

# LADDERUP FINANCE LIMITED

18th ANNUAL REPORT 2010-11



**Ladderup**  
*Engineering Growth*

## **CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	:	Mr. T.B. Subramaniam (Chairman)
	:	Mr. K.V.S. ShyamSunder
	:	Mr. Sunil Goyal (Managing Director)
	:	Mr. Manoj Singrodia
	:	Mr. K.M. Tulsian
	:	Mr. K. Raghuraman (Additional Director w.e.f. 25-10-2010)
	:	Mr. Dhaval Desai
	:	Mr. Deepak Ladha (Executive Director w.e.f. 11-08-2011)
	:	Mr. Parimal Sheth (Executive Director & CEO)
	:	Mr. Rajesh Murarka (Executive Director & CFO)
	:	Mr. Burzin Somandy (Resigned w.e.f. 27-7-2010)
<b>REGISTERED OFFICE</b>	:	A-204, Rajeshri Accord, Telly Cross Lane, Off S. N. Road, Andheri (East), Mumbai – 400 069
<b>CORPORATE OFFICE</b>	:	102-A, 1 <sup>st</sup> Floor, Hallmark Business Plaza, Gurunank Hospital Road, Bandra (East), Mumbai – 400 051
<b>BANKERS</b>	:	Axis Bank
	:	Bank of Maharashtra
	:	Dhanalaxmi Bank Limited
<b>AUDITORS</b>	:	M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	:	Sharex Dynamic (India) Private Limited Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072.

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of Ladderup Finance Limited will be held on Saturday, the 24<sup>th</sup> day of September, 2011 at 10.00 a.m. at Hotel Mirage, International Airport Approach Road, Off. Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059 to transact the following business:**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. K.V.S. ShyamSunder, who retires by rotation & being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. T. B. Subramaniam, who retires by rotation & being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT M/s. Khurdia Jain & Co.,** Chartered Accountants, (Registration No. 120263W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### **SPECIAL BUSINESS:**

#### **6. Appointment of Mr. K. Raghuraman as a Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. K. Raghuraman appointed by the Board of Directors as an Additional Director of the Company w.e.f. 25<sup>th</sup> October, 2010 in terms of Section 260 of the Companies Act, 1956 (“Act”) read with the Articles of Association of the Company and who holds office upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member of the Company under Section 257 of the Act, proposing the candidature of Mr. K. Raghuraman for being appointed as the Director of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

#### **7. Appointment of Mr. Deepak Ladha as a Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Deepak Ladha appointed by the Board of Directors as an Additional Director of the Company w.e.f. 11<sup>th</sup> August, 2011 in terms of Section 260 of the Companies Act, 1956 (“Act”) read with the Articles of Association of the Company and who holds office upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member of the Company under Section 257 of the Act, proposing the candidature of Mr. Deepak Ladha for being appointed as the Director of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

## **NOTICE OF ANNUAL GENERAL MEETING**

### **8. Appointment of Mr. Deepak Ladha as a Executive Director of the Company**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 314 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, consent of the Members be and are hereby accorded for appointment of Mr. Deepak Ladha as a Executive Director of the Company for a period of five years w.e.f. 11<sup>th</sup> August, 2011 on such terms and conditions as may be recommended by the Remuneration Committee.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, the Company shall pay Mr. Deepak Ladha remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits prescribed as per schedule XIII of the Act, as amended from time to time.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies, Maharashtra and to take all necessary steps in order to give effect to the aforesaid resolution."

Date : 11<sup>th</sup> August, 2011

Place : Mumbai

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

**By Order of the Board**

**Sunil Goyal**  
Managing Director

## NOTES TO NOTICE

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM .
2. Members/Proxies are requested to bring their attendance slips alongwith a copy of the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at entrance of the venue. Proxies submitted on behalf of the Limited Companies, Societies, Partnership Firms etc must be accompanied by appropriate resolution/authority.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business with respect to Item Nos. 6 to 8 is annexed hereto.
4. The Register of Members and Share Transfer Register will remain closed from Saturday, the 17<sup>th</sup> September, 2011 to Saturday 24<sup>th</sup> September, 2011 (both days inclusive) for the purpose of dividend entitlement.
5. Payment of Dividend as recommended by the Directors, if declared at the AGM, shall be paid to those Members whose names stand in the Company's Register of Members as on 16<sup>th</sup> September, 2011 and to the Beneficiary Holders as per the Beneficiary List provided for the said purpose by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on that date.
6. Members holding shares in Physical Certificate and Demat Form are requested to notify/send the following to Registrar and Transfer Agent (RTA) of the Company to facilitate better servicing, payment of Dividend and record purpose:
  - a) Any change in their address/ email address/copy of PAN card.
  - b) Particulars of their Bank Account, in case the same have not been furnished earlier.
7. In terms of the provisions of Section 205C of the Companies Act, 1956, the unclaimed dividend shall be transferred to Investor Education and Protection Fund (IEPF) after the completion of the seven years from the date of its transfer to the Unpaid Dividend Account of the Company.
8. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.ladderup.com](http://www.ladderup.com).
9. Relevant documents referred to in the accompanying Notice are open for inspection to the Members at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m. up to the date of AGM.
10. Additional Information, pursuant to Clause 49 of the Listing Agreement, on Directors seeking appointment/re-appointment at this AGM is annexed hereto.

Date : 11<sup>th</sup> August, 2011

Place : Mumbai

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

**By Order of the Board**

**Sunil Goyal**  
Managing Director

## **EXPLANATORY STATEMENT**

**As required by Section 173(2) of the Companies Act, 1956**

### **Item No. 6:**

Mr. K. Raghuraman was appointed as Additional Director of the Company w.e.f 25<sup>th</sup> October, 2010 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and would hold office upto the date of the next Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, the Company received a notice in writing along with a deposit of ₹ 500 from a member signifying his intention to propose the candidature of Mr. K. Raghuraman for the office of Director who shall be liable to retire by rotation

Keeping in view his experience and expertise, the Board recommends the adoption of the resolution at Item No. 6 of the Notice.

None of the Directors of the Company, except Mr. K. Raghuraman, is interested or concerned in this resolution.

### **Item Nos. 7 & 8:**

Mr. Deepak Ladha was appointed as Additional Director of the Company w.e.f. 11<sup>th</sup> August, 2011 pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and would hold office upto the date of the next Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, the Company received a notice in writing along with a deposit of ₹ 500 from a member signifying his intention to propose the candidature of Mr. Deepak Ladha for the office of Director who shall be liable to retire by rotation.

Mr. Deepak Ladha was also appointed as Executive Director of the Company for a period of 5 (Five) years w.e.f. 11<sup>th</sup> August, 2011 subject to the confirmation by members and at a Remuneration (if any) which may be recommended by the Remuneration Committee.

Keeping in view his experience and expertise, the Board recommends the adoption of the resolution at Item Nos. 7 & 8 of the Notice.

None of the Directors of the Company, except Mr. Deepak Ladha, is interested or concerned in these resolutions.

Date : 11<sup>th</sup> August, 2011

Place : Mumbai

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

**By Order of the Board**

**Sunil Goyal**  
Managing Director

## APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTORS

The details pertaining to appointment or re-appointment of the Directors as required to be provided pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are as follows:

<b>Name of the Directors</b>	<b>Mr. K.V.S. Shyam Sunder</b>	<b>Mr. T.B. Subramaniam</b>	<b>Mr. K. Raghuraman</b>	<b>Mr. Deepak Ladha</b>
<b>Date of Birth</b>	29.07.1942	07.02.1937	26.09.1948	27/12/1976
<b>Date of Appointment</b>	16.01.2006	08.06.1995	25.10.2010	11.08.2011
<b>Expertise in specific functional area</b>	Corporate & Retail Banking, Risk Management & Credit Rating.	Banking and Project Financing	Banking and Project Financing	Merger and Acquisitions
<b>Qualification</b>	Chartered Accountant	M.Com CAIIB	Chartered Accountant	Chartered Accountant
<b>List of outside Directorships held as on March 31, 2011 (Excluding Private Ltd Companies)</b>	1. Liners India Ltd, 2. Aarti Industries Ltd	1. Kisan Mouldings Ltd 2. Galada Power and Telecommunications Ltd	1. Oriental Carbon & Chemicals Ltd 2. Andhra Bank Ltd 3. Birla Ericson Opticals Ltd 4. Nagarjuna Agrichem Ltd 5. Suvidha Parlifts Ltd 6. Canbank Factors Ltd 7. IFCI Ltd	Nil
<b>Chairman/ Member of the Committee of Board of Directors of the Company as on March 31, 2011</b>	1. Audit Committee 2. Shareholders/ Investors Grievance Committee, 3. Preferential Issue Committee	1. Audit Committee, 2. Remuneration Committee	1. Audit Committee, 2. Remuneration Committee	Nil
<b>Chairman/ Member of the Committee of Board of Directors of Other the Company as on March 31, 2011</b>	Nil	1. Kisan Mouldings Ltd – Audit Committee & Shareholders/Investors Grievance Committee 2. Galada Power and Telecommunications Ltd – Audit Committee, Remuneration Committee & Shareholders/Investors Grievance Committee	1. Andhra Bank Ltd- Share Transfer, Risk Management, Investors Grievance, Large Value Fraud 2. Birla Ericson Opticals Limited – Audit Committee, 3. Canbank Factors Ltd- Audit Committee 4. IFCI Ltd–Executive Committee	Nil
<b>No. of Shares held in the Company as on March 31, 2011</b>	Nil	4,100	Nil	Nil

## DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the 18<sup>th</sup> Annual Report and Audited Accounts for the financial year ended 31<sup>st</sup> March, 2011.

### 1. FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	2010-11	2009-10	2010-11	2009-10
	Consolidated		Standalone	
Operational and Other Income	1383.25	598.73	144.70	159.38
Profit before Depreciation and Tax	522.70	178.41	112.36	108.82
Less: Depreciation	18.26	16.61	3.62	3.39
Profit before Tax	504.44	161.80	108.74	105.43
Less: Provision for Taxation	146.76	41.00	12.20	18.00
Less/(Add): Deferred Tax	(13.50)	(1.36)	0.44	(0.15)
Less/(Add): Tax of earlier years	0.71	—	0.71	—
Profit after Tax	370.46	122.16	95.39	87.58

### 2. FINANCIAL HIGHLIGHTS:

On a Standalone basis your Company has earned a revenue of ₹ 144.70 Lacs in FY 2010-11 as compared to the revenue of ₹ 159.38 Lacs in FY 2009-10. However the Profit after Tax of your Company is ₹ 95.39 Lacs in FY 2010-11 compared to ₹ 87.58 in FY 2009-10 recording a growth of 8.91%. The growth in the profit is basically attributed towards better returns from the investments in listed and unlisted securities.

On the Consolidated basis your Company has recorded total revenue of ₹ 1383.25 Lacs in FY 2010-11 as compared to ₹ 598.73 Lacs in FY 2009-10. The Profit after Tax in FY 2010-11 is ₹ 370.46 Lacs as compared to ₹ 122.16 Lacs in FY 2009-10.

**Ladderup Corporate Advisory Private Limited (LCAPL)** a Wholly Owned Subsidiary of LFL, LCAPL is in the business of providing financial and corporate advisory services to corporate clients. LCAPL has delivered improved performance by way of increased revenues, enhanced profits, greater visibility in the market, spreading geographical presence and diversifying product range with improvements across all key verticals as compared to the last fiscal. To continue the momentum and expanding the business horizon, LCAPL is focusing on improving resource utilization, upgrading support processes and enhance solution delivery and operational excellence to customers

**Ladderup Wealth Management Private Limited (LWMPL)** another subsidiary of LFL is engaged in providing wealth management solutions to its clients. Its Asset Under Management (AUM) has increased to large extent in the FY 2010-11. It has been innovating with new wealth management concepts and increasing the product profile thus giving best in class services to its clients.

**Ladderup Insurance Broking Private Limited (LIBPL)** a new subsidiary of LFL, has applied for a Insurance Broking License to Insurance Regulatory Development Authority (IRDA) and will offer Life and General Insurance solutions to HNIs and Corporates as soon as the license is granted.

### 3. DIVIDEND:

Your Directors have recommended a dividend of ₹ 1 per Equity Share for the financial year 31<sup>st</sup> March, 2011 amounting to ₹ 78.53 Lacs. The dividend will be paid to members whose names appear in the Register of Members as on 16<sup>th</sup> September, 2011 in respect of shares held in



## **DIRECTORS' REPORT**

dematerialized form and will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

### **4. NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY (NBFC):**

The Company has been registered as a Non-Banking Financial Institution since 1998. In terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, your Company is categorized as an Non-deposit taking Non-Banking Financial Company. 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:**

Mr. K.V.S. ShyamSunder & Mr. T.B. Subramaniam, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Mr. Burzin Somandy, Director had tendered his resignation w.e.f. 27<sup>th</sup> July, 2010 and the same was accepted by the Board of Directors.

Mr. K. Raghuraman & Mr. Deepak Ladha have been appointed as Additional Directors w.e.f. 25<sup>th</sup> October, 2010 & 11<sup>th</sup> August, 2011 respectively. In terms of Section 257 of the Companies Act, 1956 the Company has received notices in writing along with a deposit of ₹ 500 from Members signifying their intention to propose their appointment as Directors.

### **6. GROUP:**

Pursuant to intimation from the Promoters, the names of the Promoters and Entities comprising the "Group" are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisitions of Shares and Takeovers) Regulation, 1997.

### **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 31<sup>st</sup> March, 2011 and of the Profit of the Company for the year ended 31<sup>st</sup> March, 2011.
- c) that the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision 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:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out By SEBI.

Pursuant to Clause 49 (VII) of the Listing Agreement with the Stock Exchange, a separate report on Management Discussion and Analysis, Corporate Governance Report, a requisite Certificate from M/s. HS Associates, Company Secretaries, Mumbai, confirming the compliance with the conditions of Corporate Governance are enclosed to this Report.

## **DIRECTORS' REPORT**

### **9. SUBSIDIARIES:**

The Company has three Subsidiaries i.e. Ladderup Corporate Advisory Private Limited, Ladderup Wealth Management Private Limited and Ladderup Insurance Broking Private Limited. The Ministry of Corporate Affairs (MCA) issued a general circular for not attaching the Balance Sheet of the Subsidiary Companies subject to certain conditions being fulfilled by the Company. As required under the circular, the Board of Directors has, at its meeting held on 26<sup>th</sup> May, 2011 passed a resolution for not attaching the Balance Sheet of the Subsidiary Companies. The Company will enable the members who may be interested in obtaining the Annual Accounts and other documents of the Subsidiary Companies on receipt of a written request from them. The same will also be placed and kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies. A statement containing details as required under Section 212 of the Companies Act, 1956 is enclosed to this Report.

### **10. AUDITORS & AUDITORS' REPORT:**

M/s. Khurdia Jain & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of forthcoming 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 and that they do not disqualify for re-appointment within the meaning of that said Act.

The Notes to Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **11. 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.

### **12. 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 earnings or outgoings during the year.

### **13. ACKNOWLEDGEMENT:**

The Board would like to thank all its stakeholders for their support and the confidence & faith that they have always reposed into the Company.

Your Directors appreciate and acknowledge the professionalism and contribution made by the employees during the year.

Date : 11<sup>th</sup> August, 2011

**For and on behalf of the Board**

Place : Mumbai

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

**Sunil Goyal**  
Managing Director

**Parimal Sheth**  
Executive Director & CEO

## **GROUP AS PER SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997**

**Persons constituting group coming within the definition of “Group” of the purpose of Regulation 3(1) (e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:**

### **LADDERUP FINANCE LIMITED GROUP:**

1. Ladderup Corporate Advisory Private Limited
2. Ladderup Wealth Management Private Limited
3. Ladderup Insurance Broking Private Limited
4. Ladderup Securities Private Limited
5. Ladderup Infra Private Limited
6. Sonu Portfolio Services Pvt. Ltd.
7. Quiet Investments Private Limited
8. Chetan Securities Private Limited
9. Sunil Goyal
10. Manoj Singrodia
11. Usha Goyal
12. Santosh Singrodia
13. Sunil Goyal HUF
14. Manoj Singrodia HUF
15. Ladderup Ventures LLP
16. MS General Dealers LLP
17. SG General Dealers LLP

## **REPORT ON CORPORATE GOVERNANCE**

### **1 THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:**

Ladderup defines Corporate Governance as a systematic process by which the Company is directed and controlled to enhance the shareholders' long-term value through application of best management practices, compliance of law and adherence to ethical standards leading to highest level of transparency and accountability. The Corporate Governance structure in the Company assigns responsibilities and entrusts authorities to the Board of Directors, Senior Level Managerial Personnel and its Employees to acknowledge their duties towards the stakeholders for creation and safeguarding of their wealth. All the functions of the Company are defined and conditioned by highest standards of governance, which sets its values and ethics.

