

CONTENTS

Corporate Information	1
Directors' Report	2
Report on Corporate Governance	5
Statement Pursuant to Section 212(1)(e)	16
Management Discussion and Analysis Report	19
CEO/CFO Certification	22
Auditors' Report	23
Standalone Financial Statements	26
Consolidated Financial Statements	52
Notes forming part of Consolidated Accounts.	62
Subsidiaries Financials	
• Ladderup Corporate Advisory Private Limited	73
• Ladderup Wealth Management Private Limited	96

CORPORATE INFORMATION

BOARD OF DIRECTORS	<ul style="list-style-type: none">: Shri T. B. Subramaniam (Chairman): Shri K.V.S. ShyamSunder: Shri Sunil Goyal (Managing Director): Shri Manoj Singrodia: Shri K. M. Tulsian: Shri Dhaval Desai: Shri Burzin Somandy (Resigned w.e.f. 27-7-2010): Shri Hemang Jangla (Resigned w.e.f. 9-9-2009): Shri Parimal Sheth (Executive Director & CEO): Shri Rajesh Murarka (Executive Director & CFO)
COMPANY SECRETARY	<ul style="list-style-type: none">: Kum Puja Mehta
REGISTERED OFFICE	<ul style="list-style-type: none">: A-204, Rajeshri Accord, Telly Cross Lane, Off S. N. Road, Andheri (East), Mumbai – 400 069
CORPORATE OFFICE	<ul style="list-style-type: none">: 102-A, 1st Floor, Hallmark Business Plaza, Gurunanak Hospital Road, Bandra (East), Mumbai – 400 005
BANKERS	<ul style="list-style-type: none">: Axis Bank: Bank of Maharashtra: Dhanalaxmi Bank Limited
AUDITORS	<ul style="list-style-type: none">: M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai
REGISTRAR AND SHARE TRANSFER AGENTS	<ul style="list-style-type: none">: Sharex Dynamic (India) Private Limited Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072.

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present your Company's 17th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

Amount (INR Lacs)

	2009-10	2008-09	2009-10	2008-09
	Consolidated		Standalone	
Operational and other Income	598.74	765.78	159.37	224.77
Profit before depreciation and Tax	178.41	280.24	108.81	69.34
Less: Depreciation	16.61	15.55	3.39	4.62
Profit before Tax	161.80	264.69	105.42	64.72
Less: Provision for Taxation	41.00	95.00	18.00	4.50
Less: Provision for Fringe Benefits Tax	-	2.78	-	0.40
Less/(Add): Deferred Tax for the year	(1.36)	(0.10)	(0.15)	(0.30)
Profit after Tax	122.16	167.01	87.57	60.12

2. FINANCIAL HIGHLIGHTS:

On the standalone basis your Company has earned the revenue of Rs.159.37 Lacs in FY 2009-10 as compared to the revenue of Rs. 224.77 Lacs in FY 2008-09. However the profit after tax of your Company is Rs. 87.57 Lacs in FY 2009-10 as compared to Rs. 60.12 Lacs in FY 2008-09 recording a growth of 45.6%. The growth in the profit is basically attributed towards better returns extracted from the investment in the listed and unlisted securities.

On the consolidated basis your Company has recorded total revenue of Rs. 598.74 Lacs in FY 2009-10 as compared to Rs. 765.78 Lacs in FY 2008-09. The profit after tax in FY 2009-10 is Rs. 122.16 Lacs as compared to Rs. 167.16 Lacs in FY 2008-09.

In FY 2009-10 your Company's subsidiary Company Ladderup Corporate Advisory Private Limited (LCAPL) which is engaged in the fee based services has successfully completed various big ticket loan syndication, private equity and corporate advisory transactions.

Further Ladderup Corporate Advisory Private Limited has received Merchant Banking Registration from Securities and Exchange Board of India (SEBI) and shall now be able to serve clients in the services related to capital market transactions like QIP, Open Offers, Buy Back offers, IPO, FPO, Right Issues, valuations, etc. which will further establish its presence in equity capital market segment.

Ladderup Wealth Management Private Limited, the other subsidiary of your Company is engaged in the wealth management solutions for HNIs, SMEs and Corporates. The Company is in its initial years of operation and has chalked out extensive growth plans in the wealth management services by increasing its product basket.

Being underlying enough growth opportunities your Company is desirous to enter into Insurance Broking Sector. In order to foray its arms in this Sector, your Company had acquired one more Company i.e., Ladderup Insurance Broking Private Limited as its subsidiary Company. The said Company is in the Business of General and Life Insurance Broking both — for and on behalf of clients. This new Company hopes good growth opportunities in the forthcoming financial year.

DIRECTORS' REPORT

3. DIVIDEND:

Since the Company will be required to plough back the profits in order to fund the future growth plans, the Board does not recommend any dividend for the year under review.

4. FIXED DEPOSITS:

The Company has not accepted any deposits from the public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

5. LISTING:

The shares of the Company are listed on "Bombay Stock Exchange Limited" being the Regional Stock Exchange at Mumbai. The Company has paid listing fees to the Stock Exchange, Mumbai upto the financial year 2010-2011. The Company has already requested the Ahmedabad and Jaipur Stock Exchanges for de-listing of its shares. However, no intimation has been received so far.

6. DIRECTORS:

Shri Manoj Singrodia and **Shri K. M. Tulsian**, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Shri Burzin Somandy, Director has tendered his resignation on 27th July, 2010. The Board accepted the same in its Meeting held on 14th August, 2010. Board placed acknowledgment for the guidance and expertise rendered by him to the Company during his tenure of Directorship.

7. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 the Board of Directors confirms:

- (a) that in the preparation of the accounts, the applicable accounting standards have been followed.
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profit of the Company for the year ended 31st March, 2010.
- (c) that the Directors have taken proper and sufficient care for the maintenances 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.
- (d) that the Directors have prepared the annual accounts on a going concern basis.

8. CORPORATE GOVERNANCE:

Pursuant to clause 49 (VII) of the Listing Agreement with the Stock Exchange, a separate report on Corporate Governance forms part of the Directors' Report in the Annual Report. Your Company is compliant with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from M/s. HS Associates, Company Secretaries, Mumbai, regarding compliance with conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report.

The Company is complying with Clause 49 of the Listing Agreement with regard to Corporate Governance and reports to that effect are being regularly filed with Stock Exchange. The Company has obtained declaration from the Directors and Senior Management Personnel of the Company for compliance of Code of Conduct and Certificate from CEO/CFO on the financial results for the year ended 31st March, 2010.

DIRECTORS' REPORT

9. SUBSIDIARIES :

The Company has two subsidiaries i.e. Ladderup Corporate Advisory Private Limited and Ladderup Wealth Mangement Private Limited. A statement containing details as required under Section 212 of the Companies Act, 1956 is enclosed herewith. Post Balance-Sheet date, the Company has also invested into a new Company carrying on the business of Insurance Broking i.e. Ladderup Insurance Broking Private Limited thereby making it its subsidiary.

10. COMMITTEES:

The Company has already constituted the Audit Committee, Shareholder's Committee, Investment Committee, and Remuneration Committee. Committee of the Board for Issue of Warrants on Preferential basis was dissolved since the purpose for which the Committee was formed is completed.

11. AUDITORS:

M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai who are Statutory Auditors of the Company, continue to hold office until the conclusion of 17th Annual General Meeting and offer themselves for re-appointment.

A certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

12. INSIDER TRADING:

The Company has implemented a policy prohibiting Insider Trading in conformity with applicable regulations of the Securities Exchange Board of India ("SEBI"), which has been laid down for employees, connected persons and persons deemed to be connected for trading in the securities of the Company.

13. MANAGEMENT DISCUSSION AND ANALYSIS:

The report on Management Discussion and Analysis has been attached and forms an integral part of this report.

14. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Information required to be given under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not apply to your Company. There was no foreign exchange earning or outgo during the year.

16. ACKNOWLEDGEMENT:

The Board wishes to acknowledge and thank all stakeholders for their valuable sustained support and encouragement towards the conduct of the proficient operations of the Company. Your Directors would like to place on record their gratitude to all the employees who have continued their support during the year.

Date : 14th August, 2010

Place : Mumbai

Regd.office : A-204 Rajeshri Accord,
Telly Cross Lane, Off S. N. Road,
Andheri (East), Mumbai-400 069

For and on behalf of the Board

(Sunil Goyal)
Managing Director

(Parimal Sheth)
Executive Director & CEO

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

The philosophy of Corporate Governance is implemented in the Company with its objectives of attaining highest standards of Corporate Governance and to respect its fiduciary responsibilities to the stakeholders. The policies and guidelines of the Company have been implemented in all facets of its operations to build-up an environment of trust and confidence amongst the stakeholders of the Company. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility, amongst others, serve as the means of implementing corporate governance both in letter and spirit. The performance of the Company leading to higher growth and profits is by way of sustained efforts and its commitment to the highest standard of corporate conduct.

Board of Directors:

Composition

- (i) The Board composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement. During the year under review i.e. 31st March, 2010, the strength of the Board is 9 Directors comprising of 4 Independent Non-Executive Directors, 2 Non-Executive Directors and 3 Executive Directors (ED) with the Chairman being Independent Non-Executive Director.

The composition of the Board as on 31st March, 2010 was as follows:

Name of Director	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships	No. of Board meetings Attended	Attendance at the last AGM
Shri T. B. Subramaniam	Independent Non-Executive Director, Chairman	2	5	2	Yes
Shri Sunil Goyal	Managing Director	1	-	5	Yes
Shri K.V.S. ShyamSunder	Independent Non-Executive Director	2	-	5	Yes
Shri Manoj Singrodia	Non-Executive Director	-	-	4	Yes
Shri K.M. Tulsian	Non-Executive Director	-	-	3	Yes
Shri Dhaval Desai	Independent Non-Executive Director	2	-	2	No
Shri Burzin Somandy	Independent Non-Executive Director	1	3	0	No
** Shri Hemang Jangla	Independent Non-Executive Director			0	No
Shri Parimal Sheth	Executive Director & Chief Executive Officer	-	-	5	Yes
Shri Rajesh Murarka	Executive Director & Chief Financial Officer	-		4	Yes

*excludes directorships in private limited companies.

**Resigned as Director w.e.f. 9-9-2009

- (ii) In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, Membership/ Chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

REPORT ON CORPORATE GOVERNANCE

- (iii) None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.
- (iv) Five Board Meetings were held during the year 2009-10, (on 29th April, 2009; 30th June, 2009; 29th July, 2009; 31st October, 2009, 30th January, 2010). Details of directors seeking appointment/reappointment at the forthcoming Annual General Meeting (pursuant to clause 49 IV(G)(i) of the Listing Agreement).
- (v) As on 31st March, 2010 none of Directors were disqualified under Section 274(1)(g) and any other provisions of Companies Act, 1956.
- (vi) None of the Directors have pecuniary or business relationship with the Company apart from those mentioned in this Annual Report.
- (vii) **Post-meeting follow-up mechanism:** Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action taken Report on the progress of the Company is placed at the succeeding meetings of the Board/Committee for noting.

Re-appointment of Directors

1. Shri Manoj Singrodia, Director retires by rotation and is eligible for re-appointment. He is also a Non-Executive Director of the Company. He is Fellow Chartered Accountant and specializes in Taxation, Regulatory and Transaction Services.
2. Shri K. M. Tulsian, Director retires by rotation and is eligible for re-appointment. He is also a Independent Non-Executive Director of the Company. By qualification, he is a Fellow Chartered Accountant and specializes in the field of Audit and Taxation.
3. Shri Rajesh Murarka, Whole-time Director and CFO is further appointed for the period of five years with effect from 1st April, 2010. By qualification, he is a Fellow Chartered Accountant and specializes in the field of Debt Syndications and in Project Evaluation Financing.

Board Committees:

The Board has constituted Committees of Directors to monitor the activities and to deal with matters within the terms of reference of the respective Committees.

(a) Audit Committee:

The Company has an Audit Committee at the Board level with powers and role that are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee acts as a link between the management, the statutory auditor and the Board of Directors.

The members of the Audit Committee are Non-Executive Directors, with majority of them being Independent. The Chairman of the Committee is an Independent Director. The members have vast experience in the field of Banking, Finance and Accounts.

The Committee met 5 times during the year under review on 29th April, 2009; 30th June, 2009; 29th July, 2009; 31st October, 2009 and 30th January, 2010.

Composition of Audit Committee and details of the meetings attended

Name	Category	No. of Committee Meetings attended
Shri T. B. Subramaniam	Chairman (Independent Non-Executive Director)	2
Shri K. V. S. ShyamSunder	Member (Independent Non-Executive Director)	5
Shri Burzin Somandy	Member (Independent Non-Executive Director)	0
Shri Sunil Goyal	Member (Managing Director)	5

REPORT ON CORPORATE GOVERNANCE

Broad terms of reference and functions of the Audit Committee are as per following:

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing audit reports of Statutory Auditors with Management and the Auditors.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing Management Discussion and Analysis of financial condition and results of operation.
- Reviewing statement of significant related party transactions submitted by the management.
- Reviewing accounting treatment and confirmation of the fact that the financial statements are giving true and fair view.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

(b) Remuneration Committee:

The Remuneration Committee comprises of 4 Non-Executive Directors, out of which an Independent Director acts as its Chairman. The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the Company's Executive Directors (EDs)/ Whole Time Directors (WTDs) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

The Committee met once during the year on 29th April, 2009.

Composition of Remuneration Committee

Name	Category	No. of Committee Meetings attended
Shri Burzin Somandy	Chairman (Independent Non-Executive Director)	0
Shri Manoj Singrodia	Member (Non-Executive Director)	1
Shri K.M. Tulsian	Member (Non Executive Director)	1
Shri T.B. Subramaniam	Member (Independent Non-Executive Director)	0

REPORT ON CORPORATE GOVERNANCE

The Executive Directors are receiving remuneration as fixed by the Board. The other Non-Executive Independent Directors do not receive any remuneration except sitting fees.

Details of remuneration paid to Non-Executive Directors during 2009-10

Name	Sitting Fees (Rs.)
Shri T.B. Subramaniam	6,000
Shri K.V.S ShyamSunder	23,000
Shri Dhaval Desai	6,000
Shri Manoj Singrodia	9,000
Shri K. M. Tulsian	6,000
Shri Hemang Jangla	1,000
Shri Burzin Somandy	7,000

Details of remuneration paid to Executive Directors during the year 2009-10

Name	Salary (Rs.)
Shri Rajesh Murarka	15,00,000

Following is the list of Non-Executive Directors and their Shareholdings in the Company.

Name of the Non-Executive Directors	Number of Equity Shares	Non-convertible Instruments
Shri Manoj Singrodia	1,21,400	N.A.
Shri K.M. Tulsian	20,000	N.A.
Shri T.B. Subramaniam	4,100	N.A.
Shri Dhaval Desai	—	N.A.
Shri Hemang Jangla	—	N.A.
Shri K.V.S. ShyamSunder	—	N.A.
Shri Burzin Somandy	—	N.A.

(c) Shareholders/Investors Grievance Committee:

The role and function of the Shareholders/Investors Grievance Committee is to effectively redress the complaints received from the shareholders relating to dematerialization, transfer of shares, non-receipt of the balance sheet and dividend, etc. The Committee overviews the steps to be taken for improving further the quality of service to the investors.

To expedite the process of share transfer, the Board has delegated necessary process to the Registrar and Share Transfer Agents viz; M/s. Sharex Dynamic (India) Private Limited.

During the year under review, the company did not receive any complaints for non-receipt of transferred share certificates. As certified by the Share Transfer Agent of the Company the complaint was redressed, thereby no pending share transfers or any complaints with the Company as on 31st March, 2010.

REPORT ON CORPORATE GOVERNANCE

Ms. Puja Mehta, Company Secretary was appointed as Compliance Officer of the Company in place of Shri Parimal Sheth with effect from 29th April, 2009.

The Committee met twice during the year under reviews on 31st October, 2009 and on 31st Jan, 2010.

Composition of Shareholders/Investors Grievance Committee and details of the meetings attended:

Name	Category	No. of Committee Meetings attended
Shri K.V.S ShyamSunder	Chairman (Non-Executive Director)	2
Shri Dhaval Desai	Member (Independent Non-Executive Director)	0
Shri Manoj Singrodia	Member (Non-Executive Director)	2

(Shri Hemang Jangla, Director discontinued w.e.f. 9-9-2009 and was a Member of the Committee till then. Thus, did not attend these two Committee Meetings.)

The Shareholder's Committee is empowered to perform all the functions of the Board in relation to handling of Shareholder's grievances. It primarily focuses on:

- Review of investor complaints and their redressal.
- Review of the queries received from the investors.
- Review of the work done by Share Transfer Agents.
- Review of corporate actions related work.
- The Committee also monitors implementation and compliance of Company's Code of Conduct.

(d) Investment Committee:

The Committee met twelve times during the year under report on 2nd April, 2009; 5th May, 2009; 5th June, 2009; 3rd July, 2009; 5th August, 2009; 3rd September, 2009; 3rd October, 2009; 2nd November, 2009; 8th December, 2009; 8th January, 2010; 8th February, 2010 and 8th March, 2010.

Composition of Investment Committee and details of the meetings attended:

Name	Category	No. of Committee Meetings attended
Shri. Manoj Singrodia	Chairman (Independent Non-Executive Director)	12
Shri Sunil Goyal	Member (Managing Director)	12
Shri Parimal Sheth	Member (Executive Director)	12

Broad terms of reference and functions of the Investment Committee are as per following:

- (a) To invest surplus funds of the Company in all types of securities.
- (b) To execute necessary investment documents.
- (c) To buy, sell, trade, hold, pledge in all types of securities
- (d) To take any other necessary actions related to investment/disinvestment.

REPORT ON CORPORATE GOVERNANCE

- (e) To report to the Board about the investments/disinvestments in securities since last Board Meeting.

(e) Board Committee for Issue of Warrants on Preferential Basis:

The Committee met once during the year on 30th June, 2009. This Committee was dissolved in the Board Meeting held on 31st October, 2009 as the purpose for which it was formed had been accomplished.

Composition of Board Committee

Name	Category	No. of Committee Meetings attended
Shri T.B. Subramaniam	Chairman (Independent Non-Executive Director)	-
Shri Dhaval Desai	Member (Independent Non-Executive Director)	1
Shri K.V.S. Shyamsunder	Member (Independent Non-Executive Director) ¹	1

Broad terms of reference of the Board Committee are as follows:

- To overlook various compliances in relation to Issue of Warrants on Preferential Basis and their conversion into Equity Shares of the Company.
- To issue Warrants.
- To issue Equity Shares of the Company on conversion of Warrants as and when required in compliance with applicable laws and guidelines.

No sitting fees are paid for the non-mandatory committee meetings.

General Body Meetings:

Details of last three years General Body Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolutions passed
2006-07 (AGM)	24/09/2007	4.00 p.m.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.	N.A.
2007-08 (EGM)	15/01/2008	11.00 a.m.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.	<ol style="list-style-type: none"> Increase in authorised capital from Rs. 5 crores to Rs. 10 crores as per the provisions of Section 94 of the Companies Act, 1956. Amendment of Article No. 3 of the Articles of Association under Section 31 of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Financial Year	Date	Time	Venue	Special Resolutions passed
				<p>3. Preferential Issue of 40 Lacs of Convertible Warrants to promoter group and others. As per the provisions pursuant to Sections 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and SEBI (Disclosure and Investor Protection) Guidelines, 2000 and in accordance with the provisions of the Memorandum and Articles of Association of the Company.</p> <p>4. Increase in borrowing limits of the company to Rs. 25 Crores in terms of Section 293(1)(d) of the Companies Act, 1956.</p>
2007-08 (AGM)	27/09/2008	10.30 a.m.	Hotel Suba Galaxy, N.S. Phadke Road, Off. Western Express Highway, Andheri (E), Mumbai – 400 069.	N.A.
2008-09 (AGM)	9/09/2009	10.00 a.m.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.	1. Variation in managerial remuneration of Mr. Rajesh Murarka, Executive Director and Chief Financial Officer.

The Shareholders passed all the resolutions set out in the respective notices.

There was no special resolution passed through postal ballot and no postal ballot is proposed at the ensuing Annual General Meeting.

