

13<sup>th</sup> Annual Report 2005 - 2006

**Board Of Directors** : **Shri T. B. Subramaniam (Chairman)**  
**Shri K. V. S. Shyam Sunder**  
**Shri Dhaval Desai**  
**Shri Narayan Pasari**  
**Shri Hemang Jangla**  
**Shri K. M. Tulsian**  
**Shri Sunil Goyal**  
**Shri Manoj Singrodia**  
**Shri Rajesh Murarka (Executive Director & CEO)**  
**Shri Saurabh Agarwal (Executive Director & CFO)**

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

**Bankers** : **Bank of Maharashtra**  
**Dhanlaxmi Bank Limited**

**Auditors** : **M/s. Khurdia Jain & Co.**  
Chartered Accountants  
Mumbai.

**Registrar And Share Transfer Agent** : **Sharex Dynamic (India) Private Limited**  
17/B, Dena Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai – 400 001

### Notice of Annual General Meeting

*Notice* is hereby given that the **Thirteenth Annual General Meeting** of the Members of **Ladderup Finance Limited** will be held on **Tuesday, the 5<sup>th</sup> day of September, 2006** at **10.00 a. m.** at Hotel Imperial Palace, 45, Telly Park Road, Andheri (E), Mumbai 400 069 to transact the following business:

#### **Ordinary Business:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March, 2006 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri **Sunil Goyal** who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri **Manoj Singrodia** who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri **K. M. Tulsian** who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint M/s **Khurdia Jain & Co.**, Chartered Accountants, Mumbai, as auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **Special Business:**

6. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

***"RESOLVED That*** pursuant to provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri **K. V. S. Shyam Sunder**, who was appointed as an Additional Director with effect from 16<sup>th</sup> January, 2006 and who under Section 260 of the Companies Act, 1956 holds office upto the date of the Annual General Meeting and being, eligible, offers himself for appointment and in respect of whom the Company has received notice in writing from one of the members, pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri **K. V. S. Shyam Sunder** for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

***“RESOLVED That*** subject to the provisions of the section 198, 269, 309, 310 and 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions, if any, the consent of shareholders be and is hereby accorded to variation in the Managerial remuneration of Shri **Saurabh Agarwal**, Executive Director and Chief Financial Officer with effect from 1<sup>st</sup> October, 2005 and further variation with effect from 01<sup>st</sup> April 2006, on such terms and conditions, as approved by the Board.”

***“Resolved Further That*** the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of Schedule XIII of the Companies Act, 1956 and is also authorized to take necessary steps for implementing the aforesaid resolution.”

8. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**.

***“Resolved That*** subject to the provisions of the section 198, 269, 309, 310 and 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions, if any, the consent of shareholders be and is hereby accorded to variation in the Managerial remuneration of Shri **Rajesh Murarka**, Executive Director and Chief Executive Officer with effect from 1<sup>st</sup> January, 2006 on such terms and conditions as approved by the Board.”

***“Resolved Further That*** the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of Schedule XIII of the Companies Act, 1956 and is also authorized to take necessary steps for implementing the aforesaid resolution.”

Place : Mumbai  
Dated : 30<sup>th</sup> June 2006

**For and on behalf of the Board**

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

**Saurabh Agarwal**  
Executive Director

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint ONE OR MORE proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
2. The proxies, in order to be effective should be deposited with the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register shall remain closed from Tuesday, 29<sup>th</sup> August 2006 to Tuesday, 5<sup>th</sup> September 2006 (both days inclusive).
4. The information as required to be provided under the Listing Agreement entered into by the Company with Stock Exchange regarding the directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at this Annual General Meeting is annexed hereto.
5. The Company has appointed a SEBI approved Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Private Limited having their office at 17/B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001. Members are requested to send all communication such as relating to change of address, Transfer/Demat of shares etc. to M/s. Sharex Dynamic (India) Private Limited.
6. The shares of the company are in Demat category for all the investors. In view of this and also to ensure better services, we request those shareholders, who are yet to dematerialize their shares, to do so at the earliest.
7. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members/Proxies are requested to bring their admission slips along with the copies of the Annual Report to the Meeting.
9. Members having any queries in relation to the accounts are requested to send them atleast ten days in advance to enable the Company to collect the relevant information.
10. Members may note that no gifts/gift coupons shall be distributed at the meeting.

Place : Mumbai  
Dated : 30<sup>th</sup> June 2006

For and on behalf of the Board

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

**Saurabh Agarwal**  
Executive Director

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

**Item No. 6**

**Shri K. V. S. Shyam Sunder**, was appointed as an Additional Director of the Company with effect from 16<sup>th</sup> January, 2006 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of **Shri K. V. S. Shyam Sunder** for the office of the Director under section 257 of the Companies Act, 1956. The information about Shri K. V. S. Shyam Sunder are given below:

1	Name	<b>Shri K. V. S. Shyam Sunder</b>
2	Age	62 Years
3	Qualification	B. Com., F. C. A.
4	Experience	30 Years of rich Banking Experience with India's leading PSU Banks, namely, Union Bank of India, Bank of Punjab and Dena Bank.
5	Nature of his expertise in specific functional areas	He possesses deep insights and banking knowledge with major specialization in Corporate & Retail Banking, Risk Management, Credit Rating, Reviewing and Monitoring Systems, and Loan Policies. His experience will help in understanding operations of various industries including fiscal management.
5	Number of directorship in other public companies	Nil

**Shri K. V. S. Shyam Sunder** is not holding any shares in the Company.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors, except **Shri K. V. S. Shyam Sunder**, are concerned or interested in the said Resolution.

**Item No. 7:**

**Shri Saurabh Agarwal**, was appointed as an Executive Director of the Company with effect from 29<sup>th</sup> June, 2004. The Company immensely benefited due to efforts of Shri Saurabh Agarwal, hence the Board in their meeting held on 22<sup>nd</sup> October, 2005 proposed to increase his remuneration subject to approval of the shareholders. The said remuneration is already approved by the remuneration committee meeting held on 22<sup>nd</sup> October, 2005.

The remuneration of **Shri Saurabh Agarwal** was further revised by the Board in its meeting held on 28<sup>th</sup> January 2006, which was approved by the remuneration committee in its meeting held on the same date.

The major terms and conditions of his revised remuneration are as per following:

l) **Terms & Conditions:**

1. Name & Designation of Director : **Shri Saurabh Agarwal**, Executive Director and Chief Financial Officer
  2. Variations in remuneration :
    - (a) With effect from 1<sup>st</sup> October, 2005 to 31<sup>st</sup> March 2006
    - (b) With effect from 1<sup>st</sup> April, 2006 to remaining tenure of his appointment
  3. Salary per month :
    - (a) Rs. 22,500/- with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act, 1956
    - (b) Rs. 30,000/- with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act, 1956
- a) Salary specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
  - b) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
  - c) The Executive Director shall not become interested or otherwise concerned directly or through his wife or minor children in any business, which is in conflict with the business of the Company.
  - d) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.
  - e) None of the Directors of the company, except **Shri Saurabh Agarwal**, are considered to be interested or concerned in this resolution.

The terms and conditions of the variation in managerial remuneration are open for inspection at the registered office of the Company during office hours 10.00 a. m. to 12 noon from 29<sup>th</sup> August 2006 till the date of Annual General Meeting.