The following is the Report on the status and progress on major aspects of Corporate Governance in the Company.

### **2 BOARD OF DIRECTORS:**

In terms of the Company's Corporate Governance Policy, all statutory & other significant and material informations are placed before the Board to enable it to discharge its responsibilities effectively and develop public confidence in the Company.

#### ***Informations placed before the Board:***

The following are tabled for the Board's periodic review/information/approval:

- General Notice of Interest of Directors.
- Inter-Corporate Investments, Loans and Guarantees.
- Appointment/Resignation of Directors/Senior Managerial Personnel.
- Formation/Re-constitution of the Board Committees.
- Minutes of Unlisted Subsidiaries and Board Committees.
- Quarterly Results of the Company and its Subsidiaries along with the operating divisions or business segments.
- Annual Operating Plans of business and any updates thereon.
- Statement of significant and other arrangements entered by the Company or its Subsidiaries.
- Status of legal compliances.
- All other matters required to be placed before the Board for its review/information/approval under various statutes including Clause 49 of the Listing Agreement.

#### ***Composition and Category of Board of Directors:***

In keeping with the commitment of the management of the principle of integrity and transparency in business operations for Good Corporate Governance, the Company's policy is to have an appropriate blend of Independent and Non-Independent Directors. The Board's composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement. During the year under review i.e. 31<sup>st</sup> March, 2011; the overall strength of the Board is Nine Directors comprising of Four Independent Non-Executive Directors, Three Executive Directors and Two Non- Executive Directors with the Chairman being Independent Non-Executive Director.

## **REPORT ON CORPORATE GOVERNANCE**

The Composition and Category of the Board of Directors during the year 2010-11 was as follows:

<b>Category</b>	<b>Name of the Directors</b>
<b>Independent Non-Executive Directors</b>	T.B. Subramaniam, Chairman
	K.V.S. ShyamSunder
	Dhaval Desai
	K. Raghuraman <sup>1</sup>
	Burzin Somandy <sup>2</sup>
<b>Executive Directors</b>	Sunil Goyal — Managing Director
	Parimal Sheth — Chief Executive Officer
	Rajesh Murarka — Chief Financial Officer
<b>Non-Executive Directors</b>	Manoj Singrodia
	K.M. Tulsian

*1 Appointed as Additional Director w.e.f. 25<sup>th</sup> October, 2010*

*2 Resigned as Director w.e.f. 27<sup>th</sup> July, 2010*

### ***Meetings and Attendance:***

The Company's Governance Policy which is in pursuance with the Listing Agreement is strictly followed by the Board. The intervening period between two Board Meetings during the year under review was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement.

### ***Details of Board Meetings during the year:***

During the financial year ended 31<sup>st</sup> March, 2011, Five Board Meetings were held on 29<sup>th</sup> May, 2010, 14<sup>th</sup> August, 2010, 27<sup>th</sup> August, 2010, 25<sup>th</sup> October, 2010 & 4<sup>th</sup> February, 2011.

***Attendance of Directors at Board Meetings, Last Annual General Meeting and Number of Other Directorship and Chairmanship/Memberships of Committees of each Director in various Companies is as under:***

<b>Name of the Directors</b>	<b>Attendance at the Meetings during 2010-11</b>		<b>No. of Other Directorships <sup>1</sup></b>	<b>No. of Other Committee Chairmanship(s)/ Membership(s) <sup>2</sup></b>
	<b>Board Meetings</b>	<b>Last AGM held on 21<sup>st</sup> September, 2010</b>		
T.B. Subramaniam	2	Present	2	5
Sunil Goyal	5	Present	2	1
K.V.S. ShyamSunder	5	Present	2	—
Manoj Singrodia	5	Present	—	—
K.M. Tulsian	5	Present	—	—

## **REPORT ON CORPORATE GOVERNANCE**

Name of the Directors	Attendance at Meetings during 2010-11		No. of Other Directorships <sup>1</sup>	No. of other Committee Chairmanship(s)/ Membership(s) <sup>2</sup>
	Board Meetings	Last AGM held on 21 <sup>st</sup> September, 2010		
Parimal Sheth	4	Present	—	—
Rajesh Murarka	5	Present	—	—
Dhaval Desai	2	Absent	2	—
K. Raghuraman	2	Not Applicable	7	4
Burzin Somandy	0	Not Applicable	1	3

1 The Directorship held by the Directors as mentioned above, do not include Directorships in Private Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies.

2 In accordance with Clause 49 of the Listing Agreement, the Membership/ Chairmanship of only the Audit Committee and the Shareholders'/ Investors' Grievance Committee in all Public Limited Companies are considered. None of the Directors on the Board is a Member of more than Ten Committees or a Chairman of more than Five Committees, across all the Companies in which they are Directors. The Directors have made the necessary disclosures regarding Committee positions.

### ***Post-Meeting follow-up mechanism:***

An effective post Meeting follow-up, review and reporting process for the decisions taken by the Board or its Committees are promptly communicated to the concerned employees of the Company. Action Taken Report on the progress of the Company is placed at the succeeding meeting of the Board/ Committee for noting.

### **3 BOARD COMMITTEES:**

Currently, there are Six Board Committees – Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee, Investment Committee, Preferential Issue Committee and Compensation Committee. The terms of reference of these Committees are defined by the Board from time to time. Meetings of each Board Committee are convened by its respective Committee Chairman. The signed minutes of the Committee Meetings are placed before the Board for their information and noting. Matters requiring Board's attention are generally discussed with the Members. The role and composition of these Committees including the number of Meetings held during the financial year and respective attendance are provided below.

#### **a) Audit Committee:**

The Audit Committee, *inter alia*, provides reassurance on the existence of an effective internal control environment that ensures efficiency and effectiveness of operations; safeguarding of assets and adequacy of provisions of all liabilities. It assists the Board on the quality and integrity of the Accounting, Auditing and Reporting practices of the Company and its compliance with the legal and regulatory requirements. The Broad terms of reference and functions of the Audit Committee are as follows:

- 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 the Management and Statutory Auditors.

## **REPORT ON CORPORATE GOVERNANCE**

- Reviewing Financial Reporting Systems.
- 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 public issue, right issue, preferential issue, etc. and making appropriate recommendations to the Board to take up steps in this matter.

### ***Composition, Meetings and Attendance:***

The Audit Committee presently comprises of Four Members majority of them being Independent Non-Executive Directors. All the Members of the Committee are financially literate and have accounting & financial management expertise. The Company Secretary to the Company acts as Secretary to the Committee. During the financial year ended 31<sup>st</sup> March, 2011 Four Meetings were held on 29<sup>th</sup> May, 2010, 14<sup>th</sup> August, 2010, 25<sup>th</sup> October, 2010 & 4<sup>th</sup> February, 2011

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
T.B. Subramaniam	Chairman (Independent Non-Executive Director)	1
K.V.S. ShyamSunder	Member (Independent Non-Executive Director)	4
K. Raghuraman <sup>1</sup>	Member (Independent Non-Executive Director)	2
Burzin Somandy <sup>2</sup>	Member (Independent Non-Executive Director)	—
Sunil Goyal	Member (Managing Director)	4

*1 Inducted as Member w.e.f. 25<sup>th</sup> October, 2010*

*2 Resigned as Member w.e.f. 27<sup>th</sup> July, 2010*

### **b) Shareholders'/Investors' Grievance Committee:**

The Committee oversees redressal of Shareholders'/Investors' Grievances and is empowered to perform the following functions on behalf of the Board in relation to handling of Shareholders'/Investors' 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.
- Monitoring implementation and compliance of Company's Code of Conduct.

## **REPORT ON CORPORATE GOVERNANCE**

### ***Composition, Meetings and Attendance:***

The Committee presently comprises of Three Members, Two of whom are Independent Directors. The Chairman of the Committee is an Independent Non-Executive Director. Mr. Parimal Sheth was appointed as Compliance Officer of the Company in place of Ms. Puja Mehta w.e.f. 1st November, 2010. During the financial year ended 31<sup>st</sup> March, 2011, Four Meetings were held on 29<sup>th</sup> May, 2010, 14<sup>th</sup> August, 2010, 25<sup>th</sup> October, 2010, & 4<sup>th</sup> February, 2011.

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
K.V.S ShyamSunder	Chairman (Independent Non-Executive Director)	4
Dhaval Desai	Member (Independent Non-Executive Director)	2
Manoj Singrodia	Member (Non-Executive Director)	4

### ***Shareholders'/Investors' Redressal:***

During the year under review, the Company did not receive any complaints for non-receipt of transferred Share Certificates, Annual Reports, etc. and hence there are no complaints outstanding as on 31<sup>st</sup> March, 2011. To expedite these processes, the Board has delegated necessary powers to the Registrar and Share Transfer Agents viz. M/s. Sharex Dynamic (India) Private Limited.

### **c) Remuneration Committee:**

The Remuneration Committee has been constituted to recommend/review remuneration package of the Managing/Whole-time Directors based on their performance and defined assessment criteria.

### ***Composition, Meetings and Attendance:***

The Remuneration Committee comprises of Four Non-Executive Directors and the Chairman is an Independent Non-Executive Director. During the financial year ended 31<sup>st</sup> March, 2011 only One Meeting was held on 25<sup>th</sup> October, 2010.

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meeting attended</b>
T.B. Subramaniam	Chairman (Independent Non-Executive Director)	Nil
K. Raghuraman <sup>1</sup>	Member (Independent Non-Executive Director )	1
Burzin Somandy <sup>2</sup>	Member (Independent Non-Executive Director)	Not Applicable
Manoj Singrodia	Member (Non-Executive Director)	1
K.M. Tulsian	Member(Non Executive Director)	1

*1 Inducted as Member w.e.f. 25th October, 2010*

*2 Resigned as Member w.e.f. 27th July, 2010*

### ***Remuneration Policy:***

The Remuneration Policy aims at attracting and retaining high calibre talent. The policy of the Company is in consonance with the existing industry practice. The recommendations of the Remuneration Committee is considered and approved by the Board subject to the approval of the Shareholders. The Executive Directors are paid remuneration as fixed by the Board. However, the Non-Executive Independent Directors do not receive any remuneration except Sitting Fees.



## **REPORT ON CORPORATE GOVERNANCE**

### ***Details of Remuneration paid to the Directors during the financial year 2010-11:***

<b>Name of the Directors</b>	<b>Sitting Fees (₹)</b>
T.B. Subramaniam	5,000
K.V.S. ShyamSunder	18,000
Dhaval Desai	8,000
Manoj Singrodia	8,000
K.M. Tulsian	4,000
Burzin Somandy	—
K. Raghuraman	10,000

### ***Shares held by the Non-Executive Directors:***

<b>Name of the Directors</b>	<b>No. of Equity Shares</b>	<b>Non-Convertible Instruments</b>
Manoj Singrodia	1,21,400	Nil
K.M. Tulsian	20,000	Nil
T.B. Subramaniam	4,100	Nil
Dhaval Desai	—	Nil
K. Raghuraman <sup>1</sup>	—	Nil
Burzin Somandy <sup>2</sup>	—	Nil
K.V.S. ShyamSunder	—	Nil

*1 Appointed as Additional Director w.e.f. 25<sup>th</sup> October, 2010*

*2 Resigned as Director w.e.f. 27<sup>th</sup> July, 2010*

#### **d) Investment Committee:**

The Investment Committee constituted by the Board performs the following functions:

- To invest surplus funds of the Company in all types of securities as defined in the Investment Policy.
- To execute necessary investment documents.
- To buy, sell, trade, hold, pledge in all types of securities
- To take any other necessary actions related to investment/disinvestment.
- To report to the Board about the investments/disinvestments in securities

## **REPORT ON CORPORATE GOVERNANCE**

### ***Composition, Meetings and Attendance:***

The Investment Committee consists of Three Members and the Chairman is a Non-Executive Director. During the financial year ended 31<sup>st</sup> March, 2011, Eleven Meetings were held on 5<sup>th</sup> April, 2010, 5<sup>th</sup> May, 2010, 7<sup>th</sup> June, 2010, 5<sup>th</sup> July, 2010, 14<sup>th</sup> August, 2010, 6<sup>th</sup> September, 2010, 25<sup>th</sup> October, 2010, 6<sup>th</sup> November, 2010, 6<sup>th</sup> December, 2010, 6<sup>th</sup> January, 2011 & 4<sup>th</sup> February, 2011.

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Manoj Singrodia	Chairman (Non-Executive Director)	11
Sunil Goyal	Member (Managing Director)	11
Parimal Sheth	Member (Executive Director)	11
Dhaval Desai <sup>1</sup>	Member (Non-Executive Director)	1

*1 Inducted as Member w.e.f. 4<sup>th</sup> February, 2011*

### **e) Preferential Issue Committee:**

The Board constituted a Committee during the previous year for issue of warrants on preferential basis under the nomenclature "Preferential Issue Committee". The primary role of this Committee is to review, monitor and provide strategic direction for utilization/usage of application money received from the proposed allottees of Convertible Share Warrants.

The other functions performed by this Committee are as follows:

- To obtain In-principal approval from Bombay Stock Exchange.
- To allot the Convertible Share Warrants to the proposed allottees
- To issue Equity Shares upon conversion of Share Warrants on preferential basis.
- To carry out formalities for Listing of Equity Shares upon conversion of Share Warrants on preferential basis.
- To carry out any other acts, deeds and activities which the Committee feels necessary in relation to issue of preferential warrants.

### ***Composition, Meetings and Attendance:***

The Preferential Issue Committee comprises of Three Members who are Non-Executive Directors and of whom Two Members are Independent Directors. During the financial year 31<sup>st</sup> March, 2011 Two Meetings were held on 25<sup>th</sup> October, 2010 & 4<sup>th</sup> February, 2011.

<b>Name of the Members</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Manoj Singrodia	Chairman (Non-Executive Director)	2
K.V.S. ShyamSunder	Member (Independent Non-Executive Director)	2
Dhaval Desai	Member (Independent Non-Executive Director)	1

## **REPORT ON CORPORATE GOVERNANCE**

### **f) Compensation Committee:**

The Compensation Committee was constituted during the year on 27<sup>th</sup> August, 2010 for Employee Stock Option Scheme for the employees of the Company and its Subsidiaries. The broad terms of reference & functions was to formulate the detailed terms and conditions of the Employee Stock Option Scheme including:—

- (a) the quantum of option to be granted under an ESOS per employee and in aggregate;
- (b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- (c) the period within which the employee should exercise the option failing which the option would lapse;
- (d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- (e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- (g) the grant, vest and exercise of option in case of employees who are on long leave; and
- (h) the procedure for cashless exercise of options.

### ***Composition, Meetings and Attendance:***

The Compensation Committee consists of Three Members who are Non-Executive Directors and their detailed are under:

During the financial year 31<sup>st</sup> March, 2011 No Compensation Committee Meeting was held.

<b>Name of the Members</b>	<b>Category</b>
Manoj Singrodia	Chairman (Non-Executive Director)
K.V.S. ShyamSunder	Member (Independent Non-Executive Director)
Dhaval Desai	Member (Independent Non-Executive Director)

## **4. GENERAL BODY MEETINGS:**

### ***Annual General Meeting:***

The Annual General Meeting of the Company during the preceding three years were held at Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.

The Date, Time and Special Resolutions passed at the Annual General Meeting held during the preceding three years are as follows:

### **2009-10**

Date and Time: 21<sup>st</sup> September, 2010 at 10.00 a.m.

## REPORT ON CORPORATE GOVERNANCE

Special Resolutions passed:

- Variation in Managerial Remuneration of Mr. Rajesh Murarka, Chief Financial Officer.
- Amendment in the Share Capital Clause of Memorandum & Articles of Association.
- Issue and allotment of 50,00,000 (Fifty Lacs) Convertible Share Warrants.
- Insertion of a New Clause No. 11 in the Articles of Association.
- Approval of "LFL – ESOP 2010 Scheme" for the employees of the Company.
- Approval of "LFL – ESOP 2010 Scheme" for the employees of the Subsidiaries.

### **2008-09**

Date and Time: 9<sup>th</sup> September, 2009 at 10.00 a.m.

Special Resolutions passed: Variation in Managerial Remuneration of Mr. Rajesh Murarka, Chief Financial Officer.

### **2007-08**

Date and Time: 27<sup>th</sup> September, 2008 at 10.30 a.m.

Special Resolution passed: None

- **Special Resolution passed through Postal Ballot:**

No Special Resolutions were passed through Postal Ballot during the FY 2010-11. None of the businesses proposed to be transacted in the ensuing Annual General Meeting required passing of a Special Resolution through Postal Ballot.