Other Disclosures:

Materially significant related party transactions

During the financial year 2009-10, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company. Besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, Directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

REPORT ON CORPORATE GOVERNANCE

Statutory Compliance

The Company has complied with the requisite regulations relating to capital markets. There were no instance of non-compliance on any matter related to the Capital markets during the past three years and none of the Stock Exchanges or SEBI or any other statutory authority imposed any penalties or strictures of the Company during the last 3 years. The Company has complied with the mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

Proceeds from Preferential Issues

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from Preferential Issues made by the Company during the year under review. Proceeds were received from the Preferential Issue of Warrants and these warrants were converted into Equity Shares and subsequently listed on Bombay Stock Exchange. The Company prepared a statement of proceeds of utilization of funds on a quarterly basis and placed it before the Board which was approved by the Board of Directors.

Subsidiary Companies

The Company has two subsidiaries i.e. Ladderup Corporate Advisory Private Ltd. and Ladderup Wealth Management Private Ltd. Post the Balance Sheet; the Company has also invested into a new Company carrying on the business of Insurance Broking i.e. Ladderup Insurance Broking Private Limited thereby making it its subsidiary.

Risk Management

The Company has laid down the requisite procedures to inform the Board Members about the risk assessment and minimization procedures.

Means of Communication

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirements of Clause 41 of the Listing Agreement. The Audited/ Unaudited Results are published in Free Press, English daily and in Navshakti, Marathi daily being the regional language

The Company has its own website in the name of www.ladderup.com on which all the corporate information is made available to the general public.

Management Discussion & Analysis Report is attached herewith forming part of the Annual Report.

General Shareholders Information:

Annual General Meeting Day, Date, Time and Venue	: On Tuesday, 21 st day of September, 2010 at 10.00 a.m. at Hotel Suba Galaxy N.S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai-400 069
Date of Book Closure	: From Wednesday, 15 th September, 2010 to 22 nd September, 2010.
Dividend payment date	: N.A.

Financial Year/Calendar 2010-11 (Tentative)

Results for first quarter ending June 30, 2010	: On or before 14 th Aug., 2010
Results for second quarter ending September 30, 2010	: On or before 15 th Nov., 2010

REPORT ON CORPORATE GOVERNANCE

Results for third quarter ending : On or before 15th Feb., 2011
December 31, 2010

Results for financial year ending : On or before 30th May, 2011.
March 31, 2011

Registered Office : A-204, Rajeshri Accord, Telly Cross Lane,
Off S. N. Road, Andheri (E), Mumbai -400 069.

Registrar and Share Transfer Agents : Unit 1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East), Mumbai-400 072.

M/s. Sharex Dynamic (India) Private Limited is a SEBI authorised Registrar and Share Transfer Agents and they are authorised for both physical and electronic transfers and dematerialization of shares and all matters related to shareholders records.

Share Transfer System : Physical transfer of shares are processed by the Share Transfer Agents and approved by the Shareholders/ Investors Grievance Committee. Transfer of shares is affected and share certificates are sent to the transferee within 30 days from the date of receipt, provided the relevant documents are complete in all respects.

Listing on Stock Exchanges : Bombay Stock Exchange
(The Company has already requested the Ahmedabad and Jaipur Stock exchanges for delisting of its shares. However, no information has been received so far.)

Stock Code : 530577

Demat ISIN Number in : INE 519D01015
NSDL and CDSL

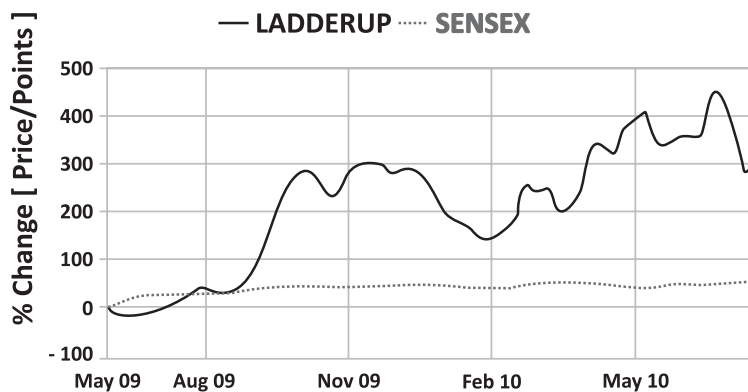
Market price data : The market price data of the Company are as given below:

Month	High (Rs.)	Low (Rs.)
April-09	12.51	8.77
May-09	8.35	5.41
June-09	7.58	8.25
July-09	9.18	7.95
August-09	10.11	8.35
September-09	24.23	10.12
October-09	29.45	21.50
November-09	27.40	24.00
December-09	28.70	23.35
January-10	24.15	18.20
February-10	18.15	18.05
March-10	28.55	18.60

REPORT ON CORPORATE GOVERNANCE

Performance in comparison to broad-based indices such as BSE Sensex, etc. to be mentioned.

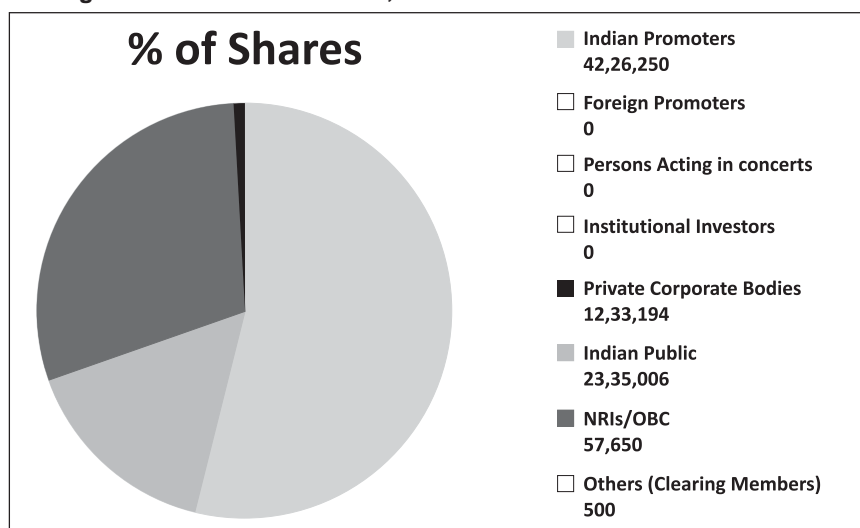
Index Comparison



Distribution of shareholding as on 31st March, 2010

Distribution of Shares (Slab-Wise)	No. of Shareholders	Percentage to Total No. of Shareholders	Shareholding (Amt in Lacs)	Shareholding in %
Up to 5000	665	90.72	46.65	5.93
5001-10000	16	2.18	11.51	1.47
10001- 100000	31	4.23	109.45	13.94
1,00,000 & Above	21	2.86	617.65	78.66
Total		100.00	785.26	100.00

Shareholding Pattern as on 31st March, 2010



REPORT ON CORPORATE GOVERNANCE

Category	No. of Shares	% of Shares
Indian Promoters	42,26,250	53.873
Foreign Promoters	0	0
Persons Acting in concerts	0	0
Institutional Investors	0	0
Private Corporate Bodies	12,33,194	15.704
Indian Public	23,35,006	29.683
NRI/OBC	57,650	0.734
Others (Clearing Members)	500	0.006
	78,52,600	100

Dematerialization of Shares and liquidity

As per the notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialized form with effect from 8th May, 2000.

As on 31st March, 2010, 77.95% of your Company's Equity Shares representing 61,20,950 Equity shares are held on dematerialized mode and the balance were in paper form.

In the financial year 2008-09, the Company had issued, on preferential basis, 40 Lacs convertible warrants at a premium of Rs. 10/- per warrant to promoter group and other investors, in accordance with SEBI guidelines. Out of this 38.50 Lacs warrants were converted into Equity Shares during the year. Balance 1.50 Lacs warrants were not converted into equity shares on non exercise of option before the due date and accordingly the upfront subscription amount of Rs. 3.00 Lacs on issue of these warrants have been forfeited during the year. The Company has utilized entire amount of warrant issue proceeds towards the objects as mentioned in the offer document. These 38.50 Lacs Equity Shares were listed on the Bombay Stock Exchange.

Other than this, the Company has not issued ESOP or any GDRs/ADRs instrument.

Since the Company is dealing in shares, stocks and other non fund based activities, the information about Plants is not applicable.

Address for correspondence

Shareholders should address correspondence to the Company's Registrars and Share Transfer Agents at the address mentioned above. Shareholders could also contact at the Registered Office of the Company at the address mentioned above.

Compliance Certificate

As required under Clause 49 of the Listing Agreement, M/s. HS Associates, Company Secretaries have verified the compliance of the corporate governance norms by the Company. Their report is annexed hereto.

Code of Conduct

The Board of Directors have approved and adopted a Code of Conduct for the members of the Board and senior management of the Company. This Code of Conduct is posted on the website of the Company and the members of the Board and senior management have affirmed the annual compliance of the Code.

Also the Code of Conduct for Insider Trading is adopted by the Board and uploaded on the website of the Company.

REPORT ON CORPORATE GOVERNANCE

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Ladderup Corporate Advisory Private Limited	Ladderup Wealth Management Private Limited
Financial Year ending of the Subsidiary	31 st March, 2010	31 st March, 2010
Holding Company's interest Number of shares held	2,90,000 Equity Shares of Rs. 10/- each fully paid-up	85,000 Equity Shares of Rs. 10/- each fully paid-up
Extent of holding	100%	85%
For the financial year of the subsidiary		
– Profit/(Losses) so far as it concerns the members of the holding Company and not dealt with in the books of accounts of the holding Company	Rs. 4,695,262/-	(Rs. 1,051,768/-)
– Profit/(Losses) so far as it concerns the members of the holding Company and dealt with in the books of accounts of the holding Company	Nil	Nil
For the previous financial years of the subsidiary since it became a subsidiary		
– Profit/(Losses) so far as it concerns the members of the holding Company and not dealt with in the books of accounts of the holding Company	Rs. 25,554,074/-	(Rs. 1,825,552/-)
– Profit/(Losses) so far as it concerns the members of the holding Company and dealt with in the books of accounts of the holding Company	Nil	Nil

Date : 14th August, 2010

Place : Mumbai

Regd.office : A-204 Rajeshri Accord,
Telly Cross Lane, Off S. N. Road,
Andheri (East), Mumbai-400 069

For Ladderup Finance Limited

(Sunil Goyal) **(Parimal Sheth)**
Managing Director Executive Director & CEO

DECLARATION

I, Parimal Sheth, CEO of the Company hereby declares that all the Board members and senior management personnel have affirmed compliance with the code of conduct on annual basis.

For Ladderup Finance Limited

Parimal Sheth
Executive Director & CEO

Date: 14th August, 2010

Place: Mumbai

CERTIFICATE

To
The Board of Directors,
Ladderup Finance Limited
A-204, Rajeshri Accord,
Telly Cross Lane,
Off S.N. Road,
Andheri (East),
Mumbai – 400 069

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31st March, 2010 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.

We further state that our examination of 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 HS Associates
Company Secretaries,
Hemant Shetye
Partner
FCS-2827
COP-1483

Mumbai
Date: 14th August, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

The Indian economy, which managed to emerge out of the global turmoil in FY 2008-09 relatively unscathed, witnessed a quick rebound in FY 2009-10. The global growth momentum also saw a rise following the unprecedented boost of liquidity by federal governments across countries, especially in developed economies. India has bounced back strongly on the backdrop of strong domestic demand and growth in almost all sectors of the economy.

As per the advance estimates released by the Central Statistical Organization, the Indian Economy is expected to grow at 7.2% in 2009-10. The recovery story of the Indian Economy is further evident from the fact that the Index of Industrial Production (IIP) showed an average growth at 10.5% in the period April'09-Feb'10. A sharp recovery in the capital goods segment is also indicative of rising investment demand.

In 2008-09 the adverse impact of the global financial market turmoil was felt in the form of reversal of FII inflows and decline in long term and short term debt flows. With stabilization in the global financial markets, flows into the Indian Economy through FII, FDI and most of the debt categories improved.

The improvement in the economic environment in India was more rapid than the developed world. This improvement led to an upturn in the financial services sector and capital markets in India.

BUSINESS PERFORMANCE INCLUDING SUBSIDIARIES OF LADDERUP FINANCE LIMITED

Ladderup Finance Limited (LFL), the parent company is engaged primarily in investing in listed and unlisted companies. In the unlisted space, the philosophy of your company is to invest in promising growth companies by providing them with the growth capital and exit when the investment provides sound returns. Your company regularly monitors the performance of all the investee companies and keeps watch on good exit opportunities for better returns on investments.

Ladderup Corporate Advisory Private Limited (LCAPL), a subsidiary of your company is engaged in fee based advisory services to its clients. LCAPL has maintained its focus on fee based big ticket transactions and will continue to focus on the same because of the increased opportunities in the space of debt syndication, private equity, M&A and corporate advisory particularly in sectors like power, infrastructure, engineering, services and manufacturing. The company has pipeline of running mandates in the Debt, Private Equity and M&A space which on completion will add to the topline of the company.

Further LCAPL has received the merchant banking registration from Securities and Exchange Board of India (SEBI) and shall now be able to serve clients in services related to capital market transactions like QIP, Open Offers, Buy Back offers, IPO, FPO, Right Issues, valuations etc. which will further establish its presence in the equity capital market segment.

LCAPL has also setup a Business Development and Market Intelligence Cell which will focus on getting leads and mandates for the company.

Since the company is growing in terms of size and manpower, it has shifted to a bigger office space in Bandra, Mumbai.

In order to further enhance its presence in Tier I and Tier II cities LCAPL has appointed growth partners at various locations in India to source business for the company. This arrangement will further expand its business horizons.

Ladderup Wealth Management Private Limited (LWMPL), another subsidiary of Ladderup Finance Limited is engaged in providing wealth management solutions to its clients. Its Assets under Management (AUM) grew by 33% from Rs. 150 crores to Rs. 200 crores in FY 2009-10. In this year it has also achieved a nomination as "Best Financial Advisors – IFA – West Zone - India", from one of the leading business channel and one of the oldest mutual fund – CNBC TV and UTI Mutual Fund.

EMERGING MARKETS

Most Emerging Markets around the world went through a tough time in early 2009. Since then, recovery has been spectacular and has in fact, thrown up the question of whether the stock markets have moved

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ahead of fundamentals. Emerging Markets outperformed the developed world markets in FY 2009-10 with India, Brazil and Russia among the top outperformers.

FINANCIAL AND CAPITAL MARKETS

The secondary markets mirrored the recovery in the global economy, moderating financial risks. As discussed earlier, the economic recovery has been stronger in the emerging economies compared to advanced economies and given the prospects for relatively weak growth in the advanced economies; the capital inflows in the emerging economies have been very upbeat during FY 2009-10. The Foreign Institutional Investors (FIIs) poured money heavily to bet on the emerging markets particularly India. FIIs invested a record Rs.142,658 Crores in the Indian markets including debt instruments during FY 2009-10. This FII investment in FY 2009-10 has proven to be the highest ever inflow in the country in rupee terms in a single financial year, breaking the previous high of Rs. 66,179 Crores recorded in FY 2007-08.

India emerged as the most lucrative market for short and medium term investments. US tops the list of foreign investors in India followed by Luxembourg, France, Mauritius and the UK.

During the year, the primary market remained highly active in view of steadily improving secondary market. Indian corporate sector raised an amount of Rs. 83,240 Crores during April 2009 to February 2010 as compared to Rs. 14,908 Crores in FY 2008-09 through domestic issuances which is almost 5.5 times of the amount raised during FY 2008-09.

In the year 2009-10 (April – February) there were 34 IPO issues raising the total capital of Rs. 25,052 Crores in comparison with 2008-09 (April – March) of 21 IPOs raising Rs. 2,082 Crores. Total numbers of QIP issues were 58 raising Rs. 41,133 Crores in the same period as against 2 issues raising Rs.189 Crores in 2008-09.

Private Equity (PE) as a source of raising funds is gaining prominence in India. Presently, there are over 200 active funds in India including 15 of the top 20 global funds. There are many new private equity funds who are eyeing India as a destination for better returns. On the corporate side as well, the companies are increasingly becoming receptive to raising funds from PE investors.

In FY 2009-10, as per the estimates, the PE deal announcements totaled up to US\$ 4.8 billion from 230 deals. A large part of activity of the year was witnessed in the second half which registered 64% of the total deals announced in value terms. This clearly indicates that the PE investments in India are now recovering from the financial slowdown witnessed in the second half of FY 2008-09. The sectors which have seen the most action in the private equity space are power, infrastructure, cleantech, engineering and education.

OPPORTUNITIES AND THREATS

The Indian economy is expected to grow at a healthy rate over 7% in FY 2009-10 leading to huge investments by both the public and private sector companies. There will be large scale capital requirement to fund these investments which will present opportunities for investment banking, corporate finance and corporate advisory business of LCAPL. In the era of globalization, corporates are looking at expanding in overseas and domestic markets through merger & acquisitions which offer opportunities for the M&A vertical of LCAPL.

With increase in the income levels, change in attitude from wealth protection to wealth creation and risk taking abilities of the youth, there is also a huge market opportunity for wealth management service providers. LWMP is accordingly geared up to meet the increased demand in areas like mutual fund distribution, insurance broking, corporate FDs and other avenues of investment.

Meanwhile we need to be cautious as our business performance may be impacted by increased competition from local players operating in India and regulatory changes. With growing presence of players offering advisory services coupled with provision of funds for the clients' needs, we would face competition of unequal proportion. We continuously tackle this situation by providing increasingly superior customized services to our clients.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

HUMAN RESOURCES

Your Company recognizes the “Human Capital” as its principal asset. The Company is run by qualified and trained people who are responsive to the customers’ needs and the changing economic scenario. Employees’ relations remained cordial and the work atmosphere remained congenial during the year under review. Your Company has augmented the human resource sizably during the year.

Going forward, your organization is committed to the development of its human resources through a combination of interactive classroom sessions, external programmes and structured e-learning modules.

INTERNAL CONTROL SYSTEMS

Your Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The internal control system is improved and modified continuously to meet the changing business condition, statutory and accounting requirements.

RISK MANAGEMENT

We believe in protecting our capital and safeguarding the health of our balance sheet at all times. We practice an analytically driven approach to assessing, measuring and managing risk. It is this culture of risk awareness that has enabled us to build businesses on a strong foundation and manage the volatility across cycles. After the volatility and the downturn observed in FY 2008-09, where the focus had shifted to controlling costs and risks, the year FY 2009-10 has seen growth coming back. But we continue to build upon our commitment to prudent risk management while scaling up our businesses.

Accordingly, on the organizational front, we have strengthened the Risk Group that is responsible for the entire spectrum of risk response – articulation and policy setting, measurement, reporting and management of risk.

OUTLOOK

India along with China has distinguished itself among the few major economies in the world to post a 5%+ GDP growth rate even during the worst of the global financial crisis. This can be attributed largely to a stable government spending on infrastructure.

Controlling costs and risks and maintaining a liquid balance sheet was the focus during the second half of FY 2008-09 and initial days of FY 2009-10. At the same time, we believe that on a broader canvas our approach focuses on five key areas:

- Diversified revenue streams
- Cost flexibility
- Balance sheet flexibility
- Risk management
- Profitable growth

We will continue to capitalize on the advisory and funds raising opportunities thrown up by the growing economic activity and utilizing our team of very experienced and committed professionals to its optimum.

We propose to deepen our product suite in the advisory and debt syndication services. With the Merchant Banking Registration in hand we also propose to foray into the services related to capital market and strengthen our base in time to come.

CEO/CFO CERTIFICATION

To
The Board of Directors,
Ladderup Finance Limited
A-204, Rajeshri Accord,
Telly Cross Lane,
Off S.N. Road,
Andheri (East),
Mumbai – 400 069

We hereby certify that for the financial year, ending 31st March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:—

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in internal control during the year;
 - (b) There have been no significant changes in accounting policies during the year.
 - (c) There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

FOR LADDERUP FINANCE LIMITED

Shri Parimal Sheth
(Executive Director & CEO)

Date: 14th August, 2010

Place: Mumbai.

