

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **15th Annual General Meeting** of the Members of **Ladderup Finance Limited** will be held on **Saturday, the 27th day of September, 2008 at 10.30 a.m. at Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, 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 31st March, 2008 and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Manoj Singrodia** who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Shri K. M. Tulsian** who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of **Shri K. V. S. Shyam Sunder** who retires by rotation and 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 conclusion of this Annual General Meeting, till 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 modifications, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”) the consent of the Company be and is hereby accorded to the appointment of Shri Sunil Goyal as Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writing as may be required in the said connection and to delegate all or any of the powers herein conferred to any committee of Directors or any Director or officer of the Company to give effect to this resolution.”

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 Rajesh Murarka**, Executive Director and Chief Executive Officer with effect from 1st April 2008, 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 Saurabh Agarwal**, Executive Director and Chief Financial Officer with effect from 1st April 2008, 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	<b>For and on behalf of the Board</b>
Dated	:	June 27, 2008	
Regd. Office	:	A-204, Rajeshri Accord, Telly Cross Lane, Off S. N. Road, Andheri (E), Mumbai – 400 069.	<b>Rajesh Murarka (Executive Director)</b>

**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 Saturday, 20th September, 2008 to Saturday, 27th September, 2008 (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 Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072. 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 : June 27, 2008  
Regd. Office : A-204, Rajeshri Accord,  
Telly Cross Lane, Off S. N. Road,  
Andheri (E), Mumbai – 400 069.

**For and on behalf of the Board**

**Rajesh Murarka  
(Executive Director)**

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

**Item No. 6**

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 29th April, 2008, Shri Sunil Goyal was appointed as Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008. The remuneration to Shri Sunil Goyal inter alia, includes the payment of salary, perquisites and other benefits and is subject to the approval of the members.

Shri Sunil Goyal is a qualified Chartered Accountant having rich experience in financial services industries for more than a decade. He is presently looking after various aspects of Business Development, Strategic Investments in various listed and unlisted Companies and other business affairs of the Company.

**Shri Sunil Goyal** will serve as a Managing Director on the Board of the Company for a period of 5 years from 1st April, 2008.

None of the Directors of the company, except Shri Sunil Goyal himself is considered to be interested or concerned in this resolution.

**Item No. 7**

**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 business segments. Considering his contribution to the Company, the Board in their meeting held on 27th June 2008 proposed to increase his remuneration subject to approval of the shareholders. The said remuneration is already approved by the remuneration committee meeting held on 27th June 2008.

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

**I) Terms & Conditions:**

1. Name & Designation of Director : **Shri Rajesh Murarka**, Executive Director and Chief Executive Officer
2. Variations in remuneration : With effect from 1st April 2008 to remaining tenure of his appointment
3. Salary per month : Rs. 100,000/- with powers to Board to vary from time to time within the limits of Schedule XIII of the Companies Act, 1956
4. Other perquisites : Provision of Chauffeur driven Car for official use.

- a) Salary specified herein shall be payable to Shri Rajesh Murarka notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- b) Shri Rajesh Murarka shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- c) Shri Rajesh Murarka 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.

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 from 10.00 a. m. to 12 noon from 20th September 2008 till the date of Annual General Meeting.

#### **Item No. 8**

**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 27th June 2008 proposed to increase his remuneration with effect from 1st April 2008 subject to approval of the shareholders. The said remuneration is already approved by the remuneration committee meeting held on 27th June 2008.

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

#### **I) Terms & Conditions:**

- |                                   |  |
|-----------------------------------|--|
| 1. Name & Designation of Director | : <b>Shri Saurabh Agarwal</b> , Executive Director and Chief Financial Officer   |
| 2. Variations in remuneration     | : With effect from 1st April 2008 to remaining tenure of his appointment   |
| 3. Salary per month               | : Rs. 75,000/- with power to Board to vary from time to time within the limits of Schedule XIII of the Companies Act, 1956 |
| 4. Other perquisites              | : Provision of Chauffeur driven Car for official use.  |

- a) Salary specified herein shall be payable to Shri Saurabh Agarwal notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- b) Shri Saurabh Agarwal shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- c) Shri Saurabh Agarwal 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.

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 from 10.00 a. m. to 12 noon from 20th September 2008 till the date of Annual General Meeting.

Place : Mumbai

Dated : June 27, 2008

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

**For and on behalf of the Board**

**Rajesh Murarka**  
**(Executive Director)**

## DIRECTOR'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of the Company together with the Audited Statements of the Accounts for the year ended on 31st March 2008.

### 1. Financial Results

The comparable financial performance of the Company for the Financial Year 2007-2008 is as under:

Particulars	2007-2008	2006-2007	2007-2008
	Standalone		Consolidated
	(INR Lakhs)		
Operational and Other Income	124.94	222.72	523.68
Profit before Depreciation & Tax	68.67	91.07	306.48
Less: Depreciation	4.70	3.55	9.91
Profit before tax	63.97	87.52	296.57
Less: Provision for taxation	11.02	26.07	89.12
Less: Provision for Fringe Benefits Tax	0.35	1.50	2.05
Add/(Less): Taxation of earlier years	-	0.02	-
Less/(Add): Deferred tax for the year	(0.47)	0.84	1.36
Profit for the year	53.06	59.13	204.04

### 2. Performance

With significant growth in the business activities of your Company on consolidated level, the Company earned consolidated revenue of Rs. 523.68 Lakhs during Financial Year 2007-08 demonstrating an admirable growth of 135% over the previous year. The consolidated net profits of your Company for the year 2007-08 have increased by 245% to Rs. 204.04 Lakhs as compared to Rs. 59.13 lakhs during the year 2006-07.

The buoyant increase in performance has been attributable to considerable increase in the clientele of the Company under its non-fund based Advisory Services. Growing Indian economy and your Company's focused strategy on SME segment is now paying rich dividends. Your Company, through its wholly owned subsidiary Ladderup Corporate Advisory Private Limited, is providing services to various clients in their fund raising activities both through equity as well as debt. Furthermore, with growing aspirations of Indian; increased M & A activities coupled with Business Structuring & Restructuring exercises and IPOs by Indian corporate has helped your Company's Corporate Consultancy business to grow significantly. During the year, the client profile of the Company has also undergone changes with leading Companies from varied Industry segments selecting your Company for business and financial structuring & restructuring, raising of funds and other corporate consultancy requirements.

Further, during the year, your Company, after transferring its non-fund based business activities to its wholly owned subsidiary, increased its focus on growth oriented investments in selective listed and unlisted Companies and made noteworthy investments during the year. All such investments of the Company have been made after detailed analysis of the Investee Companies and are expected to fetch good returns on long term basis.

During the year, considering high growth potential, the Company has also entered into Wealth Management Services through another wholly owned subsidiary Ladderup Wealth Management Private Limited. The subsidiary is presently in the process of setting up its infrastructure and shall commence commercial operations from 1<sup>st</sup> April 2008.

On Standalone basis, your Company's total revenue during the year was Rs. 124.94 Lakhs as compared to Rs. 222.72 Lakhs in the previous year 2006-07 with net profits at Rs. 53.06 Lakhs in 2007-08 as compared to Rs. 59.13 Lakhs in 2006-07. The decrease in revenue can be attributed to shift of the fee based business in wholly owned subsidiary of the Company coupled with focus on long term growth driven investments from existing financing activities.

### **3. Dividend**

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

### **4. Fixed Deposits**

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

### **5. Listing**

The shares of the Company are listed on "**Bombay Stock Exchange**" Limited being the regional stock exchange at Mumbai. The Company has 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 2008-2009.

### **6. Directors**

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

### **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 2008, 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, 2008 and of the Profit of the Company for the year ended 31<sup>st</sup> March, 2008.
- 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.

## **9. Subsidiary Companies**

At the beginning of the year, the Company had only one wholly owned subsidiary Company i.e. Ladderup Corporate Advisory Private Limited. During the year, the Company acquired the entire equity capital of Ladderup Wealth Management Private Limited so as to make it a wholly owned subsidiary of the Company. A statement containing details as required under section 212 of the Companies Act, 1956 is enclosed herewith.

## **10. Committees**

At the beginning of the year, the Company had four Committees viz Audit Committee, Shareholders' Grievance Committee, Remuneration Committee and Investment Committee in place. However, in view of issue of warrants on preferential basis and conversion into equity shares thereof at a later date, the Company formed Special Board Committee with powers to issue and allot warrants and shares within the prescribed limits of the law and after obtaining desired statutory permissions, wherever required.

## **11. Auditors**

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

## **12. Management Discussions and Analysis**

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

## **13. 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.

## **14. 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.

## **15. 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 : 27th June 2008

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

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

The Company's philosophy of corporate governance stems out from its belief that timely disclosures, transparent accounting policies, and a strong and independent Board go along way in preserving shareholders trust while maximising long term corporate values.

Keeping in view the Company's size and complexity in operations, the Company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- b. Timely and accurate disclosure of all material operational and financial information to the stakeholders.

The Securities and Exchange Board of India (SEBI) through clause 49 of the Listing Agreement with the stock exchanges regulates Corporate Governance for listed companies. Ladderup Finance Limited is in compliance with clause 49.

### 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 2008 is 11 Directors comprising 3 Executive Directors (ED) and 8 other Directors (D).

The composition of the Board as on 31st March, 2008 was as follows:

Name of Directors	Category of Directorship	No. of other Directorships*	No. of Committee Memberships
Shri T. B. Subramaniam	Independent Non - Executive Chairman	2	6
Shri K. V. S. Shyam Sunder	Independent Non -Executive Director	1	-
Shri Dhaval Desai	Independent Non -Executive Director	2	-
Shri Burzin Somandy (from 2nd July, 2007)	Independent Non -Executive Director	1	2
Shri Narayan Pasari (upto 24th September, 2007)	Independent Non-Executive Director	1	-
Shri Sunil Goyal	Director	1	3
Shri Manoj Singrodia	Director	-	-

Shri K. M. Tulsian	Director	-	-
Shri Hemang Jangla	Independent Non -Executive Director	1	-
Shri Parimal Sheth	Executive Director	-	-
Shri Rajesh Murarka	Executive Director & Chief Executive Officer	-	-
Shri Saurabh Agarwal	Executive Director & Chief Financial Officer	-	-

\* Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

#### Number and dates of Board Meetings held

Six Board Meetings were held during the year 2007-08 on 30th April, 2007, 2nd July, 2007, 30th July, 2007, 26th October, 2007, 15th December, 2007 and 15th January, 2008. The details of attendance of Directors at Board Meetings and AGM are as under:

Name	No. of Board meetings Attended	Attendance at the last AGM
Shri T. B. Subramaniam	5	Y
Shri K. V. S. Shyam Sunder	6	Y
Shri Dhaval Desai	1	N
Shri Burzin Somandy**	2	N
Shri Narayan Pasari*	3	Y
Shri Sunil Goyal	5	Y
Shri Manoj Singrodia	6	Y
Shri K. M. Tulsian	5	Y
Shri Hemang Jangla	3	N
Shri Parimal Sheth	6	Y
Shri Rajesh Murarka	5	Y
Shri Saurabh Agarwal	6	Y

\* retired with effect from 24th September 2007

\*\* appointed with effect from 2nd July 2007

## **Re-appointment of Directors**

Details of Directors Seeking reappointment at the Forthcoming Annual General Meeting (pursuant to clause 49IV (G) (i) of the Listing Agreement)

1. Shri Manoj Singrodia, Director retires by rotation and is eligible for re-appointment. He is a Promoter Director of the Company. He is Fellow Chartered Accountant having 17 years of rich experience and specializes in Taxation and Corporate Consultancy.
2. Shri K. M. Tulsian, 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 having more than 20 years of rich experience and specializes in Audit and Taxation.
3. Shri K. V. S. Shyam Sunder, Director retires by rotation and is eligible for re-appointment. He is Independent Non – Executive Director of the Company. Shri K. V. S. Shyam Sunder is Fellow Chartered Accountant with more than 30 years of rich banking experience and specializes in Corporate & Retail Banking, Risk Management, Credit Rating, Reviewing and Monitoring System and Loan Policies.