**Item No. 8:**

**Shri Rajesh Murarka**, was appointed as an Executive Director of the Company with effect from 25<sup>th</sup> April, 2005. **Shri Rajesh Murarka** has been instrumental in sustained growth of the Company and diversification of business activities in other segments of consultancy. Considering his contribution to the Company, the Board in their meeting held on 28<sup>th</sup> January, 2006 proposed to increase his remuneration subject to approval of the shareholders. The said remuneration is already approved by the remuneration committee meeting held on 28<sup>th</sup> January, 2006.

The major terms and conditions of his revised remuneration are as per following:

**l) Terms & Conditions:**

1. Name & Designation of Director : **Shri Rajesh Murarka**, Executive Director and Chief Executive Officer
2. Variations in remuneration in : With effect from 1<sup>st</sup> January, 2006 to remaining tenure of his appointment
3. Salary per month : Rs. 30,000/- with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act, 1956
  - a) Salary specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
  - b) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
  - c) The Executive Director shall not become interested or otherwise concerned directly or through his wife or minor children in any business, which is in conflict with the business of the Company.
  - d) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.



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None of the Directors of the company, except **Shri Rajesh Murarka**, are considered to be interested or concerned in this resolution.

The terms and conditions of the variation in managerial remuneration are open for inspection at the registered office of the Company during office hours 10.00 a. m. to 12 noon from 29<sup>th</sup> August 2006 till the date of Annual General Meeting.

Place : Mumbai  
Dated : 30<sup>th</sup> June 2006

**For and on behalf of the Board**

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

**Saurabh Agarwal**  
Executive Director

## Director's Report

To  
The Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with the Audited Statements of the Accounts for the year ended on 31st March 2006.

### 1. Financial Results

	(Rs. in lakhs)	
	2005-06	2004-05
Operational and Other Income	125.60	69.53
Profit before Depreciation & Tax	32.12	9.54
Less: Depreciation	1.90	0.64
Profit before tax	30.22	8.90
Less: Provision for taxation	7.92	3.07
Less: Provision for Fringe Benefits Tax	0.49	-
Add/(Less): Taxation of earlier years	(0.99)	(0.24)
Less/(Add): Deferred tax for the year	(1.54)	0.31
Profit / (Loss) for the year	22.36	5.28

### 2. Performance

During the year 2005-06, the Indian economy exhibited strong performance, led by sustained growth in the industry and the services sectors. Further, the capital market showed a northward trend throughout the year due to optimistic FII's inflows and global market movements, new opportunities sprung up in the financial market in the form of private placements, amalgamation, Initial Public Offerings (IPO) and many more. Your Company handled a number of projects during the year and syndicated finance from banking sources for number of clients. Further, the Company undertook corporate consultancy as new line of service in growing market in various segments i.e. Amalgamations, Valuation, IPO advisory, Business Restructuring, Strategic advisory etc. and performed exceedingly well. The company earned a net profit of Rs. 22.36 lakhs during the year as compared to a profit of Rs. 5.28 lakhs during the previous year.

### 3. Dividend

The Board does not recommend any dividend for the year under review.

### 4. Fixed Deposits

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

## 5. Listing

The shares of the company are listed on “**Bombay Stock Exchange Limited**” being the regional stock exchange at Mumbai. The company has already requested the Ahmedabad and Jaipur Stock Exchanges for delisting of its shares. However, no information has been received so far. The Company has paid listing fees to Bombay Stock Exchange Limited, Mumbai up to the financial year 2006 - 2007.

## 6. Directors

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

**Shri K. V. S. Shyam Sunder** was appointed as Additional Non-executive Director on 16th January 2006 of the Company. He holds office only up to the ensuing Annual General Meeting. The Company has received notice in writing, from a member, pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose **Shri K. V. S. Shyam Sunder** as Director of the Company. Consequently, appropriate Resolution in this regard is being placed for your approval at the ensuing Annual General Meeting.

The Managerial Remuneration of **Shri Rajesh Murarka and Shri Saurabh Agarwal** was revised by the Board during the financial year 2005-06 subject to approval of the shareholders of the Company.

## 7. Directors' Responsibility Statement

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

- i. In the preparation of the accounts for financial year ended 31<sup>st</sup> March 2006, the applicable accounting standards have been followed.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2006 and of the Profit of the Company for the year ended 31<sup>st</sup> March, 2006.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the accounts on a going concern basis.

**8. Corporate Governance**

The Corporate Governance Code as contained in the Listing Agreement with the Stock Exchange is applicable in the case of the Company. The Company has taken necessary steps for ensuring the compliance of the code. A separate section on Corporate Governance is annexed and forms an integral part of this Report.

As regards to observation on Corporate Governance Report with respect to Website of the Company, the Company is in the process of constructing the same and all the relevant details shall be regularly posted on the website, once the same is ready.

**9. Auditors**

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

**10. Management Discussions and Analysis**

The Management Discussions and Analysis is annexed and forms an integral part of this Report.

**11. Particulars of the Employees**

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

**12. Information on Energy Conservation and Foreign Exchange**

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

**13. Appreciation**

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

For and on behalf of the Board

Place : Mumbai  
Dated : 30<sup>th</sup> June 2006

**K. V. S. Shyam Sunder**  
Director

## Report on Corporate Governance

### Company's philosophy on Corporate Governance:

The Company's philosophy of Corporate governance is aimed at providing transparent working and assisting Shareholders to judge and understand the performance of the Company in an appropriate manner. It includes not only application and adaptation of statutory rules/ procedures and guidelines, but also includes application and adoption of good corporate practices followed by the Company so as to keep the Shareholders and Authorities well informed on the Company and enhance value to the stakeholders at large.

Clause 49 of the Listing Agreement with Stock Exchange sets norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report.

### Board of Directors:

#### Composition

The Board composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement. The strength of the Board as on 31st March 2006 is 10 Directors comprising 2 Executive Directors (ED) and 8 other Directors (D).

The composition of the Board as on 31<sup>st</sup> March, 2006 was as follows:

Name of Directors	Category of Directorship	No. of other Directorships*	No. of Committee Memberships
Shri T. B. Subramaniam	Independent Non - Executive Director	2	3
Shri K. V. S. Shyam Sunder (a)	Independent Non -Executive Director	-	-
Shri Dhaval Desai	Independent Non – Executive Director	-	-
Shri Narayan Pasari	Independent Non - Executive Director	1	-
Shri Sunil Goyal	Director	1	2
Shri Manoj Singrodia	Director	-	-
Shri K. M. Tulsian	Director	-	-

Shri Hemang Jangla (b)	Independent Non - Executive Director	1	-
Shri Rajesh Murarka (c)	Executive Director & Chief Executive Officer	-	-
Shri Saurabh Agarwal	Executive Director & Chief Financial Officer	-	-

\*excludes directorships in private limited companies.

(a) Appointed with effect from 16<sup>th</sup> January, 2006.

(b) Appointed with effect from 25<sup>th</sup> April, 2005.

(c) Appointed with effect from 25<sup>th</sup> April, 2005.