## **5. DISCLOSURES:**

- Materially significant related party transactions which may have potential conflict with the interests of the Company at large:

***None***

- Details of non-compliances, penalties, strictures imposed on the Company by Stock Exchange / SEBI / Statutory Authorities on any matter related to capital markets during last three years:

***None***

- Directors disqualification under Section 274(1)(g) and any other provisions of Companies Act, 1956.

***None***

- Inter-se relationship between Directors of the Company:

***None***

- Material non-listed Subsidiary Companies as defined in Clause 49 of the Listing Agreement with the Stock Exchange is ***Ladderup Corporate Advisory Private Limited***

- **Adoption of Insider Trading Policy:**

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. The policy lays down procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations.

## **REPORT ON CORPORATE GOVERNANCE**

- **Adoption of Code of Conduct:**

The Board of Directors have approved and adopted a Code of Conduct for the members of the Board and Senior Managerial Personnel of the Company. This Code of Conduct is posted on the website of the Company and the members of the Board and Senior Managerial Personnel have affirmed the Annual Compliance of the Code. Also the Code of Conduct for Insider Trading is adopted by the Board and uploaded on its website.

**DECLARATION AS REQUIRED  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

All the Directors and Senior Managerial Personnel of the Company have affirmed compliance and adoption of the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2011.

**Parimal Sheth**

Mumbai, 11<sup>th</sup> August, 2011

*Executive Director & CEO*

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement.**

The Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement. As far as the non-mandatory recommendations are concerned, the Board has complied with the following suggestions:

**(i) Remuneration Committee:**

The Board has constituted a Committee under the nomenclature “Remuneration Committee”, the details of which are provided in this Report under the section Board Committees.

**(ii) Audit Qualification:**

The Company has taken steps reasonable towards unqualified financial statements of the Company. There are no qualifications in the Company’s financial statements for the year ended 31<sup>st</sup> March, 2011.

## **6. MEANS OF COMMUNICATION:**

The quarterly results are taken on record by the Board of Directors and submitted to the Bombay Stock Exchange in terms of the requirements of Clause 41 of the Listing Agreement. The Audited/ Unaudited Results are published in Business Standard/Free Press Journal, English daily and in Mumbai Lakshadeep/Navshakti, Marathi daily being the regional language and also displayed on the website of the Company [www.ladderup.com](http://www.ladderup.com) shortly after its submission to the Stock Exchange. No official news release and presentations to the Institutional Investors or Analysts are made by the Company.

The Company’s website is a comprehensive reference on Ladderup’s vision, mission, policies, corporate governance, investor relations, updates and news. The section on “Investor Relations” on the website serves to inform the shareholders, by giving complete financial details, shareholding pattern, information relating to Stock Exchange, Registrars, Share Transfer Agents among others.

## REPORT ON CORPORATE GOVERNANCE

### **7. GENERAL SHAREHOLDERS' INFORMATION:**

#### **7.1. Annual General Meeting:**

- Day, Date and Time : Saturday, 24<sup>th</sup> September, 2011 at 10.00 a.m.
- Venue : Hotel Mirage, International Airport Approach Road, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059

#### **7.2. Financial Year/Calendar 2011-12 (Tentative) :**

- Results for first quarter ended June 30, 2011 : 11<sup>th</sup> Aug, 2011
- Results for second quarter ending Sept 30, 2011 : On or before 14<sup>th</sup> Nov, 2011
- Results for third quarter ending Dec 31, 2011 : On or before 14<sup>th</sup> Feb, 2012
- Results for financial year ending Mar 31, 2012 : On or before 30<sup>th</sup> May, 2012.

#### **7.3. Book Closure date:** : From Thursday, 17<sup>th</sup> September, 2011 to 24<sup>th</sup> September 2011 (both days inclusive)

#### **7.4. Dividend Payout date:** : On or after 30<sup>th</sup> September, 2011

#### **7.5. Listing of Equity Shares on Stock Exchange:** : Bombay Stock Exchange (Application to Ahmedabad and Jaipur Stock Exchanges for delisting of its shares is already made. However, no feedback is received from them so far.)

#### **7.6. Stock Code:** : 530577

#### **7.7. Demat ISIN Number in NSDL and CDSL:** : INE 519D01015

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

#### **7.9. Registrar and Share Transfer Agents:** : M/s. Sharex Dynamic (India) Private Limited

#### **7.10 Share Transfer System:** : Share Transfers and Share Certificates are processed and returned within 30 days from the date of receipt subject to the documents being valid and complete in all respects. A summary of transfers/transmission of securities of the Company from the Registrar and Transfer Agent is placed before every Shareholders' Grievance Committee Meeting.

## **REPORT ON CORPORATE GOVERNANCE**

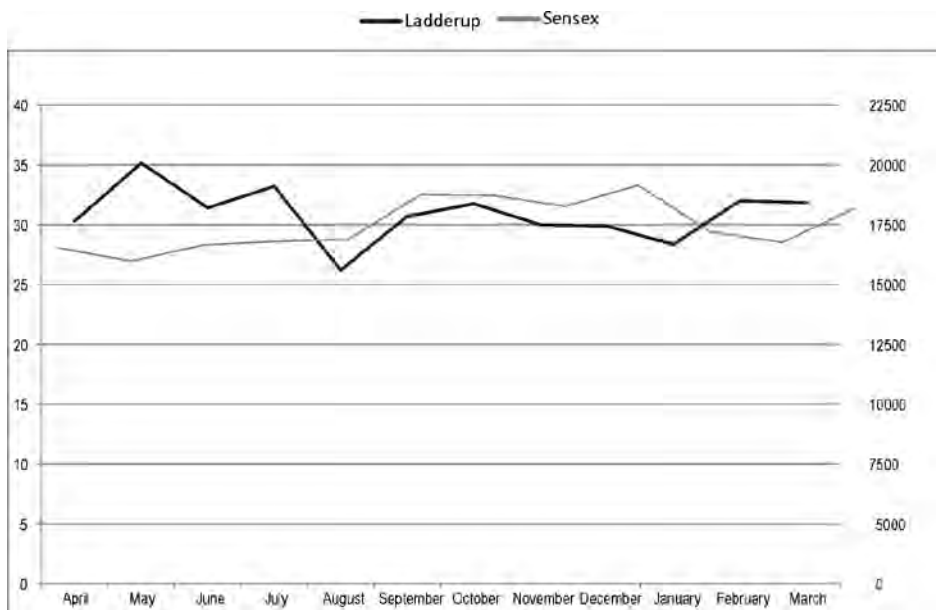
- 7.11. Dematerialization of shares and liquidity** : 78.64% of the Company's Paid-up Equity Share Capital representing 61,75,100 Equity Shares are held in dematerialized form and the balance are in paper form. Trading in Equity Shares are permitted only in dematerialized form.
- 7.12. Outstanding Warrants:** : Pursuant to the approval of members of the Company at the Annual General Meeting held on 21<sup>st</sup> September, 2010 the Board allotted 50 Lacs convertible warrants on preferential basis in the Board Meeting held on 25<sup>th</sup> October, 2010 to the Promoters Group and Others for which the Company had received Share Application Money aggregating to Rs. 1,071 Lacs as on 31<sup>st</sup> March, 2011. All the warrants are pending for conversion. Other than this, the Company has not issued any ESOP or any GDRs/ADRs instrument.
- 7.13 Plant Location:** : Since the Company is dealing in shares, stocks and other non fund based activities, the information about Plant Location is not applicable.

**7.14. The Market Price Data of the Company are as given below:**

Sr. No.	Period	Bombay Stock Exchange	
		High (₹)	Low (₹)
1.	April-10	34.55	19.75
2.	May-10	35.40	26.15
3.	June-10	33.40	28.65
4.	July-10	41.80	32.90
5.	August-10	31.55	24.90
6.	September-10	30.70	23.75
7.	October-10	35.15	30.10
8.	November-10	33.20	30.00
9.	December-10	29.90	28.55
10.	January-11	31.30	25.80
11.	February-11	33.00	29.00
12.	March-11	32.00	28.00

## REPORT ON CORPORATE GOVERNANCE

### 7.15. Share Price performance in comparison to broad-based indices - BSE Sensex during the year



### 7.16. Distribution of Shareholding as on 31<sup>st</sup> March, 2011:

Distribution of Shares (Slab-wise)	Shareholders		Share Amount	
	Nos.	% of Total Nos.	Amt. in Lacs	% of Total Amt.
Up to 5,000	634	90.19	708.23	5.55
5,001-10,000	20	2.84	22.30	1.83
10,001- 100,000	31	4.41	34.62	13.95
1,00,000 & Above	18	2.56	20.10	78.67
<b>Total</b>	<b>703</b>	<b>100.00</b>	<b>785.26</b>	<b>100.00</b>



## REPORT ON CORPORATE GOVERNANCE

Shareholding Pattern as on 31<sup>st</sup> March, 2011:

### % of Shares



- Indian Promoters  
4,223,750
- Foreign Promoters 0
- Persons Acting in  
Concerts 0
- Institutional Investors  
0
- Private Corporate  
Bodies 12,47,202
- Indian Public  
23,21,048
- NRIs/OBC 60600
- Others (Clearing  
Members) 0

Category	No. of Shares	% of Shares
Indian Promoters	42,23750	53.787
Foreign Promoters	—	—
Persons Acting in concerts	—	—
Institutional Investors	—	—
Private Corporate Bodies	12,47,202	15.883
Indian Public	23,21,048	29.558
NRIs/OBC	60600	0.772
Others (Clearing Members)	—	—
	78,52,600	100.000

## **REPORT ON CORPORATE GOVERNANCE**

### **7.17. Address for Correspondence:**

**(i) Investors Correspondence: : For Shares held in Physical Form**

M/s. Sharex Dynamic (India) Private Limited.  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (East),  
Mumbai – 400 072

**For Shares held in Demat Form**

To the respective Depository Participants.

**(ii) Any query on Annual Report: : Parimal Sheth, Compliance Officer**

Ladderup Finance Limited,  
A-204, Rajeshri Accord,  
Telly Cross Lane,  
Off S. N. Road, Andheri  
East, Mumbai – 400 069

E-Mail: [info@ladderup.com](mailto:info@ladderup.com)

**(iii) Corporate Website:: : [www.ladderup.com](http://www.ladderup.com)**

**(iv) Exclusive e-mail id of the  
Grievance Redressal : [investors@ladderup.com](mailto:investors@ladderup.com)**

## **CORPORATE GOVERNANCE CERTIFICATE**

The Members,

### **Ladderup Finance Limited**

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31<sup>st</sup> March, 2011 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

Date : 11<sup>th</sup> August, 2011

Place : Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### BUSINESS PERFORMANCE:

**Ladderup Finance Limited (LFL):** Your Company is the investment vehicle of the Ladderup Group and primarily makes equity investments in listed and unlisted companies. The management of your Company is ably supported by its team to identify, evaluate and make investments in such companies after thorough due diligence. The focus is mainly on identifying, monitoring and growing investee Company's portfolio and then looking for exits at the right time to generate excellent returns. Though the global macro economic situation remains uncertain and challenging, India continues to present a compelling investment opportunity. Further, there is lot of potential in the unlisted segment as growth oriented companies come up with innovative ideas and viable business models, and LFL finds this space quite interesting and return backed.

**Ladderup Corporate Advisory Private Limited (LCAPL):** A Wholly Owned Subsidiary of LFL, LCAPL is in the business of providing financial and corporate advisory services to corporate clients. These advisory services cover the major spectrum of capital structure – advising clients to raise traditional debt facilities as well as structured debt, restructuring advisory services, raising private equity and sourcing & executing M&A opportunities – domestic as well as cross border. During the year under review, LCAPL has devoted a great share of its energies and resources to strengthen every vertical of its business by generating new concepts, devising appropriate plans & strategies and implementing them successfully. The result of this effort is a strong pipeline of mandates which on successful execution will add to Company's top line.

LCAPL has delivered improved performance by way of increased revenues, enhanced profits, greater visibility in the market, spreading geographical presence and diversifying product range with improvements across all key verticals as compared to the last fiscal. LCAPL's focused effort and research-driven approach has enabled its professional team to be quite innovative and result oriented. Its business has been built on strong relationships and uncompromising ethical standards.

To continue the momentum and expanding the business horizon, LCAPL is focusing on improving resource utilization, upgrading support processes and enhance solution delivery and operational excellence to customers. LCAPL aims to create significant value for entrepreneurs and mature companies by partnering with them in their growth strategies.

The revenues of LCAPL increased from ₹ 444.79 Lacs to ₹ 1,134.12 Lacs during the year under review. Net Profit before Tax increased from ₹ 68.57 Lacs in last year to Rs. 393 Lacs for the year under review.

**Ladderup Wealth Management Private Limited (LWMPL):** Another subsidiary of LFL is engaged in providing wealth management solutions to its clients. Its Assets under Management (AUM) has increased to a large extent in the Financial Year 2010-11. It has been innovating new wealth management concepts and increasing the product profile thus giving best in class services to its clients. In this year too, it has been nominated as "Best Financial Advisors – IFA – West Zone – India" from one of the leading business channels and one of the oldest mutual fund – CNBC TV18 and UTI Mutual Funds respectively.

On the Consolidated level, the revenues of LFL increased from ₹ 598.73 Lacs to ₹ 1383.25 Lacs during the year under review. LFL reported Consolidated Net Profit before Tax of ₹ 504.43 Lacs as against of ₹ 161.80 Lacs during the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **MACROECONOMIC OUTLOOK:**

The fundamentals of the Indian economy remained strong during FY 2010-11. The GDP is estimated to have grown by 8.6% in 2010-11 compared to 8% in 2009-10 which is remarkable considering the muted global economic scenario. The growth has been broad-based across the major sub-sectors in the industry and services. The agriculture sector is estimated to have grown relatively faster. The Index of Industrial Production ("IIP"), which is considered to be the growth barometer of the Indian Industry, is expected to have grown by 7.8% in 2010-11. The service sector continued to be the driving force fuelling the economic growth. It registered a growth of 9.6% in 2010-11. Despite the sluggish growth in the global markets, the employment generation continued to show an uptrend in India. The average Wholesale Price Index (WPI) inflation rate for 2010-11 was 9.4% as compared to 3.6% in 2009-10. Exports have grown up significantly bringing the trade deficit down to manageable levels.

The inflationary trends which have been steadily rising are a cause of concern. The financial year 2010-11 started with double digit inflation, which came down in the later part of the year. However, despite a good monsoon season, inflation continued to be high and closed at 8.98% in March 2011. With its eye on inflation, RBI is likely to continue with its tight monetary policy stance though interest rates are likely to peak over the next few months.

The world continues to see India as one of the fastest growing economy along with China. This was evident from the fact that FDI flows into India were US\$ 25.9 bn in FY 2010-11.

Hence, for few quarters going forward, India is expected to grow cautiously but the long term average growth would put India at the forefront of the globalised world in the coming years.

### **FINANCIAL AND CAPITAL MARKET:**

The Indian financial markets reflected the upswing in the economic environment due to the general improvement in global risk appetite rallying sharply during FY 2010-11. During FY 2010-11, the equity markets increased significantly with the benchmark indices viz., BSE Sensex and Nifty outperforming most of their global peers. Huge response in Capital Market can be seen from value and number of deals that took place in IPO, PE and M & A space in India in FY 2010-11. Finding India as a promising market, Foreign Institutional Investors (FIIs) have purchased Stocks and Debt Securities worth US\$ 223.26 bn in the FY 2010-11.

**Private Equity:** There were a total of 253 PE transactions worth US\$ 6.3 bn PE investments in calendar year 2010. The highest proportion of PE Investment were made in Power and Energy, Real Estate & Infrastructure sectors which accounted for more than 40% of PE Investment made.

**Mergers & Acquisitions:** The calendar year 2010 has been a year of landmark deals, with the largest M & A deal of the year - Bharti's acquisition of Telecom assets of Zain. M & A deals worldwide saw resurgence with deal values clocking US\$ 2.4 Trillion in calendar year 2010 registering a growth of 14% over 2009. There were a total of 662 M & A transactions worth US\$ 49.78 bn in India. Out of these 91 transactions were inbound, 198 outbound and 373 transactions were domestic. Total M & A deal value increased four times and volumes almost more than doubled in 2010 over 2009.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**IPO:** The calendar year 2010 has seen the Indian capital market put the worst behind and move towards strong growth. The year 2010 saw close to US\$ 8 bn being raised through IPO's, led by the single largest Public Sector Company Coal India's IPO of US\$ 3.29 bn.

