of Mishapar Investments Limited.

3. DIRECTORATE:

Shri B.K. Ghiya, retires at the ensuing Annual General Meeting by rotation, but being eligible, offers himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under the provisions of Section 217 (2AA) inserted by the Companies (Amendment) Act, 2000 in the Companies Act, 1956, your Directors reports that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review.

(iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The directors had prepared the annual accounts on a going concern basis;

5. PARTICULARS OF EMPLOYEES:

Your Company has not employed any person, and therefore, statement pursuant to Section 217 (2A) of the Companies Act, 1956, has not been annexed.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since your Company has not started any activities, particulars in respect of the above are NIL.

7. APPOINTMENT OF AUDITORS:

At the Annual General Meeting of the Company, Members are requested to appoint Auditors and fix their remuneration.

For and on behalf of the Board,



DIRECTOR

Registered Office:

Mafatlal House
Backbay Reclamation
Mumbai 400 020

MUMBAI

DATED: 21st June 2010



AUDITORS REPORT

To,
The Members of
"SUDAS MFG & TRADING LIMITED"

- 1 We have audited the attached Balance Sheet of **"SUDAS MFG & TRADING LIMITED"** as at **31st March 2010** and also the Profit and 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 statement 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 mis-statement. An audit includes examining, on a test basis, evidence supporting the amount 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 We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 4 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 the books.
- 5 The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
- 6 On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 7 In our opinion, the Profit and Loss Account and the Balance Sheet dealt with this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.
- 8 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Balance Sheet, of the state of affairs of the company as at **31st March, 2010**
 - b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - c) In the cash of cash flow statement of the cash flows for the year ended on that date.
- 9 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :




A. H. DESAI & ASSOCIATES
Chartered Accountants

Parshwa Deep, 2nd Floor,
140/142 Shamaldas Gandhi Marg,
Mumbai - 400 002.
India

Tel/Fax : + 91 (22) 22081484
Mobile : + 91 9320422777

1. The nature of the Company's business activities during the year is such that the requirements of clause (i) (ii) (iii) (v) (vi) (viii) (xi) (xii) (xiii) (xiv) (xv) (xvi) (xvii) (xviii) (xix) (xx) of paragraph 4 of the order are not applicable to the Company.
2. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods & services and we have not observed any continuing failure to correct major weakness in such internal controls.
3. The Company did not have internal audit system during the year.
4. In respect of its statutory dues according to the information and explanations given to us:
 - a. The company has been regular in depositing undisputed statutory dues, including Income-tax, cess and any other material statutory dues with the appropriate authorities during the year.
 - b. According to the information and explanations given to us, there are no disputed income-tax, cess, which have not been deposited with the relevant authorities.
5. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
6. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For **A. H. DESAI & ASSOCIATES**
CHARTERED ACCOUNTANTS


(Y. A. DESAI)
PARTNER
M.No. 16487

PLACE : MUMBAI

DATED : 21 JUN 2010

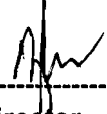
SUDAS MANUFACTURING AND TRADING LTD.
Balance Sheet As At 31st March, 2010

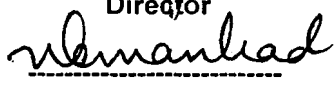
	Schedule	31.3.2010 Rupees	31.3.2009 Rupees
<u>SOURCES OF FUNDS :</u>			
<u>Shareholders' Fund</u>			
Share Capital	1	500,000	500,000
Reserves & Surplus	2	3,440,577	2,938,129
<u>Loan Funds:</u>			
Unsecured Loan	3	3,940,577	3,438,129
Total		25,000	19,318,500
		3,965,577	22,756,629
<u>APPLICATION OF FUNDS :</u>			
<u>Current Assets, Loans & Advances :</u>			
Sundry Debtors	4	235,063,500	235,063,500
Cash and Bank Balance	5	972,685	22,015,098
Loans and Advances	6	3,020,467	769,106
		239,056,652	257,847,704
Less :			
<u>Current Liabilities & Provisions</u>			
Liabilities	7	235,091,075	235,091,075
		235,091,075	235,091,075
Net Current Assets		3,965,577	22,756,629
Total		3,965,577	22,756,629
Significant Accounting Policies and Notes To Accounts	8		

As per Report of Even Date
For A.H. DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER

Place : Mumbai
Dated : 21st June 2010

BKG 
Director

NRM 
Director

Place ; Mumbai
Dated : 21st June 2010

SUDAS MANUFACTURING AND TRADING LTD.