#### Number and dates of Board Meetings held:

Five Board Meetings were held during the year 2005-06 on **25<sup>th</sup> April 2005, 29<sup>th</sup> June 2005, 02<sup>nd</sup> August 2005, 22<sup>nd</sup> October 2005 and 28<sup>th</sup> January 2006.**

Details of Directors Seeking Appointment/Reappointment at the Forthcoming Annual general meeting (pursuant to clause 49 VI (IA) of the Listing Agreement)

Name	No. of Board meetings Attended	Attendance at the last AGM
Shri T. B. Subramaniam	4	Yes
Shri K. V. S. Shyam Sunder	-	NA
Shri Dhaval Desai	3	No
Shri Narayan Pasari	4	Yes
Shri Sunil Goyal	5	Yes
Shri Manoj Singrodia	3	Yes
Shri K. M. Tulsian	3	Yes
Shri Hemang Jangla	4	Yes
Shri Rajesh Murarka	4	Yes
Shri Saurabh Agarwal	5	Yes

#### Re-Appointment of Directors

1. **Shri Sunil Goyal**, Director retires by rotation and is eligible for re-appointment. He is a promoter-director of the Company. By qualification, he is a Fellow Chartered Accountant and specializes in project and corporate finance and management consultancy. He possesses experience of more than 15 years.

2. **Shri Manoj Singrodia**, Director retires by rotation and is eligible for re-appointment. He is also a promoter-director of the Company. He is Fellow Chartered Accountant and specializes in direct taxes consultancy, tax planning and corporate consultancy. **Mr. Manoj Singrodia** possesses enriched experience of more than 14 years in his field.
  
3. **Shri K. M. Tulsian**, Director retires by rotation and is eligible for re-appointment. He has been on the Board from the time the Company went public. He is a Fellow Chartered Accountant and L. L. B. and specializes in corporate finance, tax planning and investments. He possesses experience of more than 20 years.

### **Board Committees**

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

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

The Audit Committee was constituted on 04<sup>th</sup> October 2003 and was reconstituted on 2<sup>nd</sup> August 2005.

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

The Terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per section 292A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges.

These include the Review of accounting and financial policies and procedures, Review of financial reporting system, Internal control system and Procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The committee met 4 times during the year under review on **29<sup>th</sup> June, 2005, 2<sup>nd</sup> August, 2005, 22<sup>nd</sup> October, 2005 and 28<sup>th</sup> January, 2006.**

**Composition of Audit Committee and details of the meeting attended:**

Name	Category	No. of Committee meetings attended
Shri T. B. Subramaniam	Chairman (Independent Non-Executive Director)	3
Shri Dhaval Desai	Member (Independent Non-Executive Director)	2
Shri Naryan Pasari	Member (Independent Non-Executive Director)	4
Shri Sunil Goyal	Member	4

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

- Approving and implementing the audit procedures and techniques.
- Reviewing audit reports of both statutory and internal auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Approval of Related party Transactions.
- Reviewing accounting treatment and confirmation of the fact that financial statements are giving true and fair view.



**(b) Remuneration Committee**

The Remuneration Committee was constituted on 30<sup>th</sup> January, 2004 and was re-constituted on 2<sup>nd</sup> August 2005.

The Remuneration Committee comprises of Non-executive Directors with an independent Director as Chairman. The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the company's Executive/Whole time Directors (ED/WTD) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

The Committee met four times during the year under report on 25<sup>th</sup> April 2005, 02<sup>nd</sup> August 2005, 22<sup>nd</sup> October 2005 and 28<sup>th</sup> January 2006.

**Composition of Remuneration Committee and details of meeting attended:**

Name	Category	No. of Committee meetings attended
<b>Shri. T. B. Subramaniam</b> (from 3 <sup>rd</sup> August 2005)	Chairman (Independent Non-Executive Director)	2
<b>Shri. Dhaval Desai</b> (from 3 <sup>rd</sup> August, 2005)	Member (Independent Non-Executive Director)	1
<b>Shri Narayan Pasari</b>	Member (Independent Non-Executive Director)	4
<b>Shri Sunil Goyal</b> (upto 3 <sup>rd</sup> August, 2005)	Member (Director)	2
<b>Shri Manoj Singrodia</b>	Member (Director)	4
<b>Shri K. M. Tulsian</b> (upto 3 <sup>rd</sup> August, 2005)	Member (Director)	2

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

**Details of remuneration paid to Non-Executive Directors during 2005-06:**

Name	Sitting Fees (Rs.)
<b>Shri T. B. Subramaniam</b>	9,000/-
<b>Shri Dhaval Desai</b>	3,000/-
<b>Shri Narayan Pasari</b>	6,000/-
<b>Shri Sunil Goyal</b>	2,000/-
<b>Shri Manoj Singrodia</b>	2,000/-
<b>Shri K. M. Tulsian</b>	2,000/-
<b>Shri Hemang Jangla</b>	2,000/-

**Details of remuneration paid to Executive Director during 2005-06:**

Name	Salary (Rs.)
Shri Rajesh Murarka	2,25,000/-
Shri Saurabh Agarwal	2,27,310/-

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

Name of the Non-Executive Directors	Number of Equity Shares	Non convertible Instruments
Shri T. B. Subramaniam	1,100	N.A.
Shri K. V. S. Shyam Sunder	-	N.A.
Shri Dhaval Desai	-	N.A.
Shri Narayan Pasari	2,500	N.A.
Shri Sunil Goyal	80,500	N.A.
Shri Manoj Singrodia	42,400	N.A.
Shri K. M. Tulsian	25,000	N.A.
Shri Hemang Jangla	-	N.A.

**(c) Shareholders/Investors Grievance Committee**

The Shareholders/Investors Grievance Committee was constituted on 4<sup>th</sup> October 2003 and was reconstituted on 2<sup>nd</sup> August 2005.

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

The Committee met Four times during the year under report on 29<sup>th</sup> June, 2005, 2<sup>nd</sup> August, 2005, 22<sup>nd</sup> October, 2005 and 28<sup>th</sup> January, 2006.

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

Name	Category	No. of Committee meetings attended
Shri Dhaval Desai	Chairman (Independent Non-Executive Director)	2
Shri Narayan Pasari (upto 3 <sup>rd</sup> August 2005)	Member (Independent Non-Executive Director)	2
Shri Manoj Singrodia (upto 3 <sup>rd</sup> August 2005)	Member	1
Shri K. M. Tulsian	Member	3
Shri Hemang Jangla (from 3 <sup>rd</sup> August, 2005)	Member (Independent Non-Executive Director)	2

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

During the year under report the company received one complaint for non-receipt of transferred share certificates. As certified by the Share Transfer Agent of the Company, the complaint was redressed, thereby not pending share transfers or any complaints with the Company as on 31<sup>st</sup> March, 2006.

**Shri Saurabh Agarwal**, the Executive Director is the Compliance officer of the Company.

### General Body Meetings:

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue
2002-03	26 <sup>th</sup> September 2003	09.30 a. m.	Hotel Brass Anchor, Natakwala Lane, S. V. Road, Borivali (West), Mumbai – 400 092.
2003-04	21 <sup>st</sup> September 2004	10.00 a. m.	4, Neelkanth Udyog Bhavan, Sakinaka Junction, Andheri Kurla Road, Andheri (East), Mumbai – 400072.
2004-05	18 <sup>th</sup> August 2005	10.00 a. m.	A-204, Rajeshri Accord, Telly Cross Lane, Off S. N. Road, Andheri (East), Mumbai – 400 069.

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

The Company also passed two special resolutions during the Annual General Meeting held on 18<sup>th</sup> August, 2005. The first resolution was relating to appointment of **Shri Rajesh Murarka** as an Executive Director of the Company whereas the second resolution was related to amendment in Articles of Association of the Company. No special resolution was passed through postal ballot and no postal ballot is proposed at the ensuing Annual General Meeting.

### Disclosures:

#### Materially significant Related Party Transactions

There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc that may have potential conflict with the interest of Company at large.