## **Board Committees**

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

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

The Audit Committee was reconstituted on 30th April, 2007.

The Company has an Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process.

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 functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include 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 2nd July, 2007, 30th July, 2007, 26th October, 2007 and 14th January, 2008.

### Composition of Audit Committee and details of the meetings attended

Name	Category	No. of Committee meetings attended
Shri T. B. Subramaniam	Chairman (Independent Non-Executive Director)	3
Shri K. V. S. Shyam Sunder	Member (Independent Non-Executive Director )	4
Shri Narayan Pasari (up to 24th September, 2007)	Member (Independent Non-Executive Director )	2
Shri Sunil Goyal	Member (Non-Executive Director )	4
Shri Burzin Somandy (from 26th October 2007 onwards)	Member (Independent Non-Executive Director)	-

Broad terms of reference of the Audit Committee are as per following: Approving and implementing the Audit procedures and techniques.

- Reviewing audit reports of statutory auditors with the management and Statutory Auditors.
- Reviewing financial reporting systems, internal control systems and control procedures.
- 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.
- 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.
- Reviewing accounting treatment and confirmation of the fact that financial statement is giving true and fair view.

#### (b) Remuneration Committee

The Remuneration Committee was re - constituted on 30th April, 2007.

The Remuneration Committee comprises of 3 Non-executive Directors with Independent Non – Executive 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 Director (ED/WTD) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

The Committee did not meet during the year under report.

### Composition of Remuneration Committee

Name	Category
Shri T. B. Subramaniam	Chairman (Independent Non-Executive Director)
Shri K. M. Tulsian	Member (Non – Executive Director)
Shri Sunil Goyal	Member (Non-Executive Director)
Shri Narayan Pasari (upto 24th September, 2007)	Member (Independent Non-Executive Director)

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

### Details of sitting fees paid to Non-Executive Directors during 2007-08

Name	(Rs.)
Shri T. B. Subramaniam	9,000
Shri Narayan Pasari (upto 24th September, 2007)	5,000
Shri Dhaval Desai	1,000
Shri Sunil Goyal	9,000
Shri Manoj Singrodia	9,000
Shri K. M. Tulsian	5,000
Shri Hemang Jangla	4,000
Shri K. V. S. Shyam Sunder	13,000
Shri Burzin Somandy (from 2nd July, 2007)	2,000

### Details of remuneration paid to Executive Director during 2007-08

Name	(Rs.)
Shri Rajesh Murarka	480,000
Shri Saurabh Agarwal	600,000

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

Name of the Non-Executive Directors	Number of Equity Shares
Shri Sunil Goyal	101,400
Shri Manoj Singrodia	121,400
Shri Narayan Pasari (upto 24th September, 2007)	2,500
Shri T. B. Subramaniam	1,100
Shri Dhaval Desai	-

Shri K. M. Tulsian	-
Shri Hemang Jangla	-
Shri K. V. S. Shyam Sunder	-
Shri Burzin Somandy (from 2nd July, 2007)	-

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

The Committee was reconstituted on 30th April, 2007.

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

- Review of investor complaints and their redressal.
- Review of the queries received from the investors.
- Review of the work done by Share Transfer Agent.
- Review of corporate actions related work.

The Committee met three times during the year under report on 2nd July, 2007, 26th October, 2007, and 14th January, 2008.

**Composition of Shareholders/Investors Grievance Committee and details of the meeting attended**

Name	Category	No. of Committee meetings attended
Shri K. V. S. Shyam Sunder	Chairman (Independent Non-Executive Director)	3
Shri Manoj Singrodia	Member (Non-Executive Director)	3
Shri Hemang Jangla	Member (Independent Non-Executive Director)	1
Shri Dhaval Desai	Member (Independent Non-Executive Director)	0

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 overview the steps to be taken for improving further the quality of service to the investors.

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



During the year under report the Company has not received any complaints for non-receipt of transferred share certificates and there were no pending complaints as on 31st March 2008.

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

**(d) Investment Committee**

The Committee was reconstituted on 30th April, 2007.

The Committee met twelve times during the year under report on 2nd April, 2007, 2nd May 2007, 7th June 2007, 2nd July, 2007, 31st July, 2007, 1st September, 2007, 3rd October, 2007, 31st October 2007, 1st December 2007, 31st December 2007, 4th February 2008 and 1st March 2008.

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

<b>Name</b>	<b>Category</b>	<b>No. of Committee meetings attended</b>
Mr. Manoj Singrodia	Chairman	12
Mr. Saurabh Agarwal	Member	12
Mr. Parimal Sheth	Member	12

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

- a. To invest surplus funds of the Company in all types of securities.
- b. To execute necessary investment documents.
- c. To buy, sell, trade, hold, pledge in all types of securities
- d. To take any other necessary actions related to investment/ disinvestment.
- e. To report to the Board about the investments/disinvestments in securities since last Board meeting.
- f. No sittings fee is paid for the committee meetings.

**(e) Board Committee for Issue of Equity Share Warrants on Preferential basis**

The Board of the Directors of the Company has constituted a Committee of Directors to manage the proposed Issue of warrants of the Company on 15th January, 2008.

The Committee did not meet during the year as it was not required.

### Composition of Board Committee

Name	Category
Mr. T. B. Subramaniam	Chairman
Mr. K. V. S. Shyam Sunder	Member
Mr. Dhaval Desai	Member

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

- a. To overlook various compliances in relation to Issue of warrants on preferential basis and their conversion into Equity Shares of the Company.
- b. To issue warrants.
- c. To issue Equity Share of the Company on conversion of warrants as and when required in compliance with applicable laws and guidelines.

### General Body Meetings

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

Financial Year	Date	Time	Venue	Special Resolutions passed
2004-05 (AGM)	18/08/2005	10.00 a.m.	A-204, Rajeshri Accord, Telly Cross Lane, Off S. N. Road, Andheri (East), Mumbai – 400 069.	<ol style="list-style-type: none"><li>1. Appointment of Shri Rajesh Murarka as Executive Director of the Company pursuant to provisions of Section 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII, for the period of 5 years w. e. f. 25th April, 2005.</li><li>2. Amendment of Article 107 A in the Articles of Association regarding “passing of resolution by postal ballot.”, in pursuance to the provisions of Section 31, 192A and other applicable provisions, if any, of the Companies Act, 1956.</li></ol>

2005-06 (AGM)	05/09/2006	10.00 a.m	Hotel Imperial Palace, 45, Telly Park Road, Andheri (East), Mumbai – 400 069.	Nil
2006-07 (AGM)	24/09/2007	4.00 p.m.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.	Nil
2007-08 (EGM)	15/01/2008	11.00 a.m.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai – 400 069.	<ol style="list-style-type: none"> <li>1. Increase in Authorised Capital of the Company from Rs. 5 crores to Rs. 10 crores as per the provisions of section 94 of the Companies Act, 1956.</li> <li>2. Amendment of Article 3 of the Articles of Association under section 31 of the Companies Act, 1956.</li> <li>3. Preferential Issue of 40 lacs convertible warrants to the promoter group and others pursuant to Sections 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the provisions of the Memorandum and Articles of Association of the Company</li> <li>4. Increase in borrowing limits of the Company to INR 25 Crores in terms of Section 293(1)(d) of the Companies Act, 1956</li> </ol>

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

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

## **Disclosures**

### **Materially significant related party transactions**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, Directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

### **Statutory Compliance**

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

The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

### **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 has its own website in the name of [www.ladderup.com](http://www.ladderup.com) on which all the corporate information is made available to the general public.

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

### **General Shareholders Information**

Annual General Meeting : On Saturday, 27th September, 2008 at 10.30 a. m. at  
Day, Date, Time and Venue Hotel Suba Galaxy, N. S. Phadke Road, Off Western  
Express Highway, Andheri (East), Mumbai – 400 069.

Date of Book Closure : From Saturday, September 20, 2008 to Saturday  
September 27, 2008.

Dividend payment date : N.A.

### **Financial Year/Calendar 2008-09 (Tentative)**

Results for first quarter ending : On or before 31st July 2008.  
June 30, 2008

Results for second quarter ending : On or before 31st October 2008.  
September 30, 2008

Results for third quarter ending : On or before 31st January 2009.  
December 31, 2008

Results for financial year ending : On or before 30th June 2009.  
March 31, 2009

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

Registrar and Transfer Agent : Sharex Dynamic (India) Private limited.  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri – Kurla Road,  
Andheri (East), Mumbai – 400 072.

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

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

Listing on Stock Exchanges : Bombay Stock Exchange Limited

Stock Code : 530577

Demat ISIN Number in : INE 519D01015  
NSDL and CDSL

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

Period	High (Rupees)	Low (Rupees)
April-07	17.01	12.36
May-07	17.96	10.75
June-07	18.89	11.89
July-07	21.80	14.00
August-07	18.75	12.00
September-07	16.90	12.70

October-07	16.50	12.22
November-07	13.84	10.28
December-07	32.08	13.50
January-08	42.08	24.95
February-08	31.20	19.75
March-08	25.20	21.65

**Distribution of shareholding as on 31st March, 2008**

Shareholding (in Rs.)	Shareholders		Shareholding	
	Nos.	%	Amount (Rs.)	%
Upto 5000	441	58.26	1,172,060	2.93
5001-10000	135	17.83	1,103,730	2.76
10001-50000	123	16.25	2,948,840	7.37
50001-100000	18	2.38	1,259,600	3.15
100001-1000000	31	4.09	9,340,270	23.33
1000001 - Above	9	1.19	24,201,500	60.46
<b>Total</b>	<b>757</b>	<b>100.00</b>	<b>40,026,000</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March 2008**

Category	No. of Shares	% of Shares
Indian Promoters	2,226,250	55.62
Foreign Promoters	Nil	Nil
Persons Acting in concerts	Nil	Nil
Institutional Investors	Nil	Nil
Private Corporate Bodies	416,166	10.40
Indian Public	1,360,184	33.98
NRIs/OBC	Nil	Nil
Others (Clearing Members)	Nil	Nil
	<b>4,002,600</b>	<b>100.00</b>

### **Dematerialization of shares and liquidity**

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

As on 31st March, 2008, 44.275% of your Company's Equity Capital representing 2,712,650 Equity shares are held in dematerialized form and the balance are in paper form.

Company has not issued either ESOP or any GDRs/ADRs/Warrants/Convertible instrument during the year.

Since Company is in the business of investment and trading in shares and stocks the information about plants is not available.

### **Address for correspondence**

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

### **Compliance Certificate**

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

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

Name of the Subsidiary Company	: Ladderup Corporate Advisory Private Limited	Ladderup Wealth Management Private Limited
Financial Year ending of the Subsidiary	: 31st March 2008	31st March 2008
Holding Company's interest number of shares held	: 100,000 Equity Shares of Rs. 10/- each, fully paid up	10,000 Equity Shares of Rs. 10/- each, fully paid up
Extent of holding	: 100%	100%
For the financial year of the subsidiary		
- Profit/(Losses) so far as it concerns the members of the holding Company and not dealt with in the books of accounts of the holding Company	: Rs. 15,128,687/-	(Rs. 31,622/-)
- Profit/(Losses) so far as it concerns the members of the holding Company and dealt with in the books of accounts of the holding Company	: Nil	Nil
For the previous financial years of the subsidiary since it became a subsidiary		
- Profit/(Losses) so far as it concerns the members of the holding Company and not dealt with in the books of accounts of the holding Company	: -	-
- Profit/(Losses) so far as it concerns the members of the holding Company and dealt with in the books of accounts of the holding Company	: -	-



## 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 Corporate Governance Code on an annual basis.

**For Ladderup Finance Limited**

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

Date: June 27, 2008

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, 2008 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 H S Associates**  
Company Secretaries,

Hemant Shetye  
(Partner)

Mumbai, 27th June, 2008  
FCS – 2827  
COP-1483

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Overview

India continues to remain as one of the fastest growing economies in the world. During the year 2007-08 the Indian economy expanded at a robust pace of 8.7% per annum a little lower than that of 9.6% in 2006-07, reflecting moderation of growth in all the three sectors viz. agriculture and allied activities, industry and services. Notwithstanding the moderation, growth was in line with the average real GDP growth of 8.7% per annum over the period of last five years (2003-04 to 2007-08). In terms of Gross Domestic Product ("GDP") after adjustments for purchasing power parity, India's economy is the fourth largest in the world. India has become a preferred destination for Foreign Direct Investment (FDI), owing to its well developed private corporate sector, large consumer market potential, large pool of skilled work force, and well established legal systems.