In the coming years, the Company believes strongly about the growth prospects of the Indian economy and the financial markets. Indian Companies will draw significant attention from domestic as well as global investors which would lead to healthy fund raising from primary markets – from IPOs as well as PE funds. Also, tremendous growth opportunities for Companies across industries and growing aspirations of Indian corporates will result in significant M&A activity with amalgamations / mergers / reorganizations, etc. taking place in large numbers.

### **OPPORTUNITIES:**

The landscape of opportunities and threats have completely changed in India over the last decade. Economy is growing at a healthy rate leading to large scale investments and capital requirements of Corporate.

Corporate looking at consolidation / acquisitions / restructuring opens out opportunities for the Corporate Advisory business of LCAPL. Further Indian Corporate are becoming more receptive to raise funds from PE Investors. Companies which are comfortable with their cash levels are looking for M & A opportunity to grow organically or inorganically.

In this backdrop, LCAPL has evolved into a strong and focused organisation and is set to further accentuate its business growth in the investment banking space.

Wealth Management business is also seeing huge opportunity as the financial service industry is growing with the increase in disposable income of consumers and increasing reach of AMC's & distributors . Business is transforming from mere wealth safeguarding to growing wealth. In addition, investor's revival of confidence in equity market and mutual fund industry is also giving the desired boost to the wealth management activities.

### **THREATS:**

A fast growing economy is exposed to global risk factors like unfavorable global economic conditions posing risks to the Indian economy, unrest in Middle East region affecting investor sentiment in India, rising commodity prices in the global market impacting the prices in India among others. All these factors are to be watched closely which would impact the Company's business if these risks aggravates further. Also, a fast growing economy has its own disadvantages – high growth and numerous opportunities attract competition - Our industry is competitive and your Company faces rising competition from local and global players operating in India. Also, regulatory changes in the financial market and attrition of employees affect the smooth operations of the business.

However, your Company is well aware of the above threats and has worked steadily to strengthen its business operations by putting appropriate policies and measures in place and well positioned to counter any adverse threat successfully.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **RISK AND CONCERN:**

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success.

Risk is inevitable in business and there are various risks associated with your Company also like portfolio risk, industry risk, credit risk, internal control risk, technology risk, regulatory risk, human resources risk, competition risk. Company's focus of risk management is all about risk reduction and avoidance. It has comprehensive integrated risk management framework that comprise of clear understanding of Company's strategies, policies, initiatives, norms, reporting and control at various level.

Timely and effective risk management is of prime importance to our continued success. The risk for the Company arises mainly out of the risks associated with the operations we carry. Experienced professionals review and monitor risks in our Company. We have comprehensive risk management policies and processes to mitigate the risks that are encountered in conducting business activities. The management also periodically reviews the policies and procedures and formulates plans for control of identified risks and improvements in the systems.

A risk/compliance update report is regularly placed before the Audit Committee /Board of Directors of the Company. The Audit Committee Directors Review the risk/ compliance update reports and the course of action taken or to be taken, to mitigate and manage the risks.

### **HUMAN RESOURCES:**

Despite all the limitations posed by the macroeconomic transformations, we managed to differentiate ourselves with the peers by leveraging upon the inherent strengths of the talent pool and improvising the same to suit the new circumstances.

Employees continue to be the key driving force of the organization and remain a strong source of our competitive advantage also. We believe in aligning business priorities with the aspirations of employees leading to the development of an empowered and responsive human capital. We strive to create a work environment which encourages innovation and creativity.

Thus this year was the time for rationalizing the structures and streamlining the processes not only of the people, but also 'for' the people and their functioning. Vertical-wise success was facilitated by virtue of our firm belief in the principle of 'empowerment' of the capable and the deserving.

We aim to continue on the path of pursuing excellence through unorthodox means and out of the box methodologies thereby expanding the horizons of our conventional wisdom. The coming year will see us harnessing the maximum benefits from these initiatives and unleashing the power of human capital.

### **INTERNAL CONTROL AND THEIR ADEQUACY:**

Your Company being in service industry, has in place clear processes and well-defined roles and responsibilities for its employees at various levels. The management has a defined reporting system, which facilitates monitoring and adherence to the process and systems and various statutory compliances. These have been designed to provide reasonable assurance with regard to maintaining proper accounting

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring reliability of financial and operational information published from time to time.

### **FUTURE OUTLOOK:**

Indian economy is expected to grow at a healthy rate of over 9% in FY 2011-12 leading to significant investments by both the public and private sector Companies. There will be a commensurate sizeable capital requirement to fund these investments which will present opportunities for Investment Banking and Advisory Business. The performance of Capital Market in India has a direct correlation with the prospect of economic growth and political stability. With financial markets and industry witnessing consolidation and Corporate taking advantage of organic and inorganic growth opportunity in Indian market, level of activities have increased remarkably, making deals happen at more reasonable valuation. This would result in increased M&A and PE activity in the coming years, thus giving Investment Bankers opportunity to play a wider role.

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. The pace of economic recovery in India is reflective of the transitory impact of the global financial crisis on the Indian economy. India's strong domestic fundamentals are expected to remain operative over the long-term, with the twin drivers of consumption and investment supporting sustained high growth for the economy.

Over the next year, while economic recovery is expected to strengthen and assume a broad based nature, the management of inflation expectations, the pace of withdrawal of stimulus measures and the management of systemic liquidity in view of the large government borrowing programmes and the impact of volatile global markets on capital flows will be key factors impacting the economy and financial markets.

### **CAUTIONARY STATEMENT:**

The statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



## CEO/CFO CERTIFICATION

**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 ended 31<sup>st</sup> March, 2011 on the basis of the review of the financial statements 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 ended 31<sup>st</sup> March, 2011;
  - b) There have been no significant changes in accounting policies during the year ended 31<sup>st</sup> March, 2011;
  - 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**

**Sunil Goyal**  
Managing Director

**FOR LADDERUP FINANCE LIMITED**

**Rajesh Murarka**  
Chief Financial Officer

Date : 26<sup>th</sup> May, 2011  
Place : Mumbai

## AUDITORS' REPORT

The Members,

We have audited the attached Balance Sheet of **Ladderup Finance Limited** as at 31<sup>st</sup> March, 2011 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, 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, 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.
  - e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31<sup>st</sup> March, 2011 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 : 33615**

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

## 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 31<sup>st</sup> March, 2011.

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 of Shares & Securities 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 three subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount outstanding during the year was ₹ 59.76 Lacs and year end balance of such loan was ₹ 59.76 Lacs.
- b) The rate of interest (except in one case where the said loan is interest free) and other terms & 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 loan 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 ₹ 146 Lacs. The year end balance of such loan was Nil.
- e) The above loan is interest free and other terms and conditions on which the loan has been granted are prima facie, not prejudicial to the interest of the Company.
- f) In view of 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.

## **ANNEXURE TO AUDITORS' REPORT**

- (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 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 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) The Company has applied the term loan (vehicle loan) during the year for the purpose they were obtained.
- (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 : 33615

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

## **ANNEXURE TO AUDITORS' REPORT**

The Board of Directors,

**Ladderup Finance Limited**

As required by the "Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 1998" vide notification No. DFC.117/DG (SPT)-98 dated January 2, 1998 issued by Reserve Bank of India (RBI), and based on the books and records verified by us and according to the informations and explanations given to us during the course of our audit, we hereunder give our report on matters specified in paragraphs 3 of the said Directions.

1. The Company has applied for the registration as provided in the Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the Company has received Certificate of Registration No.13.00063 dated 24<sup>th</sup> February, 1998 from Reserve Bank of India, Department of Non-Banking Supervision, Mumbai Regional Office.
2. The Board of Directors in their meeting held on 26<sup>th</sup> May, 2011 has passed a resolution for non-acceptance of any public deposit without prior approval of Reserve Bank of India in writing.
3. As per the information and explanation given to us and as appears from the books of account of the Company, the Company has not accepted any deposit from the public during the year ended on 31<sup>st</sup> March, 2011.
4. In our opinion and as per the information and explanation given to us the Company has complied with prudential norms relating to income recognition, accounting standard, asset classification, and provisioning of bad and doubtful debt as applicable to it for the year ended on 31<sup>st</sup> March, 2011.

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

**Sampat Khurdia**  
Partner

**Mem No : 33615**

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Schedules	As at 31.03.2011	As at 31.03.2010
<b>I SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	78,526,000	78,526,000
Share Warrants	1A	107,100,000	—
Reserves & Surplus	2	70,531,855	68,871,760
<b>Loans Funds</b>			
Secured Loans	3	814,793	—
Unsecured Loans	4	—	11,725,000
<b>Deferred Tax Liabilities (Net)</b>		169,656	125,988
		<b>257,142,304</b>	<b>159,248,748</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross Block		8,300,662	6,559,224
Less: Depreciation		3,347,966	2,963,046
<b>Net Block</b>		<b>4,952,696</b>	<b>3,596,178</b>
<b>Investments</b>	6	171,172,041	122,829,793
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	507,652	3,709,980
Sundry Debtors	8	—	2,152,166
Cash & Bank Balances	9	1,008,332	2,401,497
Loans & Advances	10	88,986,140	26,717,394
		<b>90,502,124</b>	<b>34,981,037</b>
<b>Less : Current Liabilities &amp; Provisions</b>	11	9,484,556	2,158,259
<b>Net Current Assets</b>		<b>81,017,568</b>	<b>32,822,778</b>
		<b>257,142,304</b>	<b>159,248,748</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	18		

As per our Report of even date

**For Khurdia Jain & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sunil Goyal**  
Managing Director

**K.V.S. ShyamSunder**  
Director

**Sampat Khurdia**  
Partner  
**Mem. No. 33615**

**Parimal Sheth**  
Executive Director & CEO

**Rajesh Murarka**  
Executive Director & CFO

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Schedules	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>I. Income</b>			
Operational Income	12	13,108,139	14,414,967
Other Income	13	4,564,032	1,522,656
Increase/ (Decrease) in Stocks	14	(3,202,328)	—
		<b>14,469,843</b>	<b>15,937,623</b>
<b>II. Expenditure</b>			
Loss in Trading in Derivative Instruments		4,183	1,076,330
Employee Costs	15	—	1,503,230
Administrative and Other Expenses	16	3,182,584	2,450,555
Financial Expenses	17	46,974	25,756
Depreciation		362,060	338,862
		<b>3,595,801</b>	<b>5,394,734</b>
<b>Profit before Tax</b>		<b>10,874,042</b>	<b>10,542,890</b>
Less : Provision for Tax			
- Current Tax		1,220,000	1,800,000
- Deferred Tax Liability/ (Assets)		43,668	(14,902)
- Short/ (Excess) Provision of Tax		71,152	—
<b>Profit after Tax</b>		<b>9,539,222</b>	<b>8,757,792</b>
Add : Balance brought forward from previous year		23,028,772	16,022,539
<b>Balance available for appropriation</b>		<b>32,567,994</b>	<b>24,780,331</b>
<b>Appropriations:</b>			
Proposed Dividend		7,852,600	—
Tax on Proposed Dividend		3,666	—
Transfer to Special Reserve under Section 45IC of RBI Act		1,907,844	1,751,558
Balance carried forward to Balance Sheet		22,803,884	23,028,772
		<b>32,567,994</b>	<b>24,780,330</b>
Earning Per Share of ₹ 10 each - Basic & Diluted		1.21	1.27
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>18</b>		

**As per our Report of even date**

**For Khurdia Jain & Co.**

*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Goyal**  
*Managing Director*

**K.V.S. ShyamSunder**  
*Director*

**Sampat Khurdia**

*Partner*

**Mem. No. 33615**

**Parimal Sheth**

*Executive Director & CEO*

**Rajesh Murarka**

*Executive Director & CFO*

Place : Mumbai

Date : 26<sup>th</sup> May, 2011

Place : Mumbai

Date : 26<sup>th</sup> May, 2011

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A) Cash Flow from Operating Activities</b>		
Net Profit before Taxation & Extraordinary Items	10,874,042	10,542,890
Add/(Less) Adjustments for:		
Depreciation	362,060	338,862
Interest	44,424	23,823
<b>Operating Profit Before Working Capital Changes</b>	<b>11,280,525</b>	<b>10,905,574</b>
Add/(Less) Adjustments for:		
Trade Receivables	2,152,166	(1,221,123)
Inventories	3,202,328	-
Loans and Advances	(64,073,192)	(3,157,416)
Other Liabilities	(529,969)	1,537,206
<b>Cash Flow From Operating Activities</b>	<b>(47,968,142)</b>	<b>8,064,241</b>
Net Income Tax Paid	(986,706)	(1,093,973)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>(48,954,848)</b>	<b>6,970,268</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,741,438)	—
Share Application Money	—	(651,652)
Investment in Partnership Firm	(5,862,676)	573,772
Investment in Mutual Funds	(19,263,583)	7,029,245
Investment in Exchange Traded Fund	(4,999,950)	—
Investment in Subsidiary Companies	(85,000)	(2,975,000)
Investment in Shares & Securities	(16,631,041)	(18,642,592)
<b>Net Cash Flow from Investing Activities (b)</b>	<b>(48,583,687)</b>	<b>(14,666,227)</b>
<b>C) Cash Flow from Financing Activities</b>		
Secured Loans (Net of repayment)	814,793	(109,074)
Unsecured Loans (Net of repayment)	(11,725,000)	6,496,086
Issue of Share Warrants	107,100,000	1,700,000
Interest	(44,423)	(23,823)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>96,145,370</b>	<b>8,063,189</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>(1,393,165)</b>	<b>367,230</b>
<b>Add: Cash &amp; Cash Equivalents (Opening)</b>	<b>2,401,497</b>	<b>2,034,267</b>
<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>1,008,332</b>	<b>2,401,497</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

**Notes:**

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 equivalents at the end of the year consists of Cash in Hand and Balances with Banks and are Net of Short Term Loans and Advances from Banks as follows:

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Cash in hand	34,808	35,035
Balances with Bank	973,524	2,366,462
	<b>1,008,332</b>	<b>2,401,497</b>

3. Figures in brackets denotes cash outflows.

**As per our Report of even date**

**For Khurdia Jain & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Goyal**  
*Managing Director*

**K.V.S. ShyamSunder**  
*Director*

**Sampat Khurdia**  
*Partner*  
**Mem. No. 33615**

**Parimal Sheth**  
*Executive Director & CEO*

**Rajesh Murarka**  
*Executive Director & CFO*

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule "1" :- Share Capital</b>		
<b>Authorised</b> 1,50,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹10 each	<b>150,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed &amp; Paid-up</b> 78,52,600 Equity Shares of ₹ 10 each fully paid-up	<b>78,526,000</b>	<b>78,526,000</b>
<b>Schedule "1A" :- Share Warrants</b> (Each warrant carry option/entitlement to subscribe to one Equity Share of ₹ 10 each at a premium of ₹ 20 per Equity Share) (Refer Note. No. B (18) of Schedule "18")	107,100,000	—
	<b>107,100,000</b>	<b>—</b>
<b>Schedule "2" :- Reserves &amp; Surplus</b>		
<b>Revaluation Reserve</b>		
Opening Balance	1,042,339	1,065,199
Less: Depreciation on revalued assets	22,860	22,860
Closing Balance	1,019,479	1,042,339
<b>Capital Reserve</b>		
Opening Balance	300,000	—
Add: Forfeiture of Share Warrants	—	300,000
Closing Balance	300,000	300,000
<b>Securities Premium</b>		
Opening Balance	38,500,000	—
Add: Additions during the Year	—	38,500,000
Closing Balance	38,500,000	38,500,000
<b>Special Reserve under Section 45 IC of RBI Act</b>		
Opening Balance	5,750,648	3,999,090
Transferred during the year	1,907,844	1,751,558
Closing Balance	7,658,492	5,750,648
<b>General Reserve</b>	250,000	250,000
<b>Profit &amp; Loss Account</b>	22,803,884	23,028,772
	<b>70,531,855</b>	<b>68,871,760</b>
<b>Schedule "3" :- Secured Loans</b>		
Vehicle Loan (Secured against vehicle financed)	814,793	—
	<b>814,793</b>	<b>—</b>
<b>Schedule "4" :- Unsecured Loans</b>		
Inter Corporate Deposits	—	11,725,000
	<b>—</b>	<b>11,725,000</b>