Details of transaction effected with related parties have been reported separately in the Accounts printed elsewhere in the Annual Report, in accordance with the requirement of Accounting Standard - 18 issued by The Institute of Chartered Accountants of India.

### **Statutory Compliance**

The Company has complied with the requisite regulations relating to capital markets. There were no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last 3 years except penalty of Rs. 1,75,000 imposed by SEBI for violation of Regulation 6(2) and Regulation 8(3) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997. However, the Company has requested SEBI to waive the same and no further communication has been received from SEBI till date. The Company is in regular compliance with the said regulation.

### **Means of Communication:**

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirement of clause 41 of the Listing Agreement.

The Company publishes its quarterly results as well as any official news in two newspapers i. e. Free Press Journal and Navshakti.

The website of the Company is under construction. As and when the website is fully setup, the Company will display thereon quarterly results as well as any official news release.

***Management discussion & Analysis Report is attached herewith and forms part of the Annual Report.***

### **General Shareholders Information:**

Annual General Meeting	:	<b>On Tuesday, 5<sup>th</sup> September, 2006 at 10.00 a. m.</b>
Day, Date, Time and Venue		<b>at Hotel Imperial Palace, 45, Tolly Park Road,, Andheri (E), Mumbai – 400 069.</b>
Date of Book Closure	:	<b>From Tuesday, 29<sup>th</sup> August, 2006 to Tuesday, 5<sup>th</sup> September, 2006</b>
Dividend payment date	:	<b>Nil</b>

### **Financial Year/Calendar 2006-07 (Tentative)**

Results for first quarter ending June 30, 2006	:	<b>On or before 31<sup>st</sup> July 2006</b>
Results for second quarter ending September 30, 2006	:	<b>On or before 31<sup>st</sup> October 2006</b>
Results for third quarter ending December 31, 2006	:	<b>On or before 31<sup>st</sup> January 2007</b>

Results for financial year ending March 31, 2007 : On or before 30<sup>th</sup> June 2007

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

Registrar and Share Transfer Agent : Sharex Dynamic (India) Private Limited  
17/B, Dana Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort,  
Mumbai – 400 001.

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

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

Listing on Stock Exchanges : Bombay Stock Exchange Limited

Stock Code : 530577

Demat ISIN Number in NSDL and CDSL : INE 519D01015

Market price data : The shares of the Company were thinly traded during the year. Accordingly, the market price data of the Company are as given below:

Month	High (Rupees)	Low (Rupees)
April 2005	3.00	2.00
May 2005	5.10	2.15
June 2005	5.80	3.75
July 2005	9.24	4.25
August 2005	9.50	5.10
September 2005	9.40	6.06
October 2005	10.43	4.55
November 2005	8.26	5.17
December 2005	9.18	4.85
January 2006	6.70	4.81
February 2006	6.84	4.01
March 2006	7.44	3.11

**Distribution of shareholding as on 31<sup>st</sup> March, 2006:**

Distribution of Shares (Slab-Wise)	No. of Shareholders	% to total No. of shareholders	No. of Shares held	% to total share Capital
Upto 500	496	55.73	1,50,056	3.75
501 - 1000	172	19.33	1,39,527	3.49
1001 - 2000	81	9.10	1,21,390	3.03
2001 - 3000	52	5.84	1,33,186	3.33
3001 - 4000	20	2.25	72,800	1.82
4001 - 5000	8	0.90	38,292	0.96
5001 - 10000	25	2.81	1,89,376	4.73
10001 & above	36	4.04	31,57,973	78.90
<b>Total</b>	<b>890</b>	<b>100.00</b>	<b>40,02,600</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2006**

Category	No. of Shares	% of Shares
Indian Promoters	12,21,250	30.512
Foreign Promoters	Nil	Nil
Persons Acting in concerts	10,61,700	26.525
Institutional Investors	Nil	Nil
Private Corporate Bodies	7,37,591	18.427
Indian Public	8,23,809	20.582
NRIs/OBC	1,58,100	3.950
Others (Clearing Members)	150	0.004
	<b>40,02,600</b>	<b>100.000</b>

**Dematerialization of Shares and liquidity:**

As per the notification issued by SEBI, the shares of the company are traded compulsorily in dematerialized form by all investors with effect from 8<sup>th</sup> May, 2000.

As on 31<sup>st</sup> March, 2006, 35.90% of the Company's Equity Capital representing 14,36,840 Equity shares are held on dematerialized mode and the balance were in paper form.

The Company has not issued either ESOP or any GDRs/ADRs/Warrants/Convertible Instruments.

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

**Address for correspondence:**

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

**Compliance Certificate:**

As required under clause 49 of the Listing Agreement, **M/s. H. Shetye Associates**, Company Secretaries have verified the compliance of the Corporate Governance norms by the Company. Their report is annexed hereto.

## **Declaration**

I, **Rajesh Murarka**, Executive Director and Chief Executive Officer of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

**For Ladderup Finance Limited**

**Rajesh Murarka**  
Executive Director and Chief Executive Officer

Date: June 30, 2006

Place : Mumbai



## Certificate

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

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2006 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, except non compliance of sub-clauses I (D) (i) and (IV) (G) (ii) (non posting of code of conduct and quarterly results on the website of the Company).

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 H. Shetye Associates*  
*Company Secretaries,*

Hemant Shetye  
(Partner)

Mumbai, 30<sup>th</sup> June, 2006  
FCS – 2827  
COP-1483

## Management Discussion and Analysis

### *Economic Scenario*

The growth momentum of the Indian economy continued in the year financial year 2005-06 on the backing of optimistic trends of previous two financial years. The Central Statistical Organisation's (CSO) advance estimates peg the Gross Domestic Product (GDP) growth for Indian economy at 8.10% in FY06, with agriculture, industry and service growing at 2.30%, 9.00% and 9.80% respectively. In reality, India's GDP recorded a growth rate of 8.40%, which is higher than expected.

The manufacturing sector recorded growth of 9.09% in 2005-06 on top of 8.90% growth a year ago. Growth in the services sector accelerated to 10.10% from 9.70% during April-December 2004, benefiting from robust growth in the major sub-sectors viz., 'trade, hotels, transport and communication', 'financing, insurance, real estate and business services' and 'construction'. Further, the Indian equity bourses performed extremely well in the last financial year before the recent decline. The buoyancy in manufacturing and services sector activities and the positive business confidence and expectations suggest that the growth momentum is likely to be maintained in 2006-07 in the Indian economy.

In the year 2005, the country recorded 343 mergers and acquisition (M&A) deals, totalling to \$18.2 billion, of which \$16.2 billion was on account of acquisitions and \$2 billion were via private equity investments. The value of private equity deals rose 85 per cent in 2005 over the previous year with several international funds setting up "large corpuses for India-focused investments. The momentum continued in the first four months of 2006, with India Inc seeing flurry of mergers and acquisitions (M&A) and private equity (PE) deals valued at \$8.2 billion and \$2.3 billion respectively, according to a report by global consultancy firm Grant Thornton.

On the global side, Indian companies are well placed as compared to their Asian counterparts. As per the recent research report by a leading foreign brokerage firm, India and China represent the future for the global economy. Both economies now need to fine-tune their development strategies by expanding their economic power bases, which could play an increasing role in driving global growth for the respective nations in the years to come.