Corporate India continued its healthy performance although it witnessed some moderation in growth on relative basis and an increase on absolute basis. This was backed by strong consumption led demand caused by increase in disposable income. Indian corporate has posted growth – oriented results during the year keeping pace with the Indian economy despite challenging conditions like surge in commodity prices, appreciation of the Indian Rupee and hardening of interest rates. They have started reaping the benefits of their investments and capital expenditure incurred by them in the last few years by way of capacity expansion, technology up gradation and modernization in gaining global competitiveness and improved efficiency and increased economies of scale.

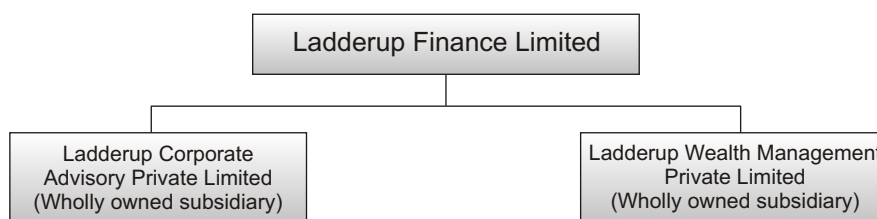
Growth in India is largely driven by favourable demographics, strong capex cycle and productivity growth. The strong capex cycle in turn is led by the boom in infrastructure. The XIth Plan projection for infrastructure spend is estimated at about US\$ 500 billion. This should encourage a robust economic growth and drive corporate earnings. The Indian corporate world continued its spree of multibillion dollar acquisitions abroad in its quest to gain global scale and competitiveness. Outward investment from India shot up to US\$ 14.4 billion in 2006-07 from less than US\$ 2 billion in the period 2003-04. The trend continued during 2007-08 as well with acquisitions of the size of US\$ 44.9 billion.

Recent increased volatility in the capital markets has slowed the pace of financial service sector. However, it is a temporary phenomenon and the sector should revive soon with companies approaching the capital markets to meet their long term fund requirements. Entry of many more players into the segment and rising interest rates could put some pressure on margins in the near term. However, with the strong economic growth and underlying strength of capital market in India, the long term prospects of the financial service sector remain optimistic. Your Company will maintain its growth momentum through focus on the value enhancing opportunities with a vision to be amongst the top players and has undertaken many strategic steps to strengthen its financials and boost the growth of new age businesses. All the businesses are progressing well on the designed path.

## Business and Future Outlook

### Business Structure

The present business structure of your Company consists of three Companies and is depicted as under:



### Ladderup Finance Limited

Ladderup Finance Limited, the Parent Company is primarily engaged in investment in listed and unlisted Companies with financing as secondary business activity. Apart from investment in various Listed Companies, the Company has been investing its funds in growth oriented and early stage enterprises driven by enthusiastic entrepreneurs having large growth potential. The Investment Policy of the Company is based on high returns with moderate risk and diversified exposure. During the year, the Company has taken exposure in various modern business sectors like food, retail, dairy and pharma among others. The Company expects to generate higher risk adjusted returns in time to come through these investments.

### Ladderup Corporate Advisory Private Limited

Ladderup Corporate Advisory Private Limited is a wholly owned subsidiary of Ladderup Finance Limited providing non-fund based advisory and execution services of diverse nature to corporate, institutions, etc. specifically focused towards the needs of SME segment. The Company generates fee based income by providing value added services in the segments of Investment Banking, Corporate Finance and Corporate Advisory.

Your Company's cross industry expertise and strong relationships with Banks, Financial Institutions, Venture Capitalists and Private Equity Investors has been advantageous in enabling the Company to offer comprehensive solutions to Entrepreneurs and Corporate seeking early stage and growth stage capital, both from domestic and international markets.

The Company is also exploring potential entry into new financial service agreements with a vision to become a broad-based and integrated financial service player. The Company is also working to expand its reach geographically by expanding its corporate wings in India and abroad.

### **Ladderup Wealth Management Private Limited**

Ladderup Wealth Management Private Limited is also a wholly owned subsidiary of Ladderup Finance Limited. The Company was incorporated in January, 2008 to take care of the Wealth Management needs of Individuals, Families, and Corporate by offering well researched products and services based on proper assessment of risk appetite, investment horizon and return expectations of the investor.

The increasing preference towards investment with the help of professional fund management, coupled with high financial savings, augur well for the wealth management and distribution industry. With a vision to be amongst leading players in the wealth management space and to be a leading distributor of the financial products, the Company's thrust will be on increasing distribution reach, providing valued added advice to its clients and institutionalizing process.

### **Indian Financial Service Sector**

During the past years there has been a considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments and the entry of sophisticated domestic and international players.

Strong economic growth, favourable demographics, increased geographic penetration, growth of small and medium enterprises and the increasing needs for capital among Indian corporations are expected to continue to drive India's financial services industry.

The financial service business in India has high growth potential. Strong macro economic growth coupled with rising savings and low penetration of investment products suggest that there are untapped opportunities and the sector should grow rapidly in the years to come.

### **Primary Equity Market**

The primary segment of the capital markets in India has been witnessing a surge in activities driven by the strong fundamentals of the Indian economy, revival of structural reforms by the government, and an investor friendly framework provided by SEBI. In addition, sustained growth of the corporate sector and its increasing capital requirements have resulted in a record level of capital raising from the primary equity market in the present year.

The detailed break-up of funds raised by Indian corporate is given below:

	2007-08		2006-07		Growth%
	No.	INR Crore	No.	INR Crore	In Amount
<b>Domestic Issues</b>					
Initial Public Offer (IPO)	84	41,323	76	23706	74%
Follow -on Public Offer (FPO)	6	10,896	9	1287	747%
Qualified Institutional Placements (QIP)	30	25708	25	4963	418%
Right Issues	38	32519	38	3704	778%
Sub Total	158	110,446	148	33,660	-
<b>Foreign Issues</b>					
American Depository Receipts (ADR)	3	21051	2	8196	157%
Global Depository Receipts (GDR)	29	9825	21	4051	143%
Foreign Currency Convertible Bond (FCCB)	59	24208	70	25120	-4%
Sub Total	91	55084	93	37367	-
<b>Grand Total</b>	<b>249</b>	<b>165,530</b>	<b>241</b>	<b>71,027</b>	<b>-</b>

### Financial Year 2008-2009 - Challenges ahead

As the Company enters FY2008-09, we must be ready to face the challenging times ahead. External factors like the appreciating rupee, soaring inflation and crude oil prices and competition with major global players continue to loom large.

With the growing commoditization of global services, the Company needs to strongly differentiate itself. In future the Company will expand its wings by extending its value chain. The Company will work harder towards delivering tangible results to its esteemed customers.

### Opportunities and Threats

Sustainable positive growth outlook of the Indian economy presents the biggest opportunity for all the Company's business segments. The Company is deeply focused on capturing all opportunities, be it in the consultancy business or in fund-based activities.

We face high market competition in our entire business segment from Indian as well as Multinational Companies. New entrants in the markets are threats to various businesses in the group. The continuously increasing demand for experienced professionals in financial service industry and the related attrition presents a threat of business coverage and execution of business. The Company has built a strong team of professionals in all the business; meeting not only their expectations, but also high level professional aspirations.

### **Internal Controls**

The Company has adequate internal control system for business processes across various profit centers, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations.

The roles and responsibilities for all managerial positions have been clearly defined. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

### **Human Resources**

The human resource assets are integral to the Company's ongoing success and enable the Company to deliver better performance year after year. In order to optimize the contribution of the employees to the Company's business, several training and development program for all levels are being conducted on regular basis. Further, the Company is also exploring other avenues to keep the employee morale at highest level and utilize their strengths to the optimum for maximum benefits of the Company.

### **Risk and Concerns**

Risks are integral aspects of business. Evaluation of risk and its management becomes more important in the global scenario especially when the Company is trying to penetrate the global markets. 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 and internal developments are assessed regularly.

### **Disclaimer**

The discussion, analysis and information in this section have been provided with a view to enable Shareholders to analysis the results of every year with additional information. In certain areas, the discussion may cover strategic decision and management expectations from the same. Such forecasts should not be construed as a guarantee of performance and actual results may differ significantly depending upon the operating conditions and external environment.

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

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

(a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2008 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) 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.

(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

- There have been no significant changes in internal controls during the year;
- There have been no significant changes in accounting policies during the year; and
- There have been no instances of significant fraud of which we became 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*

**Rajesh Murarka**  
**Executive Director and CEO**  
Mumbai, June 27, 2008

*For Ladderup Finance Limited*

**Saurabh Agarwal**  
**Executive Director and CFO**  
Mumbai, June 27, 2008



## AUDITORS' REPORT

To  
***The Members,  
Ladderup Finance Limited***

We have audited the attached Balance Sheet of **Ladderup Finance Limited** as at 31st March 2008, 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 except, Accounting Standard 15 (AS – 15) relating to Accounting of Retirement Benefits of Employees as referred to in Note no. 7 of Schedule 17
  - e) On the basis of written representations received from all the Directors of the Company as on 31st March 2008 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 2008, from being appointed as a director in terms of clause (g) of sub section (1) to Section 274 of the Companies Act, 1956.

## AUDITORS' REPORT

- 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 31st March, 2008.
  - 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*

**Sampat Khurdia**  
**Partner**

**Mem. No. 33615**

Place: Mumbai

Date: 27th June, 2008

## 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 31st March, 2008.

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) 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 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 granted unsecured loan (receivable on call basis) to its wholly owned subsidiary covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount outstanding during the year was Rs. 175.87 Lacs and the year-end balance of such loan was NIL.
- (b) The said loan was interest free .Other terms and conditions on which the said loan has been granted are prima facie, not prejudicial to the interest of the Company.
- (c) In view of our comments in para iii (a) and (b) above, clauses 4 (iii) (c) and (d) of the said Order are not applicable.
- (d) The Company has taken unsecured loans from 2 parties (payable on call basis) covered in the register maintained under section 301 of the Companies Act, 1956. Th aggregate maximum amount involved during the year was Rs. 117.15 Lakhs The year-end balance of such loans was Rs. 112.90 Lakhs.
- (e) The said loans are interest free. Other terms and conditions on which loans have been taken are prima facie, not prejudicial to the interest of the Company.
- (f) In view of our comments in para (iii) (d) and (e) above, clause 4 (iii) (g) of the said Order is not applicable to the Company.

- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of Investment and fixed assets and with regard to sale of investments and inventory. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal internal audit system commensurate with its size and natures of its business but its financial and other internal checks, ensures proper recording of the 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 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) 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 except in respect of vehicle loans.
- (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 Investments 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*

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

Place: Mumbai  
Date: 27th June, 2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

Particulars	Schedules	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b>I SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	40,026,000	40,026,000
Reserves & Surplus	2	15,347,159	10,063,735
<b>Loans Funds</b>			
Secured Loans	3	560,917	1,111,251
Unsecured Loans	4	13,665,000	-
<b>Deferred Tax Liabilities (Net)</b>		<u>171,313</u>	<u>218,107</u>
		<b><u>69,770,389</u></b>	<b><u>51,419,094</u></b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	6,559,224	7,069,924
Less: Depreciation		<u>2,116,830</u>	<u>1,748,360</u>
Net Block		<u>4,442,394</u>	<u>5,321,564</u>
<b>Investments</b>	6	36,327,352	6,981,384
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	8,202,328	8,427,945
Sundry Debtors	8	3,408,818	7,220,844
Cash & Bank Balances	9	155,346	254,363
Loans & Advances	10	<u>25,430,878</u>	<u>30,861,774</u>
		<b><u>37,197,370</u></b>	<b><u>46,764,926</u></b>
<b>Less : Current Liabilities &amp; Provisions</b>	11	<u>8,196,728</u>	<u>7,648,780</u>
<b>Net Current Assets</b>		<u>29,000,642</u>	<u>39,116,146</u>
		<b><u>69,770,389</u></b>	<b><u>51,419,094</u></b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	17		
<b>As per our Report of even date</b>		<b>For and on behalf of the Board</b>	
For <b>Khurdia Jain &amp; Co.</b>			
Chartered Accountants			
<b>Sampat Khurdia</b>		<b>K. V. S. Shyam Sunder</b>	
Partner		Director	
M.No. : 33615		<b>Parimal Sheth</b>	
		Executive Director	
		<b>Rajesh Murarka</b>	
		Executive Director	
		& CEO	
Mumbai		Mumbai	
Date : 27th June, 2008		Date : 27th June, 2008	

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

Particulars	Schedules	Year ended 31.03.2008 Amount (Rs.)	Year ended 31.03.2007 Amount (Rs.)
<b>I. INCOME</b>			
Operational & Other Income	12	12,494,360	22,272,660
Increase/ (Decrease) in Stocks of Shares & Securities	13	<u>(225,617)</u>	<u>(48,914)</u>
		<b><u>12,268,743</u></b>	<b><u>22,223,746</u></b>
<b>II. EXPENDITURE</b>			
Purchases		-	3,859,730
Employee Costs	14	1,104,556	2,352,578
Administrative and Other Expenses	15	4,211,975	6,772,454
Financial Expenses	16	85,568	132,142
Depreciation		<u>470,155</u>	<u>355,265</u>
		<b><u>5,872,254</u></b>	<b><u>13,472,169</u></b>
<b>Profit before tax</b>		6,396,489	8,751,577
Less : Provision for Tax			
- Current Tax		1,102,000	2,607,000
- Deferred Tax Liability / (Assets)		(46,794)	84,381
- Fringe Benefit Tax		35,000	150,000
- Short/(Excess) Provision of Earlier Years		-	(2,503)
		<u>5,306,284</u>	<u>5,912,699</u>
<b>Profit after Tax</b>		<b>5,306,284</b>	<b>5,912,699</b>
Add : Balance brought forward from previous year		<u>6,967,489</u>	<u>2,237,330</u>
<b>Balance available for appropriation</b>		<b><u>12,273,773</u></b>	<b><u>8,150,029</u></b>
<b>Appropriations:</b>			
Transfer to Special Reserve under Section 45IC of RBI Act		1,061,257	1,182,540
Balance carried forward to Balance Sheet		<u>11,212,516</u>	<u>6,967,489</u>
		<b><u>12,273,773</u></b>	<b><u>8,150,029</u></b>
Earning Per Share (Basic)		1.33	1.48
Significant Accounting Policies & Notes on Accounts	17		
<b>As per our Report of even date</b>		<b>For and on behalf of the Board</b>	
For <b>Khurdia Jain &amp; Co.</b> Chartered Accountants			
<b>Sampat Khurdia</b> Partner M.No. : 33615		<b>K. V. S. Shyam Sunder Parimal Sheth</b> Director Executive Director	
Mumbai Date : 27th June, 2008		<b>Rajesh Murarka</b> Executive Director & CEO Mumbai Date : 27th June, 2008	

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

Particulars	Amount (in Rs.)	
	For the year ended 31.03.2008	For the year ended 31.3.2007
<b>A) Cash Flow from Operating Activities</b>		
Net profit before taxation & extraordinary items	6,396,489	8,751,577
<b>Add/(Less) Adjustments for:</b>		
Depreciation	470,155	355,265
Interest on Loan	80,544	126,778
Profit from Sale of Securities	(3,915,219)	(1,807,550)
Loss from Sale of Fixed Assets	111,155	-
(Increase)/Decrease in Debtors	3,812,026	(6,413,077)
(Increase)/Decrease in Inventories	225,617	48,914
(Increase)/Decrease in Loans and advances	10,649,979	1,042,383
Increase/(Decrease) in Other Liability	(589,053)	2,897,520
Net Income Tax paid	(2,519,083)	(1,392,242)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>14,722,611</b>	<b>3,609,568</b>
<b>B) Cash Flow from Investing Activities</b>		
Share Application Money	(2,700,000)	(660,000)
Purchase of Securities	(53,956,266)	(11,070,086)
Sales of Securities	33,215,647	9,194,709
Investment in Partnership Firm	(4,690,130)	(8,000)
Sale of Fixed Assets	275,000	-
Purchase of Fixed Assets	-	(844,719)
<b>Net Cash Flow from Investment Activities (b)</b>	<b>(27,855,749)</b>	<b>(3,388,096)</b>
<b>C) Cash Flow from Financing Activities</b>		
Secured Loans (Net of repayment)	(550,334)	(222,075)
Unsecured Loans (Net of repayment)	13,665,000	-
Interest on Loans	(80,544)	(126,778)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>13,034,122</b>	<b>(348,853)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>(99,016)</b>	<b>(127,381)</b>
<b>Add: Cash &amp; Cash Equivalents at the beginning of year</b>	<b>254,363</b>	<b>381,744</b>
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>155,347</b>	<b>254,363</b>

Note:

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



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

	Amount (Rs.)	
	As at 31.03.2008	As at 31.03.2007
Cash in hand	52,184	52,184
Balances with Bank	103,162	202,179
	155,346	254,363

3. Figures in brackets denotes cash outflows.

### As per our Report of even date

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

**Sampat Khurdia**  
Partner  
M.No. : 33615

Mumbai  
Date : 27th June, 2008

### For and on behalf of the Board

**K. V. S. Shyam Sunder**    **Parimal Sheth**  
Director                              Executive Director

**Rajesh Murarka**  
Executive Director  
& CEO  
Mumbai  
Date : 27th June, 2008

**SCHEDULES FORMING PART OF BALANCE SHEET**

<b>Particulars</b>	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b><u>Schedule "1" :- Share Capital</u></b>		
<u>Authorised</u>		
1,00,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10/- each	100,000,000	50,000,000
<u>Issued, Subscribed &amp; Paid-up</u>		
40,02,600 Equity Shares of Rs. 10/- each fully paid-up	<b>40,026,000</b>	<b>40,026,000</b>
<b><u>Schedule "2" :- Reserves &amp; Surplus</u></b>		
<u>General Reserve</u>		
	250,000	250,000
<u>Special Reserve under Section 45 IC of RBI Act</u>		
Opening Balance	1,735,327	552,787
Transfers during the year	1,061,257	1,182,540
Closing Balance	2,796,583	1,735,327
<u>Revaluation Reserve</u>		
Opening Balance	1,110,919	1,133,779
Less: Depreciation on revalued assets	22,860	22,860
Closing Balance	1,088,059	1,110,919
Profit & Loss Account	11,212,516	6,967,489
	<b>15,347,159</b>	<b>10,063,735</b>
<b><u>Schedule "3" :- Secured Loans</u></b>		
Vehicle Loan from HDFC Bank (Secured against specific asset)	-	61,388
Vehicle Loan from ICICI Bank (Secured against specific asset)	353,846	755,386
Vehicle Loan from Oriental Bank of Commerce (Secured against specific asset)	207,071	294,477
	<b>560,917</b>	<b>1,111,251</b>
<b><u>Schedule "4" :- Unsecured Loans</u></b>		
Inter Corporate Deposits	13,665,000	-
	<b>13,665,000</b>	-

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008**

**Schedule "5" :- Fixed Assets (At Cost less Depreciation)**  
(Amount in Rupees)

Particulars	Gross Block			Depreciation				Net Block			
	As At 01.04.2007	Additions During the year	Deductions During the year	As At 31.03.2008	Upto 31.03.2007	Dep. on Revalued Assets	Provided for the year	Adjustment during the year	Upto 31.03.2008	As At 31.03.2008	As At 31.03.2007
Premises	2,078,750	-	-	2,078,750	436,180	22,860	11,024	-	470,064	1,608,686	1,642,570
Computers	1,187,485	-	-	1,187,485	732,784	-	192,491	-	925,275	262,210	454,701
Office Equipments	352,850	-	-	352,850	170,100	-	16,760	-	186,861	165,989	182,750
Furniture & Fittings	748,433	-	-	748,433	97,751	-	46,882	-	144,633	603,800	650,682
Motor Cars	2,402,854	-	510,700	1,892,154	291,999	-	188,769	124,545	356,222	1,535,932	2,110,855
Air Conditioners	299,552	-	-	299,552	19,547	-	14,229	-	33,775	265,777	280,005
<b>Total</b>	<b>7,069,924</b>	<b>-</b>	<b>510,700</b>	<b>6,559,224</b>	<b>1,748,360</b>	<b>22,860</b>	<b>470,155</b>	<b>124,545</b>	<b>2,116,830</b>	<b>4,442,394</b>	<b>5,321,564</b>
<b>Previous Year</b>	<b>6,225,205</b>	<b>844,719</b>	<b>-</b>	<b>7,069,924</b>	<b>1,370,235</b>	<b>22,860</b>	<b>355,265</b>	<b>-</b>	<b>1,748,360</b>	<b>5,321,564</b>	<b>4,854,970</b>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b><u>Schedule "6" :- Investments (At Cost)</u></b>		
<b>Long Term Trade - in Equity Shares</b>		
<b>Quoted - Fully paid up</b> (Refer Note 10 of Schedule 17) (Market Value Rs. 13,699,300/-; Previous Year Rs.5,260,825/-)	16,787,830	5,825,027
<b>Unquoted - Fully paid up</b> (Refer Note 11 of Schedule 17)	13,741,392	1,048,357
<b>In Subsidiary Companies</b> (Refer Note 12 of Schedule 17)	1,100,000	100,000
<b>In Partnership Firm</b>		
New India Spinning Company (Fixed Capital)	18,750	7,500
New India Spinning Company (Current Capital)	4,679,380	500
	<u>36,327,352</u>	<u>6,981,384</u>
<b><u>Schedule "7" :- Inventories</u></b>		
Stock of Shares and Securities (Refer Annexure I) As taken, valued and certified by directors )	<u>8,202,328</u>	<u>8,427,945</u>
	<u>8,202,328</u>	<u>8,427,945</u>
<b><u>Schedule "8" :- Sundry Debtors</u></b>		
(Unsecured, considered good)		
Debt Outstanding for a period more than six months	70,512	961,361
Other Debts	3,338,306	6,259,483
	<u>3,408,818</u>	<u>7,220,844</u>
<b><u>Schedule "9" :- Cash &amp; Bank Balances</u></b>		
Cash in hand	52,184	52,184
Balances with Scheduled Banks		
In Current Account	103,162	202,179
	<u>155,346</u>	<u>254,363</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

<b>Particulars</b>	<b>As at 31.03.2008 Amount (Rs.)</b>	<b>As at 31.03.2007 Amount (Rs.)</b>
<b><u>Schedule "10" :- Loans &amp; Advances</u></b>		
(Unsecured, considered good)		
Advance recoverable in cash or kind or for value to be received	1,581,716	1,490,359
Share Application Money	3,600,000	900,000
Inter Corporate Deposits	5,472,655	9,119,775
Other Advances	7,806,791	14,901,007
Other Deposits	2,080,000	2,080,000
Advance Tax & Tax Deducted at Source	4,889,716	2,370,633
	<u>25,430,878</u>	<u>30,861,774</u>
<b><u>Schedule "11" :- Current Liabilities &amp; Provisions</u></b>		
<b>Current Liabilities</b>		
Other Liabilities	3,461,728	4,050,780
	<u>3,461,728</u>	<u>4,050,780</u>
<b>Provisions</b>		
Provision for Income Tax	4,501,000	3,399,000
Provision for Fringe Benefits Tax	234,000	199,000
	<u>4,735,000</u>	<u>3,598,000</u>
	<u>8,196,728</u>	<u>7,648,780</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