FOR LADDERUP FINANCE LIMITED

Shri Rajesh Murarka
(Executive Director & CFO)

AUDITORS' REPORT

To

The Members,

We have audited the attached Balance Sheet of **Ladderup Finance Limited** as at 31st March, 2010 and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 and amendment thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. 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 account as required by law have been kept by the Company as it appears from our examination of such books.
 - (c) The Company's Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account and the Cash Flow Statement comply in all material aspects with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 except, Accounting Standard 15 (AS – 15) relating to Accounting of Employees Benefits (as referred to in Note No. B(7) of Schedule "18")
 - (e) On the basis of written representation received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other 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:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In case of Cash flow statement, of the cash flows for the year ended on that date.

For Khurdia Jain & Co.
Chartered Accountants
Firm Regn. No. 120263W

Place : Mumbai
Date : 29th May, 2010

(Sampat Khurdia)
Partner
Mem. No. 33615

ANNEXURE TO AUDITORS REPORT

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Ladderup Finance Limited** for the year ended 31st March, 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year and in our opinion the interval of physical verification is reasonable. No material discrepancies have been noticed on such physical verification.
- (c) The Company has not disposed off any fixed assets during the year.
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) (a) The Company has granted unsecured loan (receivable on call basis) to its two subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount outstanding during the year was Rs. 51.97 Lacs and year end balance of such loans was Rs. 33.81 Lacs.
- (b) The above loan is interest free and other terms and conditions on which the loans have been granted are *prima facie*, not prejudicial to the interest of the Company.
- (c) In view of our comments in paras iii(a) & (b) above, clauses 4(iii)(c) and (d) of the said Order are not applicable.
- (d) The Company has taken unsecured loans from one party (payable on call basis) covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the year was Rs. 117.25 Lacs. The year end balance of such loans was Rs. 117.25 Lacs.
- (e) The rate of interest and other terms and conditions on which the loans have been granted are *prima facie*, not prejudicial to the interest of the Company.
- (f) In view of our comments in para (iii)(d) and (e) above, clause 4(iii)(g) of the said Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) Based on our audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.

ANNEXURE TO AUDITORS REPORT

- (vii) The Company does not have a formal internal audit system but its financial and other internal checks, ensures proper recording of the financial transactions.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
- (ix) (a) The Company is regular in depositing undisputed statutory dues including income tax and service tax with appropriate authorities. There are no arrears of outstanding of these dues as at the last day of the financial year for a period of more than six months from the date they became payable. The laws relating to provident fund, investor education protection fund, employee state insurance, sales tax, wealth tax, custom duty, excise duty and cess do not apply to the Company for the year under report.
(b) According to the information and explanations given to us, the Company has no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes with the related authorities.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) The Company has no dues to any financial institution, bank or debenture holders except in respect of vehicle loans.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) Based on the records examined by us, the company is maintaining proper records of the transactions and contracts and timely entries have been made in respect of all the securities transactions and the same have been held by the Company in its own name except to the exemption, if any, granted under Section 49 of the Act.
- (xv) The Company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) As per the information and explanations given to us, the Company has not raised any new term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 except convertible warrants issued in the previous year has been converted into equity shares during the year at the predetermined rate as per SEBI guidelines.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) There were no frauds on or by the Company noticed or reported during the course of our audit during the year.

For Khurdia Jain & Co.
Chartered Accountants
Firm Regn. No. 120263W

(Sampat Khurdia)
Partner
Mem. No. 33615

Place : Mumbai
Date : 29th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Schedules	As at 31.03.2010	As at 31.03.2009
I SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	78,526,000	40,026,000
Share Warrants	1A	—	75,600,000
Reserves & Surplus	2	68,871,760	21,336,828
Loans Funds			
Secured Loans	3	—	109,074
Unsecured Loans	4	11,725,000	5,228,915
Deferred Tax Liabilities (Net)		125,988	140,890
		159,248,748	142,441,707
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		6,559,224	6,559,224
Less: Depreciation		2,963,046	2,601,324
Net Block		3,596,178	3,957,900
Investments	6	122,829,793	108,815,218
Current Assets, Loans & Advances			
Inventories	7	3,709,980	3,709,980
Sundry Debtors	8	2,152,166	931,043
Cash & Bank Balances	9	2,401,497	2,034,267
Loans & Advances	10	26,717,394	23,614,353
		34,981,037	30,289,643
Less : Current Liabilities & Provisions	11	2,158,259	621,053
Net Current Assets		32,822,778	29,668,590
		159,248,748	142,441,707
Significant Accounting Policies & Notes on Accounts	18		

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Mem. No. 33615

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Schedules	Year Ended 31.03.2010	Year Ended 31.03.2009
I. INCOME			
Operational Income	12	14,414,968	17,481,432
Other Income	13	1,522,656	4,996,204
Increase/ (Decrease) in Stock	14	—	(4,492,348)
		15,937,624	17,985,288
II. EXPENDITURE			
Purchase of Shares & Securities		—	1,223,760
Loss in Trading in Derivative Instruments		1,076,330	6,643,817
Employee Costs	15	1,503,230	1,750,781
Administrative and Other Expenses	16	2,450,555	1,054,102
Financial Expenses	17	25,757	378,730
Depreciation		338,862	461,634
		5,394,734	11,512,824
Profit before tax		10,542,890	6,472,465
Less : Provision for Tax			
— Current Tax		1,800,000	450,000
— Deferred Tax Liability/ (Assets)		(14,902)	(30,423)
— Fringe Benefits Tax		—	40,358
Profit after tax		8,757,792	6,012,530
Add : Balance brought forward from previous year		16,022,539	11,212,515
Balance available for appropriation		24,780,331	17,225,045
Appropriations:			
Transfer to Special Reserve under Section 45IC of RBI Act		1,751,558	1,202,506
Balance carried forward to Balance Sheet		23,028,772	16,022,539
		24,780,331	17,225,045
Earning Per Share of Rs. 10/- each — Basic & Diluted (in Rs.)		1.27	1.50

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner
Mem. No. 33615

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
A) Cash Flow from Operating Activities		
Net profit before taxation & extraordinary items	10,542,890	6,472,465
Add/(Less) Adjustments for:		
Depreciation	338,862	461,634
Interest on Loan	8,219	337,398
(Increase)/Decrease in Debtors	(1,221,123)	2,477,775
(Increase)/Decrease in Inventories	—	4,492,348
(Increase)/Decrease in Loans and advances	(3,157,416)	(4,493,094)
Increase/(Decrease) in Other Liability	1,537,206	(2,840,675)
Net Income Tax paid	(1,093,973)	(1,667,391)
Net Cash Flow from Operating Activities (a)	6,954,664	5,240,459
B) Cash Flow from Investing Activities		
Share Application Money	(651,652)	2,751,652
Investment in Partnership Firm	573,772	(3,639,835)
Investment in Mutual Funds	7,029,245	(7,029,245)
Investment in Subsidiary Companies	(2,975,000)	(19,325,000)
Investment in Shares	(18,642,592)	(42,493,786)
Net Cash Flow from Investing Activities (b)	(14,666,227)	(69,736,213)
C) Cash Flow from Financing Activities		
Secured Loans (Net of repayment)	(109,074)	(451,843)
Issue of Share Warrants	1,700,000	75,600,000
Unsecured Loans (Net of repayment)	6,496,086	(8,436,085)
Interest on Loans	(8,219)	(337,398)
Net Cash Flow from Financing Activities (c)	8,078,793	66,374,674
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	367,230	1,878,920
Add: Cash & Cash Equivalents (Opening)	2,034,267	155,347
Cash & Cash Equivalents (Closing)	2,401,497	2,034,267

Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash & Cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short-term loans and advances from banks as follows:

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

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in hand	35,035	52,185
Balances with Bank	2,366,462	1,982,082
	2,401,497	2,034,267

3. Figures in brackets denotes cash outflows.

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Mem. No. 33615

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Schedule “1” :— Share Capital		
<u>Authorised</u>		
1,00,00,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
<u>Issued, Subscribed & Paid-up</u>		
78,52,600 (P.Y. 40,02,600) Equity Shares of Rs. 10/- each fully paid-up	78,526,000	40,026,000
Schedule “1A” :— Share Warrants		
NIL (P.Y. 40,00,000) warrants of Rs. 20/- each	—	75,600,000
	—	75,600,000
Schedule “2” :— Reserves & Surplus		
<u>Revaluation Reserve</u>		
Opening Balance	1,065,199	1,088,059
Less: Depreciation on revalued assets	22,860	22,860
Closing Balance	1,042,339	1,065,199
<u>Capital Reserve</u>		
Opening Balance	—	—
Add: Forfeiture of Share Warrants	300,000	—
Closing Balance	300,000	—
<u>Securities Premium</u>		
Opening Balance	—	—
Add: Addition During the Year	38,500,000	—
Closing Balance	38,500,000	—
<u>Special Reserve under Section 45 IC of RBI Act</u>		
Opening Balance	3,999,090	2,796,584
Transferred during the year	1,751,558	1,202,506
Closing Balance	5,750,648	3,999,090
General Reserve	250,000	250,000
Profit & Loss Account	23,028,772	16,022,539
	68,871,760	21,336,828
Schedule “3” :— Secured Loans		
Vehicle Loan from Oriental Bank of Commerce (Secured against respective vehicles)	—	109,074
	—	109,074
Schedule “4” :— Unsecured Loans		
Inter Corporate Deposits	11,725,000	5,228,915
	11,725,000	5,228,915

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule “5” :— Fixed Assets (At Cost less Depreciation)

Description	Gross Block			Depreciation				Net Block	
	As at 01.04.2009	Additions (Deductions) During the year	As at 31.03.2010	Upto 31.03.2009	Depreciation on Revalued Assets	Provided for the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Premises	2,078,750	-	2,078,750	503,948	22,860	11,024	537,831	1,540,919	1,574,802
Computers	1,187,485	-	1,187,485	1,117,766	-	69,719	1,187,485	-	69,719
Office Equipments	352,850	-	352,850	203,621	-	16,760	220,382	132,468	149,229
Furniture & Fittings	748,433	-	748,433	192,009	-	47,376	239,385	509,048	556,424
Motor Cars	1,892,154	-	1,892,154	535,977	-	179,755	715,731	1,176,423	1,356,177
Air Conditioners	299,552	-	299,552	48,004	-	14,229	62,232	237,320	251,548
Total	6,559,224	-	6,559,224	2,601,324	22,860	338,862	2,963,046	3,596,178	3,957,900
Previous Year	6,559,224	-	6,559,224	2,116,830	22,860	461,634	2,601,324	3,957,900	4,442,394

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Schedule “6” :— Investments (At Cost)		
Long Term Trade		
– In Equity Shares		
Quoted - Fully paid-up	41,322,445	27,821,106
(Refer Note B(11) of Schedule “18”)		
(Market Value Rs. 4,60,66,442; P.Y. Rs.13,284,773)		
Unquoted - Fully paid-up	46,218,155	45,201,902
(Refer Note B(12) of Schedule “18”)		
In Subsidiary Companies	23,400,000	20,425,000
(Refer Note B(13) of Schedule “18”)		
Share Warrants		
<u>Kisan Mouldings Ltd</u>		
1,25,000 Share warrants @ 33/- (Fully paid-up)	4,125,000	—
	115,065,600	93,448,008
In Mutual Fund		
Birla Sunlife Saving Fund Inst — Daily Dividend Re-investment	—	4,429,143
NIL (P.Y. 442,613.30) Units		
Fidelity Ultra Short Term Debt Fund Retail — Weekly		
Dividend Option : NIL (P.Y. 259,937.40) Units	—	2,600,102
	—	7,029,245
Abstracts		
Aggregate amount of Quoted Investments	41,322,445	27,821,106
Aggregate Market Value of Quoted Investments	46,066,442	13,284,773
Aggregate amount of Unquoted Investments	69,618,155	72,656,147
In Partnership Firm		
New India Spinning Company (Fixed Capital)	18,750	18,750
New India Spinning Company (Current Capital)	7,745,443	8,319,215
	7,764,193	8,337,965
Total	122,829,793	108,815,218
Schedule “7” :— Inventories		
(As taken, valued and certified by directors)		
Stock of Shares and Securities (Refer Annexure “I”)	3,709,980	3,709,980
	3,709,980	3,709,980

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<u>Schedule “8” :— Sundry Debtors</u>		
(Unsecured, considered good)		
Debt outstanding for a period more than six months	—	33,672
Other debts	2,152,166	897,371
	2,152,166	931,043
<u>Schedule “9” :— Cash & Bank Balances</u>		
Cash in hand	35,035	52,185
Balances with Scheduled Banks In Current Account	2,366,462	1,982,082
	2,401,497	2,034,267
<u>Schedule “10” :— Loans & Advances</u>		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received	181,598	51,300
Share Application Money	1,500,000	848,348
Inter Corporate Deposits	21,398,998	14,267,592
Loan to Subsidiary Company	831,076	3,980,699
Other Advances	100,000	1,054,665
Deposits	2,080,000	2,080,000
Advance Tax & TDS (Net of Provisions)	625,722	1,331,749
	26,717,394	23,614,353
<u>Schedule “11” :— Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
Sundry Creditors		
– Due to Micro, Small & Medium Enterprises (Note no. B(17) of Schedule “18”)	—	—
– Due to Others	1,546,778	57,451
Other Liabilities	611,481	563,602
	2,158,259	621,053

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule “12” :— Operational Income</u>		
Financial & Management Consultancy Fees (TDS Rs. 6,76,083/- P.Y. Rs. 1,248,803/-)	6,186,868	9,600,142
Sale of Shares & Securities	—	5,873,907
Interest on Loans (TDS Rs. 3,77,850/- P.Y. Rs. 361,678/-)	2,490,021	1,603,253
Profit from Sale of Shares	5,734,820	332,909
Profit from Sale of Mutual Funds	3,258	71,221
	14,414,968	17,481,432
<u>Schedule “13” :— Other Income</u>		
Dividend Income	221,428	4,831,369
Sundry Balance Written back	—	—
Share of Profit from Partnership Firm	1,301,228	164,835
	1,522,656	4,996,204
<u>Schedule “14” :— Increase/ (Decrease) in Stocks</u>		
Closing Stocks of shares & securities	3,709,980	3,709,980
Less : Opening Stocks of shares & securities	3,709,980	8,202,328
	—	(4,492,348)
<u>Schedule “15” :— Employee Costs</u>		
Directors Remuneration	1,500,000	1,750,000
Staff Welfare Expenses	3,230	781
	1,503,230	1,750,781

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Amount (in Rs.)	
	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule “16” :— Administrative & Other Expenses</u>		
Rent	101,700	101,700
Legal & Professional Charges	1,331,714	134,369
Communication Costs	50,463	111,974
Directors Sitting Fees	58,000	21,000
Vehicle Maintenance Expenses	219,195	237,714
Electricity Expenses	18,000	87,732
Business Promotion Expenses	94,922	103,228
Printing & Stationery	54,080	33,280
Travelling & Conveyance	44,708	29,928
Auditors Remuneration	20,000	20,000
Office Expenses	30,000	61,687
Insurance Expenses	3,966	7,421
Bad Debts Written Off	31,528	21,810
Donation	200,000	5,000
Securities Transaction Tax	166,645	55,935
Miscellaneous Expenses	25,633	21,326
	2,450,555	1,054,102
<u>Schedule “17” :— Financial Expenses</u>		
Bank Charges	1,934	13,439
Interest on Car Loan	5,765	27,893
Interest on Others	9,839	—
Interest on Loan	8,219	337,398
	25,757	378,730

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

Schedule '18' :— Significant Accounting Policies and Notes to the Accounts

A) Significant Accounting Policies

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by the ICAI/ Companies (Accounting Standard), Rules, 2006, Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

2. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are materialized.

3. Recognition of income and expenditure:

The Company follows the accrual basis of accounting except in the following cases, where the same are recorded on the cash basis.

- (a) Insurance claims
- (b) Payment of bonus and leave salary
- (c) Gratuity

4. Revenue Recognition:

- (a) Profit or Loss from dealing in shares and securities are recognized on settlement dates.
- (b) Dividend on shares is being considered when the right to receive payment is established.
- (c) In respect of other heads of income, the Company follows the practice of accounting on accrual basis.

5. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

6. Depreciation:

- (a) Depreciation on Fixed Assets is provided on 'Straight Line Method' at the rates and in the manner as specified in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on revalued assets to the extent of revaluation is charged from Revaluation Reserve.

7. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI/Companies (Accounting Standard), Rules, 2006. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

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

8. **Investments:**

Investments those are intended to be held for more than a year from the date of acquisition are classified as long-term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long-term investments being current investments are valued at cost or fair market value whichever is lower.

9. **Inventory:**

Stock of shares and securities is valued at lower of cost or market value.

10. **Accounting for Taxation on Income:**

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

11. **Prior Period Items:**

Material amount of Income and Expenditure pertaining to prior years are disclosed separately.

12. **Employee Benefits:**

- (a) Liability for bonus & leave encashment benefits has been accounted for on cash basis.
- (b) Gratuity liability is accounted for on cash basis.

13. **Treatment of Contingent Liabilities:**

- (a) Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any, are shown as advances.
- (b) Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal.
- (c) Contingent Liabilities are disclosed by way of notes.

B) **Notes to Accounts**

- 1. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 2. The Balances and classification of Sundry Debtors, Loans and advances, Sundry Creditors and other liabilities shown in the Financial Statements are as per the ledger and are subject to confirmation and consequent reconciliation and adjustment.
- 3. Contingent Liabilities not provided for : Rs. Nil

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

4. Auditors' Remuneration:

Amount (in Rs.)

Particulars	Year ended 2009-10	Year ended 2008-09
Statutory Audit Fees	15,000	15,000
Tax Audit	4,000	4,000
Others	1,000	1,000
Service Tax	2,060	2,060
Total	22,060	22,060

5. Directors' Remuneration:

Amount (in Rs.)

Particulars	Year ended 2009-10	Year ended 2008-09
Directors' Remuneration	15,00,000	17,50,000
Total	15,00,000	17,50,000

6. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D have been given hereinbelow to the extent applicable :

- a. The quantitative information of Opening Stock, Purchases, Sales and Closing Stock of Shares & Securities is given below. Details regarding Closing Stock are annexed in Annexure "I" thereto.

Shares & Securities	Quantity		Amount (Rs.)	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
Opening Stock	13,750	513,150	37,09,980	82,02,328
Purchases	Nil	1,600	Nil	12,23,760
Sales/Written off	Nil	501,000*	Nil	58,73,907
Closing Stock	13,750	13,750	37,09,980	37,09,980

*Includes 123,000 equity shares written off carrying Nil book value.

- b. Expenditure, earning and remittance in foreign currency : Rs. Nil

7. Liabilities in respect of Gratuity is accounted for on cash basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as issued by the ICAI/ Company (Accounting Standards) Rules, 2006, which requires that Gratuity Liability be accounted for on accrual basis.

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

8. Company is a partner in a Partnership firm namely M/s. New India Spinning Company. The profit/loss sharing ratio in the said firm, is as under :

Amount (in Rs.)

