

**Ladam Finance
Limited**

35th Annual Report

2013-14

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 32nd ANNUAL GENERAL MEETING OF LADAM FINANCE LIMITED WILL BE HELD AT THE CORPORATE OFFICE AT LADAM HOUSE, M ROAD, W I E, THANE ON 26TH DECEMBER, 2014 AT 4.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account made for the period ended 31st March, 2014 together with Auditors' and Directors' Report thereon.
- (2) To appoint Auditors I.P.Mehta & Co. Chartered Accountants, Mumbai who has conveyed their willingness to act as the auditor of the company to audit the books of accounts for the year ended 31th March, 2015 and authorize Directors to Fix their remuneration.
- (3) To appoint a director in place of Mr. Ashwin Sharma who retires by rotation and being eligible, offers himself for re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai

Date : September 05, 2014

Mr. Sumesh B. Agarwal

Director

DIN: 00325063

Mr. Jayaprasad Pillai

Director

DIN: 01560300

**NOTE :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Directors' Report

To,

The Members,

Your Directors have pleasure in submitting the 32nd Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2014.

Financial Result

The performance of the Company for the financial year ended 31st March, 2014 is summarized below:

Sr. No.	Particulars	Current Year (31.03.2014`) (in Rs.)	Previous Year (31.03.2013`) (in Rs.)
a.	Total Income	6509813.00	1616142.00
b.	Total Expenditure	883517.00	1665795.00
c.	Profit before Taxes	5626296.00	-49653.00
d.	Tax Provision of Current year	--	--
e.	Deferred Tax Liability / (Surplus)	--	--
f.	Tax Provision of prior years' adjusted	--	--
g.	Profit after Taxes & Provisions	5626296.00	-49653.00
h.	Add : Balance brought forward	-40523652.00	-40473999.00
i.	Proposed Dividend		
j.	Balance carried to Balance Sheet	-34897356.00	-40523652.00

Dividend

The Director did not recommend any dividend in view of Brought forward losses.

Operating Result & Profit

The Company registered a total turnover of Rs.65,09,813/- as against Rs.16,16,142/- in previous year. The Profit before taxes is Rs. 56,26,296 /- and Profit after tax is ` Rs. 56,26,296/- as compared to previous year profit before tax Rs. -49,653/- and Profit after tax Rs. -49,653/- respectively.



Future Outlook

The Company is monitoring real estate feasibility and thinking of getting into construction of mass housing project considering affordable housing project scheme.

Fixed Deposit

During the year under review, the Company has not raised any funds by way of fixed deposits and as such, no amount of principal or interest was outstanding as of the balance sheet date.

Directors

In pursuant to the provisions of the Companies Act, 1956 and the Articles of Associations of the Company, Mr. Ashwin Sharma retires by rotation and being eligible, offer himself for re-appointment.

Internal Audit System

The Company's internal Auditors had conducted periodic audit to provide reasonable assurance that the Company's established policy and procedure have been followed.

Internal Control System and its Adequacy

The Company has a proper and adequate internal control system for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use of disposition. All transaction are properly documented, authorized, recorded and reported correctly. The Company has well defined Management Reports on key performance indicators. The systems are reviewed continuously and its improvement and effectiveness is enhanced based on the reports from various fields.



Foreign Exchange earning & outgo

There is no transaction in foreign currency during the year & previous year.

Environment Protection and Pollution Control

The company is an investment company and does not create any pollution. However efforts and precautionary measures are taken on ongoing basis in day today activities to protect the environment from pollution.

Conservation of Energy & Technology Absorption

The company is not a manufacturing and high energy consumer. However possible measures are taken to conserve the same.

Particulars of Employee

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employee) Rules, 1975, names and other particulars of the employees required are not given as none of the employee is covered under the said provisions of the Act.

Code of conduct

In terms of requirement of Clause 49 of the Listing Agreement, the company has received certificate from all its Senior Management personnel and Member of the Board about the compliance of the Code of Conduct as laid down by the Board.

Sexual Harassment of Women at Workplace

There were no cases of sexual harassment filed during the year under review, in terms of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, subscribe to the Directors Responsibility statement and Confirm as under:

- (i) That in presentation of the Annual Accounts, applicable Accounting Standards has been followed.
- (ii) That the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give and fair view of the state of affairs of your Company as at 31st March 2014.
- (iii) That the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting frauds and other irregularities.
- (iv) That the annual accounts of your company have been prepared on going concern basis.