<b>Particulars</b>	<b>Year Ended 31.03.2008 Amount (Rs.)</b>	<b>Year Ended 31.03.2007 Amount (Rs)</b>
<b><u>Schedule "12" :- Operational &amp; Other Income</u></b>		
Financial & Management Consultancy Fees (TDS Rs. 888,205/- ; Previous Year Rs. 785,627/-)	6,805,756	14,230,937
Sales	280,893	3,919,777
Interest on Loans (TDS Rs. 295,453/-; Previous Year Rs. 457,044/-)	1,445,092	2,187,993
Other Interest	-	20,130
Dividends	47,400	103,825
Profit on Sale of Investments	3,915,219	1,807,550
Other Income	-	2,448
	<b><u>12,494,360</u></b>	<b><u>22,272,660</u></b>
<b><u>Schedule "13" :- Increase/ (Decrease) in Stocks of Shares &amp; Securities</u></b>		
Closing Stocks	8,202,328	8,427,945
Less : Opening Stocks	8,427,945	8,476,859
	<b><u>(225,617)</u></b>	<b><u>(48,914)</u></b>
<b><u>Schedule "14" :- Employee Costs</u></b>		
Salaries	1,080,000	2,171,177
Staff Welfare Expenses	24,556	181,401
	<b><u>1,104,556</u></b>	<b><u>2,352,578</u></b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

<b>Particulars</b>	<b>Year Ended 31.03.2008 Amount (Rs.)</b>	<b>Year Ended 31.03.2007 Amount (Rs)</b>
<b><u>Schedule "15" :- Administrative &amp; Other Expenses</u></b>		
Rent	305,100	406,800
Insurance Expenses	38,837	59,255
Printing & Stationery	56,403	56,131
Communication Costs	109,154	298,961
Travelling & Conveyance	12,583	319,532
Vehicle Maintenance Expenses	157,236	684,811
Electricity Expenses	190,850	279,080
Auditors Remuneration	20,000	20,000
Legal & Professional Charges	562,323	3,474,794
Bad Debts Written Off	87,170	217,400
Office Expenses	6,866	262,880
Business Promotion Expenses	80,801	594,548
Loss on Sale of Fixed Assets	111,155	-
Speculation Loss on Trading in Shares	16,875	-
Loss on trading in Equity Derivative Instruments	1,508,362	-
Miscellaneous Expenses	163,724	98,263
	<b><u>4,211,975</u></b>	<b><u>6,772,454</u></b>
<b><u>Schedule "16" :- Financial Expenses</u></b>		
Bank Interest	4,744	-
Interest on Car Loan	65,534	75,388
Other Interest	10,266	51,390
Bank Charges	5,024	5,363
	<b><u>85,568</u></b>	<b><u>132,142</u></b>

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

### Schedule "17": Significant Accounting Policies And Notes On Accounts for the year ended 31<sup>st</sup> March, 2008

#### I. Significant Accounting Policies

##### 1. Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956 and comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

##### 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 and 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.

##### 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. Revenue Recognition

- i) Profit or Loss from dealing in shares and securities are recognized on settlement dates.
- ii) Dividend on shares is being considered on receipt basis.
- iii) In respect of other heads of income, the Company follows the practice of accounting on accrual basis.

##### 7. Retirement Benefits:

Gratuity is accounted for in the year of payment.



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

### 8. Provision for Income Tax

#### Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of 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.

#### Fringe Benefits Tax

Provision for Fringe Benefits Tax (FBT) has been recognized on the basis of harmonious contextual interpretation of the Income Tax Act, 1961.

## 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	15,000
Tax Audit	4,000	4,000
Others	1,000	1,000
<b>Total</b>	<b>20,000</b>	<b>20,000</b>

### 3. Directors' Remuneration: (Amount in Rs.)

Particulars	Current Year	Previous Year
Directors Remuneration (included in Salary)	1,080,000	1,240,000
Directors Sitting Fees	57,000	37,000
<b>Total</b>	<b>1,137,000</b>	<b>1,277,000</b>

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

4. 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.

Shares and Securities	Quantity		Amount (Rs.)	
	Current Year	Previous Year	Current Year	Previous Year
Opening Stock	642,800	642,800	8,427,945	8,476,859
Purchases	-	13,410	-	3,859,730
Sales/written off	129,650*	13,410	280,893	3,919,777
Closing Stock	513,150	642,800	8,202,328	8,427,945

\* Includes 123,300 equity shares written off during the year carrying Nil book value.

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

5. Profit on sale of investments is net of purchases of Rs. 282.52 lakhs and sales of Rs. 321.67 lakhs.

6. The names of Micro Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act, 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

7. Liabilities in respect of gratuity & leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountants of India which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis.

8. The Company is a partner in a Partnership Firm namely M/s New India Spinning Company, which is in the process of implementing a project for manufacturing of Yarn. The profit/loss sharing ratio in the said firm, is as under:

a) As on 31<sup>st</sup> March 2008

Name of the Partner	Profit/Loss Sharing Ratio	Partners' Fixed Capital Amount (Rs.)	Partners' Current Capital Amount (Rs.)
Ladderup Finance Limited	37.50%	18,750	4,679,380
Shri Pawan Saraf	50.00%	6,250	175,000
Shri Mukesh Goyal	12.50%	25,000	496,250

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

b) As on 31<sup>st</sup> March, 2007

Name of the Partner	Profit/Loss Sharing Ratio	Partners' Fixed Capital Amount (Rs.)	Partners' Current Capital Amount (Rs.)
Ladderup Finance Limited	75.00%	7,500	500
Shri Mukesh Goyal	25.00%	2,500	Nil

9. During the year, the Company had earned income of Rs. 6,705,756/- (previous year NIL) as Revenue Sharing of fees from Ladderup Corporate Advisory Private Limited (LCAPL), a wholly owned subsidiary of the Company, being 15% of total fees income as reduced by bad debts, if any, of the said LCAPL pursuant to Revenue Sharing Arrangement between the Company and LCAPL.

10. Sundry Debtors include Rs. 1,864,557/- (Previous year NIL) receivable from Ladderup Corporate Advisory Private Limited, its wholly owned subsidiary.

11. The details of equity shares of various listed companies held by the Company, as referred to in Schedule "6" are as under:

12. The details of equity shares of various un-listed Companies held by the Company, as referred to in Schedule "6" are as under:

Equity Shares of	Face Value (Rs.)	Current Year		Previous Year	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Capman Financials Limited	10.00	50,000	500,000	50,000	500,000
Areva T & D India Limited	10.00	1,000	1,167,006	1,500	1,312,268
BPL Limited	10.00	-	-	2,000	179,560
Dena Bank	10.00	-	-	8,000	271,326
Maharashtra Scooters Limited	10.00	-	-	1,000	370,346
NOCIL Limited	10.00	-	-	5,000	131,850
Ranbaxy Laboratories Limited	5.00	-	-	2,000	836,728
Shree Digvijay Cement Company Limited	10.00	-	-	3,000	60,133
Tech Mahindra Limited	10.00	-	-	500	783,362
Varun Shipping Company Limited	10.00	-	-	5,000	372,235
VST Tillers Tractors Limited	10.00	-	-	5,000	595,130
Welspun Gujarat Stahl Rohren Limited	5.00	-	-	3,500	412,090
Shakti Sugar Limited	10.00	5,500	445,213	-	-
Bajaj Hindustan Sugar & Industries Limited	1.00	1,000	170,691	-	-
GMR Infrastructure Limited	2.00	5,000	1,024,893	-	-
HEG Limited	10.00	1,500	468,136	-	-
Nesco Limited	10.00	500	689,247	-	-
NICCO Corporation Limited	2.00	15,000	583,937	-	-
NTPC Limited	10.00	5,000	1,031,158	-	-
Power Grid Corporation of India Limited	10.00	4,000	473,249	-	-
Reliance Communications Limited	5.00	1,000	673,580	-	-
Reliance Petroleum limited	10.00	6,000	1,239,374	-	-
Repro India Limited	10.00	14,000	1,940,154	-	-
Shipping Corporation of India Limited	10.00	1,000	222,906	-	-
Fame India Limited	10.00	70,000	4,977,955	-	-
Videocon Industries Limited	10.00	1,000	669,502	-	-
Fortis Healthcare Limited	10.00	4,000	310,880	-	-
Neyveli Lignite Limited	10.00	1,500	199,949	-	-
		<b>187,000</b>	<b>16,787,830</b>	<b>86,500</b>	<b>5,825,027</b>

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

Equity Shares of	Face Value (Rs.)	Current Year		Previous Year	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Chetan Securities Private Limited	10.00	-	-	4,800	48,000
Havmore Insurance Brokers Private Limited	10.00	-	-	371,880	1,000,357
Invent Bio-Med Private Limited	10.00	40,000	4,000,000	-	-
Jumboking Foods Private Limited	10.00	64,230	7,741,392	-	-
Precious Real Estate Private Limited	10.00	200,000	2,000,000	-	-
		<b>304,230</b>	<b>13,741,392</b>	<b>376,680</b>	<b>1,048,357</b>

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

Equity Shares of	Face Value (Rs.)	Current Year		Previous Year	
		Nos.	Value (Rs.)	Nos.	Value (Rs.)
Ladderup Corporate Advisory Private Limited	10.00	100,000	1,000,000	10,000	100,000
Ladderup Wealth Management Private Limited	10.00	10,000	100,000	-	-
		<b>110,000</b>	<b>1,100,000</b>	<b>10,000</b>	<b>100,000</b>

**14. Earnings Per Share**

Particulars		2007-2008	2006-2007
A	Weighted average number of Equity Shares of Rs. 10/- each		
i	Number of shares at the end of the year	4,002,600	4,002,600
ii	Weighted average number of Equity Shares outstanding during the year	4,002,600	4,002,600
iii	Weighted average number of Potential Equity Shares outstanding during the year	-	-
iv	Total number of Potential Equity share for calculating Diluted Earnings Per Share	4,002,600	4,002,600
B	Net Profit/(Loss) after Tax available for Equity shareholders (Rs.)	5,306,283	5,912,699
C	Basic Earnings Per Share (in Rs.) {B/A (ii)}	1.33	1.48
D	Diluted Earnings Per Share (in Rs.) {B/A (iv)}	1.33	1.48

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

**15. Related Party Disclosures**

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

l) For the year ended 31st March, 2008

**(a) Key Management Personnel**

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

**(b) Relatives of Key Managerial Personnel**

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

**(c) Associates**

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

**(d) Subsidiary Companies**

Ladderup Corporate Advisory Private Limited	Wholly owned Subsidiary
Ladderup Wealth Management Private Limited	Wholly owned Subsidiary

(Rs. in Lacs)

Nature of Transactions	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Sales of Investments	Nil (13.18)		--	--
Directors Remuneration	10.80 (12.40)		-	-
Directors Sitting Fees	0.16 (-)		(-)	(-)
Rent Paid	1.53 (2.03)	1.53 (2.03)	- (-)	- -

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

Interest Paid	- (-)		- (-)	- -
Revenue Sharing Received	- (-)			67.06 (-)
Professional Charges Paid	- (-)		Nil (8.14)	- (-)
Unsecured Loan Taken	0.11 (-)		124.15 (-)	- (-)
Repayment of Unsecured Loan	0.11 (-)		19.45 (-)	- (-)
Unsecured Loan Given	- (-)		- (-)	242.89 (41.26)
Repayment of Unsecured Loan	- (-)		- (-)	284.15 (-)
Equity Contribution	- (-)		- (-)	10.00 (-)
Capital Contribution	- (-)		46.90 (-)	- (-)
<b>Amount outstanding at the end of the year</b>				
Unsecured Loans	Nil Nil		112.90 (6.05)	- (-)
Share Application money	- (-)		-	Nil (9.00)
Outstanding Receivables	Nil Nil		Nil Nil	18.65 (41.26)
Deposits	(8.00) (8.00)	12.35 (12.35)		- (-)
Investments	- (-)			11.00 (1.00)
Investment in Partnership Firm	- (-)		46.98 (-)	- (-)

Note: Figures in brackets denotes previous years figures

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

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

Name of the Company	Year End Balance	Maximum amount outstanding during the year
Ladderup Corporate Advisory Private Limited	Nil	175.87 lacs

**17. Segment Information**

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.