Name of the Partner	Profit/Loss sharing ratio	Total Capital	
		As at 31.03.2010	As at 31.03.2009
Ladderup Finance Limited	37.50%	77,64,193	8,337,965
Mr. Pawan Saraf	50.00%	22,59,586	522,280
Mr. Mukesh Goyal	12.50%	6,09,543	403,465

9. During the year, the Company has earned income of Rs. 6,186,868/- (P.Y. Rs. 9,600,142/-) as revenue sharing of fees from Ladderup Corporate Advisory Private Limited (LCAPL), a wholly owned subsidiary of the Company, being 15% of total fees income as reduced by bad debts, if any, pursuant to Revenue sharing Agreement between the Company and LCAPL.
10. Sundry Debtors represents Rs. 21,52,166/- (P.Y. Rs. 8,97,371/-) receivable from Ladderup Corporate Advisory Private Limited, its wholly owned subsidiary.
11. Details of Equity Shares in quoted Companies held by the Company, as referred to in Schedule "6" are given in Annexure "II" to the Notes on Accounts.
12. Details of Equity Shares in unquoted Companies held by the Company, as referred to in Schedule "6" are as under :

Sr. No.	Name of the Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
			Nos.	Value (Rs.)	Nos.	Value (Rs.)
1	Invent Bio-Med Private Limited	10.00	40,000	40,00,000	40,000	40,00,000
2	Jumbo King Foods Private Limited	10.00	98,901	88,55,155	73,981	78,38,902
3	Precious Real Estate Private Limited	10.00	200,000	20,00,000	200,000	20,00,000
4	Tops Security Limited	10.00	40,900	28,63,000	40,900	28,63,000
5	Parag Milk Foods Private Limited	10.00	200,000*	125,00,000	200,000*	125,00,000
6	Mobile Magic Private Limited	10.00	137,894	160,00,000	137,894	160,00,000
	TOTAL		7,17,695	462,18,155	6,92,775	452,01,902

*Including 150,000 Bonus Shares

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

13. Details of Equity shares of Subsidiary Companies held by the Company, as referred to in Schedule "6" are as under :

Sr. No.	Name of the Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
			Nos.	Value (Rs.)	Nos.	Value (Rs.)
1	Ladderup Corporate Advisory Private Limited	10.00	290,000	200,00,000	290,000	200,00,000
2	Ladderup Wealth Management Private Limited	10.00	42,500	425,000	42,500	425,000
	TOTAL		3,32,500	204,25,000	3,32,500	204,25,000

14. **Segment Information:**

In accordance with the requirements of Accounting Standard – 17 "Segment Reporting", issued by ICAI/Companies (Accounting Standards) Rules, 2006 the Company's business activities can be classified into three segment namely Investment & Trading in shares & Securities, Consultancy and Finance activities. The information about all the segments is given in Annexure "III" to the Notes on Accounts.

15. **Related Parties:**

For the year ended 31st March, 2010

- (a) **Key Management Personnel:**

Mr. Sunil Goyal	Managing Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Executive Director & CEO
Mr. Rajesh Murarka	Executive Director & CFO

- (b) **Relative of Key Management Personnel with whom the company has entered in to transaction during the year:**

Mrs. Usha Goyal
Mrs. Santosh Singrodia

- (c) **Name of the Enterprises where director or its relatives are able to exercise significant influence with whom the Company has entered into transactions during the year:**

M/s. Singrodia Goyal & Co.
M/s. Jay Ambe Enterprises
M/s. Ladderup Securities Private Limited

- (d) **Associates:**

M/s. Lotus Spaces Private Limited
M/s. New India Spinning Company

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

(e) Subsidiary Companies:

Ladderup Corporate Advisory Private Limited
Ladderup Wealth Management Private Limited

Amount (in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above	Refer to (e) above
	2009-10	2009-10	2009-10	2009-10	2009-10
Directors Remuneration	15.00	Nil	Nil	Nil	Nil
Directors sitting fees	0.09	Nil	Nil	Nil	Nil
Rent Paid	0.51	0.51	Nil	Nil	Nil
Allocation of Expenses	Nil	Nil	2.45	Nil	Nil
Withdrawal from Partnership Firm	Nil	Nil	Nil	18.75	Nil
Unsecured Loan taken	Nil	Nil	168.25	Nil	Nil
Repayment of Unsecured Loan taken	Nil	Nil	51.00	Nil	Nil
Loans Granted	Nil	Nil	Nil	84.50	60.24
Repayment of Unsecured Loan given	Nil	Nil	6.76	1.20	69.65
Interest Received	Nil	Nil	0.85	12.02	3.40
Interest Paid	Nil	Nil	0.08	Nil	Nil
Revenue sharing received	Nil	Nil	Nil	Nil	61.87

Amount Outstanding as on 31st March, 2010

Loans payable	Nil	Nil	117.25	Nil	Nil
Loans receivable	Nil	Nil	Nil	147.12	33.81
Other receivables	Nil	Nil	Nil	Nil	21.52
Other payable	Nil	Nil	0.60	Nil	Nil
Share Application Money	Nil	Nil	Nil	Nil	4.25
Deposits	8.00	12.35	Nil	Nil	Nil
Investment in Partnership Firm	Nil	Nil	Nil	77.64	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

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

For the year ended 31st March, 2009.

(a) Key Management Personnel:

Mr. Sunil Goyal	Managing Director
Mr. Manoj Singrodia	Director
Mr. K.V.S. Shyam Sunder	Director
Mr. K.M.Tulsian	Director
Mr. Burzin Somandy	Director
Mr. Dhaval Desai	Director
Mr. Hemang Jangla	Director
Mr. T.B. Subramanian	Director
Mr. Parimal Sheth	Executive Director & CEO
Mr. Rajesh Murarka	Executive Director & CFO
Mr. Saurabh Agarwal*	Executive Director & CFO

*Resigned w.e.f. 30th September, 2008

(b) Relative of Key Management Personnel:

Mrs. Usha Goyal

Mrs. Santosh Singrodia

(c) Name of the Enterprises having same Key Management Personnel with whom the Company has entered into transactions during the year:

Havmore Financial Services India Limited

Precious Real Estate Private Limited

Jay Ambe Enterprises

Invent Bio-Med Private Limited

JumboKing Foods Private Limited

Parag Milk Foods Private Limited

Kisan Mouldings Limited

(d) Associates:

M/s. Singrodia Goyal & Company

M/s. New India Spinning Company

M/s. Ladderup Securities Private Limited

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

(e) Subsidiary Companies:

Ladderup Corporate Advisory Private Limited

Ladderup Wealth Management Private Limited

Amount (in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above	Refer to (e) above
	2008-09	2008-09	2008-09	2008-09	2008-09
Directors Remuneration	17.50	Nil	Nil	Nil	Nil
Directors sitting fees	0.21	Nil	Nil	Nil	Nil
Rent Paid	0.51	0.51	Nil	Nil	Nil
Allocation of Expenses	Nil	Nil	Nil	2.28	Nil
Investment in Partnership Firm	Nil	Nil	Nil	83.38	Nil
Investment made	Nil	Nil	125.98	Nil	Nil
Unsecured Loan taken	Nil	Nil	Nil	190.70	Nil
Repayment of Unsecured Loan taken	Nil	Nil	Nil	303.60	Nil
Equity Contribution	Nil	Nil	Nil	Nil	190.00
Loans Granted	Nil	Nil	Nil	Nil	21.35
Interest Received	Nil	Nil	Nil	Nil	0.59
Share Application Money paid	Nil	Nil	4.13	Nil	197.50
Shares Allotted	Nil	Nil	Nil	Nil	22.25
Securities Premium Paid	Nil	Nil	Nil	Nil	171.00
Revenue sharing received	Nil	Nil	Nil	Nil	96.00

Amount Outstanding as on 31st March, 2009

Loans payable	Nil	Nil	Nil	Nil	Nil
Loans receivable	Nil	Nil	51.80	Nil	39.81
Other receivables	Nil	Nil	5.00	Nil	Nil
Share Application Money	Nil	Nil	4.13	Nil	4.25
Deposits	8.00	12.35	Nil	Nil	Nil
Investments	Nil	Nil	263.39	Nil	204.25
Investment in Partnership Firm	Nil	Nil	Nil	83.37	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

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

16. Additional Information pursuant to Clause 32 of the Listing Agreement:

Amount (in Lacs)

Name of Company	As at 31.03.2010		As at 31.03.2009	
	Amount	Maximum Amount Outstanding	Amount	Maximum Amount Outstanding
Ladderup Corporate Advisory Private Limited	Nil	27.27	18.00	33.54
Ladderup Wealth Management Private Limited	33.81	33.81	21.81	21.81

17. Amounts due to Micro, Small and Medium Enterprises:

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

18. Earning Per Share:

In accordance with Accounting Standard 20 – Earning Per Share issued by ICAI/Companies (Accounting Standard) Rules, 2006, computation of earning per share is set out below:

Amount (in Rs.)

Sr. No.	Particulars	31.03.2010	31.03.2009
A	Weighted average number of Equity Shares of Rs. 10 each		
(i)	Number of Shares at the beginning of the year	40,02,600	40,02,600
(ii)	Number of Shares at the end of the year	78,52,600	40,02,600
(iii)	Weighted average number of Equity Shares outstanding during the year	69,03,285	40,02,600
B	Net Profit / (loss) after tax available for equity shareholders	87,57,792	6,012,530
C	Basic & Diluted Earning Per Share (B/A(iii))	1.27	1.50

19. Taxes on Income:

- Provision for taxation for the year has been made in accordance with the provisions of the Income-tax Act, 1961.
- In terms of Accounting Standard-22 "Accounting for Taxes on Income" issued by ICAI/ Companies (Accounting Standards) Rules, 2006 the company has recognized Deferred Tax Assets amounting to Rs. 14,902 for the year ended 31st March, 2010 in the Profit & Loss Account.

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

The balance in Net Deferred Tax Liability comprises of:

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability / (Assets)		
Depreciation	125,988	140,890
Deferred Tax Liability / (Assets) [Net]	125,988	140,890

20. Company has transferred an amount of Rs. 17,51,558/- (P.Y. Rs. 1,202,506/-) equivalent to 20% of the profits after tax of the Company to Special Reserve Account in compliance with Section 45IC of the Reserve Bank of India Act.
21. During the year financial 2008-09, the Company had issued, on preferential basis, 40.00 Lacs convertible warrants at a premium of Rs. 10/- per warrant to promoter group and other investors, in accordance with SEBI guidelines. The Company had received upfront money Rs. 773.00 Lacs on 40.00 Lacs warrants, out of this 38.50 Lacs warrants were converted into equity shares during the year. Balance 1.50 Lacs warrants were not converted into equity shares on non exercise of option before the due date and accordingly the upfront subscription amount of Rs. 3.00 Lacs on issue of these warrants have been forfeited during the year and credited to capital reserve. The Company has utilized entire amount of warrant issue proceeds towards strategic investment in various ventures, other listed/unlisted companies and general corporate purpose.
22. Figures of previous year have been regrouped, reclassified and/or rearranged wherever necessary.

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner
Mem. No. 33615

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Annexure 'I'

Details of Closing Stock of Shares and Securities as at 31st March, 2010

Particulars	As at 31.03.2010		As at 31.03.2009	
	Nos.	Value (Rs.)	Nos.	Value (Rs.)
Sunflag Iron & Steel Limited	350	2,328	350	2,328
Vandana Hitech Systems Private Limited	12,800	3,200,000	12,800	3,200,000
Larsen & Toubro Limited	600	507,652	600	507,652
	13,750	3,709,980	13,750	3,709,980

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Annexure 'II'

Details of Equity Shares in Quoted Companies

Name of Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Aditya Birla Chemicals (I) Ltd.	10	10000 Nos.	973,340	—	—
Adlabs Films Ltd.	10	—	—	350 Nos.	64,063
Andhra Sugars Ltd.	10	—	—	2500 Nos.	275,656
Aptech Ltd.	10	1000 Nos.	200,054	—	—
Areva T & D India Ltd.	10	—	—	5000 Nos.	1,167,003
Autoline Ind. Ltd.	10	25000 Nos.	3,159,127	—	—
Bajaj Hindustan Ltd.	1	—	—	2000 Nos.	102,697
Biocon Ltd.	5	3000 Nos.	849,166	—	—
Birla Precision Technologies Ltd.	2	12060 Nos.	326,813	—	—
Capman Financial Ltd.	10	50000 Nos.	500,000	50000 Nos.	500,000
Cosmo Films Ltd.	10	14451 Nos.	1,717,696	—	—
Exide Industries Ltd.	1	5000 Nos.	449,800	—	—
Fame India Ltd.	10	—	—	81000 Nos.	5,162,125
Financial Technologies (I) Ltd.	2	1000 Nos.	1,604,175	—	—
Fortis Healthcare	10	—	—	5000 Nos.	374,026
GMR Infrastructures Ltd.	2	—	—	5000 Nos.	1,024,893
Graphite India Ltd.	10	—	—	2000 Nos.	76,194
Heg Ltd.	10	—	—	5500 Nos.	976,343
Hero Honda Motors Ltd.	2	500 Nos.	784,495	—	—
Hindustan Oil Expl. Co. Ltd.	10	500 Nos.	125,913	—	—
Idea Cellular Ltd.	10	11000 Nos.	695,661	11000 Nos.	695,661
IMP Powers Ltd.	10	—	—	3000 Nos.	126,276
Indian Hotels Co. Ltd.	10	15000 Nos.	1,412,680	—	—
Indo Asian Fusegear Ltd.	10	12005 Nos.	823,839	—	—
Insecticides (I) Ltd.	10	9000 Nos.	1,134,725	—	—
Kalyani Steels Ltd.	10	10000 Nos.	1,353,189	—	—
Kotak Mahindra Bank Ltd.	10	—	—	1000 Nos.	364,761
Lloyds Steel Ind. Ltd.	10	200000 Nos.	1,957,806	—	—

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Name of Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
L & T Ltd.	10	900 Nos.	756,470	2400 Nos.	2,940,915
Lupin Ltd.	10	1000 Nos.	1,503,514	—	—
Mahindra & Mahindra Ltd.	5	2000 Nos.	839,970	—	—
Mahindra Satyam Computer Ser. Ltd.	10	10000 Nos.	1,137,556	4500 Nos.	782,525
Mphasis Ltd.	10	2500 Nos.	1,886,904	—	—
Nesco Ltd.	10	2200 Nos.	1,741,473	2456 Nos.	2,104,577
Neyveli Lignite Corporation Ltd.	10	—	—	5000 Nos.	540,225
Nicco Corporation Ltd.	2	15000 Nos.	583,937	15000 Nos.	583,937
NTPC Ltd.	10	—	—	8000 Nos.	1,365,179
Power Grid Corp. of India Ltd.	10	—	—	10000 Nos.	709,303
PSL Ltd.	10	500 Nos.	85,647	—	—
Punjab Lloyd	10	—	—	5000 Nos.	818,450
Reliance Communication Ltd.	5	4000 Nos.	1,892,376	3000 Nos.	1,534,714
Reliance Industries Ltd.	10	750 Nos.	1,239,374	—	—
Reliance Petroleum	10	—	—	6000 Nos.	1,239,374
Repro India Ltd.	10	25737 Nos.	2,519,605	18242 Nos.	2,235,882
Reliance Natural Resources Ltd.	5	3000 Nos.	212,520	—	—
Ruchi Soya Industries Ltd.	2	3000 Nos.	280,388	—	—
Sesa Goa Limited	10	—	—	2500 Nos.	444,823
Sakthi Sugar Ltd.	10	5584 Nos.	569,603	10100 Nos.	942,001
Spicejet Ltd.	10	20000 Nos.	1,167,364	—	—
Strides Arcolab Ltd.	10	1000 Nos.	337,038	—	—
Suzlon Energy Ltd.	2	10000 Nos.	1,055,700	—	—
TCS Ltd.	1	1500 Nos.	910,920	—	—
Tilak Nagar Industries Ltd.	10	46126 Nos.	1,299,024	—	—
Viceroy Hotels Ltd.	10	5000 Nos.	195,512	—	—
Videocon Industries Ltd.	10	7000 Nos.	1,904,386	1000 Nos.	669,502
Welspun India Ltd.	10	10000 Nos.	940,609	—	—
Wire and Wireless India Ltd.	1	10000 Nos.	194,077	—	—
Total		554253 Nos.	41,322,445	266548 Nos.	27,821,106

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Annexure 'III'

Amount (in Rs.)

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Total
Revenue				
External sales	7,260,735	6,186,868	2,490,021	15,937,624
Inter segment sales	—	—	—	—
Total Revenue	7,260,735	6,186,868	2,490,021	15,937,624
Result				
Segment Result	6,184,405	6,186,868	2,490,021	14,861,294
Unallocated Income				—
Unallocated Corporate Expense				4,318,404
Profit before tax				10,542,890
Income taxes				1,800,000
Fringe Benefits Tax				—
Deferred tax				(14,902)
Net Profit				8,757,792
Other Information				
Segment Assets	126,539,773	2,152,166	23,730,074	152,422,013
Unallocated Corporate Assets				8,984,994
Total Assets				161,407,007
Segment Liabilities	327,319	—	—	327,319
Unallocated Corporate liabilities				13,555,941
Deferred Tax Liabilities				125,988
Total liabilities				14,009,248

SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. :	L67120MH1993PLC074278	State Code :	11
Balance Sheet Date :	31	3	2010
	Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	38500

III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	159249	Total Assets	159249
-------------------	--------	--------------	--------

Source of Funds

Paid-up Capital	78526	Reserves and Surplus	68872
Secured Loans	0	Unsecured Loans	11725
Deferred Tax Liability	126	Share Warrants	0

Application of Funds

Net Fixed Assets	3596	Investments	122830
Net Current Assets	32823	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company. (Rs. in Thousands)

Turnover and Income	15938	Total Expenditure	5395
+ - Profit/Loss Before Tax	10543	Profit/Loss After Tax	8758
(Please tick appropriate box, + Profit, - for Loss)			
Earning Per Share in (Rs.)	1.27	Dividend Rate %	—

V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

Item Code No. (ITC Code)	-
Product Description	1 Investments & Dealing in Shares & Securities
Signatories to Schedules "1" to "18"	

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Mem. No. 33615

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report to the Board of Directors of Ladderup Finance Limited on the Consolidated Financial Statements of Ladderup Finance Limited and its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of **Ladderup Finance Limited** (hereinafter referred as "the Company"), the holding company and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date prepared in accordance with the accounting principles generally accepted in India.

1. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our Audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and other applicable Accounting Standards issued by ICAI/Companies (Accounting Standards) Rules, 2006 and on basis of the separate audited financial statements of the Company and its Subsidiaries included in the consolidated financial statements.
3. We did not audit the financial statements of the subsidiary viz., Ladderup Wealth Management Private Limited whose financial statement reflect the Group share of total assets of Rs. 27,15,974 as at 31st March, 2010 and Group share of total revenue of Rs. 59,84,824 and Cash Flow amounting to Rs. 4,51,839 for the year ended at that date, as considered in the Consolidated Financial Statements.
These Financial Statements and other informations of the subsidiary have been audited up to 31st March, 2010 by other auditor, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respects of the subsidiary is based solely on the report of the other auditors.
4. On the basis of the information and explanations given to us and on the consideration of the separate Audit Reports on individual audited financial statements of the Company and its Subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view:
 - (a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2010;
 - (b) In case of the consolidated Profit and Loss Account, of the consolidated results of operation of the Group for the year then ended; and
 - (c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For Khurdia Jain & Co.
Chartered Accountants
Firm Regn. No. 120263W

Sampat Khurdia
Partner
Mem. No. 33615

Place : Mumbai
Date : 29th May, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Schedules	As at 31.03.2010	As at 31.03.2009
I SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	78,526,000	40,026,000
Share Warrants	1A	—	75,600,000
Reserves & Surplus	2	97,939,033	46,760,60
Loans Funds			
Secured Loans	3	452,559	1,219,037
Unsecured Loans	4	11,725,000	5,228,915
Minority Interest		96,981	—
Deferred Tax Liabilities (Net)		207,770	343,794
		188,947,343	169,178,353
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		13,781,642	13,351,686
Less: Depreciation		5,899,609	4,215,444
Net Block		7,882,033	9,136,242
Investments	6	104,454,996	92,090,217
Minority Interest		—	242,413
Current Assets, Loans & Advances			
Inventories	7	3,709,980	3,709,980
Sundry Debtors	8	26,612,176	25,608,180
Cash & Bank Balances	9	3,325,358	4,205,691
Loans & Advances	10	54,120,804	47,833,216
		87,768,318	81,357,067
Less : Current Liabilities & Provisions	11	11,158,003	13,647,586
Net Current Assets		76,610,314	67,709,481
		188,947,343	169,178,353
Significant Accounting Policies & Notes on Accounts	18		