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

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

Description	Gross Block			Depreciation				Net Block	
	As at 01.04.2010	Additions (Deductions) during the year	As at 31.03.2011	Upto 31.03.2010	Depreciation on Revalued Assets	Provided for the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Premises	2,078,750	-	2,078,750	537,831	22,860	11,024	571,715	1,507,035	1,540,919
Computers	1,187,485	-	1,187,485	1,187,485	-	-	1,187,485	-	-
Office Equipments	352,850	-	352,850	220,382	-	16,760	237,142	115,708	132,468
Furnitures & Fittings	748,433	-	748,433	239,385	-	47,376	286,760	461,673	509,048
Motor Cars	1,892,154	1,741,438	3,633,592	715,731	-	272,671	988,402	2,645,190	1,176,423
Air Conditioners	299,552	-	299,552	62,232	-	14,229	76,461	223,091	237,320
<b>Total</b>	<b>6,559,224</b>	<b>1,741,438</b>	<b>8,300,662</b>	<b>2,963,046</b>	<b>22,860</b>	<b>362,060</b>	<b>3,347,966</b>	<b>4,952,696</b>	<b>3,596,178</b>
<b>Previous Year</b>	<b>6,559,224</b>	<b>-</b>	<b>6,559,224</b>	<b>2,601,324</b>	<b>22,860</b>	<b>338,862</b>	<b>2,963,046</b>	<b>3,596,178</b>	<b>3,957,900</b>

(Amount in ₹)

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule "6" :- Investments (At Cost)</b>		
<b>(Long Term, Trade )</b>		
<b>In Shares</b>		
Quoted - Fully Paid-up <b>(Refer Annexure I)</b> (Market Value ₹ 6,02,76,371; P.Y. ₹ 4,60,66,442)	61,578,258	41,322,445
Unquoted - Fully Paid-up <b>(Refer Annexure II)</b>	48,218,381	46,218,155
In Subsidiary Companies <b>(Refer Annexure III)</b>	23,485,000	23,400,000
<b>In Exchange Traded Fund (ETF)- Quoted</b>		
MOST Shares NASDAQ 100 ETF 48,432 Units (NAV as on 31 <sup>st</sup> March 2011 ₹ 4,794,768)	4,999,950	—
<b>In Share Warrants</b>		
Kisan Mouldings Limited 1,25,000 Share Warrants @ ₹ 33 (Fully Paid-up)	—	4,125,000
	<b>138,281,589</b>	<b>115,065,600</b>
<b>(Non Trade, Short Term, Unquoted)</b>		
<b>In Mutual Funds</b>		
Birla Sunlife Saving Fund 6,67,189.43 Units (NAV as on 31 <sup>st</sup> March 2011 ₹ 6,676,431)	6,676,431	—
Reliance Money Manager Fund 12,573.05 Units (NAV as on 31 <sup>st</sup> March 2011 ₹ 12,587,151)	12,587,151	—
	<b>19,263,583</b>	<b>—</b>
<b>In Partnership Firm</b>		
New India Spinning Company (Fixed Capital)	18,750	18,750
New India Spinning Company (Current Capital)	13,608,119	7,745,443
	<b>13,626,869</b>	<b>7,764,193</b>
	<b>171,172,041</b>	<b>122,829,793</b>
<b>Abstracts</b>		
Aggregate Amount of Quoted Investments	66,578,208	41,322,445
Aggregate Market Value of Quoted Investments	65,071,139	46,066,442
Aggregate Amount of Unquoted Investments	104,593,833	81,507,348

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule "7" :- Inventories</b> (As taken, valued and certified by directors ) Closing Stock of Shares and Securities <b>(Refer Annexure IV)</b>	507,652	3,709,980
	<b>507,652</b>	<b>3,709,980</b>
<b>Schedule "8" :- Sundry Debtors</b> (Unsecured, considered good) Debt outstanding for a period more than six months Other debts	— —	— 2,152,166
	<b>—</b>	<b>2,152,166</b>
<b>Schedule "9" :- Cash &amp; Bank Balances</b> Cash in Hand Balances with Scheduled Banks In Current Account	34,808 973,524	35,035 2,366,462
	<b>1,008,332</b>	<b>2,401,497</b>
<b>Schedule "10" :- Loans &amp; Advances</b> (Unsecured, considered good) Advance recoverable in cash or in kind or for value to be received Share Application Money <b>Standard Assets</b> Inter Corporate Deposits Loan to Subsidiary Company Deposits Advance Tax & TDS (Net of Provisions)	50,147,047 — 30,461,646 5,976,171 2,080,000 321,276	281,598 1,500,000 21,398,998 831,076 2,080,000 625,722
	<b>88,986,140</b>	<b>26,717,394</b>
<b>Schedule "11" :- Current Liabilities &amp; Provisions</b> <b>Current Liabilities</b> Sundry Creditors - Due to Micro, Small & Medium Enterprises (Note no. B (13) of Schedule "18") -Due to Others Other Liabilities <b>Provisions</b> Proposed Dividend Provision for Dividend Distribution Tax	— 1,600,886 27,404 7,852,600 3,666	— 1,546,778 611,481 — —
	<b>9,484,556</b>	<b>2,158,259</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Schedule "12" :- Operating Income</b>		
Financial & Management Consultancy Fees (TDS NIL, P.Y. ₹ 6,76,083)	—	6,186,868
Interest on Loans (TDS ₹ 2,70,732 P.Y. ₹ 3,77,850)	2,707,296	2,490,021
Sale of Shares & Securities	3,200,000	—
Profit from Sale of Shares	7,173,784	5,734,820
Profit from Sale of Mutual Funds	27,059	3,258
	<b>13,108,139</b>	<b>14,414,967</b>
<b>Schedule "13" :- Other Operating Income</b>		
Dividend Income	1,186,356	221,428
Bad Debts Recovered	15,000	—
Share of Profit from Partnership Firm	3,362,676	1,301,228
	<b>4,564,032</b>	<b>1,522,656</b>
<b>Schedule "14" :- Increase/(Decrease) in Stocks</b>		
Closing Stocks of Shares & Securities	507,652	3,709,980
Less : Opening Stocks of Shares & Securities	3,709,980	3,709,980
	<b>(3,202,328)</b>	<b>—</b>
<b>Schedule "15" :- Employee Costs</b>		
Directors Remuneration	—	1,500,000
Staff Welfare Expenses	—	3,230
	<b>—</b>	<b>1,503,230</b>
<b>Schedule "16" :- Administrative &amp; Other Expenses</b>		
Rent	101,700	101,700
Professional Fees	42,500	1,201,500
Statutory Expenses	485,458	130,214
Communication Costs	12,660	50,463
Directors Sitting Fees	53,000	58,000
Vehicle Maintenance Expenses	—	219,195
Electricity Expenses	—	18,000
Printing & Stationery	55,870	54,080
Travelling & Conveyance	2,268	44,708
Auditors Remuneration	20,000	20,000
Advertisement Expenses	103,233	94,922

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Office Expenses	—	30,000
Insurance Expenses	19,437	3,966
Bad Debts Written Off	1,993,400	31,528
Donation	—	200,000
Securities Transaction Tax	212,998	166,645
Miscellaneous Expenses	80,060	25,633
	<b>3,182,584</b>	<b>2,450,555</b>
<b>Schedule "17" :- Financial Expenses</b>		
Bank Charges	2,551	1,934
Interest on Fixed Loan	35,948	5,765
Interest Others	8,475	18,058
	<b>46,974</b>	<b>25,756</b>

## **SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

### **Schedule '18'**

#### **Significant Accounting Policies and Notes on 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 are in conformity with generally accepted accounting principles which 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 and estimated results 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 case of Insurance claims, where the same are recorded on cash basis.

###### **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 other 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 31<sup>ST</sup> MARCH, 2011**

### **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:**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- ii) Liability for leave encashment benefits has been provided on accrual basis.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet

### **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 on 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.

## **SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

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 ledgers and are subject to confirmation and consequent reconciliation and adjustment.
3. Contingent Liabilities not provided for : Nil (P.Y. Nil)
4. No provision for retirement benefits as required by the Accounting Standard (AS)-15 (Revised) is made, since the Company does not have any employees during the year.
5. During the year the Company has acquired 85% stake of M/s. Ladderup Insurance Broking Private Limited and there by it has become Subsidiary of the Company.

**6. Auditors' Remuneration:**

(Amount in ₹)

Particulars	Year Ended 2010-11	Year Ended 2009-10
Statutory Audit	15,000	15,000
Tax Audit	4,000	4,000
Other Services	1,000	1,000
Service Tax	2,060	2,060
<b>Total</b>	<b>22,060</b>	<b>22,060</b>

**7. Directors' Remuneration:**

(Amount in ₹)

Particulars	Year Ended 2010-11	Year Ended 2009-10
Directors' Remuneration	NIL	15,00,000
<b>Total</b>	<b>NIL</b>	<b>15,00,000</b>

**8. Additional information pursuant to the provisions of paragraph 3, 4C and 4D have been given herein below 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 IV thereto.

Shares & Securities	Quantity		Amount in ₹	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Opening Stock	13,750	13,750	37,09,980	37,09,980
Purchases	Nil	Nil	Nil	Nil
Sales/ Written off	13,150*	Nil	32,02,328	Nil
Closing Stock	600	13,750	5,07,652	37,09,980

\*Includes 350 Equity Shares written off having Nil realisable value and ₹ 2,328 book value

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

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

9. 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 ₹)

Name of the Partners	Profit/Loss Sharing Ratio	Total Capital	
		As at 31.03.2011	As at 31.03.2010
Ladderup Finance Limited	37.50%	1,36,26,869	77,64,193
Mr. Pawan Saraf	50.00%	1,06,73,155	22,59,586
Mr. Mukesh Goyal	12.50%	13,00,435	6,09,543

10. **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 two segments namely Investment & Trading in Shares & Securities and Finance activities. The information about all the Segments is given in Annexure V to the Schedules forming part of Balance Sheet.

11. **Related Parties:**

**For the year ended 31<sup>st</sup> March, 2011**

(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 transactions 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:**

Singrodia Goyal & Co.

Quiet Investments Private Limited

Ladderup Securities Private Limited

Sonu Portfolio Services Private Limited

(d) **Associates:**

Lotus Spaces Private Limited

New India Spinning Company

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011****(e) Subsidiary Companies:**

Ladderup Corporate Advisory Private Limited

Ladderup Wealth Management Private Limited

Ladderup Insurance Broking Private Limited

**Transactions :2010-11**

(Amount in ₹ Lacs)

<b>Nature of Transaction</b>	<b>Refer to (a) above</b>	<b>Refer to (b) above</b>	<b>Refer to (c) above</b>	<b>Refer to (d) above</b>	<b>Refer to (e) above</b>
Directors Sitting Fees	0.08	Nil	Nil	Nil	Nil
Rent Paid	0.51	0.51	Nil	Nil	Nil
Allocation of Expenses	Nil	Nil	3.05	Nil	Nil
Investment in Partnership Firm	Nil	Nil	Nil	25.00	Nil
Unsecured Loan taken	Nil	Nil	49.20	Nil	Nil
Repayment of Unsecured Loan taken	Nil	Nil	166.45	Nil	Nil
Loans Granted	Nil	Nil	Nil	130.00	87.10
Receipt of Unsecured Loan given	Nil	Nil	Nil	2.24	37.73
Interest Received	Nil	Nil	Nil	22.35	2.08
Professional Fees Paid	Nil	Nil	Nil	Nil	0.38
Warrant Proceeds	Nil	Nil	390.00	Nil	Nil
Sale of Shares	Nil	Nil	32.00	Nil	Nil
Purchase of Shares	Nil	0.85	Nil	Nil	Nil
Investment in Subsidiary Co.	Nil	Nil	Nil	Nil	0.85
<b>Amount Outstanding as on 31<sup>st</sup> March, 2011</b>					
Loans Receivable	Nil	Nil	Nil	297.23	59.76
Other Payable	Nil	Nil	Nil	Nil	0.25
Deposits	8.00	12.35	Nil	Nil	Nil
Investment in Partnership Firm	Nil	Nil	Nil	136.27	Nil

**Note:** Related Parties as disclosed by Management and relied upon by Auditors.**For the year ended 31<sup>st</sup> 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

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**(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:**

Singrodia Goyal & Co.

Jay Ambe Enterprises

Ladderup Securities Private Limited

**(d) Associates:**

Lotus Spaces Private Limited

New India Spinning Company

**(e) Subsidiary Companies:**

Ladderup Corporate Advisory Private Limited

Ladderup Wealth Management Private Limited

**Transactions: 2009-10**

**(Amount in ₹ Lacs)**

<b>Nature of Transaction</b>	<b>Refer to (a) above</b>	<b>Refer to (b) above</b>	<b>Refer to (c) above</b>	<b>Refer to (d) above</b>	<b>Refer to (e) above</b>
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
Receipt 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
<b>Amount Outstanding as on 31<sup>st</sup> March, 2010</b>					
Loans Payable	Nil	Nil	117.25	Nil	Nil
Loans Receivable	Nil	Nil	Nil	147.12	8.31
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 31<sup>ST</sup> MARCH, 2011****12. Additional Information pursuant to Clause 32 of the Listing Agreement:**

(Amount in ₹ Lacs)

Name of Company	As at 31.03.2011		As at 31.03.2010	
	Amount	Maximum Amount Outstanding	Amount	Maximum Amount Outstanding
Ladderup Corporate Advisory Private Limited	40.08	40.08	Nil	27.27
Ladderup Wealth Management Private Limited	19.08	23.10	33.81	33.81
Ladderup Insurance Broking Private Limited	0.60	0.60	Nil	Nil

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

As on 31.03.11, there are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.

**14. 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 ₹)

Sr. No.	Particulars	31.03.2011	31.03.2010
A	Weighted average number of Equity Shares of ₹ 10 each		
(i)	Number of Shares at the beginning of the year	78,52,600	40,02,600
(ii)	Number of Shares at the end of the year	78,52,600	78,52,600
(iii)	Weighted average number of Equity Shares outstanding during the year	78,52,600	69,03,285
B	Net Profit / (Loss) after Tax available for Equity Shareholders	95,39,222	87,57,792
C	Basic & Diluted Earning Per Share (B/A (iii) )	1.21	1.27

**15. 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 Liability amounting to ₹ 43,668 for the year ended 31<sup>st</sup> March, 2011 in the Profit & Loss Account.

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

The balance in Net Deferred Tax Liability comprises of:

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability / (Assets)		
Depreciation	169,656	125,988
<b>Deferred Tax Liability/ (Assets) [Net]</b>	<b>169,656</b>	<b>125,988</b>

16. Company has transferred an amount of ₹ 19,07,844 (P.Y. ₹ 17,51,558) 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.
17. During the year the Authorised Share Capital of the Company has been increased from ₹ 1,000 Lacs (divided into 100 Lacs Equity Shares of ₹ 10 each) to ₹ 1,500 Lacs (divided into 150 Lacs Equity Shares of ₹ 10 each) vide Special Resolution passed in the Annual General Meeting of the Company held on 21<sup>st</sup> September, 2010.
18. During the year, the Company had issued, on preferential basis, 50 Lacs Convertible Share Warrants to Promoter Group and other Investors. Each warrant shall be Convertible into one Equity Share of the Company at a price of ₹ 30 per share i.e. at a premium of ₹ 20 per Share within 18 months of their allotment. The Company had received ₹ 1,071 Lacs towards partial/full subscription towards the warrants. Out of the proceeds received the Company has utilized ₹ 971.73 Lacs towards the objects as mentioned in the offer document. Pending utilization, the balance funds of ₹ 99.27 Lacs has been temporarily lying with Mutual Funds & Banks.
19. 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  
**Firm Regn. No.:120263W**