Profit & Loss Account for the year ended 31st March, 2010

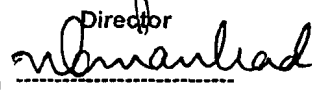
	Current Year Rupees	Previous Year Rupees
<u>INCOME :</u>		
Sales	1,043,006	4,106,270
Interest (Gross) on Bank Deposits [Tax deducted at source Rs. 1,37053/- (Previous Year Rs.4,45,119)]	676,361	1,252,295
Interest (Gross) on other Loans (TDS Rs.6217/- previous year TDS Rs.8660/-)	62,785	38,220
	1,782,152	5,396,785
<u>EXPENDITURE</u>		
Purchases	1,020,150	4,068,987
Filing Fee	600	600
Audit Fee	22,060	33,193
Bank Charges	2,459	15,752
Conveyance charges	-	96,976
Legal and Professional Charges	13,030	132,000
Printing & Stationery	1,405	-
Miscellaneous Expenses	-	95,478
	1,059,704	4,442,986
Profit before Tax	722,448	953,799
Provision for Tax	220,000	350,000
Profit after Tax	502,448	603,799
Balance brought forward from Previous Year	2,938,129	2,334,330
Surplus/Deficit carried to Balance Sheet	3,440,577	2,938,129
Earning per Share(Basic and Diluted in Rs.) (Face value of Share Rs. 10/- each)	18.95	12.08

As per Report of Even Date
For A.H. DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER

Place : Mumbai
Dated : 21st June 2010


BKG
Director


NBM
Director

Place ; Mumbai
Dated : 21st June 2010

SUDAS MANUFACTURING AND TRADING LTD.

Schedules forming part of the Balance Sheet

	As at 31.3.2010 Rupees	As at 31.3.2009 Rupees
Schedule 1		
Share Capital :		
Authorised :		
100000 Equity Shares of Rs. 10 each	1,000,000	1,000,000
Issued, Subscribed and Paid Up		
50000(Previous year 50000) equity shares of Rs.10/- each fully paid up	500,000	500,000
Schedule 2		
Reserves & Surplus:		
Profit and Loss Account		
	3,440,577	2,938,129
	3,440,577	2,938,129
Schedule 3		
UNSECURED LOANS & ADVANCES :		
From Directors	25,000	25,000
From Holding Company	-	19,293,500
	25,000	19,318,500
Schedule 4		
SUNDRY DEBTORS		
(Unsecured and considered good)		
Debt outstanding for a period exceeding six months	235,063,500	235,063,500
Others	-	-
	235,063,500	235,063,500
Schedule 5		
CASH AND BANK BALANCES :		
Cash Balance on Hand	15,186	15,186
Balance with Scheduled Bank in Current Accounts	395,596	3,971,951
In Fixed Deposit Account (includes interest accrued Rs.2,463/- [Previous Year Rs.6,744/-])	561,903	18,027,961
	972,685	22,015,098
Schedule 6		
LOANS & ADVANCES		
Loans & Advances to others	2,785,505	529,560
Advance Payment of Tax (Net)	234,962	239,546
	3,020,467	769,106
Schedule 7		
CURRENT LIABILITIES		
Sundry Creditors	235,091,075	235,091,075

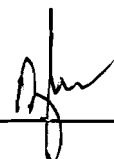
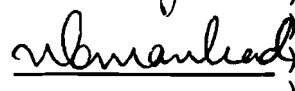
SUDAS MANUFUTURING & TRADING LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Rs.	Previous Year Rs.
A. Cash flow from Operating Activities		
Profit(Loss) befor Tax	722,448	953,799
Other Adjustment	-	
Operating Profit/(loss) before working capital changes	722,448	953,799
Increase/(Decrease) in sundry Creditors	-	(1,330,450)
Decrease/(Increase) in Advances	(2,255,945)	245,886,640
Decrease/(Increase) in Sundry Debtors	-	4,871,893
Net cash generated from operations	(1,533,497)	250,381,882
Direct Tax Paid	(215,416)	(673,780)
Net cash generated from operating activities	(1,748,913)	249,708,102
B. Cash Flow from Financing Activities		
(Decrease) (Increase) in loan funds	(19,293,500)	(290,706,500)
Net cash generated from / (used in) financing activities	(19,293,500)	(290,706,500)
Net Increase/(Decrease) incash and cash equivalent	(21,042,413)	(40,998,398)
Cash and cash equivalent at beginning of the year	22,015,098	(63,013,496)
cash and acah equivalent at end of the year	972,685	22,015,098

As per our Attached Report of even date

For **A.H. Desai & Associates**
Chartered Accountant

 Y.A. Desai
Partner


 BKG _____)
 NBM  _____) Directors

Place : Mumbai

Dated : 21 JUN 2010

Place : Mumbai

Dated : 21 JUN 2010

SUDAS MANUFACTURING AND TRADING LTD

SCHEDULE : 8 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation:

The Accounts have been prepared to comply in all material aspects with applicable accounting principles in India, applicable accounting standards notified under Section 211 (3) (c) of the Companies Act, 1956 and relevant provisions thereof. The financial statements have been prepared under the historical costs conventions on an accrual basis. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Although these estimates are based upon historical event and management's best knowledge of current events and actions, actual results could differ from those estimates. Material estimates used in these financial statements that are susceptible to change as more information becomes available include useful economic lives of property, plant and equipment, retirement benefits, guarantees, warranties and income taxes.