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner
Mem. No. 33615

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Schedules	Year ended 31.03.2010	Year ended 31.03.2009
I. Income			
Operational Income	12	56,356,310	73,932,003
Other Income	13	3,517,530	2,486,785
Increase/(Decrease) in Stocks	14	—	(4,492,348)
		59,873,840	71,926,441
II. Expenditure			
Purchase of Shares		—	1,223,760
Loss in Trading in Derivative Instruments		1,076,330	6,643,817
Employee Costs	15	25,657,214	15,524,754
Administrative and Other Expenses	16	15,124,304	19,823,066
Financial Expenses	17	175,033	687,223
Depreciation		1,661,303	1,555,006
		43,694,183	45,457,626
Profit before tax		16,179,657	26,468,815
Less : Provision for Tax			
- Current Tax		4,100,000	9,500,000
- Deferred Tax Liability/(Assets)		(136,024)	(10,433)
- Fringe Benefit Tax		—	277,617
Profit after Tax		12,215,681	16,701,631
Less : Minority Interest		(185,606)	(317,413)
Add : Balance brought forward from previous year		39,746,317	26,309,580
Balance available for appropriation		52,147,604	43,328,623
Appropriations:			
Interim Dividend		—	—
Dividend Distribution Tax		—	679,800
Transfer to Special Reserve under Section 45IC of RBI Act		1,751,558	1,202,506
Transfer to General Reserve		—	1,700,000
Balance carried forward to Balance Sheet		50,396,046	39,746,317
		52,147,604	43,328,623
Earning per Share — Basic & Diluted (in Rs.)		1.80	4.17
Significant Accounting Policies & Notes on Accounts	18		

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sunil Goyal
Managing Director

K.V.S. Shyam Sunder
Director

Sampat Khurdia
Partner
Mem. No. 33615

Parimal Sheth
Executive Director & CEO

Rajesh Murarka
Executive Director & CFO

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Particulars	Amount (in Rs.)	
	Year ended 31.03.2010	Year ended 31.03.2009
A) Cash Flow from Operating Activities		
Net profit before taxation & extraordinary items	16,179,657	26,468,815
Add/(Less) Adjustments for:	—	
Depreciation	1,661,303	1,555,006
Interest on Loan	12,579	452,269
Income from Mutual Fund	(240,240)	—
(Increase)/Decrease in Inventories	—	4,492,348
(Increase)/Decrease in Debtors	(1,003,996)	(17,193,518)
(Increase)/Decrease in Loans and advances	(2,058,422)	(5,598,259)
Increase/(Decrease) in Other Liabilities	(2,489,583)	5,480,572
Net Income Tax paid	(8,329,166)	(10,518,970)
Net Cash Flow from Operating Activities (a)	3,732,133	5,138,263
B) Cash Flow from Investing Activities		
Share Application Money	—	3,176,652
Investment in Partnership Firm	573,772	(3,639,835)
Investment in Mutual Fund	5,704,042	(10,729,245)
Income from Mutual Fund	240,240	—
Investment in Shares	(18,642,592)	(42,493,785)
Interim Dividend & Tax Paid	—	(679,800)
Purchase of Fixed Assets	(429,956)	(1,777,878)
Net Cash Flow from Investment Activities (b)	(12,554,494)	(56,143,891)

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

Amount (in Rs.)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
C) Cash Flow from Financing Activities		
Secured Loans (Net of repayment)	(766,478)	(38,091)
Unsecured Loans (Net of repayment)	6,496,085	(20,701,085)
Share Warrants Issued	1,700,000	75,600,000
Share Application Money Received	—	25,000
Issue of Share Capital	75,000	75,000
Securities Premium	450,000	—
Interest on Loans	(12,579)	(452,269)
Net Cash Flow from Financing Activities (c)	7,942,028	54,508,554
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	(880,334)	3,502,926
Add: Cash & Cash Equivalents at the beginning of year	4,205,692	702,766
Cash & Cash Equivalents at the end of year	3,325,358	4,205,692

Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash & Cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short-term loans and advances from banks as follows:

Amount (in Rs.)		
Particulars	As at 31.03.2010	As at 31.03.2009
Cash in hand	101,784	142,694
Balances with Bank	3,223,575	4,062,998
	3,325,359	4,205,692

- Figures in brackets denotes cash outflows
As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Executive Director & CEO

Puja Mehta
Company Secretary

K.V.S. Shyam Sunder
Director

Rajesh Murarka
Executive Director & CFO

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<u>Schedule “1” : Share Capital</u>		
<u>Authorised</u>		
100,00,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
<u>Issued, Subscribed & Paid-up</u>		
78,52,600 (P.Y.40,02,600) Equity Shares of Rs. 10/- each fully paid-up	78,526,000	40,026,000
	78,526,000	40,026,000
<u>Schedule “1A” : Share Warrants</u>		
NIL (P.Y. 40,00,000) warrants of Rs 20/- each	—	75,600,000
	—	75,600,000
<u>Schedule “2” : Reserves & Surplus</u>		
<u>Revaluation Reserve</u>		
Opening Balance	1,065,199	1,088,059
Less: Depreciation on revalued assets	22,860	22,860
Closing Balance	1,042,339	1,065,199
<u>Capital Reserve</u>		
Opening Balance	—	—
Add: On Forfeiture of Share Warrants	300,000	-
Closing Balance	300,000	—
<u>Securities Premium</u>		
Opening Balance	—	—
Add: Addition during the Year	38,500,000	—
Closing Balance	38,500,000	—
<u>Special Reserve under Section 45 IC of RBI Act</u>		
Opening Balance	3,999,090	2,796,584
Transferred during the year	1,751,558	1,202,506
Closing Balance	5,750,648	3,999,090
<u>General Reserve</u>		
Opening Balance	1,950,000	250,000
Add : Additions during the year	—	1,700,000
Closing Balance	1,950,000	1,950,000
Profit & Loss Account	50,396,046	39,746,318
	97,939,033	46,760,607
<u>Schedule “3” : Secured Loans</u>		
Vehicle Loan from Banks	—	1,219,037
(Secured against respective Vehicles)	—	1,219,037
<u>Schedule “4” : Unsecured Loans</u>		
Inter Corporate Deposits	11,725,000	5,228,915
	11,725,000	5,228,915

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule "5" : Fixed Assets (At Cost less Depreciation)

Description	Gross Block			Depreciation				Net Block	
	As at 01.04.2009	Additions (Deduction) During the year	As at 31.03.2010	Upto 31.03.2009	Depreciation on Revalued Assets	Provided for the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Premises	2,078,750	-	2,078,750	503,948	22,860	11,024	537,831	1,540,919	1,574,802
Computers	2,767,157	406,407	3,173,564	1,686,854	-	605,331	2,292,185	881,379	1,080,303
Office Equipments	592,625	23,549	616,174	311,856	-	102,827	414,684	201,490	280,769
Furniture & Fittings	2,891,535	-	2,891,535	509,222	-	261,686	770,908	2,120,627	2,382,313
Motor Cars	4,384,014	-	4,384,014	991,936	-	553,534	1,545,469	2,838,545	3,392,078
Air Conditioners	637,605	-	637,605	211,630	-	126,902	338,532	299,073	425,975
Total	13,351,686	429,956	13,781,642	4,215,445	22,860	1,661,303	5,899,609	7,882,033	9,136,241
Previous Year	11,573,808	1,777,878	13,351,686	2,637,578	22,860	1,555,005	4,215,445	9,136,241	8,936,230

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Amount (in Rs.)	
	As at 31.03.2010	As at 31.03.2009
Schedule "6" : Investments (At Cost)		
Long-Term Trade — in Equity Shares		
Quoted — Fully paid-up	41,322,445	27,821,106
(Refer Note C(4) of Schedule "18")		
(Market Value Rs. 4,60,66,442; P.Y. Rs. 13,284,773)		
Unquoted — Fully paid-up	46,218,155	45,201,902
(Refer Note C(5) of Schedule "18")		
In Subsidiary Companies	—	—
Share Warrants	—	—
Kisan Mouldings Ltd.	—	—
1,25,000 Share warrants @ 33/- (Fully paid-up)	4,125,000	—
	91,665,600	73,023,008
In Mutual Fund		
Birla Sunlife Saving Fund	—	4,429,143
NIL (P.Y. 442613.30) Units		
Fidelity Ultra Short Term Debt Fund	5,027,144	6,300,102
500363.717 (P.Y. 629848.62) Units		
Less : Provision for diminution in the value of investment	1,941	—
	5,025,203	6,300,102
	5,025,203	10,729,245.00
Abstracts		
Aggregate amount of Quoted Investments	41,322,445	27,821,106
Aggregate Market Value of Quoted Investments	46,066,442	13,284,773
Aggregate amount of Unquoted Investments	69,618,155	72,656,147
In Partnership Firm		
New India Spinning Company (Fixed Capital)	18,750	18,750
New India Spinning Company (Current Capital)	7,745,443	8,319,215
	7,764,193	8,337,965
	104,454,996	92,090,218
Schedule "7" : Inventories		
Stock of Shares and Securities (Refer Annexure I)	3,709,980	3,709,980
(As taken, valued and certified by the Directors)		
	3,709,980	3,709,980

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Amount (in Rs.)	
	As at 31.03.2010	As at 31.03.2009
<u>Schedule “8” : Sundry Debtors</u>		
(Unsecured, considered good)		
Debt outstanding for a period more than six months	5,988,146	4,876,082
Other Debts	20,624,030	20,732,098
	26,612,176	25,608,180
<u>Schedule “9” : Cash & Bank Balances</u>		
Cash in hand	101,784	142,693
Balances with Scheduled Banks In Current Accounts	3,223,575	4,062,998
	3,325,358	4,205,691
<u>Schedule “10” : Loans & Advances</u>		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received	3,022,200	4,232,171
Share Application Money	1,500,000	423,348
Inter Corporate Deposits	21,398,998	15,752,592
Loan to Subsidiary Company	—	—
Other Advances	100,000	1,054,665
Deposits	23,870,440	26,370,440
Advance Tax & TDS (Net of Provisions)	4,229,166	—
	54,120,804	47,833,216
<u>Schedule “11” : Current Liabilities & Provisions</u>		
Sundry Creditors	6,132,648	8,892,264
Share Application Money Received	—	75,000
Other Liabilities	5,025,355	4,670,284
Provision for Tax (Net of Advance Tax & TDS)	—	10,038
	11,158,003	13,647,586

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Amount (in Rs.)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule “12” :— Operational Income</u>		
Financial & Management Consultancy Fees	42,484,500	64,000,945
Sale of Shares & Securities	—	5,873,907
Interest Received	2,148,907	1,544,165
Profit from Sale of Shares	5,734,820	332,909
Profit from Sale of Mutual Funds	3,258	71,221
Brokerage & Commission	5,984,824	2,108,856
	56,356,310	73,932,003
<u>Schedule “13” :— Other Income</u>		
Dividend Income	449,347	831,369
Interest Received	1,754,634	1,490,581
Profit from Sale of Mutual Funds	12,321	—
Share of Profit from Partnership Firm	1,301,228	164,835
	3,517,530	2,486,785
<u>Schedule “14” :— Increase/ (Decrease) in Stocks</u>		
Closing Stock of Shares & Securities	3,709,980	3,709,980
Less : Opening Stock of Shares & Securities	3,709,980	8,202,328
	—	(4,492,348)
<u>Schedule “15” :— Employee Costs</u>		
Salaries & Bonus	18,157,007	8,630,067
Directors’ remuneration	6,900,000	6,550,000
Staff Training Expenses	—	89,400
Staff Welfare Expenses	600,207	255,287
	25,657,214	15,524,754

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	Amount (in Rs.)	
	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule “16” :— Administrative & Other Expenses</u>		
Rent	3,010,200	2,486,450
Legal & Professional Charges	2,579,541	11,765,833
Communication Costs	685,651	584,901
Directors Sitting Fees	58,000	21,000
Vehicle Maintenance Expenses	1,859,925	1,150,324
Electricity Expenses	347,094	347,695
Sub Commission & Brokerage	222,593	232,576
Business Promotion Expenses	1,656,245	1,194,209
Diminution in the Value of Investment	1,941	-
Printing & Stationery	380,742	257,919
Travelling & Conveyance	676,540	338,041
Auditors Remuneration	61,545	56,030
Office Expenses	437,686	393,808
Insurance Expenses	29,969	65,001
Bad Debts Written Off	1,505,852	507,660
Donation	714,100	6,100
Securities Transaction Tax	166,645	55,935
Miscellaneous Expenses	730,034	359,584
	15,124,304	19,823,066
<u>Schedule “17” :— Financial Expenses</u>		
Bank Charges	9,955	21,393
Interest on Car Loan	96,681	142,764
Interest Others	55,818	173,247
Interest on Loan	12,579	349,819
	175,033	687,223

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

Schedule '18' — Significant Accounting Policies and Notes to the Accounts

A) Significant Accounting Policies

1. Basis of Consolidation :

The consolidated financial results comprise of the financial statements of Ladderup Finance Limited (LFL) and its subsidiaries Ladderup Corporate Advisory Private Limited (LCAPL) and Ladderup Wealth Management Private Limited (LWMPL), which are consolidated in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" issued by the Companies (Accounting Standards) Rules, 2006.

The Consolidated Financial Statements related to Ladderup Finance Limited ("the Company") and its subsidiary companies have been prepared on the following basis:

- (a) The Financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the balances of like items of assets, liabilities, incomes and expenditures after fully eliminating the intra group balances and intra group transactions resulting in unrealized profit or loss.
- (b) The Consolidated Financial Statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except :

In case of the Company

- (a) Depreciation and Fixed assets is provided on straight-line method at the rates in the manner as specified in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on revalued assets to the extent of revaluation is charged from Revaluation Reserve.

In case of Ladderup Corporate Advisory Private Limited

Depreciation on Fixed assets is provided on straight-line method considering estimated useful lives of respective assets and their estimated residual value as under :

Sr.No.	Description of Assets	Estimated useful life	Residual Value (% of Cost)
1	Computers	3 Years	10%
2	Office Equipments	3 Years	Nil
3	Furniture & Fittings	10 Years	Nil
4	Motor Cars	5 Years	25%
5	Air Conditioners	3 Years	Nil

In case of Ladderup Wealth Management Private Limited

Depreciation on Fixed assets is provided on straight-line method considering estimated useful lives of respective assets and their estimated residual value as under :

Sr.No.	Description of Assets	Estimated useful life	Residual Value (% of Cost)
1	Computers	3 Years	10%

- (c) The excess of the cost of the Company, if any, of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as Goodwill.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

- (d) The excess of Company's portion of equity of the subsidiaries over the cost to the Company of its investments, if any, as at the dates they become subsidiaries is recognized in the financial statements as Capital Reserve.

2. Other Significant Accounting Policies

These are set out in the notes to accounts under significant accounting policies for financial statements of respective companies – Ladderup Finance Limited, Ladderup Corporate Advisory Private Limited and Ladderup Wealth Management Private Limited.

B) Companies included in Consolidated Financial Statements are

Name of the Company	Country of Incorporation	% of Voting power held as at 31.03.2010
LCAPL	India	100%
LWMPL	India	85%

C) Notes to Accounts

1) Segment Information :

In accordance with the requirements of Accounting Standard – 17 “Segment Reporting”, issued by the ICAI/Companies (Accounting Standards) Rules, 2006, the Company's business can be classified into four segments namely Investment & Trading in shares and securities, Financial & Management Consultancy, Finance Activities and Investment Advisory Services. The information about all the segment is given in Annexure I to the Notes on Accounts.

2) Earning Per Share :

In accordance with Accounting Standard 20 – Earning per Share issued by the ICAI/Companies (Accounting Standards) Rules, 2006, the computation of earning per share is set out below:

Amount (in Rs.)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
A	Weighted average number of Equity Shares of Rs. 10 each		
(i)	Number of Shares at the beginning of the year	40,02,600	4,002,600
(ii)	Number of Shares at the end of the year	78,52,600	4,002,600
(iii)	Weighted average number of Shares outstanding during the year	69,03,285	4,002,600
B	Net Profit / (loss) after tax available for equity shareholders	12,215,681	16,701,629
C	Basic Earning Per Share (In Rs.) (B/A (iii))	1.80	4.17

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

3) Related Parties:

For the year ended 31st March, 2010.

(a) Key Management Personnel:

Mr. Sunil Goyal	Managing Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Executive Director & CEO
Mr. K.V.S. Shyam Sunder	Director
Mr. Rajesh Murarka	Executive Director & CFO
Mr. Nitesh Dhandharia	Director of Subsidiary Company
Mr. Narayan Pasari	Director of Subsidiary Company

(b) Relatives of Key Management Personnel:

Mrs. Usha Goyal
Mrs. Santosh Singrodia
Mrs. Nisha Nitesh Dhandharia

(c) Name of the Enterprises where director or its relatives are able to exercise significant influence with whom the Company has entered into transactions during the year:

M/s. Singrodia Goyal & Co.
M/s. Jay Ambe Enterprises
M/s. Ladderup Securities Private Limited
M/s. Structmast Realtors Pvt. Ltd.

(d) Associates:

M/s. Lotus Spaces Private Limited
M/s. New India Spinning Company

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
	2009-10	2009-10	2009-10	2009-10
Directors' Remuneration	69.00	Nil	Nil	Nil
Directors Sitting Fees	0.09	Nil	Nil	Nil
Professional Charges Paid	Nil	3.00	2.50	
Repayment of Unsecured Loan Given	Nil	Nil	6.76	1.20
Interest Received	Nil	Nil	17.35	12.02
Interest Paid	Nil	Nil	0.08	Nil
Unsecured Loan taken	Nil	Nil	168.25	Nil
Repayment of Loan taken	Nil	Nil	51.00	Nil
Loans Granted	Nil	Nil	Nil	84.50
Rent Paid	0.51	0.51	23.28	Nil
Allocation of Expenses	Nil	Nil	2.45	
Withdrawal from Partnership firm	Nil	Nil	Nil	18.75

Outstanding as on 31st March, 2010

- Loans Payable	Nil	Nil	117.25	Nil
- Loans Receivable	Nil	Nil	Nil	147.12
- Outstanding Payable	7.74	2.70	0.60	Nil
- Rent Deposit	8.00	12.35	235.00	Nil
- Investment in Partnership Firm	Nil	Nil	77.64	64.44
- Share Application Money	0.75	Nil	Nil	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

For the year ended 31st March, 2009

(a) Key Management Personnel:

Mr. Sunil Goyal	Managing Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Executive Director & CEO
Mr. K.V.S. Shyam Sunder	Director
Mr. Rajesh Murarka	Executive Director & CEO
Mr. Saurabh Agarwal*	Director
Mr. Burzin Somandy	Director
Mr. Dhaval Desai	Director
Mr. K. M. Tulsian	Director
Mr. Hemang Jangla	Director
Mr. T.B. Subramanian	Director
Mr. Narayan Pasari	Director of Subsidiary Company
Mr. Nitesh Dhandharia	Director of Subsidiary Company

* Resigned with effect from 30th September, 2008

(b) Relatives of Key Management Personnel:

Mrs. Usha Goyal	Relative of Director
Mrs. Santosh Singrodia	Relative of Director

(c) Name of the Enterprises having same Key Management Personnel with whom the Company has entered into transactions during the year:

- Havmore Financial Services India Limited
- Precious Real Estate Private Limited
- Jay Ambe Enterprises
- Invent Bio-Med Private Limited
- Jumbo King Foods Private Limited
- Parag Milk Foods Private Limited
- Structmast Realtors Private Limited
- Kisan Mouldings Limited

(d) Associates:

M/s. Singrodia Goyal & Co.	Partnership Firm
M/s. New India Spinning Co.	Partnership Firm
Ladderup Securities Private Limited	Associate Concern

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (Rs. in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
	2008-09	2008-09	2008-09	2008-09
Directors Remuneration	65.50	Nil	Nil	Nil
Directors Sitting Fees	0.21	Nil	Nil	Nil
Professional Charges Paid	Nil	Nil	Nil	10.50
Finance & Management Consultancy Fees received	Nil	Nil	Nil	Nil
Interest Received	Nil	Nil	14.91	Nil
Unsecured Loan taken	Nil	Nil	Nil	190.70
Repayment of Loan taken	Nil	Nil	Nil	374.95
Loans Granted	Nil	Nil	Nil	Nil
Rent Deposit Paid	Nil	Nil	Nil	Nil
Rent Paid	0.51	0.51	23.28	Nil
Allocation of Expenses	Nil	Nil	Nil	2.28
Capital Contribution in Partnership firm	Nil	Nil	Nil	36.39
Shares Sold	Nil	Nil	Nil	Nil
Investment made	Nil	Nil	125.98	Nil
Share Application Money received	1.00	Nil	Nil	Nil
Shares Allotted	0.75	Nil	Nil	Nil
Share Application Money Paid	Nil	Nil	4.13	Nil
Corporate finance fees	Nil	Nil	52.66	Nil
Outstanding amount paid	Nil	Nil	Nil	12.20

Amount Outstanding as on 31st March, 2009

- Loans Payable	Nil	Nil	Nil	Nil
- Loans Receivable	Nil	Nil	51.80	51.80
- Outstanding Payable	Nil	Nil	Nil	Nil
- Outstanding Receivable	Nil	Nil	42.84	Nil
- Rent Deposit	8.00	12.35	235.00	Nil
- Investment in Partnership Firm	Nil	Nil	Nil	83.37
- Other Investments	Nil	Nil	263.39	Nil
- Share Application Money	0.75	Nil	Nil	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

4. Details of Equity shares of various listed Companies held by the Company, as referred to in Schedule "6" are given in Annexure "II" to the Notes on Accounts.
5. Details of Equity shares of various unlisted Companies held by the Company, as referred to in Schedule "6" are as under :

Amount (in Rs.)