Management Discussion and Analysis and Corporate Governance Report

In compliance with clause 49 of the Listing Agreement entered in with the Stock Exchanges, a separate section on Management Discussion and Analysis that includes details on the state of affairs of the Company as required to be disclosed in the Directors Report forms part of this Annual Report. Further, the Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliance with requirements of Clause 49 of the Listing Agreement also forms part of Annual Report.

Compliance under section 383A of the Companies Act, 1956

As per the clause of section 383A of the Companies Act, 1956 the Company is not applicable to obtained a compliance certificate from the Company Secretary in the prescribed form.



LADAM FINANCE LIMITED
910 9th FLOOR RAHEJA CHAMBERS BACKBAY, RECLAMATION
NARIMAN POINT, MUMBAI-400021
CIN: U65990MH1979PLC021923 Tel: +9122 25829588, +9122 25829522
Email address:sumesh.agarwal@gmail.com

Statutory Auditors

M/s. Chaturvedi & Chaturvedi , Chartered Accountants, Auditor of the Company have expressed their unwillingness to be re-appointed as an auditor and have received consent and eligibility letter from I.P.Mehta & Co. Chartered Accountants, Mumbai to act as the statutory auditor of the company. The Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Acknowledgements

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution towards Company's performance. The Directors would also like to thank Shareholders, Customers, Dealers, Suppliers, Bankers, Government authorities and all Other Business Associates for the continued support given by them to the company and their confidence in management.

By Order of the Board of Directors

05th day September , 2014

Director

Director

**TRUE COPY
ATTESTED BY ME**

Rajani Pathak

B.Sc., LL M.

NOTARY & ADVOCATE

1st Floor, Vision Business Centre,
Bhiwandiwala Terrace,
Adjacent to Court, Thane.

Ph : 25340935, 9821138766, 9930538766



MANAGEMENT DISCUSSION AND ANALYSIS

The management has vision, experience and resources more efforts are put to recover the old dues and settling with parties to maintain cordial relations.

The avenues of resources of funds shall be explored by the managements and there is bright hope to turn around the Company with new objects of business.

FUTURE PROSPECTS

Indian economy is marching ahead and is the third largest economy in the world. The growth in GDP is likely to be in double figures. In this scenario, the need of the hour is expeditious development of infrastructure as delivery systems have to keep pace with the other sectors of the economy. Thus infrastructure including commercial is bound to grow at least at twice the rate of growth in GDP.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

Your management has committed to turnaround the company and makes it profitable at an early date by their sincere efforts, business acumen, experience.

THREATS

SEGMENT WISE PERFORMANCE

The Company has mainly one reportable business segment; hence no further disclosure is required under Accounting Standard (AS) 17 on segment reporting.

OUTLOOK, RISKS AND CONCERNS

The managements have positive outlook of the Company. The new management explores the resources of funds by infusing further capital or long-term borrowings. Barring unforeseen circumstances, management is confident that performance of the Company would improve in the years to follow.

INTERNAL CONTROL SYSTEMS

The Company has adequate Internal Control systems, which provide, inter- alia, reasonable assurance of recording the transactions of its operations in all material respects and providing protection against misuse or loss of Company assets.

HUMAN RESOURCES

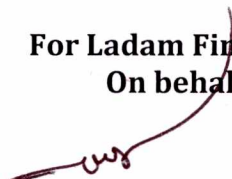
The management shall create policy of Human Resources to achieve biggest advantage to the Company for turnaround. The Company plans with prudent knowledge management leading to enhanced skills and capabilities and market ability to promote business in the current time. The Company shall evaluate performance management system, which reinforces its work ethics and results in profitability to enhance the shareholders value.

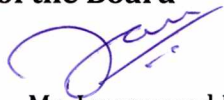
CAUTIONARY STATEMENT

The statements made in this report describe the Company's objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

For Ladam Finance Limited and
On behalf of the Board

Date: 5th September 2014
Place: Thane


Mr. Sumesh B. Agarwal
Director
DIN: 00325063


Mr. Jayaprasad Pillai
Director
DIN: 01560300



Corporate Office: Ladam House, C-33, Opp. ITI, Wagle Industrial Estate, Thane (W) - 400604.

Registered office: 910 9th Floor Rahejachambers Backbay, Reclamation Nariman Point, Mumbai - 400021

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14

(As required under Clause 49 of the Listing Agreement with the Stock Exchange)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

LADAM FINANCE LIMITED believes that transparent accounting policies, appropriate disclosure norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholder are essential for sustained corporate growth.

Corporate governance is about commitment to values and ethical business conduct. The report on the Corporate Governance is to fulfill this commitment.