3) Revenue Recognition:

Revenue (Income) is recognized when no significant uncertainty as to determination on realization exists. Sales are recognized net of trade returns and discounts on dispatch of goods to customers. Interest income is accounted on accrual basis. Dividend income is accounted for when right to receive income is established.

4) Taxes on Income :

Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income & accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

5) Inventories:

Items of inventories are valued at cost or net realizable value, whichever is lower. The cost is determined on FIFO basis.

6) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(B) NOTES TO ACCOUNTS

1) **Deferred Tax:**

The Company has implemented accounting standard 22 on accounting taxes on Income, issued by the Institute of Chartered Accountants of India. The Company has carried forward tax losses; however, deferred tax asset has not been recognized since there is no reasonable / virtual certainty of realization of the same.

2) Related Party Transactions

Names of related parties and description of relationship where transactions have taken place during the period:

Mishapar Investments Limited	-	Holding Company
Mafatlal Industries Limited	-	Holding Company of Party No.1 (Mishapar Investments Ltd)

Enterprises over which key management personnel and their relatives are able to exercise significant influence:

Mishapar Investments Limited
Mafatlal Industries Limited

Details of transactions with related parties during the period :

	Nature of Transactions	Current Year			Previous Year		
		Amount in Rupees			Amount in Rupees		
		1	2	Total	1	2	Total
(1)	Advance Given to	NIL	NIL	NIL	NIL	89290300	89290300
	Amount due to as at the year end	NIL	NIL	NIL	NIL	NIL	NIL
	Amount due from as at the year end	NIL	235063500	235063500	NIL	235063500	235063500
(2)	Loan Received from	NIL	NIL	NIL	NIL	45000000	45000000
	Amount due to us at the year end	NIL	NIL	NIL	NIL	NIL	NIL
	Amount due from us at the year end	NIL	NIL	NIL	NIL	19293500	19293500

3) Quantitative details in respect of finished goods traded in :

	Current Year		Previous Year	
	Quantity	Value Rupees	Quantity	Value Rupees
Opening Stock	-	-	-	-
Purchases – Fabrics - Mtrs.	8925	1020150	45630	4068987
Sales Fabrics – Mtrs.	8925	1043000	45630	4106270
Closing Stock	-	-	-	-

5) Figures of the Previous Year have been regrouped wherever necessary to correspond with figures of Current Year

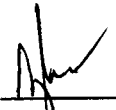
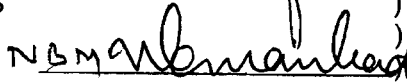
As per our Report attached

FOR A.H.DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER

PLACE : MUMBAI

DATED : 21 JUN 2010

BKG. 
N B M  DIRECTORS

PLACE : MUMBAI

DATED : 21 JUN 2010

SUDAS MANUFACTURING AND TRADING LTD

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

i)	Registration No. 87052 Balance Sheet Date 31.3.2010	:	State Code 11
ii)	Capital raised during the year (Amount in Rs. Thousands) :		
	Public Issue		Rights Issue
	Nil		Nil
	Bonus Issue		Private Placement
	Nil		Nil
iii)	Position of mobilisation and deployment of Funds(Amount in Rs. Thousands)		
	Total Liabilities		Total Assets
	3966		3966
	Source of Funds Paid up Capital		Reserves and Surplus
	500		3441
	Secured Loans		Unsecured Loans
	Nil		25
	Application of Funds Net Fixed Assets		Investments(inclusive of Jewellery)
	Nil		Nil
	Net Current Assets		Miscellaneous Expenditure
	3966	NIL	
	Accumulated Losses		
	NIL		

3) Quantitative details in respect of finished goods traded in :

	Current Year		Previous Year	
	Quantity	Value Rupees	Quantity	Value Rupees
Opening Stock	-	-	-	-
Purchases – Fabrics - Mtrs.	8925	1020150	45630	4068987
Sales Fabrics – Mtrs.	8925	1043000	45630	4106270
Closing Stock	-	-	-	-

5) Figures of the Previous Year have been regrouped wherever necessary to correspond with figures of Current Year

As per our Report attached

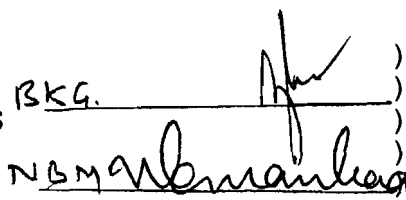
FOR A.H.DESAI & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER

PLACE : MUMBAI

DATED : 21 JUN 2010

BKG.


DIRECTORS

PLACE : MUMBAI

DATED : 21 JUN 2010

iv) Performance of Company (Amount in Rs. Thousands)

Turnover/Receipts	Total Expenditure
1782	1060
Profit before Tax	Profit After Tax
722	502
Earnings per Share in Rs.	Dividend %
10.05	Nil

v) Generic names of Three
Principal products/services
of Company(as per monetary
terms)

Item Code No. (ITC code)))) Not applicable
Product Description)

BKG. _____)
N/BM _____) DIRECTORS

PLACE: MUMBAI

DATED: 21 JUN 2010