Sr. No.	Name of the Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
			Nos.	Value (Rs.)	Nos.	Value (Rs.)
1	Invent Bio-Med Private Limited	10.00	40,000	40,00,000	40,000	40,00,000
2	Jumbo King Foods Private Limited	10.00	98,901	88,55,155	73,981	78,38,902
3	Precious Real Estate Private Limited	10.00	200,000	20,00,000	200,000	20,00,000
4	Tops Security Limited	10.00	40,900	28,63,000	40,900	28,63,000
5	Parag Milk Foods Private Limited	10.00	200,000*	125,00,000	200,000*	125,00,000
6	Mobile Magic Private Limited	10.00	137,894	160,00,000	137,894	160,00,000
	TOTAL		7,17,695	462,18,155	6,92,775	452,01,902

*Including 150,000 Bonus Shares

6. Taxes on Income:

- i) Provision for taxation for the year has been made in accordance with the provisions of the Income-tax Act, 1961.
- ii) In terms of Accounting Standard 22 "Accounting for Taxes on Income" issued by the ICAI/Companies (Accounting Standard) Rules, 2006, Company has recognized Deferred Tax Assets amounting to Rs. 1,36,024 for the year ended 31st March, 2010 in the Profit & Loss Account.

The balance in Net Deferred Tax Liabilities comprises of:

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability / (Assets)		
Depreciation	209,006	345,833
Preliminary Expenses	(1,236)	(2,040)
Carried Forward Losses	Nil	Nil
Deferred Tax Liability/ (Assets) [Net]	207,770	343,793

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

7. During the year 2008-09, the Company had issued, on preferential basis, 40.00 Lacs convertible warrants at a premium of Rs. 10/- per warrant to promoter group and other investors, in accordance with SEBI guidelines. The Company had received upfront money Rs. 773.00 Lacs on 40.00 Lacs warrants, out of this 38.50 Lacs warrants were converted into equity shares during the year. Balance 1.50 Lacs warrants were not converted into equity shares on non exercise of option before the due date and accordingly the upfront subscription amount of Rs. 3.00 Lacs on issue of these warrants have been forfeited during the year and credited to capital reserve. The Company has utilized entire amount of warrant issue proceeds towards strategic investment in various ventures, other listed/unlisted companies and general corporate purpose.
8. Figures of previous year have been regrouped, reclassified and / or rearranged wherever necessary.

As per our Report of even date

For and on behalf of the Board

For Khurdia Jain & Co.
Chartered Accountants

Sampat Khurdia
Partner
Mem. No. 33615

Place : Mumbai
Date : 29th May, 2010

Sunil Goyal
Managing Director

Parimal Sheth
Executive Director & CEO

Puja Mehta
Company Secretary

Place : Mumbai
Date : 29th May, 2010

K.V.S. Shyam Sunder
Director

Rajesh Murarka
Executive Director & CFO

CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Annexure 'I' to the Notes on Accounts

Amount (in Rs.)

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Investment Advisory Services	Total
Revenue					
External Sales	7,260,735	42,484,500	2,148,907	5,984,824	57,878,966
Inter segment sales	—	—	—	—	—
Total Revenue	7,260,735	42,484,500	2,148,907	5,984,824	57,878,966
Result					
Segment Result	6,184,405	11,089,396	2,148,907	(919,521)	18,503,186
Unallocated Corporate Income					1,994,874
Unallocated Corporate Expenses					4,318,404
Profit before tax					16,179,657
Income taxes					4,100,000
Fringe Benefits Tax					—
Deferred Tax					(136,024)
Net Profit					12,215,681
Other Information					
Segment Assets	104,454,996	57,340,405	22,998,998	2,715,974	187,510,372
Unallocated Corporate Assets					12,594,974
Total Assets					200,105,347
Segment Liabilities	327,319	8,247,710	-	2,035,670	10,610,699
Unallocated Corporate Liabilities					12,724,864
Deferred Tax Liabilities					207,770
Total liabilities					23,543,333

CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Annexure 'II'

Detail of Equity Shares in Quoted Companies

Name of Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Aditya Birla Chemicals (I) Ltd.	10	10000 Nos.	973,340	-	-
Adlabs Films Ltd.	10	-	-	350 Nos.	64,063
Andhra Sugars Ltd.	10	-	-	2500 Nos.	275,656
Aptech Ltd.	10	1000 Nos.	200,054	-	-
Areva T & D India Ltd.	10	-	-	5000 Nos.	1,167,003
Autoline Ind. Ltd.	10	25000 Nos.	3,159,127	-	-
Bajaj Hindustan Ltd.	1	-	-	2000 Nos.	102,697
Biocon Ltd.	5	3000 Nos.	849,166	-	-
Birla Precision Technologies Ltd.	2	12060 Nos.	326,813	-	-
Capman Financial Ltd.	10	50000 Nos.	500,000	50000 Nos.	500,000
Cosmo Films Ltd.	10	14451 Nos.	1,717,696	-	-
Exide Industries Ltd.	1	5000 Nos.	449,800	-	-
Fame India Ltd.	10	-	-	81000 Nos.	5,162,125
Financial Technologies (I) Ltd.	2	1000 Nos.	1,604,175	-	-
Fortis Healthcare	10	-	-	5000 Nos.	374,026
GMR Infrastructures Ltd.	2	-	-	5000 Nos.	1,024,893
Graphite India Ltd.	10	-	-	2000 Nos.	76,194
Heg Ltd.	10	-	-	5500 Nos.	976,343
Hero Honda Motors Ltd.	2	500 Nos.	784,495	-	-
Hindustan Oil Expl. Co. Ltd.	10	500 Nos.	125,913	-	-
Idea Cellular Ltd.	10	11000 Nos.	695,661	11000 Nos.	695,661
IMP Powers Ltd.	10	-	-	3000 Nos.	126,276
Indian Hotels Co. Ltd.	10	15000 Nos.	1,412,680	-	-
Indo Asian Fusegear Ltd.	10	12005 Nos.	823,839	-	-
Insecticides (I) Ltd.	10	9000 Nos.	1,134,725	-	-
Kalyani Steels Ltd.	10	10000 Nos.	1,353,189	-	-
Kotak Mahindra Bank Ltd.	10	-	-	1000 Nos.	364,761
Lloyds Steel Ind. Ltd.	10	200000 Nos.	1,957,806	-	-
L & T Ltd.	10	900 Nos.	756,470	2400 Nos.	2,940,915
Lupin Ltd.	10	1000 Nos.	1,503,514	-	-
Mahindra & Mahindra Ltd.	5	2000 Nos.	839,970	-	-
Mahindra Satyam Computer Ser. Ltd.	10	10000 Nos.	1,137,556	4500 Nos.	782,525

CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2010

Name of Company	Face Value (Rs.)	As at 31.03.2010		As at 31.03.2009	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Mphasis Ltd.	10	2500 Nos.	1,886,904	-	-
Nesco Ltd.	10	2200 Nos.	1,741,473	2456 Nos.	2,104,577
Neyveli Lignite Corporation Ltd.	10	-	-	5000 Nos.	540,225
Nicco Corporation Ltd.	2	15000 Nos.	583,937	15000 Nos.	583,937
NTPC Ltd.	10	-	-	8000 Nos.	1,365,179
Power Grid Corp. of India Ltd.	10	-	-	10000 Nos.	709,303
PSL Ltd.	10	500 Nos.	85,647	-	-
Punjab Lloyd	10	-	-	5000 Nos.	818,450
Reliance Communication Ltd.	5	4000 Nos.	1,892,376	3000 Nos.	1,534,714
Reliance Industries Ltd.	10	750 Nos.	1,239,374	-	-
Reliance Petroleum	10	-	-	6000 Nos.	1,239,374
Repro India Ltd.	10	25737 Nos.	2,519,605	18242 Nos.	2,235,882
Reliance Natural Resources Ltd.	5	3000 Nos.	212,520	-	-
Ruchi Soya Industries Ltd.	2	3000 Nos.	280,388	-	-
Sesa Goa Limited	10	-	-	2500 Nos.	444,823
Sakthi Sugar Ltd.	10	5584 Nos.	569,603	10100 Nos.	942,001
Spicejet Ltd.	10	20000 Nos.	1,167,364	-	-
Strides Arcolab Ltd.	10	1000 Nos.	337,038	-	-
Suzlon Energy Ltd.	2	10000 Nos.	1,055,700	-	-
TCS Ltd.	1	1500 Nos.	910,920	-	-
Tilak Nagar Industries Ltd.	10	46126 Nos.	1,299,024	-	-
Viceroy Hotels Ltd.	10	5000 Nos.	195,512	-	-
Videocon Industries Ltd.	10	7000 Nos.	1,904,386	1000 Nos.	669,502
Welspun India Ltd.	10	10000 Nos.	940,609	-	-
Wire and Wireless India Ltd.	1	10000 Nos.	194,077	-	-
Total		554253 Nos.	41,322,445	266548 Nos.	27,821,106

Annexure 'I'

Details of Closing Stock of Shares and Securities as at 31st March, 2010

Particulars	As at 31.03.2010		As at 31.03.2009	
	Nos.	Value (Rs.)	Nos.	Value (Rs.)
Sunflag Iron & Steel Limited	350	2,328	350	2,328
Vandana Hitech Systems Private Limited	12,800	3,200,000	12,800	3,200,000
Larsen & Toubro Limited	600	507,652	600	507,652
	13,750	3,709,980	13,750	3,709,980

DIRECTORS' REPORT

To
The Members,

The Directors of your Company are pleased to present your Company's 4th Annual Report of Ladderup Corporate Advisory Private Limited together with the Audited Statements of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

	Amount (INR Lacs)	
	2009-10	2008-09
Operational and other Income	444.880	654.92
Profit before depreciation and Tax	80.06	270.80
Less: Depreciation	11.48	10.26
Profit before Tax	68.58	260.54
Less: Provision for Taxation	23.00	90.50
Less: Provision for Fringe Benefits Tax	-	2.27
Less/(Add): Deferred Tax for the year	(1.38)	(0.29)
Profit after Tax	46.95	168.05

2. FINANCIAL HIGHLIGHTS:

In spite of the global financial crisis, India's economic growth is steadily gaining momentum, led by a very encouraging re-bounce in industrial activity during the year.

During the financial year 2009-10, the Company has earned the revenue of Rs. 444.84 Lacs in FY 2009-10 as compared to the revenue of Rs. 654.92 Lacs in FY 2008-09. The profit after tax of your Company is Rs. 46.95 Lacs in FY 2009-10 as compared to Rs. 168.05 Lacs in FY 2008-09. During the year, the Company has successfully completed big ticket debt syndications, private equity deals and other corporate advisory mandates. The Company expects better performance in the next year as some of its ongoing debt and equity mandates will achieve closure.

Further your Company has received the merchant banking registration from Securities and Exchange Board of India (SEBI) and shall now be able to serve clients in the services related to capital market transactions like QIP, Open Offers, Buy Back offers, IPO, FPO, Right Issues, valuations etc.

Since the Company is growing in terms of size and manpower, it has shifted to a bigger office space in Bandra, Mumbai.

In order to further enhance its presence in Tier I and Tier II cities LCAPL has appointed growth partners at various locations in India to source business for the Company. This arrangement will further expand its business horizons.

3. DIVIDEND:

Since the Company will be required to plough back the profits in order to fund the future growth plans, the Board does not recommend any dividend for the year under review.

4. FIXED DEPOSITS:

The Company has not accepted any deposits from the public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

5. DIRECTORS:

Shri Narayan Pasari and **Shri Manoj Singrodia**, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT

Shri Burzin Somandy, Director has tendered his resignation on 27th July, 2010. The Board has accepted his resignation in its Meeting held on 14th August, 2010.

6. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 the Board of Directors confirms that:

- a. In the preparation of the accounts for financial year ended 31st March 2010, the applicable accounting standards have been followed.
- b. Accounting Policies selected have been applied consistently and judgments made and estimates given are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and the Profit of the Company for the year ended 31st March, 2010.
- c. Proper and sufficient care have been 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.
- d. The Annual accounts have been prepared on a going concern basis.

7. AUDITORS:

M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai being Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

8. PARTICULARS OF THE EMPLOYEES:

There are no employees whose particulars are required to be given under Section 217(2A) of the Companies Act read with the Companies (Particulars of Employees) Rules, 1975.

9. INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE :

Information required to be given under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not apply to your Company. There was no foreign exchange earning or outgo during the year.

10. MERCHANT BANKING REGISTRATION:

The Company has received Merchant Banking Registration in the month of July, 2010 from Securities and Exchange Board of India (SEBI). Henceforth, we shall foray our arms in Merchant Banking activities and be able to serve clients in the services related to Capital Markets like QIB Placements, Open Offers, Buy Back offers, ESOP Valuations, IPO, FPO, Right Issues leading to an increased top-line and better clientage.

11. APPRECIATION:

Your Director wish to thank all the stakeholders for lending their support in various activities of the Company. Your Directors would like to place on record their appreciation to all the employees for their continued support towards the growth of the Company.

Date : 31st July, 2010

Place : Mumbai

Regd. Office : A-204 Rajeshri Accord,
Telly Cross Lane, Off S.N. Road,
Andheri (E), Mumbai – 400 069.

For and on behalf of the Board

(Sunil Goyal) **(Parimal Sheth)**
Managing Director Whole-Time Director

AUDITORS' REPORT

To
The Members,
Ladderup Corporate Advisory Private Limited

We have audited the attached Balance Sheet of Ladderup Corporate Advisory Private Limited as at 31st March, 2010 and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 and amendment thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. 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 as it appears from our examination of such books.
 - (c) The Company's Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account and the Cash Flow Statement comply in all material aspects with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except, Accounting Standard 15 (AS – 15) relating to Accounting of Employees Benefits (as referred to in Note No. **B(3) of Schedule "15"**).
 - (e) On the basis of written representation received from the directors as on 31st March, 2010 and taken on record by the board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon give the information required by the Companies Act 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, 2010 and
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Khurdia Jain & Co.**
Chartered Accountants
Firm Regn. No. 120263W

Sampat Khurdia
Partner
Mem. No. 033615

Place : Mumbai
Date : 29th May, 2010

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Ladderup Corporate Advisory Private Limited** for the year ended 31st March, 2010. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the assets have been physically verified by the management during the year and in our opinion the interval of physical verification is reasonable. No discrepancies have been noticed on such physical verification.
 - (c) The Company has not disposed off any assets during the year.
- (ii) (a) Since the Company is service Company and does not maintain any inventory, Clause 4(ii)(a), (b) and (c) of the said Order are not applicable.
- (iii) (a) The Company has not granted loans secured or unsecured to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) In view of our comments in para iii (a) above, clauses 4(iii)(b)(c) and (d) of the said Order are not applicable to the Company.
 - (c) The Company has taken unsecured loan from Holding Company (payable on call basis) covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the year was Rs. 27,26,586/-. The year end balance of such loans was Rs. NIL.
 - (d) The rate of interest and other terms and conditions on which loans have been taken are *prima facie*, not prejudicial to the interest of the Company.
 - (e) In view of our comments in paras (iii)(c) and (d) above, clause 4(iii)(g) of the said Order is not applicable to the Company.
- (iv) There is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) The transactions made in pursuance of such contracts or arrangements have been made at mutual understanding which can not be compared with prevailing market prices being specific nature of services.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system but its financial and other internal checks, ensures proper recording of the financial transactions.
- (viii) The Central Government has not prescribed for maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.

ANNEXURE TO AUDITOR'S REPORT

- (ix) (a) As per the records of the Company, the undisputed statutory dues including Income tax and Service tax have generally been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of these statutory dues which have remained outstanding as at 31st March, 2010 for a year more than six months from the date they became payable. The laws relating to Sales tax, Wealth tax, Customs Duty, Excise duty, and Cess do not apply to the Company for the year under report.
- (b) According to the information and explanations given to us, the Company has no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes with the related authorities.
- (x) Since the Company is not in existence for more than 5 years and hence the provision of the clause 4(x) is not applicable to the Company.
- (xi) The Company has not defaulted in repayment of its dues to banks, financial institutions.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) According to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) The Company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) The Company has not raised any new term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) There were no frauds on or by the Company noticed or reported during the course of our audit during the year.

For **Khurdia Jain & Co.**
Chartered Accountants
Firm Regn. No. 120263W

Sampat Khurdia
Partner
Mem. No. 033615
Place : Mumbai
Date : 29th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Schedules	As at 31.03.2010	As at 31.03.2009
I Sources of Funds			
Shareholders Funds			
Share Capital	1	2,900,000	2,900,000
Reserves & Surplus	2	49,049,336	44,354,074
Loans Funds			
Secured Loans	3	452,559	1,109,963
Unsecured Loans	4	—	1,800,000
Deferred Tax Liabilities (Net)		16,396	154,276
		52,418,291	50,318,313
II Application of Funds			
Fixed Assets	5		
Gross Block		6,538,850	6,344,819
Less: Depreciation		2,694,458	1,546,080
Net Block		3,844,392	4,798,739
Investments	6	5,025,203	3,700,000
Current Assets, Loans & Advances			
Sundry Debtors	7	25,198,859	24,652,775
Cash & Bank Balances	8	472,023	1,899,199
Loans & Advances	9	27,825,131	28,955,420
		53,496,013	55,507,394
Less : Current Liabilities & Provisions	10	9,947,317	13,687,820
Net Current Assets		43,548,696	41,819,574
		52,418,291	50,318,313
Significant Accounting Policies & Notes on Accounts	15		

As per our Report of even date

For Khurdia Jain & Co.
Chartered Accountants

For and on behalf of the Board

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Director

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Schedules	Year ended 31.03.2010	Year ended 31.03.2009
I. Income			
Operational & Other Income	11	44,479,374	65,491,526
		44,479,374	65,491,526
II. Expenditure			
Employees Costs	12	19,953,360	11,120,324
Administrative and Other Expenses	13	16,333,312	26,996,041
Financial Expenses	14	186,944	295,186
Depreciation		1,148,377	1,026,396
		37,621,992	39,437,947
Profit before Tax		6,857,382	26,053,579
Less : Provision for Tax			
- Current Tax		2,300,000	9,050,000
- Deferred Tax Liability/(Assets)		(137,880)	(29,000)
- Fringe Benefits Tax		—	227,392
Profit after Tax		4,695,262	16,805,187
Balance brought forward from previous year		25,554,074	15,128,687
Profit Available for Appropriations		30,249,336	31,933,874
Appropriations			
Interim Dividend		—	4,000,000
Dividend Distribution Tax		—	679,800
Transfer to General Reserve		—	1,700,000
Profit transferred to Balance Sheet		30,249,336	25,554,074
Earning Per Share of Rs. 10/- each (Basic/Diluted) In Rs.		16.19	167.18
Significant Accounting Policies & Notes on Accounts	15		

As per our Report of even date

For Khurdia Jain & Co.
Chartered Accountants

For and on behalf of the Board

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Director

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
A) Cash Flow from Operating Activities		
Net profit before taxation & extraordinary items	6,857,382	26,053,579
Add/(Less) Adjustments for:		
Depreciation	1,148,377	1,026,396
Interest on Loan	43,435	-
Income from Mutual Fund	(240,240)	-
(Increase)/Decrease in Debtors	(546,084)	(16,390,381)
Increase/(Decrease) in Advance from Clients	-	(687,360)
(Increase)/Decrease in Other advances	1,194,918	(2,211,203)
Increase/(Decrease) in Other Liability	(2,403,741)	5,192,909
(Increase)/Decrease in Deposits	2,000,000	-
Net Income Tax paid	(7,186,392)	(8,846,237)
Net Cash Flow from Operating Activities (a)	867,656	4,137,703
B) Cash Flow from Investing Activities		
Inter Corporate Deposit Given	1,485,000	(1,873,770)
Purchase of Fixed Assets	(194,031)	(1,445,035)
Income from Mutual Fund	240,240	-
Investments in Mutual Fund	(1,325,203)	(3,700,000)
Interim Dividend & tax paid	-	(4,679,800)
Net Cash Flow from Investment Activities (b)	206,006	(11,698,605)

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

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
C) Cash Flow from Financing Activities		
Proceeds/(Repayment) of Unsecured Loans	(1,800,000)	(10,465,000)
Issue of Share Capital	-	1,900,000
Proceeds towards Share Premium Account	-	17,100,000
Secured Loans (Net of repayment)	(657,404)	413,751
Interest on Loans	(43,435)	-
Preliminary and Properative Expenses incurred	-	-
Net Cash Flow from Financing Activities (c)	(2,500,838)	8,948,751
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	(1,427,176)	1,387,848
Add: Cash & Cash Equivalents at the beginning of year	1,899,199	511,350
Cash & Cash Equivalents at the end of year	472,023	1,899,199
Note:		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.		
2. Cash & Cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short-term loans and advances from banks as follows:		

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in hand	64,819	80,870
Balances with Bank	407,204	1,818,329
	472,023	1,899,199

As per our Report of even date

For Khurdia Jain & Co.
Chartered Accountants

For and on behalf of the Board

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Director

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)		
Particulars	As at 31.03.2010	As at 31.03.2009
<u>Schedule "1" : Share Capital</u>		
<u>Authorised</u>		
300,000 Equity Shares of Rs. 10/- each	3,000,000	3,000,000
<u>Issued, Subscribed & Paid-up</u>		
290,000 Equity Shares of Rs. 10/- each fully paid-up (All the shares are held by the Holding Company Ladderup Finance Limited and its nominees)	2,900,000	2,900,000
	2,900,000	2,900,000
<u>Schedule "2" : Reserves & Surplus</u>		
<u>General Reserve</u>		
Opening Balance	1,700,000	-
Add : Additions during the year	-	1,700,000
Closing Balance	1,700,000	1,700,000
<u>Securities Premium Account</u>		
Opening Balance	17,100,000	-
Add : Additions during the year	-	17,100,000
Closing Balance	17,100,000	17,100,000
Profit & Loss Account	30,249,336	25,554,074
	49,049,336	44,354,074
<u>Schedule "3" : Secured Loans</u>		
Vehicle Loan from Vijaya Bank	79,456	404,814
Vehicle Loan from HDFC Bank (Secured against respective vehicles)	373,103	705,149
	452,559	1,109,963
<u>Schedule "4" : Unsecured Loans</u>		
From Holding Company	-	1,800,000
Inter Corporate Deposit	-	-
	-	1,800,000

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule "5" :— Fixed Assets (At Cost less Depreciation)

Amount (in Rs.)