### ***Company Overview***

The Company started its foray into finance with Loan Syndication, Financing, and Investment & Trading Activities. However, in view of the boom in the Indian economy at momentous pace in last 3 years and in view of ongoing expansions and consolidation activities in the industry, the Company did set its foot into corporate and financial consultancy in the field of Public Issues, Private Equity Placements, Amalgamations & Takeovers and Valuations to various mid sized groups in the last year. During the year, after carrying out a number of successful deals and assignments in this area, the Company is confident to move in this direction with more zeal. Also, with the financial market opening up to the global stage, there is great opportunity's ahead in the consultancy field.

### **Internal Control System and Adequacy**

The company has maintained a proper and adequate system of internal control. This is to ensure that all assets are protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly.

The company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. The performance of the company is regularly reviewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives.

The internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and other records and data are correctly kept for maintaining accountability of the assets.

### **Risk and Concerns**

The Company had facilitated into a new foray of corporate consultancy, which is very unpredictable, unprecedented and challenging. Besides this, in a bullish and volatile capital market, these services are further challenged by various new entrants and economic, monetary and primary market behaviour.

Further, this particular segment in tandem with the business of loan syndication is more dependent on external factors viz government policies, performance of Capital Markets, Central Bank Decisions etc.

The Company has targeted to appoint a number of few more professional in near future which has already begun and the same will add value to the business of the Company.

The management of the Company analyses and evaluates on a continuous basis various risks associated with the business and adopts risk management practices to minimize the adverse impact of these risks. Both external as well as internal developments are assessed regularly.

### **Cautionary Statement**

Statement in the Management Discussion and Analysis describing the Company's objectives, estimates and expectation may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions in the domestic market in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

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

We, Rajesh Murarka, Chief Executive Officer and Saurabh Agarwal, Chief Financial Officer & Executive Directors of the Company do hereby certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year and to the best of our knowledge and belief :
- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - 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.
- (b) These 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.
- (c) 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.
- (d) We have indicated to the auditors and the Audit Committee.
- Significant changes in internal control during the year ;
  - These Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - These instances of significant fraud of which we are become aware and the involvement therein, fi any, of the management or an employee having a significant role in the Company's internal control system.

**For Ladderup Finance Limited**

**For Ladderup Finance Limited**

**Rajesh Murarka**  
Executive Director and CEO

**Saurabh Agarwal**  
Executive Director and CFO

Date : June 30, 2006  
Place: Mumbai

## Auditors' Report

To  
The Members,

We have audited the attached Balance Sheet of **Ladderup Finance Limited** as at 31st March 2006, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure 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 in paragraph 2 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company as appears from our examination of such books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the requirements of the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from all the Directors of the Company as on 31st March 2006 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March 2006, from being appointed as a director in terms of clause (g) of sub section (1) to 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 the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2006.
  - 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 the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

Place: Mumbai  
Date: 30<sup>th</sup> June, 2006

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

## Annexure to the Auditors' Report

**Annexure** referred to in Paragraph 2 of our report of even date on the accounts of **Ladderup Finance Limited** for the year ended 31<sup>st</sup> March, 2006.

In our opinion and according to the information and explanation given to us, we further report that:

- (i)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Physical verification of major Fixed Assets was conducted by the management during the year, which is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The company has not substantially disposed off some of its assets during the year.
- (ii)
  - (a) The stock of inventories has been physically verified at reasonable intervals during the year by the management.
  - (b) The procedures of physical verification of inventory 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 is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- (iii)
  - (a) The company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (b) (c) and (d) of the Order are not applicable.
  - (b) The Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (f) & (g) of the Order are not applicable.
- (iv) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of inventory and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v)
  - (a) The particulars of contracts or arrangements that is required to be entered into the register maintained under section 301 of the Act, have been so entered.
  - (b) There are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year.



- (vi) The company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system commensurate with its size and nature of business but its financial and other internal checks, ensures proper recording of financial transactions.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (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 become 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) There are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company does not have accumulated losses at the end of 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.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund / society.
- (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 dealing in shares and 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 guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not obtained any term loans during the year.
- (xvii) On an overall examination of the balance sheet of the company, we are of the opinion that no short-term funds 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 Act during the year.

- (xix) The company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based on our audit procedures, we are of the opinion that no fraud on or by the company has been noticed or reported during the year.

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

Place: Mumbai  
Date: 30<sup>th</sup> June, 2006

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

Ladderup Finance Limited  
Balance Sheet as at 31st March, 2006

Particulars	Schedules	As at	As at
		31.03.2006 (Rs.)	31.03.2005 (Rs.)
<b>I Sources of Funds</b>			
<b>Shareholders Funds</b>			
Share Capital	1	40,026,000	40,026,000
Reserves & Surplus	2	4,173,896	3,117,535
<b>Loans Funds</b>			
Secured Loans	3	1,333,326	327,656
Deferred Tax Liabilities (Net)		133,726	287,448
		<u>45,666,948</u>	<u>43,758,639</u>
<b>II Application of Funds</b>			
<b>Fixed Assets</b>	4		
Gross Block		6,225,205	6,613,519
Less: Depreciation		<u>1,370,235</u>	<u>1,531,390</u>
<b>Net Block</b>		<u>4,854,970</u>	<u>5,082,129</u>
<b>Investments</b>	5	3,290,457	548,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	6	8,476,859	10,185,663
Sundry Debtors	7	807,767	1,481,663
Cash & Bank Balances	8	381,744	66,231
Loans & Advances	9	<u>30,156,412</u>	<u>28,131,984</u>
		<u>39,822,782</u>	<u>39,865,541</u>
Less : Current Liabilities & Provisions	10	<u>2,301,261</u>	<u>1,737,030</u>
<b>Net Current Assets</b>		<u>37,521,521</u>	<u>38,128,510</u>
		<u>45,666,948</u>	<u>43,758,639</u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	15		

As per our Report of even date

For Khuradia Jain & Co.  
Chartered Accountants

Sampat Khurdia  
Partner  
M.No. : 33615

Mumbai  
Date : 30th June 2006

For and on behalf of the Board

Rajesh Murarka  
Executive Director & CEO

Dhaval Desai  
Director

Mumbai  
Date : 30th June 2006

Saurabh Agarwal  
Executive Director  
& CFO

Narayan Pasari  
Director

Ladderup Finance Limited

Profit & Loss Account for the year ended 31st March, 2006.

Particulars	Schedules	Year ended 31.03.2006 (Rs.)	Year ended 31.03.2005 (Rs.)
<b>I. <u>Income</u></b>			
Operational & Other Income	11	12,560,352	6,953,410
Increase in Stocks of Shares & Securities	12	(1,708,804)	5,724,386
		<u>10,851,548</u>	<u>12,677,796</u>
<b>II. <u>Expenditure</u></b>			
Purchases		4,127,903	9,482,629
Administrative and Other Expenses	13	3,479,286	2,223,319
Financial Expenses	14	32,228	17,682
Depreciation		189,909	63,937
		<u>7,829,325</u>	<u>11,787,567</u>
<b>Profit before tax</b>		3,022,223	890,229
Less : Provision for Tax			
- Current Tax		792,000	307,000
- Deferred Tax		(153,722)	30,825
- Fringe Benefits Tax		49,000	-
- Short Provision of Earlier Years		99,083	24,332
		<u>2,235,862</u>	<u>528,073</u>
<b>Profit after Tax</b>		2,235,862	528,073
Add / (Less) : Balance brought forward from previous year		448,641	26,183
<b>Balance available for appropriation</b>		<u>2,684,503</u>	<u>554,255</u>
<b>Appropriations:</b>			
Transfer to Special Reserve under section 45IC of RBI Act		447,172	105,615
Balance carried forward to Balance Sheet		2,237,330	448,641
		<u>2,684,503</u>	<u>554,255</u>
Earning Per Share (Basic)		0.56	0.13
Significant Accounting Policies & Notes on Accounts	15		

As per our Report of even date

For Khuradia Jain & Co.