Our governance philosophy is based on the following:-

1. Management is the trustee of the shareholders capital and not the owner.
2. Provide an enabling environment to harmonise the goals of maximizing stakeholders value and maintaining a customer centric focus.
3. Have a simple and transparent corporate structure driven solely by business needs.
4. Communicate externally, in a truthful manner, about how the Company is running internally.
5. Make clear distinction between personal conveniences and corporate resources.
6. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
7. Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

Your Board of Directors presents the Corporate Governance Report for the year 2013-2014

II. BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company.

As on date of this report the strengths of the Board are 3(Three) Directors whose composition along with personal details are given below:

Name of Directors Category	Category	Relationship With Each Other	No. of Shares held
Mr. Sumesh b Agarwal	Director	N.A	2197900
Mr. Jayaprasad Pillai	Director	N.A.	Nil
Mr. Ashwin Sharma	Director	N.A	Nil

During the year, Mr. Bharat Bhushan Shyamlal Aggarwal resigned from the Directorship of the company with effect from 12th December, 2013 and Mr. Ashwin Sharma was appointed as Additional Director with effect from 12th December, 2013.

The following table gives the attendance of the Directors at Board meetings / Last AGM of the Company and also other directorship other than the Company and Chairmanship/Membership in Board Committees of public limited companies:

During the financial year under review, 6 (Six) Board Meetings were held on the following dates 08.07.2013, 07.10.2013, 12.12.2013, 07.01.2014, 24.1.2014 and 07.04.2014.

Name of the Director	No. of Board Meeting Attended	Whether Last AGM Attended held on 30.09.2013 (Yes / No)	No. of Directorship in other Public Limited companies	No. of Membership of Chairmanship in other Public Limited companies	
				Member	Chair man
Mr. Sumesh b Agarwal	6	Yes	Ladam Homes Limited, Ladam Steel Limited, Spearhead Metals & Alloys Ltd. (Resigned on 12/12/2013.) Lacon India Limited (Resigned on 12/12/2013) Ladam Foods Limited (Resigned on 12/12/2013) Ladam Flora Limited (Resigned on 12/12/2013)	1	1

Mr. Jayaprasad Pillai	6	Yes	Ladam Steels Ltd. Ladam Homes Ltd. Spearhead Metals & Alloys Ltd. Ladam Foods Limited (Resigned on 12/12/2013) Lacon India Limited (Resigned on 12/12/2013) Ladam Flora Limited (Resigned on 12/12/2013)	2	1
Mr. Ashwin Sharma	4		Ladam Homes Ltd. Spearhead Metals & Alloys Ltd. Ladam Foods Limited (Resigned on 12/12/2013)	1	0
Mr. Bharat Bhushan Shyamlal Aggarwal	3	Yes	Ladam Steels Limited Spearhead Metals And Alloys Limited (Resigned On 12/12/2013) Lacon India Ltd. (Resigned On 12/12/2013) Ladam Foods Limited (Resigned On 12/12/2013) Ladam Flora Limited (Resigned On 12/12/2013) Ladam Homes Limited (Resigned On 12/12/2013)		

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1. Only Directorship in Public Limited Companies (listed or unlisted) have been considered.
2. None of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor is Chairman of more than 5 such Committees.
3. In accordance with Clause 49, Membership / Chairmanship includes Audit Committees and Shareholder's / Investor's Grievance Committees of all Public Limited Companies.

Board Procedures:

The Board has unfettered and complete access to any information within the Company which includes following information as specified in Annexure IA to the Clause 49 of the Listing Agreement mainly:

1. Annual budgets, operating plans and budgets and capital budgets,
2. Quarterly, half yearly and annual results of the Company and its operating divisions or business segments along with
3. Minutes of meetings of the Audit committee and other committee(s) of the Board,
4. Details of any joint venture or collaboration agreement,
5. Investment of funds of the Company,
6. Status on legal cases,
7. Approval of related party transactions,
8. Compliance reports of laws applicable to the Company,
9. Risk management reports and presentations made by the senior management,
10. Disclosures made by the senior management personnel as to all material financial and commercial transactions,
11. Where they have personal interest, and
12. All other information which is relevant for decision making by the Board.