**For and on behalf of the Board**

**Sampat Khurdia**  
Partner  
**Mem. No. 33615**

**Sunil Goyal**  
Managing Director

**K.V.S ShyamSunder**  
Director

**Parimal Sheth**  
Executive Director & CEO

**Rajesh Murarka**  
Executive Director & CFO

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2011

## DETAILS FORMING PART OF THE NOTES - 31<sup>ST</sup> MARCH, 2011

### Annexure I

#### Details of Equity Shares in Quoted Companies (Fully Paid-up):

Name of Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Aditya Birla Chemicals (I) Ltd.	10	—	—	10,000	973,340
Ajanta Pharma Ltd.	10	2,756	586,942	—	—
Asian Hotels (East) Ltd.	10	5,342	1,966,529	—	—
Aptech Ltd.	10	—	—	1,000	200,054
Astec Life Sciences Ltd.	10	19,750	1,474,477	—	—
Atul Limited	10	54,500	7,404,191	—	—
Autoline Ind. Ltd.	10	—	—	25,000	3,159,127
Biocon Ltd.	5	—	—	3,000	849,166
Birla Precision Technologies Ltd.	2	—	—	12,060	326,813
Bhuwarka Steel Industries Ltd.	10	2,741	89,172	—	—
Capman Financials Ltd.	10	50,000	500,000	50,000	500,000
Cosmo Films Ltd.	10	—	—	14,451	1,717,696
Dhanuka Agritech Ltd.	2	33,783	2,443,486	—	—
DIC India Ltd.	10	9,875	3,114,391	—	—
Grauer & Weil (India) Ltd.	10	36,953	2,247,815	—	—
Gruh Finance Ltd.	10	3,525	1,378,290	—	—
Exide Industries Ltd.	1	—	—	5,000	449,800
Financial Technologies (I) Ltd.	2	—	—	1,000	1,604,175
Hero Honda Motors Ltd.	2	500	784,495	500	784,495
Hindustan Oil Expl. Co. Ltd.	10	—	—	500	125,913
IDBI Bank Ltd.	10	4,500	718,763	—	—
Idea Cellular Ltd.	10	—	—	11,000	695,661
IFB Industries Ltd.	10	11,000	1,443,801	—	—
Indian Hotels Co. Ltd.	1	20,000	1,944,799	15,000	1,412,680
Indo Asian Fusegear Ltd.	10	—	—	12,005	823,839
Insecticides (I) Ltd.	10	—	—	9,000	1,134,725
Jai Hind Projects Ltd.	10	5,377	898,910	—	—
JSW Energy Ltd.	10	5,000	610,354	—	—
Kalyani Steels Ltd.	10	—	—	10,000	1,353,189
Kamadgiri Fashions Ltd.	10	10,078	575,114	—	—
Kisan Mouldings Ltd.	10	125,000	4,125,000	—	—
LIC Housing Finance Ltd.	2	10,000	1,947,974	—	—
Lloyds Steel Ind. Ltd.	10	50,000	1,011,881	200,000	1,957,806



**DETAILS FORMING PART OF THE NOTES - 31<sup>ST</sup> MARCH, 2011**

**Details of Equity Shares in Quoted Companies (Fully Paid-up) :**

Name of Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
L & T Ltd.	10	2,800	4,006,025	900	756,470
Lupin Ltd.	10	9,200	3,318,584	1,000	1,503,514
Mahindra & Mahindra Ltd.	5	2,200	969,249	2,000	839,970
Mahindra Satyam Computer Ser. Ltd.	10	—	—	10,000	1,137,556
Mphasis Ltd.	10	2,500	1,886,904	2,500	1,886,904
Nesco Ltd.	10	4,400	1,741,473	2,200	1,741,473
Nicco Corporation Ltd.	2	15,000	583,937	15,000	583,937
Oil Country Tabular Ltd	10	18,198	1,630,273	—	—
Ramswaroop Industries Ltd	10	4,000	438,938	—	—
PSL Ltd.	10	—	—	500	85,647
Ranbaxy Laboratories Ltd.	5	3,000	1,395,311	—	—
Remi Metals (Gujarat) Ltd.	6	58,105	988,443	—	—
Reliance Communication Ltd.	5	—	—	4,000	1,892,376
Reliance Industries Ltd.	10	—	—	750	1,239,374
Repro India Ltd.	10	—	—	25,737	2,519,605
Reliance Natural Resources Ltd.	5	—	—	3,000	212,520
Ruchi Soya Industries Ltd.	2	—	—	3,000	280,388
Shekhawati Polyyarn Ltd.	10	565	16,950	—	—
Sakthi Sugar Ltd.	10	—	—	5,584	569,603
Spicejet Ltd.	10	30,000	1,725,282	20,000	1,167,364
Strides Arcolab Ltd.	10	—	—	1,000	337,038
Sterlite Industries Ltd.	1	8,000	1,461,423	—	—
Suzlon Energy Ltd.	2	—	—	10,000	1,055,700
TCS Ltd.	1	1,500	910,920	1,500	910,920
Tilak Nagar Industries Ltd.	10	—	—	46,126	1,299,024
Tata Global Beverages Ltd	1	5,000	558,778	—	—
Tata Motor (DVR)	10	500	391,290	—	—
Tech Mahindra Ltd.	10	3,500	2,492,005	—	—
Thomas Cook India Ltd.	1	12,000	905,714	—	—
Timex Group India Ltd.	1	22,000	890,372	—	—
Viceroy Hotels Ltd.	10	—	—	5,000	195,512
Videocon Industries Ltd.	10	—	—	7,000	1,904,386
Welspun India Ltd.	10	—	—	10,000	940,609
Wire and Wireless India Ltd.	1	—	—	10,000	194,077
<b>Total</b>			<b>61,578,258</b>		<b>41,322,445</b>

**DETAILS FORMING PART OF THE NOTES - 31<sup>ST</sup> MARCH, 2011**

**Annexure II**

**Details of Equity Shares in Unquoted Companies (Fully Paid-up):**

Name of the Company / Type of Shares	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Invent Bio-Media Pvt. Ltd. (Equity)	10	40,000	4,000,000	40,000	4,000,000
Algorhythm Tech Pvt Ltd. (Equity)	10	15	5,625	-	-
Algorhythm Tech Pvt Ltd. (Preference)	10	1,319	494,625	-	-
Speakwell Enterprises Pvt Ltd (Equity)	10	15	15,060	-	-
Speakwell Enterprises Pvt Ltd (Preference)	10	1,479	1,484,916	-	-
Jumboking Foods Pvt. Ltd. (Equity)	10	98,901	8,855,155	98,901	8,855,155
Mobile Magic Pvt. Ltd. (Equity)	10	137,894	16,000,000	137,894	16,000,000
Parag Milk & Milk Products Pvt. Ltd. (Equity)	10	200,000	12,500,000	200,000	12,500,000
Lotus Spaces Pvt. Ltd. * (Equity)	10	100,000	2,000,000	100,000	2,000,000
Tops Security Limited (Equity)	10	40,900	2,863,000	40,900	2,863,000
<b>Total</b>			<b>48,218,381</b>		<b>46,218,155</b>

\* Formerly known as Precious Real Estate Pvt. Ltd.

**Annexure III**

**Detail of Equity Shares in Subsidiary Companies (Fully Paid-up):**

Name of the Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Ladderup Corporate Advisory Pvt. Ltd.	10	290,000	20,000,000	290,000	20,000,000
Ladderup Insurance Broking Pvt. Ltd.	10	8,500	85,000	-	-
Ladderup Wealth Management Pvt. Ltd.	10	42,500	3,400,000	42,500	3,400,000
<b>Total</b>			<b>23,485,000</b>		<b>23,400,000</b>

**DETAILS FORMING PART OF THE NOTES - 31<sup>ST</sup> MARCH, 2011**

**Annexure IV**

**Details of Closing Stock of Shares and Securities:**

Name of Company/ Type of Shares	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Sunflag Iron & Steel Ltd. (Equity)	10	—	—	350	2,328
Vandana Hitech Systems Private Ltd. (Equity)	10	—	—	12,800	3,200,000
Larsen & Toubro Ltd. (Equity)	10	600	507,652	600	507,652
<b>Total</b>		<b>600</b>	<b>507,652</b>	<b>13,750</b>	<b>3,709,980</b>

**Annexure V**

**Segment Information for the year ended 31<sup>st</sup> March, 2011**

(Amount in ₹)

Particulars	Investment & Trading Activities	Finance Activities	Total
<b>Revenue</b>			
External Sales	11,747,547	2,722,296	14,469,843
Less: Inter Segment Sales	—	—	—
<b>Total Revenue</b>	<b>11,747,547</b>	<b>2,722,296</b>	<b>14,469,843</b>
<b>Results</b>			
Segment Results	11,499,725	2,722,296	14,222,021
Unallocated Income	—	—	—
Unallocated Corporate Expenses	—	—	3,347,979
Profit before Tax	—	—	10,874,042
Tax	—	—	1,291,152
Deferred Tax	—	—	43,668
<b>Net Profit</b>			<b>9,539,222</b>
<b>Other Information</b>			
Segment Assets	171,679,693	36,437,817	208,117,510
Unallocated Corporate Assets	—	—	58,509,350
<b>Total Assets</b>	—	—	<b>266,626,860</b>
Segment Liabilities	1,576,069	—	1,576,069
Unallocated Corporate Liabilities	—	—	8,723,280
Deferred Tax Liabilities	—	—	169,656
<b>Total Liabilities</b>			<b>10,469,005</b>

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. :	L67120MH1993PLCO74278	State Code :	11
Balance Sheet Date :	31      3      2011		
	Date      Month      Year		

### II. Capital raised during the year (₹ in Thousands)

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

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

<b>Total Liabilities</b>	257,142	<b>Total Assets</b>	257,142
<b>Source of Funds</b>			
Paid-up Capital	78,526	Reserves and Surplus	70,532
Secured Loans	815	Unsecured Loans	—
Deferred Tax Liability	169	Share Warrants	107,100
<b>Application of Funds</b>			
Net Fixed Assets	4,953	Investments	171,172
Net Current Assets	81,017	Misc. Expenditure	Nil
Accumulated Losses	Nil		

### IV. Performance of Company. (₹ in Thousands)

Turnover and Income	14,470	Total Expenditure	3,596
Profit / (Loss) Before Tax	10,874	Profit/Loss After Tax	9,539
Earning Per Share in (₹)	1.21	Dividend Rate %	10%

### 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”

**For Khurdia Jain & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sampat Khurdia**  
Partner  
Mem. No. 33615

**Sunil Goyal**  
Managing Director

**K.V.S ShyamSunder**  
Director

**Parimal Sheth**  
Executive Director & CEO

**Rajesh Murarka**  
Executive Director & CFO

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2011

## BALANCE SHEET OF A NON DEPOSIT TAKING NBFC AS ON 31<sup>ST</sup> MARCH, 2011.

As required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Amount in ₹ Lacs)

Sr. No.	Particulars	Amount outstanding	Amount overdue
	<b>LIABILITIES SIDE</b>		
(1)	<b>Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:</b>		
	(i) Debentures : Secured	Nil	NA
	Unsecured	Nil	NA
	(other than falling within the meaning of Public deposits *)		
	(ii) Deferred Credits	Nil	NA
	(iii) Term Loans	8.15	Nil
	(iv) Inter-corporate Loans and Borrowings	Nil	NA
	(v) Commercial Paper	Nil	NA
	(vi) Other Loans	Nil	NA
	*Please see Note 1 below		
	<b>ASSETS SIDE</b>		
(2)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	<b>Amount outstanding</b>	
	(i) Secured		Nil
	(ii) Unsecured		889.86
			<b>889.86</b>
(3)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		Nil
	(b) Operating lease		Nil

**BALANCE SHEET OF A NON DEPOSIT TAKING NBFC AS ON 31<sup>ST</sup> MARCH, 2011.**

	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
	(iii) Other Loans counting towards AFC activities	
	(a) Loans where Assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil
<b>(4)</b>	<b>Break-up of Investments:</b>	
	<b>Current Investments:</b>	
	1 Quoted:	
	(i) Shares:	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	2 Unquoted:	
	(i) Shares:	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil
	<b>Long term Investments</b>	
	1 Quoted:	
	(i) Shares:	
	(a) Equity	615.79
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others (please specify)	Nil

**BALANCE SHEET OF A NON DEPOSIT TAKING NBFC AS ON 31<sup>ST</sup> MARCH, 2011.**

	2 Unquoted:			
	(i) Shares:			
	(a) Equity			482.18
	(b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of Mutual Funds			192.63
	(iv) Government Securities			Nil
	(v) Others (please specify)			421.12
	<b>Total</b>			<b>1,711.72</b>
<b>(5) Borrower group - wise classification of assets financed as in (2) and (3) above</b> <b>Please see Note 2 below</b>				
	<b>Category</b>	<b>Amount Net of Provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related Parties**			
	(a) Subsidiaries	Nil	59.76	59.76
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	317.58	317.58
	2. Other than related parties	Nil	512.52	512.52
	<b>Total</b>	<b>Nil</b>	<b>889.86</b>	<b>889.86</b>
<b>(6) Investor group-wise classification of all Investments (current and long term)</b> <b>in Shares and Securities (both Quoted and Unquoted):</b> <b>Please see Note 3 below</b>				
		<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net Category of Provisions)</b>	
	1. Related Parties**			
	(a) Subsidiaries	904.49	904.49	
	(b) Companies in the same group	Nil	Nil	
	(c) Other related parties	409.82	409.82	
	2. Other than related parties	1,051.98	1,067.05	
	<b>Total</b>	<b>2371.29</b>	<b>2381.36</b>	

**BALANCE SHEET OF A NON DEPOSIT TAKING NBFC AS ON 31<sup>ST</sup> MARCH, 2011.**

<b>(7)</b>	<b>Other Information:</b>	
	<b>Particulars</b>	<b>Amount</b>
	(i) Gross Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
	(ii) Net Non-Performing Assets	
	(a) Related parties	Nil
	(b) Other than related parties	Nil
	(iii) Assets acquired in satisfaction of debt	Nil

**Notes :**

- 1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998
- 2 Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other Assets as also assets acquired in satisfaction of debt. However, market value in respect of Quoted Investments and break up/fair value/NAV in respect of Unquoted Investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.



## 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 31<sup>st</sup> March, 2011, 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. 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:
  - In case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2011;
  - In case of the Consolidated Profit and Loss Account, of the Consolidated results of operations of the Group for the year then ended; and
  - 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 : 26<sup>th</sup> May, 2011

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

(Amount in ₹)

Particulars	Schedules	As at 31.03.2011	As at 31.03.2010
<b>I SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	78,526,000	78,526,000
Share Warrants	1A	107,100,000	-
Reserves & Surplus	2	125,656,724	97,939,033
<b>Loans Funds</b>			
Secured Loans	3	814,793	452,559
Unsecured Loans	4	2,500,000	11,725,000
<b>Minority Interest</b>		291,320	96,981
<b>Deferred Tax Liabilities (Net)</b>		-	207,770
		<b>314,888,838</b>	<b>188,947,343</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross Block		17,000,764	13,781,642
Less: Depreciation		6,263,971	5,899,609
<b>Net Block</b>		<b>10,736,793</b>	<b>7,882,033</b>
<b>Deferred Tax Asset</b>		<b>1,141,872</b>	-
<b>Investments</b>	6	<b>170,375,362</b>	<b>104,454,996</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	507,652	3,709,980
Sundry Debtors	8	43,716,134	26,612,176
Cash & Bank Balances	9	6,800,211	3,325,358
Loans & Advances	10	116,331,801	54,120,804
		<b>167,355,798</b>	<b>87,768,318</b>
<b>Less : Current Liabilities &amp; Provisions</b>	11	34,720,989	11,158,003
<b>Net Current Assets</b>		<b>132,634,810</b>	<b>76,610,315</b>
		<b>314,888,838</b>	<b>188,947,343</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	18		

As per our Report of even date

**For Khurdia Jain & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sunil Goyal**  
Managing Director

**K.V.S. ShyamSunder**  
Director

**Sampat Khurdia**  
Partner  
**Mem. No. 33615**

**Parimal Sheth**  
Executive Director & CEO

**Rajesh Murarka**  
Executive Director & CFO

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Schedules	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>I. Income</b>			
Operational Income	12	135,399,911	56,356,309
Other Income	13	6,127,820	3,517,530
Increase/(Decrease) in Stocks	14	(3,202,328)	-
		<b>138,325,403</b>	<b>59,873,839</b>
<b>II. Expenditure</b>			
Loss in Trading in Derivative Instruments		4,183	1,076,330
Employee Costs	15	36,739,558	25,657,214
Administrative and Other Expenses	16	49,203,377	15,124,304
Financial Expenses	17	108,569	175,032
Depreciation		1,826,119	1,661,303
		<b>87,881,806</b>	<b>43,694,183</b>
<b>Profit before Tax</b>		<b>50,443,597</b>	<b>16,179,657</b>
Less : Provision for Tax			
- Current Tax		14,676,000	4,100,000
- Deferred Tax Liability / (Assets)		(1,349,642)	(136,024)
- Short/(Excess) Provision of Tax		70,861	-
<b>Profit after Tax</b>		<b>37,046,378</b>	<b>12,215,681</b>
Less : Minority Interest		179,339	(185,606)
Add : Balance brought forward from previous year		50,396,045	39,746,317
<b>Balance available for appropriation</b>		<b>87,263,084</b>	<b>52,147,604</b>
<b>Appropriations:</b>			
Proposed Dividend		7,852,600	—
Tax on Proposed Dividend		1,273,888	—
Transfer to General Reserve		2,750,000	—
Transfer to Special Reserve under Section 45IC of RBI Act		1,907,844	1,751,558
Balance carried forward to Balance Sheet		73,478,752	50,396,045
		<b>87,263,084</b>	<b>52,147,604</b>
Earning per Share of ₹10 each Basic & Diluted		4.69	1.80
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	18		

**As per our Report of even date**

**For Khurdia Jain & Co.**

*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Goyal**  
*Managing Director*