Chartered Accountants

Sampat Khurdia

Partner

M.No. : 33615

Mumbai

Date : 30th June 2006

For and on behalf of the Board

Rajesh Murarka

Executive Director & CEO

Dhaval Desai

Director

Mumbai

Date : 30th June 2006

Saurabh Agarwal

Executive Director  
& CFO

Narayan Pasari

Director

Ladderup Finance Limited

Cash Flow Statement for the year ended 31st March, 2006.

Particulars	Amount (in Rs.)	
	For the year ended 3.3.2006	For the year ended 31.3.2005
<b>A) Cash Flow from Operating Activities</b>		
Net profit before taxation & extraordinary items	3,022,223	890,229
<b>Add/(Less) Adjustments for:</b>		
depreciation	189,909	63,937
Interest on Loan	28,918	15,436
Preliminary & Share Issue Expenses Write Off	-	44,418
Profit from Sale of Securities	(301,980)	-
Profit from Sale of Fixed Assets	(1,171,815)	-
Increase/(Decrease) in Other Liability	(146,770)	617,907
(Increase)/Decrease in Debtors	673,896	(969,559)
(Increase)/Decrease in Inventories	1,708,804	(5,724,386)
(Increase)/Decrease in Loans and advances	(989,855)	6,710,115
(Increase)/ Decrease in Deposits	(1,018,000)	(1,014,000)
Net Income Tax paid	(245,657)	(97,814)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>1,749,674</b>	<b>536,283</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Securities	(3,987,535)	-
Sales of Securities	1,547,059	-
Sale of Fixed Asset	1,720,000	-
Purchase of Fixed Assets	(1,690,436)	(1,513,894)
<b>Net Cash Flow from Investment Activities (b)</b>	<b>(2,410,913)</b>	<b>(1,513,894)</b>
<b>C) Cash Flow from Financing Activities</b>		
Secured Loans (Net of repayment)	1,005,670	327,656
Interest on Loans	(28,918)	(15,436)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>976,752</b>	<b>312,220</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>315,513</b>	<b>(665,391)</b>
<b>Add: Cash &amp; Cash Equivalents at the beginning of year</b>	<b>66,231</b>	<b>731,622</b>
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>381,743</b>	<b>66,231</b>

As per our Report of even date

For Khuradia Jain & Co.  
Chartered Accountants

Sampat Khurdia  
Partner

M.No. : 33615

Mumbai  
Date : 30th June 2006

For and on behalf of the Board

Rajesh Murarka  
Executive Director & CEO

Dhaval Desai  
Director

Mumbai  
Date : 30th June 2006

Saurabh Agarwal  
Executive Director & CFO

Narayan Pasari  
Director

Ladderup Finance Limited

Schedules forming part of Balance Sheet

Particulars	As at 31.03.2006 Amount (Rs.)	As at 31.03.2005 Amount (Rs.)
<b><u>Schedule "1" :- Share Capital</u></b>		
<u>Authorised</u>		
50,00,000 Equity Shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<u>Issued, Subscribed &amp; Paid-up</u>		
40,02,600 Equity Shares of Rs. 10/- each fully paid-up	<u>40,026,000</u>	<u>40,026,000</u>
<b><u>Schedule "2" :- Reserves &amp; Surplus</u></b>		
General Reserve	250,000	250,000
Special Reserve under section 45 IC of RBI Act		
Opening Balance	105,615	-
Transfers during the year	<u>447,172</u>	<u>105,615</u>
Closing Balance	552,787	105,615
Revaluation Reserve		
Opening Balance	2,313,280	2,359,003
Less: Depreciation on revalued assets	34,292	45,723
Deductions during the year	<u>1,145,209</u>	<u>-</u>
Closing Balance	1,133,779	2,313,280
Profit & Loss Account	<u>2,237,330</u>	<u>448,641</u>
	<u><b>4,173,896</b></u>	<u><b>3,117,535</b></u>
<b><u>Schedule "3" :- Secured Loans</u></b>		
Hire Purchase Loan from HDFC Bank (Secured Against Specific Asset)	200,163	327,656
Hire Purchase Loan from ICICI Bank (Secured Against Specific Asset)	1,133,163	-
	<u>1,333,326</u>	<u>327,656</u>

Ladderup Finance Limited

Schedules forming part of Balance Sheet

Particulars	As at 31.03.2006 Amount (Rs.)	As at 31.03.2005 Amount (Rs.)
<b><u>Schedule "5" :- Investments (At Cost)</u></b>		
<b>Trade - in Equity Shares</b>		
<b>Quoted</b>		
50,000 (PY 50,000) Equity Shares of Capman Financials Limited of Rs. 10 each fully paid up (Market Value Rs. 1,47,000/- ; P.Y. Rs. 112000/-)	500,000	500,000
61,000 (previous year Nil) Equity Shares of Kisan Mouldings Limited of Rs. 10/- each fully paid up (Market Value Rs. 2,687.050; previous year Rs. Nil)	1,525,000	-
6,800 (previous year Nil) Equity Shares of Standard Industries Limited of Rs. 10/- each fully paid up (Market Value Rs. 200,260; previous year Rs. Nil)	217,100	-
(Refer note 5 (i) of Schedule 15)		
<b>Unquoted</b>		
4,800 (previous year 4,800) Equity Shares of Chetan Securities Private Limited of Rs. 10/- each, fully paid up	48,000	48,000
371880 (previous year Nil) Equity Share of Havmore insurance Brokers Private Limited of Rs. 10/- each, fully paid up	1,000,357	-
(Refer note 5 (ii) of Schedule 15)		
	<u>3,290,457</u>	<u>548,000</u>
<b><u>Schedule "6" :- Inventories</u></b>		
Stock of Shares and Securities (Refer Annexure I) (As taken, valued and certified by directors )	8,476,859	10,185,663
	<u>8,476,859</u>	<u>10,185,663</u>
<b><u>Schedule "7" :- Sundry Debtors</u></b>		
(Unsecured, considered good)		
Due for more than six months	191,372	777,264
Other Debts	616,395	704,399
	<u>807,767</u>	<u>1,481,663</u>

Ladderup Finance Limited

Schedules forming part of Balance Sheet

Particulars	As at 31.03.2006 Amount (Rs.)	As at 31.03.2005 Amount (Rs.)
<b><u>Schedule "8" :- Cash &amp; Bank Balances</u></b>		
Cash in hand	36,473	13,928
Balances with Scheduled Banks In Current Account	<u>345,271</u>	<u>52,303</u>
	<u><u>381,744</u></u>	<u><u>66,231</u></u>
<b><u>Schedule "9" :- Loans &amp; Advances</u></b>		
(Unsecured, considered good)		
Advance recoverable in cash or kind or for value to be received	240,000	3,550,000
Inter Corporate Deposits	3,894,824	9,838,889
Other Advances	22,658,700	12,414,781
Other Deposits	2,080,000	1,062,000
Advance Tax & Tax Deducted at Source	<u>1,282,888</u>	<u>1,266,314</u>
	<u><u>30,156,412</u></u>	<u><u>28,131,984</u></u>
<b><u>Schedule "10" :- Current Liabilities &amp; Provisions</u></b>		
<b>Current Liabilities</b>		
Other Liabilities	1,153,261	1,300,030
<b>Provisions</b>		
Provision for Income Tax	1,099,000	437,000
Provision for Fringe Benefits Tax	<u>49,000</u>	<u>-</u>
	<u><u>2,301,261</u></u>	<u><u>1,737,030</u></u>