**18. Deferred Taxes**

In accordance with Accounting Standard – 22, "Accounting for taxation on Income" issued by ICAI, the Deferred Tax Assets for the current year amounting to Rs. 46,794/- has been recognized in the Profit and Loss Account.

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:

**19.** The Company has transferred an amount of Rs.1,061,257/- (Previous year Rs. 1,182,540/-) 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.

Particulars	Deferred Tax Liability as at 1st April 2007	Current Year change	Deferred Tax Liability as at 31st March 2008
	(Amount in Rs.)		
Depreciation	218,107	(46,794)	171,313
Deferred Tax Liability	218,107	(46,794)	171,313

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

20. Balances of Sundry Debtors and Other Liabilities are subject to confirmation and reconciliation.

21. Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

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

**Sampat Khurdia**  
Partner  
M.No. : 33615

Mumbai  
Date : 27th June, 2008

**For and on behalf of the Board**

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

**Parimal Sheth**  
Executive Director

**Rajesh Murarka**  
Executive Director  
& CEO

Mumbai  
Date : 27th June, 2008



## SCHEDULES FORMING PART OF ACCOUNTS AS AT 31 ST MARCH, 2008

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No. : L67120MH1993PLC074278 State Code : 11

Balance Sheet Date : 

31	3	2008
Date	Month	Year

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

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

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

Total Liabilities	69770	Total Assets	69770
<b>Sources of Funds</b>		Reserves and Surplus	15347
Paid-up Capital	40026	Unsecured Loans	13665
Secured Loans	561		
Deferred Tax Liability	171		
<b>Application of Funds</b>		Investments	36327
Net Fixed Assets	4442	Misc. Expenditure	Nil
Net Current Assets	29001		
Accumulated Losses	Nil		
<b>IV. Performance of Company. (Rs. in Thousands)</b>			
Turnover and Income	12269	Total Expenditure	5872
+ - Profit/Loss Before Tax	6397	Profit/Loss After Tax	5306
(Please tick appropriate box, + Profit, - for Loss)			
Earning Per Share in (Rs.)	1.33	Dividend Rate %	0%

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

Item Code No. (ITC Code) -

Product Description 

1	Investments & Dealing in Shares & Securities
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Signatories to Schedule "1" to "17"

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

**Sampat Khurdia**  
Partner  
M.No. : 33615

Mumbai  
Date : 27th June, 2008

For and on behalf of the Board

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

**Parimal Sheth**  
Executive Director

**Rajesh Murarka**  
Executive Director  
& CEO  
Mumbai  
Date : 27th June, 2008

**Annexure 'I'****Details of Closing Stock of Shares and Securities as at 31st March 2008**

<b>Particulars</b>	<b>As at 31/03/2008</b>	
	<b>Nos.</b>	<b>Value (Rs.)</b>
Mikado Textiles Limited	-	-
Meractor Lines Limited	-	-
Silverline Technology Limited	-	-
Sunflag Iron & Steel Limited	350	2,328
Vandana Hitech Systems Private Limited	12,800	3,200,000
Vinayaka Capsec Private Limited	500,000	5,000,000
	<b>513,150</b>	<b>8,202,328</b>

**SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2008**

**Annexure 'II'**

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Total
	(Amount in Rs.)			
<b>Revenue</b>				
External Sales	4,243,512	6,805,756	1,445,092	12,494,360
Inter segment Sales	-	-	-	-
<b>Total Revenue</b>	<b>4,243,512</b>	<b>6,805,756</b>	<b>1,445,092</b>	<b>12,494,360</b>
<b>Result</b>				
Segment Result	2,315,632	5,934,051	1,445,092	<b>9,694,775</b>
Unallocated Income				-
Unallocated corporate expenses				3,298,285
Profit before tax				6,396,489
Income taxes				1,102,000
Fringe Benefit Tax				35,000
Deferred tax				(46,794)
<b>Net Profit</b>				<b>5,306,284</b>
<b>Other Information</b>				
Segment Assets	50,104,634	1,944,399	13,279,446	65,328,479
Unallocated Corporate Assets				12,638,637
<b>Total Assets</b>				<b>77,967,116</b>
Segment Liabilities	-	268,888	-	268,888
Unallocated Corporate liabilities				22,153,757
Deferred Tax Liabilities				171,313
<b>Total liabilities</b>				<b>22,593,958</b>

**Segment Information for the year ended 31st March, 2007**

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Total
	(Amount in Rs.)			
<b>Revenue</b>				
External Sales	5,831,152	14,230,937	2,187,993	22,250,082
Inter segment Sales	-	-	-	-
<b>Total Revenue</b>	<b>5,831,152</b>	<b>14,230,937</b>	<b>2,187,993</b>	<b>22,250,082</b>
<b>Result</b>				
Segment Result	1,872,351	9,716,327	2,121,603	<b>13,710,281</b>
Unallocated Income				22,578
Unallocated corporate expenses				4,981,282
Profit before tax				8,751,577
Income taxes				2,604,497
Fringe Benefit Tax				150,000
Deferred tax				84,381
<b>Net Profit</b>				<b>5,912,699</b>
<b>Other Information</b>				
Segment Assets	19,244,092	4,623,139	25,020,782	48,888,013
Unallocated Corporate Assets				10,179,861
<b>Total Assets</b>				<b>59,067,874</b>
Segment Liabilities	262,528	3,183,874	4,656	3,451,058
Unallocated Corporate liabilities				5,308,973
Deferred Tax Liabilities				218,107
<b>Total liabilities</b>				<b>8,978,139</b>

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have examined 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, 2008, 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 the Institute of Chartered Accountants of India and on basis of the separate audited financial statements of the Company and its Subsidiaries included in the consolidated financial statements.
3. We did not audit the financial statements of the subsidiary viz., Ladderup Wealth Management Private Limited whose financial statement reflect the Group share of total assets of Rs. 2,31,923 as at 31<sup>st</sup> March 2008 and Group share of total revenue of Rs. 92,355 and Cash Flow amounting to Rs.36,070 for the year ended at that date, as considered in the Consolidated Financial Statements.

These Financial Statements and other information's of the subsidiary have been audited upto 31<sup>st</sup> March 2008 by other auditor, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respects of the subsidiary is based solely on the report of the other auditors.

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

4. On the basis of the information and explanations given to us and on the consideration of the separate Audit Reports on individual audited financial statements of the Company and its Subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view:

- (a) In case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2008;
- (b) In case of the consolidated Profit and Loss Account, of the consolidated results of operation of the Group for the year then ended; and
- (c) In case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

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

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

Place : Mumbai

Date : 27<sup>th</sup> June, 2008.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedules	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b>I SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	40,026,000	40,026,000
Share Application Money		50,000	-
Reserves & Surplus	2	30,444,224	10,063,735
<b>Loans Funds</b>			
Secured Loans	3	1,257,129	1,111,251
Unsecured Loans	4	25,930,000	6,890,000
<b>Deferred Tax Liabilities (Net)</b>		354,227	218,107
		<b>98,061,580</b>	<b>58,309,093</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	11,573,808	7,069,924
Less: Depreciation		2,637,578	1,748,360
<b>Net Block</b>		<b>8,936,230</b>	<b>5,321,564</b>
<b>Investments</b>			
	6	35,227,352	6,881,384
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	8,202,328	8,427,945
Sundry Debtors	8	8,414,662	7,220,844
Cash & Bank Balances	9	702,766	260,273
Loans & Advances	10	57,375,717	37,841,774
		<b>74,695,473</b>	<b>53,750,836</b>
<b>Less : Current Liabilities &amp; Provisions</b>	11	20,797,475	7,669,642
<b>Net Current Assets</b>		<b>53,897,998</b>	<b>46,081,194</b>
Miscellaneous Expenditure	12	-	24,952
		<b>98,061,580</b>	<b>58,309,093</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>			
<b>As per our Report of even date</b>			
For <b>Khurdia Jain &amp; Co.</b> Chartered Accountants		<b>For and on behalf of the Board</b>	
<b>Sampat Khurdia</b> Partner M.No. : 33615		<b>K. V. S. Shyam Sunder</b> Director	<b>Parimal Sheth</b> Executive Director
Mumbai Date : 27th June, 2008		<b>Rajesh Murarka</b> Executive Director & CEO Mumbai Date : 27th June, 2008	

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

Particulars	Schedules	Year ended	Year ended
		31.03.2008	31.03.2007
		Amount (Rs.)	Amount (Rs.)
<b>I. INCOME</b>			
Operational & Other Income	13	52,368,133	22,272,660
Increase/ (Decrease) in Stocks of Shares & Securities	14	<u>(225,617)</u>	<u>(48,914)</u>
		<b>52,142,516</b>	<b>22,223,746</b>
<b>II. EXPENDITURE</b>			
Purchases		-	3,859,730
Employee Costs	15	4,864,194	2,352,578
Administrative and Other Expenses	16	16,452,271	6,772,454
Financial Expenses	17	178,181	132,142
Depreciation		990,903	355,265
		<u>22,485,548</u>	<u>13,472,169</u>
<b>Profit before tax</b>		29,656,968	8,751,577
Less : Provision for Tax			
- Current Tax		8,912,000	2,607,000
- Deferred Tax Liability / (Assets)		136,120	84,381
- Fringe Benefit Tax		205,499	150,000
- Short/(Excess) Provision of Earlier Years		-	(2,503)
<b>Profit after Tax</b>		<u>20,403,349</u>	<u>5,912,699</u>
Add : Balance brought forward from previous year		6,967,489	2,237,330
<b>Balance available for appropriation</b>		<u>27,370,838</u>	<u>8,150,029</u>
<b>Appropriations:</b>			
Transfer to Special Reserve under Section 45IC of RBI Act		1,061,257	1,182,540
Balance carried forward to Balance Sheet		<u>26,309,581</u>	<u>6,967,489</u>
		<u>27,370,838</u>	<u>8,150,029</u>
Earning Per Share (Basic)		5.10	1.48
Significant Accounting Policies & Notes on Accounts	18		
<b>As per our Report of even date</b>			
For <b>Khurdia Jain &amp; Co.</b> Chartered Accountants		For and on behalf of the Board	
<b>Sampat Khurdia</b> Partner M.No. : 33615		<b>K. V. S. Shyam Sunder</b> Director	<b>Parimal Sheth</b> Executive Director
Mumbai Date : 27th June, 2008		<b>Rajesh Murarka</b> Executive Director & CEO Mumbai Date : 27th June, 2008	