**K.V.S. ShyamSunder**  
*Director*

**Sampat Khurdia**

*Partner*

**Mem. No. 33615**

**Parimal Sheth**

*Executive Director & CEO*

**Rajesh Murarka**

*Executive Director & CFO*

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A) Cash Flow from Operating Activities</b>		
Net Profit before Taxation & Extraordinary Items	50,443,597	16,179,657
Add/(Less) Adjustments for:		
Depreciation	1,826,119	1,661,303
Interest	98,774	165,078
Provision for Gratuity	942,584	—
Provision for Bonus	203,336	—
Profit from Investments	(606,256)	(240,240)
Loss from Sale of Fixed Assets	340,219	—
<b>Operating Profit Before Working Capital Changes</b>	<b>53,248,372</b>	<b>17,765,798</b>
Add/(Less) Adjustments for:		
Trade Receivables	(17,103,960)	(1,003,996)
Inventories	3,202,328	—
Loans and Advances	(45,137,132)	(2,058,422)
Other Liabilities	13,290,578	(2,489,583)
<b>Cash Flow From Operating Activities</b>	<b>7,500,186</b>	<b>12,213,797</b>
Net Income Tax Paid	(13,320,726)	(8,329,166)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>(5,820,540)</b>	<b>3,884,631</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(6,133,958)	(429,956)
Sale of Fixed Assets	1,090,000	—
Share Application Money	(20,000,000)	
Profit from Investments	606,256	240,240
Purchase of Investments	(64,420,366)	(12,364,778)
<b>Net Cash Flow from Investing Activities (b)</b>	<b>(88,858,067)</b>	<b>(12,554,494)</b>
<b>C) Cash Flow from Financing Activities</b>		
Secured Loans (Net of repayment)	362,234	(766,478)
Unsecured Loans (Net of repayment)	(9,225,000)	6,496,086
Issue of Share Warrants	107,100,000	1,700,000
Issue of Share Capital	15,000	75,000
Securities Premium	—	450,000
Interest	(98,774)	(165,078)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>98,153,460</b>	<b>7,789,530</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>3,474,852</b>	<b>(880,334)</b>
<b>Add: Cash &amp; Cash Equivalents (Opening)</b>	<b>3,325,359</b>	<b>4,205,692</b>
<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>6,800,211</b>	<b>3,325,359</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

**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 Equivalents at the end of the year consists of Cash in Hand and Balances with Banks and are Net of Short Term Loans and Advances from Banks as follows:

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Cash in Hand	104,290	101,784
Balances with Bank	6,695,921	3,223,575
	<b>6,800,211</b>	<b>3,325,359</b>

3. Figures in brackets denotes cash outflows.

**As per our Report of even date**

**For Khurdia Jain & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Goyal**  
*Managing Director*

**K.V.S. ShyamSunder**  
*Director*

**Sampat Khurdia**  
*Partner*  
**Mem. No. 33615**

**Parimal Sheth**  
*Executive Director & CEO*

**Rajesh Murarka**  
*Executive Director & CFO*

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT  
31<sup>ST</sup> MARCH 2011**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule “1” :- Share Capital</b>		
<b>Authorised</b> 1,50,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹ 10 each	<b>150,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed &amp; Paid-up</b> 78,52,600 Equity Shares of ₹10 each Fully Paid-Up	<b>78,526,000</b>	<b>78,526,000</b>
<b>Schedule “1A” :- Share Warrants</b> (Each warrant carry option/entitlement to subscribe to one Equity Share of ₹ 10 each at a Premium of ₹ 20 per Equity Share) (Refer Note. No. B(7) of Schedule “18”)	107,100,000	—
	<b>107,100,000</b>	<b>—</b>
<b>Schedule “2” :- Reserves &amp; Surplus</b>		
<b>Revaluation Reserve</b>		
Opening Balance	1,042,339	1,065,199
Less: Depreciation on Revalued Assets	22,860	22,860
Closing Balance	<b>1,019,479</b>	<b>1,042,339</b>
<b>Capital Reserve</b>		
Opening Balance	300,000	—
Add: Forfeiture of Share Warrants	—	300,000
Closing Balance	<b>300,000</b>	<b>300,000</b>
<b>Securities Premium</b>		
Opening Balance	38,500,000	—
Add: Additions during the Year	—	38,500,000
Closing Balance	<b>38,500,000</b>	<b>38,500,000</b>
<b>Special Reserve under Section 45 IC of RBI Act</b>		
Opening Balance	5,750,648	3,999,090
Transferred during the year	1,907,844	1,751,558
Closing Balance	<b>7,658,492</b>	<b>5,750,648</b>
<b>General Reserve</b>		
Opening Balance	1,700,000	1,700,000
Add: Additions during the Year	2,750,000	—
Closing Balance	<b>4,700,000</b>	<b>1,950,000</b>
<b>Profit &amp; Loss Account</b>		
	73,478,753	50,396,046
	<b>125,656,724</b>	<b>97,939,033</b>
<b>Schedule “3” :- Secured Loans</b>		
Vehicle Loan (Secured against vehicle financed)	814,793	452,559
	<b>814,793</b>	<b>452,559</b>
<b>Schedule “4” :- Unsecured Loans</b>		
Inter Corporate Deposits	2,500,000	11,725,000
	<b>2,500,000</b>	<b>11,725,000</b>

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

**Schedule "5" :— Fixed Asset (At Cost Less Depreciation)**

	Gross Block				Depreciation					Net Block		(Amount in ₹)
Description	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	Upto 31.03.2010	Depre- ciation on Revalued Assets	Provided for the year	Adjustments during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Premises	2,078,750	-	-	2,078,750	537,831	22,860	11,024	-	571,715	1,507,035	1,540,919	
Computers	3,173,564	915,942	234,000	3,855,506	2,292,185	-	527,527	210,600	2,609,112	1,246,394	881,379	
Office Equipments	616,174	133,820	237,734	512,260	414,684	-	91,655	228,184	278,155	234,105	201,490	
Furniture & Fittings	2,891,535	2,466,729	2,143,102	3,215,162	770,908	-	390,534	745,833	415,609	2,799,553	2,120,627	
Electric Installations	-	531,523	-	531,523	-	-	28,439	-	28,439	503,084	-	
Motor Cars	4,384,014	1,741,438	-	6,125,452	1,545,469	-	646,450	-	2,191,919	3,933,533	2,838,545	
Air Conditioners	637,605	344,506	300,000	682,111	338,532	-	130,489	300,000	169,021	513,090	299,073	
Total	13,781,642	6,133,958	2,914,836	17,000,764	5,899,609	22,860	1,826,119	1,484,617	6,263,971	10,736,793	7,882,033	
Previous Year	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	

(Amount in ₹)

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2011**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Schedule "6" :- Investments (At Cost)</b>		
<b>(Long Term, Trade)</b>		
<b>In Shares</b>		
Quoted - Fully Paid-Up <b>(Refer Annexure I)</b> (Market Value ₹ 7,11,84,546; P.Y. ₹ 4,60,66,442)	72,014,930	41,322,445
Unquoted - Fully Paid-Up <b>(Refer Annexure II)</b>	48,218,381	46,218,155
<b>In Exchange Traded Fund (ETF)- Quoted</b>		
MOST Shares NASDAQ-100 ETF 48,432 Units (NAV as on 31 <sup>st</sup> March, 2011 ₹ 4,794,768)	4,999,950	—
<b>In Share Warrants</b>		
Kisan Mouldings Ltd 1,25,000 Share Warrants @ ₹ 33 (Fully Paid-Up)	—	4,125,000
	<b>125,233,261</b>	<b>91,665,600</b>
<b>(Non Trade, Short Term, Unquoted)</b>		
<b>In Mutual Fund</b>		
<b>Birla Sunlife Saving Fund</b> 6,67,189.43 Units (NAV as on 31 <sup>st</sup> March, 2011 ₹ 6,676,431)	6,676,431	—
<b>Reliance Money Manager Fund</b> 12,573.05 Units (NAV as on 31 <sup>st</sup> March, 2011 ₹ 12,587,151)	12,587,151	—
<b>Morgan Stanly Short-term Fund- Weekly Dividend</b> NIL Units (P.Y.: 5,00,363.72 Units, NAV ₹ 50,25,203)	—	5,027,144
<b>Fidelity Ultra Short-term Debt Fund- Weekly Dividend</b> 4,17,991.33 Units, NAV ₹ 41,85,848.79	4,182,873	—
<b>Reliance Money Manager Fund - Daily Dividend</b> 8059.735 Units, NAV ₹ 80,68,776.41	8,068,776	—
Less: Provision For Dimution in the Value of Investment	—	1,941
	<b>31,515,232</b>	<b>5,025,203</b>



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2011**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>In Partnership Firm</b>		
New India Spinning Company (Fixed Capital)	18,750	18,750
New India Spinning Company (Current Capital)	13,608,119	7,745,443
	<b>13,626,869</b>	<b>7,764,193</b>
	<b>170,375,362</b>	<b>104,454,996</b>
<b>Abstracts</b>		
Aggregate Amount of Quoted Investments	77,014,880	41,322,445
Aggregate Market Value of Quoted Investments	75,979,314	46,066,442
Aggregate Amount of Unquoted Investments	93,360,482	63,132,551
<b>Schedule "7" :- Inventories</b> (As taken, valued and certified by Directors) Closing Stock of Shares and Securities <b>(Refer Annexure III)</b>	507,652	3,709,980
	<b>507,652</b>	<b>3,709,980</b>
<b>Schedule "8" :- Sundry Debtors</b> (Unsecured, considered good) Debt outstanding for a period more than six months Other debts	20,503,127 23,213,007	5,988,146 20,624,030
	<b>43,716,134</b>	<b>26,612,176</b>
<b>Schedule "9" :- Cash &amp; Bank Balances</b> Cash in Hand Balances with Scheduled Banks in Current Account	104,290 6,695,921	101,784 3,223,575
	<b>6,800,211</b>	<b>3,325,358</b>
<b>Schedule "10" :- Loans &amp; Advances</b> (Unsecured, considered good) Advance recoverable in cash or in kind Share Application Money <b>Standard Assets</b> Inter Corporate Deposits Deposits Advance Tax & TDS (Net of Provisions)	55,779,125 20,000,000 30,461,646 7,287,999 2,803,031	3,122,200 1,500,000 21,398,998 23,870,440 4,229,166
	<b>116,331,801</b>	<b>54,120,804</b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Schedule “11” :- Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
-Due to Micro,Small & Medium Enterprises	—	—
-Due to Others	16,104,673	6,132,648
Other Liabilities	8,343,908	5,025,355
<b>Provisions</b>		
Proposed Dividend	7,852,600	—
Provision for Dividend Distribution Tax	1,273,888	—
Provision for Gratuity	942,584	—
Provision for Bonus	203,336	—
	<b>34,720,989</b>	<b>11,158,003</b>
<b>Schedule “12” :- Operational Income</b>		
Financial & Management Consultancy Fees	111,848,749	42,484,500
Brokerage & Commission	10,651,158	5,984,824
Interest Received	2,499,161	2,148,907
Sale of Shares & Securities	3,200,000	—
Profit from Sale of Shares	7,173,784	5,734,820
Profit from Sale of Mutual Funds	27,059	3,258
	<b>135,399,911</b>	<b>56,356,309</b>
<b>Schedule “13” :- Other Income</b>		
Dividend Income	1,770,682	449,347
Interest Received	955,591	1,754,634
Reversal of Diminution in the Value of Investment	1,941	—
Profit from Sale of Mutual Funds	21,930	12,321
Bad Debts Recovered	15,000	—
Share of Profit from Partnership Firm	3,362,676	1,301,228
	<b>6,127,820</b>	<b>3,517,530</b>
<b>Schedule “14” :- Increase/ (Decrease) in Stocks</b>		
Closing Stocks of Shares & Securities	507,652	3,709,980
Less : Opening Stocks of Shares & Securities	3,709,980	3,709,980
	<b>(3,202,328)</b>	<b>—</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>Schedule “15” :- Employee Costs</b>		
Directors Remuneration	7,800,000	6,900,000
Salaries & Bonus	28,276,409	18,157,007
Contribution to Provident Fund	76,871	—
Staff Welfare Expenses	586,278	600,207
	<b>36,739,558</b>	<b>25,657,214</b>
<b>Schedule “16” :- Administrative &amp; Other Expenses</b>		
Rent	7,568,228	3,010,200
Professional Fees	23,123,616	2,182,720
Statutory Expenses	837,781	396,821
Sub Commission & Brokerage	850,869	222,593
Communication Costs	722,610	685,651
Directors Sitting Fees	53,000	58,000
Vehicle Maintenance Expenses	1,998,322	1,859,925
Electricity Expenses	642,325	347,094
Business Promotions	2,041,169	1,561,323
Repair & Maintenance (Others)	1,417,986	20,901
Diminution in the Value of Investments	—	1,941
Printing & Stationery	433,012	380,742
Travelling & Conveyance	1,405,164	676,540
Loss on Sale of Fixed Assets	340,219	—
Auditors Remuneration	47,206	45,000
Advertisement Expenses	190,233	157,717
Office Expenses	758,163	439,669
Insurance Expenses	73,245	29,969
Bad Debts Written Off	4,913,197	1,505,852
Conference & Seminars	244,530	31,303
Donations	315,500	714,100
Securities Transaction Tax	212,998	166,645
Preliminary Expenses Written Off	120,800	—
Miscellaneous Expenses	893,205	629,597
	<b>49,203,377</b>	<b>15,124,304</b>
<b>Schedule “17” :- Financial Expenses</b>		
Bank Charges	9,795	9,955
Interest on Fixed Loan	61,400	96,681
Interest Others	37,374	68,396
	<b>108,569</b>	<b>175,032</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

## Schedule '18'

### Significant Accounting Policies and Notes on 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), Ladderup Wealth Management Private Limited (LWMPL) and Ladderup Insurance Broking Private Limited (LIBPL), 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

- (i) 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.
- (ii) Depreciation on Revalued Assets to the extent of Revaluation is charged from Revaluation Reserve.

##### In case of Ladderup Corporate Advisory Private Limited

- (i) 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**

- (i) Depreciation on Fixed Assets is provided on Straight-Line Method considering estimated useful lives of respective assets and their estimated residual value as under:

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

**In case of Ladderup Insurance Broking Private Limited**

- (i) Depreciation on Fixed Assets is provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (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.
- (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, Ladderup Wealth Management Private Limited and Ladderup Insurance Broking Private Limited.

**B) Companies included in Consolidated Financial Statements are**

<b>Name of the Companies</b>	<b>Country of Incorporation</b>	<b>% of Voting power held as at 31.03.2011</b>
Ladderup Corporate Advisory Pvt. Ltd.	India	100%
Ladderup Wealth Management Pvt. Ltd.	India	85%
Ladderup Insurance Broking Pvt. Ltd.	India	85%

**C) Notes on 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 IV to the 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:

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2011</b>	<b>31<sup>st</sup> March, 2010</b>
A	Weighted average number of Equity Shares of ₹ 10 each		
(i)	Number of Shares at the beginning of the year	78,52,600	40,02,600
(ii)	Number of Shares at the end of the year	78,52,600	78,52,600
(iii)	Weighted average number of Shares outstanding during the year	78,52,600	69,03,285
B	Net Profit / (Loss) after Tax available for Equity Shareholders	37,046,378	12,215,681
C	Basic Earning Per Share (in ₹) (B/A (iii) )	4.69	1.80

**3. Related Parties:**

For the year ended 31<sup>st</sup> March, 2011.