III COMMITTEES OF THE BOARD:

A. Audit Committee:

Terms of reference and role of Audit Committee:

The Audit Committee at the Board level with powers and role that are in accordance with Section 292A of the Companies Act, 1956 and Clause 49 (II) (D) and (E) of the Listing Agreement. The Audit Committee of the Company supported by professional, inter-alia, provides reassurance to the Board on the effective internal control and compliance that ensures:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment and removal of Internal / External Auditor, fixation of Audit fee and also approval for payment for any other expenses;

3. Reviewing with management the Annual/Half-yearly/ Quarterly financial statements before submission to the Board;
4. Reviewing with management, external and internal Auditors, the adequacy of the internal control systems;
5. Reviewing the adequacy of Internal Audit function, including reporting structure coverage and frequency of Internal Audit;
6. Discussion with External Auditors before the Audit, nature and scope of Audit, any significant findings and follow up thereon as well as post-Audit discussion to ascertain any area of concern;
7. Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
8. Related party transactions;
9. To review the matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act,1956;
10. To review the Management discussion and analysis of financial condition and results of operations;
11. To recommend re-appointment of Statutory Auditors and to fix their remuneration.

During the financial year under review, 4 (Four) Audit Committee Meetings were held on the following dates 08.07.2013, 07.10.2013, 07.01.2014, and 07.04.2014.

The gap between two Audit Committee meetings was not more than 4 months, in compliance with the requirements of Listing Agreement. The Minutes of the meeting of Audit Committee are discussed and taken note by the Board of Directors

The Composition of the Audit Committee as on 31st March, 2014 and the attendance of the members at the Meetings held are as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Sumesh b Agarwal	Director	Chairman	4
Mr. Ashwin Sharma	Director	Member	4
Mr. Jayaprasad Pillai	Director	Member	4
Mr. Bharat Bhushan Shyamlal Aggarwal	Director	Member	2

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B. Remuneration Committee

The purpose of the Remuneration Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Directors, to have a credible and transparent policy in determining and accounting for the remuneration of the Directors and to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

During the financial year under review, the Company was not required to hold any Remuneration Committee Meetings as they have not recommended any remuneration to any Directors of the Company.

The Composition of the Remuneration Committee as on 31st March, 2014 and the attendance of the members at the Meetings held are as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Jayprasad Pillai	Director	Member	4
Mr. Sumesh Agarwal	Director	Chairman	4
Mr. Ashwin Sharma	Director	Member	2
Mr. Bharat Bhushan Shyamlal Aggarwal	Director	Member	2

C. Shareholders'/Investors' Grievance Committee:

The Committee has the mandate to review, redress shareholders' grievances, to approve all share transfers.

The functions of the Shareholders'/Investors' Grievance Committee include the following:

- Transfer /Transmission of shares,
- Issue of duplicate share certificates,
- Monitors expeditious redressal of investors' grievances,
- Non receipt of Annual report,
- All other matters related to shares.

During the financial year under review, 4 (Four) Shareholders'/Investors' Grievance Committee Meetings were held on the following dates 08.07.2013, 07.10.2013, 07.01.2014, and 07.04.2014.

The Composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2013 and the attendance of the members at the Meetings held are as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Jayprasad Pillai	Director	Member	4
Mr. Sumesh Agarwal	Director	Chairman	4
Mr. Ashwin Sharma	Director	Member	2
Mr. Bharat Bhushan Shyamlal Aggarwal	Director	Member	2

No Complaint was pending at the beginning of the year and the Company did not received any complaint during the year under review from the shareholders. No any share transfer was pending as on 31st March, 2014.

IV. General Body Meetings:

Location, date and time of General Meetings held during the last 3 years:

Financial Year	Day, Date and Time	Location	No. of Special Resolutions Passed
2010-2011	Friday, 30.09.2011, 4.00 PM.	Ladam House, C-33, Opp. ITI, Wagle Industrial Estate,. Thane (W) - 400604.	Nil
2011-2012	Saturday, 29.09.2012, 4.00 PM.	Ladam House, C-33, Opp. ITI, Wagle Industrial Estate,. Thane (W) - 400604.	Nil
2012-2013	Monday, 30.09.2013, 4.00 PM.	Ladam House, C-33, Opp. ITI, Wagle Industrial Estate,. Thane (W) - 400604.	Nil

Postal Ballot: During the year, no special resolution was passed through postal ballot. The provisions relating to postal ballot will be complied as per the provisions of the Companies Act, 1956 as and when situation arise. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

V. DISCLOSURES:

1. During the financial year 2013-14, there were no transactions of material nature with the Directors or the management or relatives that had potential conflict with the interest of the Company. Further, details of related party disclosures are presented at Note No. 23-V of the Financial Statements forming part of the Annual Report. All related party transactions are negotiated at arms and length basis and are intended to further the interests of the Company.
2. The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.
3. The Company has a process in place that meets the objectives of the whistle blower policy. The Board reviews the findings and action taken on matters initiated through this mode. In the opinion of the Board there are no cases where a person was denied access to the grievance process set up by the Company.
4. The Company has been providing the Chairman of the Company with the resource required to implement his role.
5. During the year no amounts were transferred to the Investor Education and Protection Fund.
6. Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

Code of Conduct:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors. The code is being reviewed from time to time by the Board. The said Code has been communicated to the Directors of the Company.