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

Particulars	(Amount in Rs.)	
	For the year ended 31.03.2008	For the year ended 31.3.2007
<b>A) Cash Flow from Operating Activities</b>		
Net profit before taxation & extraordinary items	29,656,968	8,751,577
<b>Add/(Less) Adjustments for:</b>		
Depreciation	990,903	355,265
Interest on Loan	161,077	126,778
Preliminary & Pre operative Expenditure written off	72,570	-
Profit from Sale of Securities	(3,915,219)	(1,807,550)
Loss from Sale of Fixed Assets	111,155	-
(Increase)/Decrease in Inventories	225,617	48,914
(Increase)/Decrease in Debtors	(1,193,817)	(6,413,077)
(Increase)/Decrease in Loans and advances	5,159,972	5,162,383
(Increase)/ Decrease in Deposits	(23,500,440)	-
Increase/(Decrease) in Advance from Clients	687,360	-
Increase/(Decrease) in Creditors	76,800	-
Increase/(Decrease) in Other Liability	3,246,173	2,918,382
Net Income Tax paid	(9,593,475)	(1,392,242)
<b>Net Cash Flow from Operating Activities (a)</b>	<b>2,185,644</b>	<b>7,750,430</b>
<b>B) Cash Flow from Investing Activities</b>		
Share Application Money	(3,600,000)	240,000
Intercorporate Deposits given	12,000,000	(12,000,000)
Purchase of Securities	(52,956,267)	(10,970,086)
Sales of Securities	33,215,647	9,194,709
Investment in Partnership Firm	(4,690,130)	(8,000)
Sale of Fixed Assets	275,000	-
Purchase of Fixed Assets	(5,014,584)	(844,719)
<b>Net Cash Flow from Investment Activities (b)</b>	<b>(20,770,334)</b>	<b>(14,388,096)</b>
<b>C) Cash Flow from Financing Activities</b>		
Secured Loans (Net of repayment)	145,878	(222,075)
Unsecured Loans (Net of repayment)	19,040,000	6,890,000
Share Application Money Received	50,000	-
Issue of Share Capital	-	-
Interest on Loans	(161,077)	(126,778)
Preliminary & Preoperative Expenses incurred	(47,618)	(24,952)
<b>Net Cash Flow from Financing Activities (c)</b>	<b>19,027,183</b>	<b>6,516,195</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>442,493</b>	<b>(121,471)</b>
<b>Add: Cash &amp; Cash Equivalents at the beginning of year</b>	<b>260,273</b>	<b>381,744</b>
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>702,766</b>	<b>260,273</b>

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

**Note:**

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

	As at 31.03.2008	As at 31.03.2007
Cash in hand	59,632	52,184
Balances with Bank	643,133	208,089
	<b>702,766</b>	<b>260,273</b>

3 Figures in brackets denotes cash outflows

**As per our Report of even date**

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

**Sampat Khurdia**  
Partner  
M.No. : 33615

Mumbai  
Date : 27th June, 2008

**For and on behalf of the Board**

**K. V. S. Shyam Sunder**    **Parimal Sheth**  
Director                              Executive Director

**Rajesh Murarka**  
Executive Director  
& CEO  
Mumbai  
Date : 27th June, 2008

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b><u>Schedule "1" :- Share Capital</u></b>		
<u>Authorised</u>		
1,00,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10/- each	100,000,000	50,000,000
<u>Issued, Subscribed &amp; Paid-up</u>		
40,02,600 Equity Shares of Rs. 10/- each fully paid-up	40,026,000	40,026,000
<b><u>Schedule "2" :- Reserves &amp; Surplus</u></b>		
General Reserve	250,000	250,000
<u>Special Reserve under Section 45 IC of RBI Act</u>		
Opening Balance	1,735,327	552,787
Transfers during the year	1,061,257	1,182,540
Closing Balance	2,796,583	1,735,327
<u>Revaluation Reserve</u>		
Opening Balance	1,110,919	1,133,779
Less: Depreciation on revalued assets	22,860	22,860
Closing Balance	1,088,059	1,110,919
Profit & Loss Account	26,309,582	6,967,489
	<b>30,444,224</b>	<b>10,063,735</b>
<b><u>Schedule "3" :- Secured Loans</u></b>		
Vehicle Loan from HDFC Bank (Secured against specific asset)	-	61,388
Vehicle Loan from ICICI Bank (Secured against specific asset)	353,846	755,386
Vehicle Loan from Oriental Bank of Commerce (Secured against specific asset)	207,071	294,477
Vehicle Loan from Vijaya Bank (Secured against specific asset)	696,212	-
	<b>1,257,129</b>	<b>1,111,251</b>
<b><u>Schedule "4" :- Unsecured Loans</u></b>		
Inter Corporate Deposits	25,930,000	6,890,000
	<b>25,930,000</b>	<b>6,890,000</b>

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

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

Particulars	Gross Block						Depreciation			Net Block	
	As At 01.04.2007	Additions During the year	Deductions During the year	As At 31.03.2008	Upto 31.03.2007	Dep. on Revalued Assets	Provided for the year	Adjustment during the year	Upto 31.03.2008	As At 31.03.2008	As At 31.03.2007
Premises	2,078,750	-	-	2,078,750	436,180	22,860	11,024	-	470,064	1,608,686	1,642,570
Computers	1,187,485	1,188,337	-	2,375,822	732,784	-	360,770	-	1,093,553	1,282,269	454,701
Office Equipments	352,850	214,185	-	567,035	170,100	-	53,044	-	223,144	343,891	182,750
Furniture & Fittings	748,433	2,018,102	-	2,766,535	97,751	-	153,723	-	251,474	2,515,061	650,682
Motor Cars	2,402,854	1,293,960	510,700	3,186,114	291,999	-	339,377	124,545	506,831	2,679,283	2,110,855
Air Conditioners	299,552	300,000	-	599,552	19,547	-	72,966	-	92,513	507,039	280,005
<b>Total</b>	<b>7,069,924</b>	<b>5,014,584</b>	<b>510,700</b>	<b>11,573,808</b>	<b>1,748,360</b>	<b>22,860</b>	<b>990,903</b>	<b>124,545</b>	<b>2,637,578</b>	<b>8,936,230</b>	<b>5,321,564</b>
<b>Previous Year</b>	<b>6,225,205</b>	<b>844,719</b>	<b>-</b>	<b>7,069,924</b>	<b>1,370,235</b>	<b>22,860</b>	<b>355,265</b>	<b>-</b>	<b>1,748,360</b>	<b>5,321,564</b>	<b>4,854,970</b>

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b><u>Schedule "6" :- Investments (At Cost)</u></b>		
<b>Long Term Trade - in Equity Shares</b>		
Quoted - Fully paid up (Refer Note 6 of Schedule 18) (Market Value Rs. 13,699,300/-; Previous Year Rs.5,260,825/-)	16,787,830	5,825,027
Unquoted - Fully Paid up (Refer Note 7 of Schedule 18)	13,741,392	1,048,357
<b>In Partnership Firm</b>		
New India Spinning Company (Fixed Capital)	18,750	7,500
New India Spinning Company (Current Capital)	4,679,380	500
	<b>35,227,352</b>	<b>6,881,384</b>
<b><u>Schedule "7" :- Inventories</u></b>		
Stock of Shares and Securities (Refer Annexure I) (As taken, valued and certified by directors )	8,202,328	8,427,945
	<b>8,202,328</b>	<b>8,427,945</b>
<b><u>Schedule "8" :- Sundry Debtors</u></b>		
(Unsecured, considered good)		
Debt Outstanding for a period more than six months	819,082	961,361
Other Debts	7,595,579	6,259,483
	<b>8,414,661</b>	<b>7,220,844</b>
<b><u>Schedule "9" :- Cash &amp; Bank Balances</u></b>		
Cash in hand	59,632	52,184
Balances with Scheduled Banks In Current Account	643,133	208,089
	<b>702,766</b>	<b>260,273</b>
<b><u>Schedule "10" :- Loans &amp; Advances</u></b>		
(Unsecured, considered good)		
Advance recoverable in cash or kind or for value to be received	2,951,723	1,496,359
Share Application Money	3,600,000	-
Inter Corporate Deposits	5,472,655	16,993,775
Other Advances	7,806,791	14,901,007
Deposits	25,580,440	2,080,000
Advance Tax & Tax Deducted at Source	11,964,108	2,370,633
	<b>57,375,717</b>	<b>37,841,774</b>

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2008 Amount (Rs.)	As at 31.03.2007 Amount (Rs.)
<b><u>Schedule "11" :- Current Liabilities &amp; Provisions</u></b>		
<b>Current Liabilities</b>		
Advance from Clients	687,360	-
Sundry Creditors	76,800	-
Other Liabilities	7,317,816	4,071,642
	<u>8,081,976</u>	<u>4,071,642</u>
<b>Provisions</b>		
Provision for Income Tax	12,311,000	3,399,000
Provision for Fringe Benefits Tax	404,499	199,000
	<u>12,715,499</u>	<u>3,598,000</u>
	<u>20,797,475</u>	<u>7,669,642</u>
<b><u>Schedule "12" :- Miscellaneous Expenditure</u></b>		
(To the extent not written off or adjusted)		
<b>Preliminary Expenses</b>		
Opening Balance	22,020	-
Add: Incurred during the year	47,618	22,020
Less: Written off during the year	69,638	-
<b>Closing Balance</b>	<u>-</u>	<u>22,020</u>
<b>Preoperative Expenses</b>		
Opening Balance	2,932	-
Add: Incurred during the year	-	2,932
Less: Written off during the year	2,932	-
<b>Closing Balance</b>	<u>-</u>	<u>2,932</u>
	<u>-</u>	<u>24,952</u>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

Particulars	Year Ended	Year Ended
	31/03/2008	31/03/2007
	Amount (Rs.)	Amount (Rs.)
<b><u>Schedule "13" :- Operational &amp; Other Income</u></b>		
Financial & Management Consultancy Fees (TDS Rs. 7,160,736/- ; Previous Year Rs. 785,627/-)	45,255,043	14,230,937
Sales	280,893	3,919,777
Interest on Loans (TDS Rs. 295,453/-; Previous Year Rs. 457,044/-)	1,445,092	2,187,993
Other Interest (TDS Rs. 301,861/-; Previous Year Rs. Nil)	-	-
Other Interest (TDS Rs. 301,861/-; Previous Year Rs. Nil)	1,332,131	20,130
Brokerage & Incentives	92,355	-
Dividends	47,400	103,825
Profit on Sale of Investments	3,915,219	1,807,550
Other Income	-	2,448
	<b><u>52,368,133</u></b>	<b><u>22,272,660</u></b>
<b><u>Schedule "14" :- Increase/ (Decrease) in Stocks of Shares &amp; Securities</u></b>		
Closing Stocks	8,202,328	8,427,945
Less : Opening Stocks	<u>8,427,945</u>	<u>8,476,859</u>
	<b><u>(225,617)</u></b>	<b><u>(48,914)</u></b>
<b><u>Schedule "15" :- Employee Costs</u></b>		
Salaries	4,666,085	2,171,177
Staff Training Expenses	69,150	-
Staff Welfare Expenses	<u>128,959</u>	<u>181,401</u>
	<b><u>4,864,194</u></b>	<b><u>2,352,578</u></b>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

<b>Particulars</b>	<b>Year Ended 31/03/2008 (Rs.)</b>	<b>Year Ended 31/03/2007 (Rs.)</b>
<b><u>Schedule "16" :- Administrative &amp; Other Expenses</u></b>		
Rent	2,633,100	406,800
Insurance Expenses	57,645	59,255
Printing & Stationery	182,901	56,131
Communication Costs	478,583	298,961
Travelling & Conveyance	347,094	319,532
Vehicle Maintenance Expenses	879,027	684,811
Electricity Expenses	298,443	279,080
Auditors Remuneration	50,618	20,000
Legal & Professional Charges	6,889,284	3,474,794
Bad Debts Written Off	1,321,705	217,400
Office Expenses	444,779	262,880
Business Promotion Expenses	867,404	594,548
Loss on Sale of Fixed Assets	111,155	-
Speculation Loss on Trading in Shares	16,875	-
Loss on trading in Equity Derivatives Instruments	1,508,362	-
Miscellaneous Expenses	292,727	98,263
Pre-liminary & Pre-operative Expenses written-off	72,570	-
	<b><u>16,452,271</u></b>	<b><u>6,772,454</u></b>
<b><u>Schedule "17" :- Financial Expenses</u></b>		
Bank Interest	4,744	-
Interest on Car Loan	130,086	75,388
Other Interest	26,247	51,390
Bank Charges	17,104	5,363
	<b><u>178,181</u></b>	<b><u>132,142</u></b>



**Schedule “18”: Significant Accounting Policies and Notes on Accounts forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2008**

**I. Significant Accounting Policies**

1. Basis of Consolidation

The consolidated financial results comprise the results of Ladderup Finance Limited and its subsidiaries Ladderup Corporate Advisory Private Limited and Ladderup Wealth Management Private Limited in accordance with the Accounting Standard 21 on “Consolidated Financial Statements” issued by The Institute of Chartered Accountants of India.