Description	Gross Block			Depreciation			Net Block	
	As at 01.04.2009	Additions During the year	As at 31.03.2010	Upto 31.03.2009	Provided for the year	Upto 31.03.2010	As Aat 31.03.2010	As at 31.03.2009
Computers	1,195,672	170,482	1,366,154	506,511	382,760	889,271	476,883	689,161.00
Office Equipments	214,185	23,549	237,734	107,671	77,538	185,209	52,525	106,514.00
Furniture & Fittings	2,143,102	-	2,143,102	317,213	214,310	531,523	1,611,579	1,825,889.00
Motor Cars	2,491,860	-	2,491,860	455,959	373,779	829,738	1,662,122	2,035,901.00
Air Conditioners	300,000	-	300,000	158,727	99,990	258,717	41,283	141,273.00
Total	6,344,819	194,031	6,538,850	1,546,081	1,148,377	2,694,458	3,844,392	4,798,738
Previous Year	4,899,784	1,445,035	6,344,819	519,684	1,026,396	1,546,081	4,798,738	4,380,100

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<u>Schedule "6" : Investments</u>		
(Non Trade, Short Term, Unquoted)		
(Fidelity Ultra Short-term Debt Fund)		
5,00,363.717 Units, NAV Rs. 50,25,203	5,027,144	3,700,000
(P.Y.: 369,911 Units, NAV Rs. 37,00,000)		
Less: Provision for Dimution in the Value of Investment	1,941	—
	5,025,203	3,700,000
<u>Schedule "7" : Sundry Debtors</u>		
(Unsecured, considered good)		
Debts outstanding for a period more than six months	5,935,953	4,842,410
Other Debts	19,262,906	19,810,365
	25,198,859	24,652,775
<u>Schedule "8" : Cash & Bank Balances</u>		
Cash in hand	64,819	80,870
Balances with Scheduled Banks in Current Account	407,204	1,818,329
	472,023	1,899,199
<u>Schedule "9" : Loans & Advances</u>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received	2,775,062	3,969,980
Inter Corporate Deposits	—	1,485,000
Deposits	21,500,440	23,500,440
Advance Tax & TDS (Net of Provisions)	3,549,629	—
	27,825,131	28,955,420
<u>Schedule "10" : Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
<u>Sundry Creditors</u>		
Due to Micro, Small & Medium Enterprises	—	—
(Refer Note No. B(10) Schedule "15")		
Due to Others	3,515,878	7,402,117
Due to Holding Company	2,152,166	897,371
Other Liabilities	4,279,272	4,051,569
<u>Provisions</u>		
Provision for Tax (Net of Advance Tax & TDS)	—	1,336,763
	9,947,316	13,687,820

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (in Rs.)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule "11" : Operational & Other Income</u>		
Financial & Management Consultancy Fees (TDS Rs. 55,15,382; P.Y. Rs. 75,05,290)	42,484,500	64,000,945
Interest Received (TDS Rs. 1,65,000 ; P.Y. Rs. 2,90,460)	1,754,634	1,490,581
Dividend	227,919	—
Profit on Sale of Mutual Fund	12,321	—
	44,479,374	65,491,526
<u>Schedule "12" : Employees Costs</u>		
Salaries,Bonus & Incentives	15,203,243	7,394,360
Staff Training Expenses	—	89,400
Staff Welfare Expenses	550,117	236,564
Director's Remuneration	4,200,000	3,400,000
	19,953,360	11,120,324
<u>Schedule "13" : Administrative & Other Expenses</u>		
Rent, Rates & Taxes	2,332,500	2,336,750
Legal & Professional Expenses	6,908,497	20,530,466
Communication Costs	436,972	386,126
Vehicle Maintenance Expenses	1,340,699	912,611
Electricity Expenses	198,048	221,897
Business Promotion Expenses	1,445,730	1,069,640
Dimunition in the value of Investment	1,941	—
Printing & Stationery	227,275	183,022
Travelling & Conveyance	524,270	275,102
Auditors Remuneration	25,000	25,000
Office Expenses	255,271	197,106
Insurance Expenses	26,003	57,580
Bad Debts Written Off	1,474,325	485,850
Donation	514,100	1,100
Miscellaneous Expenses	622,682	313,790
	16,333,312	26,996,041

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<u>Schedule “14” : Financial Expenses</u>		
Bank Charges	6,614	7,068
Interest on Car Loan	90,916	114,871
Interest on Loan	43,435	—
Other Interest	45,979	173,247
	186,944	295,186

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

Schedule '15'

Significant Accounting Policies and Notes to the Accounts

A) Significant Accounting Policies

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by ICAI/ Companies (Accounting Standard), Rules, 2006. Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

2. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known/materialized.

3. Recognition of income and expenditure:

The Company follows the accrual basis of accounting except in the following cases, where the same are recorded on the cash basis.

- (a) Insurance claims
- (b) Payment of bonus and leave salary
- (c) Gratuity

4. Revenue Recognition:

- (a) Fees for Corporate Advisory Services related consultancy are accounted for on the substantial completion of assignment.
- (b) Dividend on shares is being considered when the right to receive payment is established.
- (c) In respect of other heads of income, the Company follows the practice of accounting on accrual basis.

5. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

6. **Depreciation:**

Depreciation on Fixed Assets is provided on 'Straight Line Method' considering the estimated useful lives of respective assets and their estimated residual value as under:

Sr. No.	Description of Assets	Estimated Useful life	Residual Value (% of Cost)
1.	Computers	3 Years	10 %
2.	Office Equipments	3 Years	Nil
3.	Furniture & Fittings	10 Years	Nil
4.	Motor Car	5 Years	25 %
5.	Air Conditioners	3 Years	Nil

7. **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI/Companies (Accounting Standard) Rules, 2006, Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

8. **Investments:**

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

9. **Accounting for Taxation on Income:**

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

10. **Miscellaneous Expenditure:**

Preliminary expenses are amortised in the year they are incurred.

11. **Prior Period Items:**

Material amount of Income and Expenditure pertaining to prior years are disclosed separately.

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

12. **Employee benefits:**

- (a) Liability for leave encashment benefits has been accounted for on cash basis.
- (b) Gratuity liability is accounted for on cash basis.

13. **Treatment of Contingent Liabilities:**

- (a) Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any, are shown as advances.
- (b) Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal.
- (c) Contingent Liabilities are disclosed by way of notes.

B) **Notes to Accounts**

1. In the opinion of the Board, the Current Assets and Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount reasonable necessary.
2. The Balances and classification of Sundry Debtors, Loans and advances, Sundry Creditors and other liabilities shown in the Financial Statements are as per the ledger and are subject to confirmation and consequent reconciliation and adjustment.
3. Liabilities in respect of Gratuity is accounted for on cash basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as issued by the ICAI/ Company (Accounting Standards) Rules, 2006, which requires that Gratuity Liability be accounted for on accrual basis.
4. Contingent Liabilities not provided for : Rs. Nil (P.Y. Rs. NIL)
5. **Auditors' Remuneration:**

Amount (in Rs.)

Particulars	Year ended 31/03/2010	Year ended 31/03/2009
Statutory Audit Fees	20,000	20,000
Tax Audit	5,000	5,000
Service Tax	2,575	2,575
Total	27,575	27,575

6. **Directors' Remuneration:**

Amount (in Rs.)

Particulars	Year ended 31/03/2010	Year ended 31/03/2009
Directors' Remuneration	42,00,000	34,00,000
Total	42,00,000	34,00,000

7. **Segment Information:**

In accordance with the requirements of Accounting Standard – 17 "Segment Reporting", issued by ICAI/Companies (Accounting Standards) Rules, 2006, Company's business is one

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

reportable business segment being Financial and Management Consultancy and hence no separate disclosure attributable to Revenues, Profits, Assets, Liabilities and Capital Employed are given.

8. Deposits include Rs. 2,15,00,000 (P.Y. Rs. 23,500,000) due from a Private Limited Company in which a director is interested as director.

9. **Related Party Transactions:**

For the year ended 31st March, 2010

(a) **Key Management Personnel:**

Mr. Sunil Goyal	Managing Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Director
Mr. Rajesh Murarka	Director
Mr. Narayan Pasari	Director

(b) **Name of the Enterprises where directors or its relatives are able to exercise significant influence with whom the Company has entered into transactions during the year:**

- Structmust Realtors (India) Private Limited
- Singrodia Goyal & Co.

(c) **Holding Company:**

Ladderup Finance Limited

(d) **Fellow Subsidiary:**

Ladderup Wealth Management Private Limited

Amount (in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) & (d) above
	2009-10	2009-10	2009-10
Revenue Sharing	Nil	Nil	61.87
Directors Remuneration	42.00	Nil	Nil
Professional Charges Paid	Nil	2.50	Nil
Unsecured Loan taken	Nil	Nil	43.43
Repayment of Loan taken	Nil	Nil	61.44
Rent Paid	Nil	23.28	Nil
Interest received on Rent deposit	Nil	16.50	Nil

Balance as on 31st March, 2010

- Rent Deposit	Nil	235.00	Nil
- Revenue Sharing Payable	Nil	Nil	21.52

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

For the year ended 31st March 2009.

a. Key Management Personnel:

Mr. Sunil Goyal	Director
Mr. Manoj Singrodia	Director
Mr. K.V.S Shyam Sunder	Director
Mr. Parimal Sheth	Director
Mr. Burzin Somandy	Director
Mr. Rajesh Murarka	Director
Mr. Saurabh Agarwal*	Director

* Resigned with effect from 30th September, 2008

b. Name of the Enterprises having same Key Management Personnel with whom the Company has entered into transactions during the year:

Structmast Realtors Private Limited

Invent Bio-Med Private Limited

Kisan Mouldings Limited

c. Associates:

M/s. Ladderup Securities Private Limited	Associate Concern
M/s. Singrodia Goyal & Co.	Partnership Firm

d. Holding Company:

Ladderup Finance Limited

e. Fellow Subsidiary :

Ladderup Wealth Management Private Limited

Amount (in Lacs)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) & (e) above
	2008-09	2008-09	2008-09	2008-09
Revenue Sharing	Nil	Nil	Nil	96.00
Directors Remuneration	34.00	Nil	Nil	Nil
Professional Charges Paid	Nil	Nil	10.50	Nil
Unsecured Loan taken	Nil	Nil	Nil	143.37
Repayment of Loan taken	Nil	Nil	71.35	120.28
Rent Paid	Nil	23.28	Nil	Nil
Interest on Rent deposit	Nil	14.91	Nil	Nil
Share Application Money received	Nil	Nil	Nil	190.00
Shares Allotted	Nil	Nil	Nil	19.00
Securities Premium received	Nil	Nil	Nil	171.00
Corporate Finance Fees	Nil	52.66	Nil	Nil
Outstanding amount paid	Nil	Nil	12.20	Nil

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

Balance as on 31st March, 2009

- Loans Payable	Nil	Nil	Nil	18.00
- Rent Deposit	Nil	235.00	Nil	Nil
- Other receivable	Nil	33.71	Nil	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

10. Since the Company is a service company additional Information Pursuant to the provisions of Part II of the Schedule VI of the Companies Act, 1956 regarding the quantitative details of goods produced is not applicable.

11. **Amounts due to Micro, Small and Medium Enterprises:**

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

12. **Earning Per Share :**

In accordance with Accounting Standard 20 – Earning Per Share issued by the Companies (Accounting Standards) Rules, 2006, computation of earning per share is set out below:

Sr. No.	Particulars	Period Ended 31.03.2010	Period Ended 31.03.2009
A	Weighted average number of Equity Shares of Rs. 10 each		
(i)	Number of Shares at the beginning of the year	290,000	100,000
(ii)	Number of Shares at the end of the period	290,000	290,000
(iii)	Weighted average number of Shares outstanding during the year	290,000	100,521
B	Net Profit/(loss) after tax available for equity shareholders (Amount in Rs.)	46,95,262	16,805,187
C	Basic Earning Per Share (In Rs.) (B/A (iii))	16.19	167.18

Note:—The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

13. **Taxes on Income:**

- (i) Provision for taxation for the year has been made in accordance with the provisions of the Income-tax Act, 1961.
- (ii) In terms of Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI/ Companies (Accounting Standards) Rules, 2006, the Company has recognized Deferred Tax Asset amounting to Rs. 1,37,880/- for the year ended 31st March, 2010 in the Profit & Loss Account.

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

The balance in Net Deferred Tax Liability comprises of:

Amount (in Rs.)

Particulars	Deferred Tax Liability (Asset) as at 31st March, 10	Deferred Tax Liability/(Asset) as at 31st March, 09
Deferred Tax Liability / (Assets)		
Depreciation	17014	155,295
Preliminary Expenses	(618)	(1,020)
Deferred Tax Liability/(Assets) [Net]	16,396	154,276

14. The Company has entered into Revenue Sharing Arrangement with Ladderup Finance Limited, the Holding Company, for transfer of Financial and Management Consultancy Business from the Holding Company to the Company with effect from 1st April, 2007. Pursuant to the Agreement the Company has paid a sum of Rs. 61,86,868/-(P.Y. Rs. 96,00,142/-) to Ladderup Financial Limited, being 15% of total fees income as reduced by bad debts, if any, for the financial year ended 31st March, 2010.
15. Figures of previous year have been regrouped, reclassified and/or rearranged wherever necessary.

As per our Report of even date attached

For Khurdia Jain & Co.
Chartered Accountants

For and on behalf of the Board

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Director

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. :	U67190MH2007PTC166958	State Code :	11
Balance Sheet Date :	31	3	2010
	Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement/	
Call Unpaid Received	Nil	Promoters Contribution	-

III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	52418	Total Assets	52418
Source of Funds			
Paid-up Capital	2900	Reserves and Surplus	49049
Secured Loans	453	Unsecured Loans	0
Deferred Tax Liability	16		
Application of Funds			
Net Fixed Assets	3844	Investments	5025
Net Current Assets	43549	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company. (Rs. in Thousands)

Turnover and Income	44479	Total Expenditure	37622
+ - Profit/Loss Before Tax	6857	Profit/Loss After Tax	30249
(Please tick appropriate box, + Profit, - for Loss)			
Earning Per Share in (Rs.)	16.19	Dividend Rate %	0%

V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

Item Code No. (ITC Code)	-
Product Description	1 Financial & Management Consultancy
Signatories to Schedules "1" to "15"	

For Khurdia Jain & Co.
Chartered Accountants

For and on behalf of the Board

Sampat Khurdia
Partner
Mem. No. 33615

Sunil Goyal
Managing Director

Parimal Sheth
Director

Place : Mumbai
Date : 29th May, 2010

Place : Mumbai
Date : 29th May, 2010

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present your Company's 3rd Annual Report of Ladderup Wealth Management Private Limited together with the Audited Statements of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

	Amount (INR Lacs)	
	2009-10	2008-09
Operational and other Income	59.85	21.08
Profit before depreciation and Tax	(10.47)	(19.90)
Less: Depreciation	1.74	0.67
Profit before Tax	(12.21)	(20.57)
Less: Provision for taxation	-	-
Less: Provision for Fringe Benefits Tax	-	0.10
Less/(Add): Deferred Tax for the year	0.17	(0.49)
Profit/(Loss) after Tax	(12.37)	(21.16)

2. FINANCIAL HIGHLIGHTS:

While the Industry struggles to overcome the Regulatory changes, your Company continued its growth trajectory with gross revenue of Rs. 59.85 Lacs in FY 2009-10 as against Rs. 21.08 Lacs in FY 2008-09. The net loss before tax for the current year reduced from Rs. 20.57 Lacs in FY 2009-10 to Rs. 12.21 Lacs in FY 2008-09.

The Company is currently incurring losses since it is in the initial stage of its business. We are positive on the growth of the business and committed to achieve better performance in the next year.

Our Assets Under Management (AUM) grew by 33% from Rs. 150 crores to Rs. 200 crores in FY 2009-10. The year also rewarded us with achievement of being nominated as "Best Financial Advisors – IFA – West Zone - India", that came from one of the leading business channel and one of the oldest mutual fund – CNBC TV and UTI Mutual Fund.

As part of growth strategy and depending upon the advisory needs of the investors, the Company is expanding its product basket. The Company is entering into insurance broking and distribution of other financial products in a big way.

3. DIVIDEND:

Since the Company has incurred loss during the year, the Board does not recommend any dividend for the year under review.

4. FIXED DEPOSITS:

The Company has not accepted any deposits from the public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS' REPORT

5. DIRECTORS:

Shri K.V.S. ShyamSunder and **Shri Parimal Sheth**, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

6. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 the Board of Directors confirms that:

- a) in the preparation of the accounts, the applicable accounting standards have been followed.
- b) accounting policies selected have been applied consistently and judgments made and estimates given are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and Loss of the Company for the year ended 31st March, 2010.
- c) proper and sufficient care have been taken for the maintenances of adequate accounting records in accordance with the provision of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Annual Accounts have been prepared on a going concern basis.

7. AUDITORS:

M/s. KARM & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

8. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be given under Section 217(2A) of the Companies act read with the Companies (Particulars of Employees) Rules, 1975.

9. INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE:

Information required to be given under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 does not apply to your Company. There was no foreign exchange earning or outgo during the year.

10. APPRECIATION:

Your Directors wish to thank all the shareholders, bankers and clients for lending their support in various activities of the Company. Your Directors would like to place on record their appreciation to all the employees for their continued support towards the growth of the Company.