**(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
Mr. Nitesh Dhandharia	:	Director of Subsidiary Company

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

Mrs. Usha Goyal  
Mrs. Santosh Singrodia  
Mrs. Nisha 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:**

Singrodia Goyal & Co.  
Quiet Investments Private Limited  
Ladderup Securities Private Limited  
Ladderup Infra Investment Private Limited  
Structmast Realtors Private Limited

**(d) Associates:**

Lotus Spaces Private Limited  
New India Spinning Company

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

(Amount in ₹ Lacs)

<b>Nature of Transaction</b>	<b>Refer to (a) above 2010-11</b>	<b>Refer to (b) above 2010-11</b>	<b>Refer to (c) above 2010-11</b>	<b>Refer to (d) above 2010-11</b>
Directors Remuneration	78.00	Nil	Nil	Nil
Directors Sitting Fees	0.08	Nil	Nil	Nil
Professional Charges Paid	Nil	4.86	2.48	Nil
Repayment of Unsecured Loan Given	Nil	Nil	Nil	2.24
Interest Received	Nil	Nil	7.47	22.35
Unsecured Loan taken	Nil	Nil	74.20	Nil
Repayment of Loan taken	Nil	Nil	166.45	Nil
Loans Granted	Nil	Nil	Nil	130.00
Rent Paid	0.51	0.51	7.76	Nil
Purchase of Shares	Nil	0.85	Nil	Nil
Warrant Proceeds	Nil	Nil	390.00	Nil
Sale of Shares	Nil	Nil	32.00	Nil
Sale of Fixed Assets	Nil	Nil	0.90	Nil
Rent Deposit Received Back	Nil	Nil	215.00	Nil
Commission Received	Nil	Nil	0.31	Nil
Allocation of Expenses	Nil	Nil	3.05	Nil
Investment in Partnership Firm	Nil	Nil	Nil	25.00
<b>Outstanding as on 31<sup>st</sup> March, 2011</b>				
— Loans Payable	Nil	Nil	25.00	Nil
— Loans Receivable	Nil	Nil	Nil	297.23
— Outstanding Receivable	Nil	Nil	7.04	Nil
— Outstanding Payable	Nil	4.06	Nil	Nil
— Rent Deposit Receivable	8.00	12.35	Nil	Nil
— Investment in Partnership Firm	Nil	Nil	Nil	136.27
— Share Application Money	Nil	Nil	Nil	Nil

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

For the year ended 31<sup>st</sup> 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
Mr. Nitesh Dhandharia	:	Director of Subsidiary Company

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

Mrs. Usha Goyal  
Mrs. Santosh Singrodia  
Mrs. Nisha 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:**

Singrodia Goyal & Co.  
Jay Ambe Enterprises  
Ladderup Securities Private Limited  
Structmast Realtors Private Limited

**(d) Associates:**

Lotus Spaces Private Limited  
New India Spinning Company

(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	
Receipt 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



**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

	2009-10	2009-10	2009-10	2009-10
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
<b>Outstanding as on 31<sup>st</sup> March, 2010</b>				
- 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.

**4. 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 ₹13,49,642 for the year ended 31<sup>st</sup> March, 2011 in the Profit & Loss Account.

The balance in Net Deferred Tax Liabilities comprises of:

(Amount in ₹.)

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability / (Assets)	—	—
Depreciation	80,310	209,006
Preliminary Expenses	(1,869)	(1,236)
Provision for Gratuity	(3,03,732)	Nil
Provision for Bonus	(64,894)	Nil
Carried Forward Losses	(8,51,687)	Nil
<b>Deferred Tax Liability/ (Assets) [Net]</b>	<b>(11,41,872)</b>	<b>207,770</b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

5. Additional information pursuant to the provisions of paragraph 3, 4C and 4D have been given herein below 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 III thereto.

Shares & Securities	Quantity		Amount (₹)	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Opening Stock	13,750	13,750	37,09,980	37,09,980
Purchases	Nil	Nil	Nil	Nil
Sales/ Written off	13,150*	Nil	32,02,328	Nil
Closing Stock	600	13,750	5,07,652	37,09,980

\*Includes 350 Equity Shares written off having Nil realisable value and ₹ 2,328 book value

6. During the year the Authorised Share Capital of the Company has been increased from ₹ 1,000 Lacs (Divided into 100 Lacs Equity Shares of ₹10 each) to ₹ 1,500 Lacs (Divided into 150 Lacs Equity Shares of ₹ 10 each) vide Special Resolution passed in the Annual General Meeting of the Company held on 21<sup>st</sup> September, 2010
7. During the year, the Company had issued, on preferential basis, 50 Lacs Convertible Share Warrants to Promoter Group and other Investors. Each Warrant shall be Convertible into One Equity Share of the Company at a price of ₹ 30 per share i.e. at a premium of ₹ 20 per share within 18 months of their allotment. The Company had received ₹ 1,071 Lacs towards partial/full subscription towards the Warrants. Out of the proceeds received, the Company has utilized ₹ 971.73 Lacs towards the objects as mentioned in the offer document. Pending utilization, the balance funds of ₹ 99.27 Lacs has been temporarily lying with Mutual Funds & Bank.
8. Figures of previous year have been regrouped, reclassified and / or rearranged wherever necessary.

**As per our Report of even date**

**For Khurdia Jain & Co.**  
*Chartered Accountants*

**For and on behalf of the Board**

**Sunil Goyal**  
*Managing Director*

**K.V.S. ShyamSunder**  
*Director*

**Sampat Khurdia**  
*Partner*  
**Mem. No. 33615**

**Parimal Sheth**  
*Executive Director & CEO*

**Rajesh Murarka**  
*Executive Director & CFO*

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

Place : Mumbai  
Date : 26<sup>th</sup> May, 2011

## DETAILS FORMING PART OF NOTES - 31<sup>ST</sup> MARCH, 2011

### Annexure I

#### Detail of Equity Shares in Quoted Companies (Fully Paid-up):

Name of Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Aditya Birla Chemicals (I) Ltd.	10	—	—	10,000	973,340
Ajanta Pharma Ltd.	10	2,756	586,942	—	—
Asian Hotels (East) Ltd.	10	5,342	1,966,529	—	—
Aptech Ltd.	10	—	—	1,000	200,054
Astec Life Sciences Ltd.	10	19,750	1,474,477	—	—
Atul Limited	10	54,500	7,404,191	—	—
Autoline Ind. Ltd.	10	—	—	25,000	3,159,127
Biocon Ltd.	5	—	—	3,000	849,166
Birla Precision Technologies Ltd.	2	—	—	12,060	326,813
Bhuwalka Steel Industries Ltd.	10	2,741	89,172	—	—
Capman Financials Ltd.	10	50,000	500,000	50,000	500,000
Cosmo Films Ltd.	10	—	—	14,451	1,717,696
Dhanuka Agritech Ltd.	2	33,783	2,443,486	—	—
DIC India Ltd.	10	9,875	3,114,391	—	—
Grauer & Weil (India) Ltd.	10	36,953	2,247,815	—	—
Gruh Finance Ltd.	10	3,525	1,378,290	—	—
Exide Industries Ltd.	1	—	—	5,000	449,800
Financial Technologies (I) Ltd.	2	—	—	1,000	1,604,175
Hero Honda Motors Ltd.	2	500	784,495	500	784,495
Hindustan Oil Expl. Co. Ltd.	10	—	—	500	125,913
IDBI Bank Ltd.	10	20,000	2,907,465	-	-
Idea Cellular Ltd.	10	—	—	11,000	695,661
IFB Industries Ltd.	10	11,000	1,443,801	—	—
Indian Hotels Co. Ltd.	1	20,000	1,944,799	15,000	1,412,680
Indo Asian Fusegear Ltd.	10	—	—	12,005	823,839
Insecticides (I) Ltd.	10	—	—	9,000	1,134,725
Jai Hind Projects Ltd.	10	5,377	898,910	—	—
JSW Energy Ltd.	10	5,000	610,354	—	—
Kalyani Steels Ltd.	10	—	—	10,000	1,353,189
Kamadgiri Fashions Ltd.	10	10,078	575,114	—	—
Kisan Mouldings Ltd.	10	125,000	4,125,000	—	—
LIC Housing Finance Ltd.	2	10,000	1,947,974	—	—
Lloyds Steel Ind. Ltd.	10	50,000	1,011,881	200,000	1,957,806

**DETAILS FORMING PART OF NOTES - 31<sup>ST</sup> MARCH, 2011**

**Detail of Equity Shares in Quoted Companies (Fully Paid-up):**

Name of Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
L & T Ltd.	10	2,800	4,006,025	900	756,470
Lupin Ltd.	10	9,200	3,318,584	1,000	1,503,514
Mahindra & Mahindra Ltd.	5	2,200	969,249	2,000	839,970
Mahindra Satyam Computer Ser. Ltd.	10	—	—	10,000	1,137,556
Mphasis Ltd.	10	2,500	1,886,904	2,500	1,886,904
Nesco Ltd.	10	4,400	1,741,473	2,200	1,741,473
Nicco Corporation Ltd.	2	15,000	583,937	15,000	583,937
Oil Country Tabular Ltd	10	18,198	1,630,273	—	—
Ramswaroop Industries Ltd	10	4,000	438,938	—	—
PSL Ltd.	10	—	—	500	85,647
Ranbaxy Laboratories Ltd.	5	3,000	1,395,311	—	—
Remi Metals (Gujarat) Ltd.	6	58,105	988,443	—	—
Reliance Communication Ltd.	5	—	—	4,000	1,892,376
Reliance Industries Ltd.	10	1,500	1,368,646	750	1,239,374
Repro India Ltd.	10	—	—	25,737	2,519,605
Reliance Natural Resources Ltd.	5	—	—	3,000	212,520
Ruchi Soya Industries Ltd.	2	—	—	3,000	280,388
Shekhawati Polyyarn Ltd.	10	565	16,950	—	—
Sakthi Sugar Ltd.	10	—	—	5,584	569,603
Spicejet Ltd.	10	30,000	1,725,282	20,000	1,167,364
Strides Arcolab Ltd.	10	—	—	1,000	337,038
Sterlite Industries Ltd.	1	8,000	1,461,423	—	—
Suzlon Energy Ltd.	2	—	—	10,000	1,055,700
TCS Ltd.	1	1,500	910,920	1,500	910,920
Tilak Nagar Industries Ltd.	10	—	—	46,126	1,299,024
Tata Global Beverages Ltd	1	5,000	558,778	—	—
Tata Motor (DVR)	10	3,000	2,104,869	—	—
Tech Mahindra Ltd.	10	3,500	2,492,005	—	—
Thomas Cook India Ltd.	1	12,000	905,714	—	—
Timex Group India Ltd.	1	22,000	890,372	—	—
Viceroy Hotels Ltd.	10	—	—	5,000	195,512
Videocon Industries Ltd.	10	—	—	7,000	1,904,386
Welspun India Ltd.	10	—	—	10,000	940,609
Wire and Wireless India Ltd.	1	—	—	10,000	194,077
Financial Technologies India Ltd.	2	2,500	1,760,527	—	—
Tinplate Company of India Ltd.	10	50,000	3,405,219	—	—
<b>Total</b>			<b>72,014,930</b>		<b>41,322,445</b>

## **DETAILS FORMING PART OF NOTES - 31<sup>ST</sup> MARCH, 2011**

### **Annexure II**

#### **Detail of Shares in Unquoted Companies (Fully Paid-up):**

Name of Company/ Type of Shares	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Invent Bio-Media Pvt. Ltd. (Equity)	10	40,000	4,000,000	40,000	4,000,000
Algorhythm Tech Pvt Ltd. (Equity)	10	15	5,625	-	-
Algorhythm Tech Pvt Ltd. (Preference)	10	1,319	494,625	-	-
Speakwell Enterprises Pvt Ltd (Equity)	10	15	15,060	-	-
Speakwell Enterprises Pvt Ltd (Preference)	10	1,479	1,484,916	-	-
Future Ventures Limited (Equity)	10	1,500,000	50,000,000	-	-
Jumboking Foods Pvt. Ltd. (Equity)	10	98,901	8,855,155	98,901	8,855,155
Mobile Magic Pvt. Ltd. (Equity)	10	137,894	16,000,000	137,894	16,000,000
Parag Milk & Milk Products Pvt. Ltd. (Equity)	10	200,000	12,500,000	200,000	12,500,000
Lotus Spaces Pvt. Ltd. * (Equity)	10	100,000	2,000,000	100,000	2,000,000
Tops Security Ltd. (Equity )	10	40,900	2,863,000	40,900	2,863,000
<b>Total</b>			<b>98,218,381</b>		<b>46,218,155</b>

\* Formerly Known as Precious Real Estate Pvt. Ltd.

### **Annexure III**

#### **Details of Closing Stock of Shares and Securities**

Name of Company	Face Value (₹)	As at 31.03.2011		As at 31.03.2010	
		Nos.	Value (₹)	Nos.	Value (₹)
Sunflag Iron & Steel Ltd. (Equity)	10	—	—	350	2,328
Vandana Hitech Systems Private Ltd. (Equity)	10	—	—	12,800	3,200,000
Larsen & Toubro Ltd. (Equity)	10	600	507,652	600	507,652
<b>Total</b>		<b>600</b>	<b>507,652</b>	<b>13,750</b>	<b>3,709,980</b>

**DETAILS FORMING PART OF NOTES - 31<sup>ST</sup> MARCH, 2011**

**Annexure IV**

Consolidated Segment Information

(Amount in ₹ Lacs)

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Investment Advisory Services	Total
<b>Revenue</b>					
External Sales	11,747,547	111,848,749	2,514,161	10,651,158	136,761,615
Less: Inter Segment Sales	—	—	—	—	—
<b>Total Revenue</b>	<b>11,747,547</b>	<b>111,848,749</b>	<b>2,514,161</b>	<b>10,651,158</b>	<b>136,761,615</b>
<b>Result</b>					
Segment Result	11,499,725	37,757,435	2,514,161	418,968	52,190,288
Unallocated Corporate Income	—	—	—	—	1,563,788
Unallocated Corporate Expenses	—	—	—	—	3,310,479
Profit before Tax	—	—	—	—	50,443,597
Tax	—	—	—	—	14,746,861
Deferred Tax	—	—	—	—	(1,349,642)
<b>Net Profit</b>					<b>37,046,378</b>
<b>Other Information</b>					
Segment Assets	148,194,693	82,995,848	30,461,646	5,618,096	267,270,282
Unallocated Corporate Assets	—	—	—	—	81,197,671
Deferred Tax Asset	—	—	—	—	1,141,872
<b>Total Assets</b>					<b>349,609,825</b>
Segment Liabilities	1,576,069	32,948,947	—	2,642,303	37,167,319
Unallocated Corporate Liabilities	—	—	—	—	842,197
Deferred Tax Liabilities	—	—	—	—	—
<b>Total Liabilities</b>					<b>38,009,516</b>

## STATEMENT REGARDING SUBSIDIARY COMPANIES

(As required under exemption granted by Ministry of Corporate Affairs,  
Government of India vide its Circular for Section 212)

(Amount in ₹)

Name of the Subsidiary Company	Ladderup Corporate Advisory Private Limited	Ladderup Wealth Management Private Limited	Ladderup Insurance Broking Private Limited
Particulars			
Capital	29,00,000	10,00,000	100,000
Reserves	66,275,377	3,000,000	—
Total Assets	75,686,661	5,907,887	160,000
Total Liabilities	75,686,661	5,907,887	160,000
<b>Investments:-</b>			
Long Term	10,436,672	—	—
Current	12,251,649	—	—
<b>Total</b>	<b>22,688,321</b>	<b>—</b>	<b>—</b>
Turnover	113,412,290	10,688,905	—
Profit/(Loss) before Taxation	39,268,628	460,271	(144,644)
Provision for Taxation	12,942,365	-878,730	-1,236
Profit/(Loss) after Taxation	26,326,263	1,339,002	(143,408)
Dividend (Including Dividend Distribution Tax)	9,100,222	—	—

**FOR LADDERUP FINANCE LIMITED**

**Sunil Goyal**  
Managing Director

**FOR LADDERUP FINANCE LIMITED**

**Rajesh Murarka**  
Chief Financial Officer

Date : 26<sup>th</sup> May, 2011

Place : Mumbai



If undelivered Please return to

**Ladderup Finance Limited**

Regd. Off: A-204, Rajeshri Accord,  
Telly Cross Lane, Off. S. N. Road,  
Andheri (E), Mumbai - 400 069  
Tel: 91-22-42256363 Fax: 42256363  
E-mail: [info@ladderup.com](mailto:info@ladderup.com)



## LADDERUP FINANCE LIMITED

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

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the venue.

Folio No./Client ID No.....

No. of Shares held .....

Name & Address .....

Jointly with .....

Full name of the Proxy if attending meeting .....

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company at Hotel Mirage,  
International Airport Approach Road, Off Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059 to  
be held at 10.00 a.m. on Saturday the 24<sup>th</sup> September, 2011.

Signature of Member/Joint  
Member/Proxy attending the meeting.

Note: The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Members attending the meeting are requested to bring their copies of Annual Report with them.

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## LADDERUP FINANCE LIMITED

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

### PROXY FORM

I/We.....of..... being a member/  
members of the above named Company hereby appoint .....  
..... of .....or failing him ..... of  
..... as my/ our proxy to vote for me/us on my our behalf at the 18<sup>th</sup> Annual General  
Meeting of the Company to be held at Hotel Mirage, International Airport Approach Road, Off  
Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059 to be held at 10.00 a.m. on Saturday, the  
24<sup>th</sup> September, 2011 and at any adjournment hereof.

Signed this..... day of ....., 2011.

Reg. Folio No.....

No. of Shares .....

REVENUE STAMP of ₹ 1
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**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting. A proxy need not be a member.