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

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

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

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

Sr. No.	Description of Assets	Estimated useful life	Residual Value (% of cost)
1	Computers	3 years	10%
2	Office Equipments	3 years	0%
3	Furniture & Fittings	10 years	0%
4	Motor Cars	5 years	25%
5	Air Conditioners	3 years	0%

**In case of Ladderup Wealth Management Private Limited**

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

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

- iii) The excess of the cost of the Company, if any, of its investment in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as Goodwill.
- iv) 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 statement as Capital Reserve.

**2. Other Significant Accounting Policies**

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

**II. Companies included in consolidated Financial statements are**

Name of the Company	Country of incorporation	% voting power held as at 31.03.2008
Ladderup Corporate Advisory Private Limited	India	100%
Ladderup Wealth Management Private Limited	India	100%

**III. Notes on Accounts**

**3. Earnings Per Share**

Particulars	2007- 2008	2006-2007
A Weighted average number of Equity Shares of Rs. 10/- each		
i Number of shares at the end of the year	4,002,600	4,002,600
ii Weighted average number of Equity Shares outstanding during the year	4,002,600	4,002,600
iii Weighted average number of Potential Equity Shares outstanding during the year	-	-
iv Total number of Potential Equity share for calculating Diluted Earnings Per Share	4,002,600	4,002,600
B Net Profit/(Loss) after Tax available for Equity shareholders (Rs.)	20,403,349	5,912,699
C Basic Earnings Per Share (in Rs.) {B/A (ii)}	5.10	1.48
D Diluted Earnings Per Share (in Rs.) {B/A (iv)}	5.10	1.48

**4. Segment Information**

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 four segments namely Investment & Trading in shares & securities, Financial & Management Consultancy, Finance activities and Investment Advisory Services. The information about all the segments is given in Annexure I to the Notes on Accounts.

**5. Related Party Disclosures**

Related party disclosures as required by the Accounting Standard –18 on "Related Party disclosures" issued by the Institute of Chartered Accountants of India are given below:

i) For the year ended 31<sup>st</sup> March, 2008

**(a) Key Management Personnel**

Mr. Sunil Goyal	Director
Mr. Manoj Singrodia	Director
Mr. Parimal Sheth	Executive Director
Mr. Rajesh Murarka	Executive Director & CEO
Mr. Saurabh Agarwal	Executive Director & CFO
Mr. Nitesh Dhandharia	Director of Subsidiary Company

**(b) Relatives of key management personnel**

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

**(c) Associates**

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

**SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008**

(Rs. in Lakhs)

<b>Nature of Transactions</b>	<b>Refer to (a) above</b>	<b>Refer to (b) above</b>	<b>Refer to (c) above</b>
Sales of Investments	Nil (13.18)	-	-
Directors Remuneration	16.80 (12.40)		
Directors Sitting Fees	0.16 Nil		
Rent Paid	1.53 (2.03)	1.53 (2.03)	Nil Nil
Professional charges Paid	-	Nil Nil	12.25 (8.14)
Financial and Management consultancy fees received			4.45 (Nil)
Interest Received			13.32 (Nil)
Unsecured loan Taken	1.58 (Nil)		175.93 (Nil)
Repayment Of Unsecured Loan	1.58 (Nil)		50.52 (Nil)
Rent Deposit paid			11.5 (Nil)
Rent Paid			25.39 (Nil)
Capital Contribution	-		49.90 (0.08)
Amount outstanding as at the end of the year			
Outstanding Payable	Nil (Nil)		11.66 (6.05)
Unsecured Loans			184.25 (51.50)
Outstanding Receivables	Nil (Nil)	Nil (Nil)	Nil (Nil)
Deposits	8.00 (8.00)	12.35 (12.35)	235.00 Nil
Investment in Partnership Firm	-		46.98 (0.08)

Note: Figures in brackets denotes previous year figures

**SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008**

6. The details of equity shares of various listed Companies held by the Company, as referred to in Schedule "6" are as under:

<i>Equity Shares of</i>	<i>Face Value (Rs.)</i>	<i>Current Year</i>		<i>Previous Year</i>	
		<i>Nos.</i>	<i>Value (Rs.)</i>	<i>Nos.</i>	<i>Value (Rs.)</i>
Capman Financials Limited	10.00	50,000	500,000	50,000	500,000
Areva T & D India Limited	10.00	1,000	1,167,006	1,500	1,312,268
BPL Limited	10.00	-	-	2,000	179,560
Dena Bank	10.00	-	-	8,000	271,326
Maharashtra Scooters Limited	10.00	-	-	1,000	370,346
NOCIL Limited	10.00	-	-	5,000	131,850
Ranbaxy Laboratories Limited	5.00	-	-	2,000	836,728
Shree Digvijay Cement Company Limited	10.00	-	-	3,000	60,133
Tech Mahindra Limited	10.00	-	-	500	783,362
Varun Shipping Company Limited	10.00	-	-	5,000	372,235
VST Tillers Tractors Limited	10.00	-	-	5,000	595,130
Welspun Gujarat Stahl Rohren Limited	5.00	-	-	3,500	412,090
Shakti Sugar Limited	10.00	5,500	445,213	-	-
Bajaj Hindustan Sugar & Industries Limited	1.00	1,000	170,691	-	-
GMR Infrastructure Limited	2.00	5,000	1,024,893	-	-
HEG Limited	10.00	1,500	468,136	-	-
Nesco Limited	10.00	500	689,247	-	-
NICCO Corporation Limited	2.00	15,000	583,937	-	-
NTPC Limited	10.00	5,000	1,031,158	-	-
Power Grid Corporation of India Limited	10.00	4,000	473,249	-	-
Reliance Communications Limited	5.00	1,000	673,580	-	-
Reliance Petroleum limited	10.00	6,000	1,239,374	-	-
Repro India Limited	10.00	14,000	1,940,154	-	-
Shipping Corporation of India Limited	10.00	1,000	222,906	-	-
Fame India Limited	10.00	70,000	4,977,955	-	-
Videocon Industries Limited	10.00	1,000	669,502	-	-
Fortis Healthcare Limited	10.00	4,000	310,880	-	-
Neyveli Lignite Limited	10.00	1,500	199,949	-	-
		<b>187,000</b>	<b>16,787,830</b>	<b>86,500</b>	<b>5,825,027</b>

**SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008**

7. The details of equity shares of various un-listed Companies held by the Company, as referred to in Schedule "6" are as under:

<i>Equity Shares of</i>	<i>Face Value</i>	<i>Current Year</i>		<i>Previous Year</i>	
	<i>(Rs.)</i>	<i>Nos.</i>	<i>Value (Rs.)</i>	<i>Nos.</i>	<i>Value (Rs.)</i>
Chetan Securities Private Limited	10.00	-	-	4,800	48,000
Havmore Insurance Brokers Private Limited	10.00	-	-	371,880	1,000,357
Invent Bio-Med Private Limited	10.00	40,000	4,000,000	-	-
Jumboking Foods Private Limited	10.00	64,230	7,741,392	-	-
Precious Real Estate Private Limited	10.00	200,000	2,000,000	-	-
		<b>304,230</b>	<b>13,741,392</b>	<b>376,680</b>	<b>1,048,357</b>

**8. Deferred Taxes**

In accordance with Accounting Standard – 22, "Accounting for taxation on Income issued by ICAI, the Deferred Tax Liability for the current year amounting to Rs. 136,120/- has been recognized in the Profit and Loss Account.

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:

Particulars	Deferred Tax Liability as at 1st April 2007	Current Year change	Deferred Tax Liability as at 31st March 2008
	(Amount in Rs.)		
Depreciation	218,107	148,155	366,262
Preliminary Expenses	-	(2,596)	(2,596)
Carried Forward Losses	-	(9,439)	(9,439)
Deferred Tax Liability	218,107	136,120	354,227

9. Balances of Sundry Debtors and Other Liabilities are subject to confirmation and reconciliation.

10. Previous year figures have been regrouped, reclassified and or rearranged wherever necessary.

For Khurdia Jain & Co.  
Chartered Accountants

**Sampat Khurdia**  
Partner  
M.No. : 33615

Mumbai  
Date : 27th June, 2008

For and on behalf of the Board

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

**Parimal Sheth**  
Executive Director

**Rajesh Murarka**  
Executive Director  
& CEO  
Mumbai  
Date : 27th June, 2008

**Annexure 'I'****Details of Closing Stock of Shares and Securities as at 31st March 2008**

<b>Particulars</b>	<b>As at 31/03/2008</b>	
	<b>Nos.</b>	<b>Value (Rs.)</b>
Mikado Textiles Limited	-	-
Meractor Lines Limited	-	-
Silverline Technology Limited	-	-
Sunflag Iron & Steel Limited	350	2,328
Vandana Hitech Systems Private Limited	12,800	3,200,000
Vinayaka Capsec Private Limited	500,000	5,000,000
	<b>513,150</b>	<b>8,202,328</b>

**SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2008**

**Annexure 'II'**

Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Investment Advisory Services	Total
	(Amount in Rs.)				
<b>Revenue</b>					
External Sales	4,243,512	45,255,043	1,445,092	92,355	51,036,002
Inter segment Sales	-	-	-	-	-
<b>Total Revenue</b>	<b>4,243,512</b>	<b>45,255,043</b>	<b>1,445,092</b>	<b>92,355</b>	<b>51,036,002</b>
<b>Result</b>					
Segment Result	2,315,632	27,893,884	1,445,092	(31,485)	<b>31,623,123</b>
Unallocated Income					1,332,131
Unallocated corporate expenses					3,298,286
Profit before tax					29,656,968
Income taxes					8,912,000
Fringe Benefit Tax					205,499
Deferred tax					136,120
<b>Net Profit</b>					<b>20,403,349</b>
<b>Other Information</b>					
Segment Assets	49,004,634	45,177,618	13,279,446	231,561	107,693,258
Unallocated Corporate Assets					11,165,796
<b>Total Assets</b>					<b>118,859,054</b>
Segment Liabilities	-	25,782,081	-	113,545	25,895,626
Unallocated Corporate liabilities					22,088,978
Deferred Tax Liabilities					354,227
<b>Total liabilities</b>					<b>48,338,831</b>



Particulars	Investment & Trading Activities	Consultancy Services	Finance Activities	Investment Advisory Services	Total
	(Amount in Rs.)				
<b>Revenue</b>					
External Sales	5,831,152	14,230,937	2,187,993	-	22,250,082
Inter segment Sales	-	-	-	-	-
<b>Total Revenue</b>	<b>5,831,152</b>	<b>14,230,937</b>	<b>2,187,993</b>	<b>-</b>	<b>22,250,082</b>
<b>Result</b>					
Segment Result	1,872,351	9,716,327	2,121,603	-	<b>13,710,281</b>
Unallocated Income					22,578
Unallocated corporate expenses					4,981,282
Profit before tax					8,751,577
Income taxes					2,604,497
Fringe Benefit Tax					150,000
Deferred tax					84,381
<b>Net Profit</b>					<b>5,912,699</b>
<b>Other Information</b>					
Segment Assets	18,244,092	4,623,139	20,894,782	-	43,762,013
Unallocated Corporate Assets					22,191,771
<b>Total Assets</b>					<b>65,953,784</b>
Segment Liabilities	262,528	3,183,874	4,656	-	3,451,058
Unallocated Corporate liabilities					12,219,835
Deferred Tax Liabilities					218,107
<b>Total liabilities</b>					<b>15,889,001</b>