Date : 14th August, 2010

For and on behalf of the Board

Place : Mumbai.

Regd. Office : A-204 Rajeshri Accord
Telly Cross Lane, Off S.N. Road
Andheri (E), Mumbai – 400 069

(Parimal Sheth)
Director

(Nitesh Dhandaria)
Executive Director & CEO

AUDITORS' REPORT

To

The Members,

We have audited the attached Balance Sheet of **Ladderup Wealth Management Private Limited** as at 31st March, 2010 and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 and amendment thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. 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 account as required by law have been kept by the Company as it appears from our examination of such books.
 - c) The Company's Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account and the Cash Flow Statement comply in all material aspects with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except, Accounting Standard 15 (AS – 15) relating to Accounting of Employees Benefits (as referred to in Note No. B(3) of Schedule "12")
 - e) On the basis of written representation received from the directors as on 31st March, 2010 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other 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:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - ii) In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.
 - iii) In case of Cash flow statement, of the cash flows for the year ended on that date.

For K A R M & Co.
Chartered Accountants
Firm Regn. No. 105237W

R. Hariharan
Partner
Mem. No. 038917
Place : Mumbai
Date : 29th May, 2010

ANNEXURE TO AUDITORS REPORT

Annexure referred to in Paragraph 2 of the Auditors Report to the members of **Ladderup Wealth Management Private Limited** for the year ended 31st March, 2010.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such physical verification.
- (c) The Company has not disposed of any substantial fixed assets during the year.
- (ii) (a) Since the Company is a service Provider Company and does not maintain any inventory clauses 4(ii)(a), (b) and (c) of the said Order are not applicable.
- (iii) (a) The Company has not granted any loans secured or unsecured to any party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In view of our comments in paras iii (a) above, clauses 4(iii)(b)(c) and (d) of the said Order are not applicable.
- (c) The Company has taken unsecured loan (payable on call basis) from the Holding Company covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the year was Rs. 33.81 Lacs. The year end balance of such loans was Rs. 33.81 Lacs.
- (d) The rate of interest & other terms and conditions on which the loan has been taken is *prima facie*, not prejudicial to the interest of the Company.
- (e) In view of our comments in para (iii)(c) and (d) above, clause 4(iii)(g) of the said Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) Based on our audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system commensurate with its size and nature of its business but its financial and other internal checks, ensures proper recording of the financial transactions.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.

ANNEXURE TO AUDITORS REPORT

- (ix) (a) The Company is regular in depositing undisputed statutory dues including income tax and service tax with appropriate authorities. There are no arrears of outstanding of these dues as at the last day of the financial year for a period of more than six months from the date they became payable. The laws relating to provident fund, investor education protection fund, employee state insurance, sales tax, wealth tax, custom duty, excise duty and cess do not apply to the Company for the year under report.
- (b) According to the information and explanations given to us, the Company has no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes with the related authorities.
- (x) The Company is not in existence for more than five years and hence the provisions of the clause 4(x) of the order is not applicable for the year under report.
- (xi) The Company has not taken any loan from banks and financial institutions.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) According to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) The Company has not given any guarantees for loan taken by others from banks and financial institutions.
- (xvi) As per the information and explanations given to us, the Company has not raised any new term loans during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) There were no frauds on or by the Company noticed or reported during the course of our audit during the year.

For K A R M & Co.
Chartered Accountants
Firm Regn. No. 105237W

R. Hariharan
Partner
Mem. No. 038917

Place : Mumbai
Date : 29th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	Schedules	As at 31.03.2010	As at 31.03.2009
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,000,000	500,000
Share Application Money (Pending allotment/refund)		—	500,000
Reserve & Surplus	1A	3,000,000	—
Loan Funds			
Unsecured Loans	2	831,076	2,180,699
Deferred Tax Liability (Net)		65,386	48,628
		4,896,462	3,229,327
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	683,568	447,643
Less : Depreciation		242,105	68,040
Net Block		441,463	379,603
Current Assets, Loans & Advances			
Sundry Debtors	4	1,413,317	921,733
Cash & Bank Balances	5	451,839	272,225
Loans & Advances	6	409,355	1,000,891
		2,274,511	2,194,849
Less : Current Liabilities & Provisions	7	1,204,594	1,492,833
Net Current Assets		1,069,917	702,016
Profit & Loss Account		3,385,081	2,147,708
		4,896,462	3,229,327
Significant Accounting Policies & Notes on Accounts	12		
<p>As per our Report of even date</p> <p>For K A R M & Co. For and on behalf of the Board <i>Chartered Accountants</i></p> <p>R. Hariharan Parimal Sheth Nitesh Dhandharia <i>Partner</i> <i>Director</i> <i>Executive Director & CEO</i> Mem. No. 038917</p> <p>Place : Mumbai Place : Mumbai Date : 29th May, 2010 Date : 29th May, 2010</p>			

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

Amount (in Rs.)

Particulars	Schedules	Year ended 31.03.2010	Year ended 31.03.2009
I. INCOME			
Income from Operations	8	5,984,824	2,108,856
		5,984,824	2,108,856
II. EXPENDITURE			
Employee Costs	9	4,200,624	2,653,649
Administration & Other expenses	10	2,527,304	1,373,065
Financial Expenses	11	303,446	72,395
Depreciation		174,065	66,976
		7,205,439	4,166,085
Profit/(Loss) before Taxation		(1,220,615)	(2,057,229)
Less: Provision for Tax			
- Current Tax		—	—
- Deferred Tax Liability/(Assets)		16,758	48,990
- Fringe Benefit Tax		—	9,867
Profit/(Loss) after Taxation		(1,237,373)	(2,116,086)
Add: Balance b/f from Last Year		(2,147,708)	(31,622)
Balance carried forward to Balance Sheet		(3,385,081)	(2,147,708)
Earning Per Share (Basic)		(24.68)	(44.57)
Significant Accounting Policies & Notes on Accounts	12		

As per our Report of even date

For K A R M & Co.
Chartered Accountants

R. Hariharan
Partner
Mem. No. 038917

Place : Mumbai
Date : 29th May, 2010

For and on behalf of the Board

Parimal Sheth
Director

Nitesh Dhandharia
Executive Director & CEO

Place : Mumbai
Date : 29th May, 2010

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

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
A) Cash Flow from Operating Activities		
Net Profit/(Loss) before taxation & extraordinary items	(1,220,615)	(2,057,229)
Add/(Less) Adjustments for:		
Depreciation	174,065	66,976
Interest on Loan	302,039	71,509
Increase/(Decrease) in Sundry Creditors	(362,704)	1,355,896
Increase/(Decrease) in Other Liabilities	79,489	18,867
(Increase)/Decrease in Loans & Advances	645,351	(1,000,891)
(Increase)/Decrease in Debtors	(491,584)	(839,978)
Net Income Tax Paid	(58,839)	(5,342)
Net Cash Flow from Operating Activities (a)	(932,798)	(2,390,192)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(235,925)	(332,843)
Net Cash Flow from Investment Activities (b)	(235,925)	(332,843)
C) Cash Flow from Financing Activities		
Share Capital	-	400,000
Share Application Money Received	-	450,000
Securities Premium	3,000,000	-
Unsecured Loans	(1,349,623)	2,180,699
Interest on Loan	(302,039)	(71,509)
Net Cash Flow from Financing Activities (c)	1,348,337	2,959,190
Net Increase in Cash & Cash Equivalents During the Year	179,614	236,155
Add:- Cash & Cash Equivalents at the Beginning of the Year	272,225	36,070
Cash & Cash Equivalents at the end of year	451,839	272,225

Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consist of cash in hand and balances with banks are as follows :

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

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Cash in Hand	1,930	9,638
Balances with Bank	449,909	262,587
	451,839	272,225

3. Figures in brackets reflects cash outflow.

As per our Report of even date

For K A R M & Co.
Chartered Accountants

R. Hariharan
Partner
Mem. No. 038917

Place : Mumbai
Date : 29th May, 2010

For and on behalf of the Board

Parimal Sheth **Nitesh Dhandharia**
Director *Executive Director & CEO*

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Schedule “1” : Share Capital		
Authorised		
100,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000
Issued, Subscribed and Paid-up		
100,000 (P.Y. 50,000) Equity Shares of Rs. 10/- each, fully paid-up (Of the above 85,000 Shares are held by the Holding Company Ladderup Finance Limited)	1,000,000	500,000
	1,000,000	500,000
Schedule “1A” : Reserve & Surplus		
<u>Securities Premium</u>		
Opening Balance	—	—
Add: Addition during the year	3,000,000	—
Closing Balance	3,000,000	—
	3,000,000	—
Schedule “2” : Unsecured Loans		
Loan from Holding Company	831,076	2,180,699
	831,076	2,180,699

Schedule “3” : Fixed Assets (At Cost less Depreciation)

Amount (in Rs.)

Description	Gross Block			Depreciation			Net Block	
	As at 01.04.2009	Additions/ (Deductions) During the year	As at 31.03.2010	Up to 31.03.2009	For the Year	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Computers	384,000	125,925	509,925	62,577	145,439	208,016	301,909	321,423
Computer Software	-	110,000	110,000	-	7,414	7,414	102,586	-
Office equipments		25,590	25,590	564	8,529	9,093	16,497	25,026
Air Conditioners		38,053	38,053	4,899	12,683	17,582	20,471	33,154
Total	447,643	235,925	683,568	68,040	174,065	242,105	441,463	379,603
Previous Year	114,800	332,843	447,643	1,064	66,976	68,040	379,603	113,736

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Schedule “4” : Sundry Debtors		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	52,193	-
Other Debts	1,361,124	921,733
	1,413,317	921,733
Schedule “5” : Cash and Bank Balances		
Cash in Hand	1,930	9,638
Balances with Scheduled Bank In Current Account	449,909	262,586
	451,839	272,224
Schedule “6” : Loans & Advances		
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind for value to be received	65,540	210,891
Deposits	290,000	790,000
Advance Tax & TDS (Net of Provisions)	53,815	-
	409,355	1,000,891
Schedule “7” : Current Liabilities & Provisions		
Current Liabilities		
<u>Sundry Creditors</u>		
Due to Micro, Small & Medium Enterprises (Refer Note No. B(9) of Schedule “12”)		
Due to Others	1,069,992	1,432,696
Other Liabilities	134,602	55,113
Provision for Taxation (Net of Advance Tax & TDS)	-	5,024
	1,204,594	1,492,833

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Schedule “8” : Income from Operations		
Brokerage & Commission (TDS Rs. 51,272; P.Y. Rs. 4,742)	5,984,824	2,108,856
	5,984,824	2,108,856
Schedule “9” : Employee Costs		
Salaries & Bonus	2,953,764	1,235,707
Staff Welfare Expenses	46,860	17,942
Directors Remuneration	1,200,000	1,400,000
	4,200,624	2,653,649
Schedule “10” : Administration & Other Expenses		
Rent	576,000	48,000
Legal and Professional Charges	370,191	576,199
Licence Fees	156,007	124,941
Sub Commission & Brokerage	222,593	232,576
Communication Costs	198,216	86,801
Vehicle Maintenance Expenses	300,031	—
Electricity Expenses	131,046	38,066
Business Promotion Expenses	115,593	21,340
Printing & Stationery	99,387	41,617
Travelling & Conveyance	107,562	33,011
Office Expenses	152,415	135,015
Auditors’ Remuneration	16,545	11,030
Misc. Expenses	81,719	24,469
	2,527,304	1,373,065
Schedule “11” : Financial Expenses		
Bank Charges	1,407	886
Interest Paid	302,039	71,509
	303,446	72,395

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

Schedule '12'

Significant Accounting Policies and Notes to the Accounts

A) Significant Accounting Policies

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards issued by ICAI/ Companies (Accounting Standard), Rules, 2006, Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

2. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known/materialized.

3. Recognition of income and expenditure:

The Company follows the accrual basis of accounting except in the following cases, where the same are recorded on the cash basis.

- a. Insurance claims
- b. Payment of bonus and leave salary
- c. Gratuity

4. Revenue Recognition:

- a. Brokerage/Commission from each Fund House is recognized by the Company on the basis of the statements generated by the main registrar on periodic basis.
- b. In respect of other operational income, the company follows the practice of accounting on accrual basis.

5. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

6. Depreciation:

Depreciation on Fixed Assets is provided on 'Straight Line Method' considering the estimated useful lives of respective assets and their estimated residual value as under:

Sr. No.	Description of Assets	Estimated Useful life	Residual Value (% of Cost)
1	Computers	3 Years	10%
2	Air Conditioners	3 Years	Nil
3	Office Equipments	3 Years	Nil

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

7. **Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI/Companies (Accounting Standard) Rules, 2006. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

8. **Accounting for Taxation on Income:**

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

9. **Miscellaneous Expenditure:**

Preliminary expenses are amortised in the year they are incurred.

10. **Prior Period Items:**

Material amount of Income and Expenditure pertaining to prior years are disclosed separately.

11. **Retirement benefits:**

- (a) Liability for leave encashment benefits has been provided on cash basis.
- (b) Gratuity liability is accounted for on cash basis.

12. **Treatment of Contingent Liabilities:**

- (a) Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any, are shown as advances.
- (b) Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal.
- (c) Contingent Liabilities are disclosed by way of notes.

B) Notes to Accounts:

- 1. In the opinion of the Board, the Current Assets, Share Application Money, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
- 2. The Balances and classification of Sundry Debtors shown in the Financial Statements are as per the ledger and are subject to confirmation and consequent reconciliation and adjustment.
- 3. Liabilities in respect of Gratuity is accounted for on cash basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as issued by the ICAI/

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

Company (Accounting Standards) Rules, 2006, which requires that Gratuity Liability be accounted for on accrual basis.

4. Contingent Liabilities not provided for : Rs. Nil

5. **Auditors' Remuneration:**

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Statutory Audit Fees	15,000	10,000
Service Tax	1,545	1,030
Total	16,545	11,030

6. **Directors' Remuneration:**

Amount (in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Directors' Remuneration	12,00,000	14,00,000
Total	12,00,000	14,00,000

7. **Segment Information:**

In accordance with the requirements of Accounting Standard – 17 “Segment Reporting”, issued by ICAI/Companies (Accounting Standards) Rules, 2006, Company's business is one reportable business segment being Advisory Services for Investment Products and hence no separate disclosure attributable to Revenues, Profits, Assets, Liabilities and Capital Employed are given.

8. **Related Parties:**

For the year ended 31st March, 2010.

(a) **Key Management Personnel :**

Mr. Sunil Goyal	Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Director
Mr. Nitesh Dhandharia	Director
Mr. K.V.S. Shyam Sunder	Director

(b) **Relative of Key Management Personnel:**

Mrs. Nisha Nitesh Dhandharia

(c) **Fellow Subsidiary:**

M/s. Ladderup Corporate Advisory Private Limited

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

(d) Holding Company:

Ladderup Finance Limited

(Amount in Rs.)

Nature of Transaction	Refer to (a) above	Refer to (b) above	Refer to (d) above
	2009-10	2009-10	2009-10
Directors Remuneration	12,00,000	Nil	Nil
Loan Taken	Nil	Nil	16,67,283
Loan Repaid	Nil	Nil	7,68,000
Interest Expenses	Nil	Nil	3,01,094
Share Application Money received	Nil	Nil	Nil
Shares Allotted	Nil	Nil	Nil
Professional Fess Paid	Nil	3,00,000	Nil

Amount Outstanding as on 31st March, 2010

Loan Payable	Nil	Nil	33,81,076
Share Application Money	75,000	Nil	4,25,000
Other Liabilities	7,73,500	2,70,000	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.
For the year ended 31st March, 2009.

(a) Key Management Personne I:

Mr. Sunil Goyal	Director
Mr. Manoj Singrodia	Director
Mr. K.V.S. ShyamSunder	Director
Mr. Parimal Sheth	Director
Mr. Nitesh Dhandharia	Director

(b) Associates:

M/s. Ladderup Securities Private Limited	Associate Concern
M/s. Singrodia Goyal & Co.	Partnership Firm

(c) Fellow Subsidiary:

M/s. Ladderup Corporate Advisory Private Limited

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

(d) Holding Company:

Ladderup Finance Limited

Amount (in Rs.)

Nature of Transaction	Refer to (a) above	Refer to (d) above
	2008-09	2008-09
Directors Remuneration	14,00,000	Nil
Loan Taken	Nil	21,35,000
Loan Repaid	Nil	Nil
Interest Expenses	Nil	45,699
Share Application Money received	100,000	750,000
Shares Allotted	75,000	325,000

Amount Outstanding as on 31st March, 2009

Loans payable	Nil	21,80,699
Share Application Money	75,000	425,000
Other Liability	7,85,000	Nil

Note: Related Parties as disclosed by Management and relied upon by auditors.

9. Since the Company is a service company additional Information Pursuant to the provisions of Part II of the Schedule VI of the Companies Act, 1956 regarding the quantitative details of goods produced is not applicable.

10. **Amounts due to Micro, Small and Medium Enterprises:**

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

11. **Earning Per Share:**

In accordance with Accounting Standard 20 – Earning Per Share issued by ICAI/Companies (Accounting Standards) Rules, 2006, computation of earning per share is set out below:

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
A	Weighted average number of Equity Shares of Rs. 10 each		
(i)	Number of Shares at the beginning of the year	50,000	10,000
(ii)	Number of Shares at the end of the year	100,000	50,000
(iii)	Weighted average number of Shares outstanding during the year	50,137	47,479
B	Net Profit/(loss) after tax available for equity shareholders (Rs. In Lacs)	(12,37,373)	(21,16,086)
C	Basic Earning Per Share (In Rs.) (B/A (iii))	(24.68)	(44.57)

Note: — The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

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

12. **Taxes on Income:**

- (i) Provision for taxation for the year has been made in accordance with the provisions of the Income-tax Act, 1961.
- (ii) In terms of Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI/Companies (Accounting Standards) Rules, 2006, Company has recognized Deferred Tax Liabilities amounting to Rs. 16,758/- for the year ended 31st March, 2010 in the Profit & Loss Account.

The balance in Net Deferred Tax Liability comprises of:

Amount (in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability / (Assets)		
Depreciation	66,004	49,647
Preliminary Expenses	(618)	(1,020)
Carried Forward Loss under Income Tax	Nil	Nil
Deferred Tax Liability/(Assets) [Net]	65,386	48,628

13. Figures of previous year have been regrouped, reclassified and/or rearranged wherever necessary.

As per our Report of even date

For K A R M & Co.
Chartered Accountants

R. Hariharan
Partner
Mem. No. 038917

Place : Mumbai
Date : 29th May, 2010

For and on behalf of the Board

Parimal Sheth
Director

Nitesh Dhandharia
Executive Director & CEO

Place : Mumbai
Date : 29th May, 2010

SCHEDULES FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. :	U74140MH2008PTC177491	State Code :	11
Balance Sheet Date :	31	3	2010
	Date	Month	Year

II. Capital raised during the year (Rs. in Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement /	500
		Promoters Contribution	
Call Unpaid Received	Nil		

III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	4896	Total Assets	4896
Source of Funds			
Paid-up Capital	1000	Reserves and Surplus	Nil
Secured Loans	Nil	Unsecured Loans	831
Deferred Tax Liability	65	Share Application Money	Nil
Application of Funds			
Net Fixed Assets	441	Investments	Nil
Net Current Assets	1070	Misc. Expenditure	Nil
Accumulated Losses	3385		

IV. Performance of Company (Rs. in Thousands)

Turnover and Income	5985	Total Expenditure	7205
+ - Profit/Loss Before Tax	(1,221)	Profit/Loss After Tax	(1,237)
(Please tick appropriate box, + Profit, - for Loss)			
Earning Per Share in (Rs.)	(24.68)	Dividend Rate %	—

V. Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

Item Code No. (ITC Code)	-
Product Description	1 Advisory Services for Investment Products
Signatories to Schedules "1" to "12"	

As per our Report of even date

For K A R M & Co.
Chartered Accountants

R. Hariharan
Partner
Mem. No. 038917

Place : Mumbai
Date : 29th May, 2010

For and on behalf of the Board

Parimal Sheth **Nitesh Dhandharia**
Director Executive Director & CEO

Place : Mumbai
Date : 29th May, 2010