Ladderup Finance Limited

Schedules forming part of Balance Sheet

Schedule "4" :- Fixed Assets (At Cost less Depreciation)

(Amount in Rupees)

Description	Gross Block				Depreciation					Net Block	
	As At 01.04.2005	Addition During the year	Deductions During the year	As At 31.03.2006	Upto 31.03.2005	Dep. on Revalued Assets	Provided for the year	Adjustment during the year	Upto 31.03.2006	As At 31.03.2006	As At 31.03.2005
Premises	4,157,500	-	2,078,750	2,078,750	736,826	34,292	16,534	(385,356)	402,296	1,676,454	3,420,674
Computers	850,075	85,560	-	935,635	626,102	-	38,250	-	664,352	271,283	223,973
Office Equipments	318,850	34,000	-	352,850	136,961	-	16,379	-	153,340	199,510	181,889
Furniture & Fixtures	7,800	740,633	-	748,433	7,800	-	43,069	-	50,869	697,564	-
Motor Car	516,930	1,479,055	-	1,995,985	23,545	-	70,283	-	93,828	1,902,157	493,385
Air Conditioners	113,552	-	-	113,552	156	-	5,394	-	5,550	108,002	113,396
Capital Work-in-Progress	648,812	-	648,812	-	-	-	-	-	-	-	648,812
<b>Total</b>	<b>6,613,519</b>	<b>2,339,248</b>	<b>2,727,562</b>	<b>6,225,205</b>	<b>1,531,390</b>	<b>34,292</b>	<b>189,909</b>	<b>(385,356)</b>	<b>1,370,235</b>	<b>4,854,970</b>	<b>5,082,129</b>
<b>Previous Year</b>	<b>5,099,625</b>	<b>1,513,894</b>	<b>-</b>	<b>6,613,519</b>	<b>1,421,730</b>	<b>45,723</b>	<b>63,937</b>	<b>-</b>	<b>1,531,390</b>	<b>5,082,129</b>	<b>3,677,895</b>

Ladderup Finance Limited

Schedules forming part of Profit & Loss Account for the year ended 31st March, 2006

Particulars	Year Ended 31/03/2006 (Rs.)	Year Ended 31/03/2005 (Rs.)
<b><u>Schedule "11" :- Operational &amp; Other Income</u></b>		
Sales	4,339,280	1,749,857
Interest on Loans (TDS Rs. 344,333/-; previous year Rs. 479,149/-)	1,611,201	2,286,928
Other Interest	24,308	33,846
Financial & Management Consultancy Fees (TDS Rs. 262,411/- ; previous year Rs. 117,988/-)	5,103,430	2,514,475
Dividends	7,403	10,805
Profit on Sale of Fixed Assets	1,171,815	-
Profit on Sale of Investments	301,980	-
Other income	935	357,500
	<u>12,560,352</u>	<u>6,953,410</u>
<b><u>Schedule "12" :- Increase in Stocks of Shares &amp; Securities</u></b>		
Closing Stocks	8,476,859	10,185,663
Less : Opening Stocks	<u>10,185,663</u>	<u>4,461,277</u>
	<u>(1,708,804)</u>	<u>5,724,386</u>
<b><u>Schedule "13" :- Administrative &amp; Other Expenses</u></b>		
Salaries	1,111,117	540,239
Staff Welfare Expenses	137,127	87,507
Rent	406,800	227,000
Insurance Expenses	29,912	8,884
Printing & Stationery	46,887	23,339
Communication Costs	242,818	185,259
Travelling & Conveyance	214,290	118,540
Vehicle Maintenance Expenses	279,778	209,498
Electricity Expenses	95,430	23,150
Auditors Remuneration	22,448	16,530
Legal & Professional Charges	152,357	75,372
Bad Debts Written Off	228,621	271,502
Office Expenses	218,186	173,998
Business Promotion Expenses	201,531	143,412
Miscellaneous Expenses	91,983	74,671
Preliminary & Share Issue Expenses Written Off	-	44,418
	<u>3,479,286</u>	<u>2,223,319</u>
<b><u>Schedule "14" :- Financial Expenses</u></b>		
<b><u>Financial Expenses</u></b>		
Bank Charges	3,310	2,247
Interest on Car Loan	<u>28,918</u>	<u>15,436</u>
	<u>32,228</u>	<u>17,682</u>

## Ladderup Finance Limited

### Schedule forming part of Accounts

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#### Schedule "15" :- Significant Accounting Policies and Notes on Accounts

##### I. Significant Accounting Policies

1. **Basis of Accounting**

The Company has adopted the accrual concept in the preparation of accounts, except where otherwise stated.

2. **Fixed Assets**

Fixed Assets are stated at cost less depreciation except premises, which are stated at revalued cost less depreciation.

3. **Depreciation**

i) Depreciation on fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956.

ii) Depreciation on revalued assets to the extent of revaluation is charged from Revaluation Reserve.

4. **Investments**

Investments are classified into long term investments and current investments. Investments, which are intended to be held for less than one year, are classified as current investments and investments, which are intended to be held for more than one year, are classified as long term investments. Long term investments are accounted at cost and any decline in value, other than temporary is provided for. Current investments are valued at cost or market/fair value, whichever is lower.

5. **Inventory**

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

6. **Income Recognition**

i) Fees for project advisory, loan syndication and corporate consultancy are accounted for on the substantial completion of assignments.

ii) Profit or Loss from dealing in shares and securities are recognized on settlement dates.

iii) Dividend on shares is being considered on receipt basis.

iv) In respect of other heads of income, the company follows the practice of accounting on accrual basis.

## Ladderup Finance Limited

### Schedule forming part of Accounts

#### 7. Provision for Income Tax

Provision for current income tax is made after considering exemptions/deductions available and at the rates applicable under the Income Tax Act, 1961.

Deferred Tax arising on account of timing difference between book and taxable profits and carried forward losses and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted.

#### II. Notes on Accounts

1. In the opinion of Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated as realisable in the ordinary course of business and the provisions of all known liabilities are adequate.

2. Auditor's Remuneration: (Amount in Rs.)

Particulars	Current Year	Previous Year
Statutory Audit	15,000	10,000
Tax Audit	4,000	4,000
Others	1,000	1,000
Service Tax	2,448	1,530
<b>Total</b>	<b>22,448</b>	<b>16,530</b>

Directors' Remuneration: (Amount in Rs.)

Particulars	Current Year	Previous Year
Directors Remuneration	452,310	119,868
Directors Sitting Fees	26,000	21,000
<b>Total</b>	<b>478,310</b>	<b>140,868</b>

3. Additional information pursuant to the provisions of paragraph 3, 4C and 4D have been given herein below to the extent applicable:

- i) The quantitative information of opening stock, purchases, sales and closing stock of shares & securities is given below. Details regarding Closing Stock are annexed in Annexure I hereto.

Particulars in respect of opening stock, purchases, sales and closing stock:

(In Rs.)

Shares and Securities	Quantity		Amount	
	Current Year	Previous Year	Current Year	Previous Year
Opening Stock	1133490	690669	10,185,663	4,461,277
Purchases	32905	747650	4,127,903	9,482,630
Sales	509405	304829	4,339,280	1,749,857
Closing Stock	*642800	1133490	8,476,859	10,185,663

\* \*Closing stock excludes 14190 equity shares of certain companies valued Rs. Nil.

- ii) Expenditure, earning and remittance in foreign currency: Nil

## Ladderup Finance Limited

### Schedule forming part of Accounts

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4. Profit on sale of current investments is net off purchases Rs. 12.45 lacs and sale of Rs. 15.47 lacs.
5. Investments:
- (i) Company had invested into 76,250 equity shares of erstwhile **Gaurav Agro Plast Limited** which has amalgamated into **Kisan Mouldings Limited** during the year. These shares were converted into 61,000 Equity Shares of the amalgamated Company, which are in the process of being credited to the demat account of the Company.
- (ii) In case of investment in 371,880 equity shares of **Havmore Insurance Brokers Private Limited** the shares are in the process of being transferred in the name of the Company.
6. No provision is considered necessary in respect of Gratuity and other retirement benefits payable, since none of the employees have put in the minimum required number of years of service with the Company.

7. **Related Party Disclosures:**

Related party disclosure as required by the Accounting Standard –18 on “Related Party disclosures” issued by the Institute of Chartered Accountants of India are given below.

- (a) Disclosure of related party transactions;
- (i) Related parties where common interest exist
- 1) **Singrodia Goyal & Co.**
- 2) **K. M. Tulsian & Associates**
- 3) **Havmore Insurance Brokers Private Limited**
- (ii) Directors & their relatives
- |                               |                      |
|-------------------------------|----------------------|
| <b>Mr. Sunil Goyal</b>        | Director             |
| <b>Mr. Manoj Singrodia</b>    | Director             |
| <b>Mrs. Santosh Singrodia</b> | Relative of Director |
| <b>Mrs. Usha Goyal</b>        | Relative of Director |

## Ladderup Finance Limited

### Schedule forming part of Accounts

- (b) The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in Rs.)

Nature of Transaction	Refer to (a) (i) above		Refer to (a) (ii) above	
	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	Nil	Nil	406,800	127,000
Outstanding Receivable	Nil	7,03,900	Nil	Nil
Share Application Money	240,000	Nil	Nil	Nil
Deposits	Nil	Nil	2,035,000	1,017,000

8. As per the provisions laid down in Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company's business activities can be classified into three segments namely Investment & Trading in shares & securities, Consultancy and Finance activities. The information about all the segments is given in annexure II to the Notes on accounts.

9. **Deferred Taxes:**

- a) In accordance with Accounting Standard – 22, "Accounting for taxation on Income issued by ICAI, the deferred tax asset for the current year amounting to Rs. 153,722/- has been recognized in the Profit and Loss Account.
- b) The tax effect of significant timing (temporary) differences that resulted in Deferred tax Liability and description of the items that create the differences are as follows:

(Amount in Rs.)

Particulars	Deferred Tax Liability as at 1 <sup>st</sup> April 05	Current Year change	Deferred Tax Liability as at 31 <sup>st</sup> March 06
Difference between book & tax depreciation	287,448	(153,722)	133,726
<b>Deferred Tax Liability</b>	<b>287,448</b>	<b>(153,722)</b>	<b>133,726</b>

10. The Company has transferred an amount of Rs. 447,172/- equivalent to 20% of the profits after tax of the Company to Special Reserve Account in compliance to section 45 IC of the Reserve Bank of India Act, 1934.
11. Balance of Sundry Debtors is subject to confirmation and reconciliation.
12. Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

Ladderup Finance Limited

Schedules forming part of Balance Sheet

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**III Balance Sheet Abstract & Company's General Business Profile**

**I. Registration Details**

Registration No.	11-74278	State Code :	11	
Balance Sheet Date		Date	Month	Year
		31	03	2006

**II Capital raised during the period (Rs. in lthousands)**

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement/Promoters Contribution
Nil	Nil

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

Total Liabilities	Total Assets
45667	45667

**Sources of Funds**

Paid-up Capital	Reserve & Surplus
40026	4174

Secured Loans	Unsecured Loans
1333	Nil

Deffered Tax Liability  
134

**Application of Funds**

Net Fixed Assets	Investments
4855	3290

Net Current Assets	Misc. Expenditure
37522	0

Accumulated Losses  
Nil

Ladderup Finance Limited

Schedules forming part of Balance Sheet

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III Balance Sheet Abstract & Company's General Business Profile

IV Performance of Company (Rs. in thousands)

Turnover & Income		Total Expenditure	
10852		7829	
+ Profit/Loss Before Tax		+ Profit/Loss After Tax	
+ 3022		+ 2236	
Earnings per share (Rs)	0.56	Dividend Rate %	Nil

V Generic Names of Three Principal Products/Services of Company  
(As per monetary terms)

Item Code No (ITC Code)

Product Description

Dealing in Shares, Stock & Investments

Item Code No (ITC Code)

Product Description

Leasing, Bill Discounting & Loan Syndication

Item Code No (ITC Code)

Product Description

Financial & Mangement Consultancy

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As per our Report of even date

For **Khuradia Jain & Co.**

Chartered Accountants

For and on behalf of the Board

**Sampat Khurdia**

Partner

M.No. : 33615

**Rajesh Murarka**

Executive Director & CEO

**Saurabh Agarwal**

Executive Director & CFO

**Dhaval Desai**

Director

**Narayan Pasari**

Director

Mumbai

Date : 30th June 2006

Mumbai

Date : 30th June 2006



Ladderup Finance Limited

Annexure 'I'

Details of Closing Stock of Shares and Securities as at 31st March 2006

Particulars	As at 31/03/2006	
	Nos.	Value (Rs.)
Mikado Textile Limited	123,300	-
Meractor Lines Limited	6,250	274,063
Silverline Technology Limited	100	469
Sunflag Iron & Steel Limited	350	2,328
Vandana Hitech Systems Limited	12,800	3,200,000
Vinayaka Capsec Private Limited	500,000	5,000,000
	<b>642,800</b>	<b>8,476,859</b>

Ladderup Finance Limited

Annexure 'II'

Segment Information for the year ended 31st March, 2006

Amount (Rs.)

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Total
<b>Revenue</b>				
External sales	4,648,663	5,103,430	1,611,201	11,363,294
Inter segment sales	-	-	-	-
<b>Total Revenue</b>	<b>4,648,663</b>	<b>5,103,430</b>	<b>1,611,201</b>	<b>11,363,294</b>
<b>Result</b>				
Segment Result	(1,198,686)	5,049,326	1,436,684	<b>5,287,324</b>
Unallocated Income				1,197,058
Unallocated corporate Expense				3,462,159
Profit before tax				3,022,223
Income taxes				891,083
Fringe Benefits Tax				49,000
Deferred tax				(153,722)
<b>Net Profit</b>				<b>2,235,862</b>
<b>Other Information</b>				
Segment Assets	12,007,316	807,767	26,553,524	39,368,607
Unallocated Corporate Assets				8,599,602
<b>Total Assets</b>				<b>47,968,209</b>
Segment Liabilities	631	895,779	-	896,410
Unallocated Corporate liabilities				2,738,176
Deferred Tax Liabilities				133,726
<b>Total liabilities</b>				<b>3,768,313</b>