Trading in the Company's shares by Directors and designated employees:

In compliance with the SEBI (Prevention of Insider Trading) Regulations 1992, the Company has appointed Ms. Sugandha Rane, as the Compliance Officer. The Company has adopted a code of conduct for prevention of insider trading.



VI GENERAL SHAREHOLDER INFORMATION

AGM Day, date, time and venue	:	Friday, 26 th December, 2014 Ladam House, C-33, Opp. ITI, Wagle Industrial E state, Thane (W) - 400604.
Financial Calendar	:	April 2012 to March 2013
Results for the First Quarter ending on 30 th June 2013	:	Second Week of July, 2013
Results for the Second Quarter ending on 30 th September 2013	:	Second Week of October, 2013
Results for the Third Quarter ending on 31 st December 2013	:	Second Week of January, 2014
Results for the Forth Quarter ended on 31 st March, 2014	:	Second Week of April, 2014
Date of Book Closure	:	18.12.2014 to 26.12.2014 (Both Day Inclusive)
Listing on Stock Exchanges	:	Mumbai (Compulsory delisting 2/7/2004) Delhi (Suspended, dtd, 16.04.196) Ahmedabad (Suspended) & Calcutta(Suspended)
Scrip Code	:	530101, Not Available, 32085 & 22019 respectively.
Registrar & Transfer Agent	:	Not .Appointed.

Share Transfer system:

The shares lodged for transfer are approved by Share Transfer and Investor Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects.

Correspondence regarding change in Address:

Members are requested to address all correspondences, including dividend matters, to the Company.

CATEGORIES OF SHAREHOLDERS AS ON 31/03/2014

Category	No. of Shares held	Voting Strength (%)
Promoters, Relatives & Associate companies	5374300	58.72 %
Public	3747900	40.95 %
NRI/FII's/OCB	Nil	Nil
Banks and Mutual Funds	Nil	Nil
Domestic Companies (including Financial Institutions)	30100	0.33 %
Total	9152300	100 %

Shareholding pattern as on 31st March 2014

Category	No. of Shareholders	% of Total Shareholders	No. of shares held	Share Amount	% of total
1 - 5000	2568	96.29	1633700	16337000	17.85
5001 - 10000	18	0.67	127100	1271000	1.39
10001 - 20000	29	1.09	462100	4621000	5.05
20001 - 30000	29	1.09	689100	6891000	7.53
30001 - 40000	8	0.30	284400	2844000	3.11
40001 - 50000	12	0.45	556400	5564000	6.08
50001 - 100000	1	0.04	53100	531000	0.58
100001 - *****	2	0.07	5346400	53464000	58.42
Total	2667	100.00	91,52,300	91523000	100.00

Dematerialization of shares and Liquidity	:	N.A
Outstanding ADR/GDR/ Warrants or any Convertible Instruments, conversion dates and likely impact on equity.	:	N.A.
Plant Location	:	Not Applicable
Address for correspondence	:	Ladam House, C-33, Opp. ITI, Wagle Industrial Estate,. Thane (W) - 400604.

Declaration of Code of Conduct

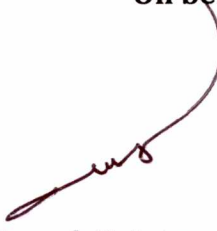
As per Clause 49(I)(D) all the Board Members and Senior Management Personnel have affirmed compliance with the code.


For Ladam Finance Limited and
On behalf of the Board



Date: 5th September 2014

Place: Thane


Mr. Sumesh B. Agarwal
Director
DIN: 00325063


Mr. Jayaprasad Pillai
Director
DIN: 01560300

CEO/ CFO CERTIFICATE

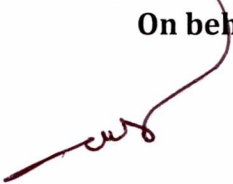
In terms of the requirement of Clause 49 of the Listing Agreement with the Stock Exchange, the certificates from CEO/CFO have been obtained.


For Ladam Finance Limited and
On behalf of the Board



Date: 5th September 2014

Place: Thane


Mr. Sumesh B. Agarwal
Director
DIN: 00325063


Mr. Jayaprasad Pillai
Director
DIN: 01560300

**Declaration by the Director under clause 49 of the Listing agreement
regarding compliance with Code of Conduct**

In accordance with Clause 49 1(D)(ii) of the Listing Agreement with the Stock Exchange, We hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial year ended 31st March, 2014.

For Ladam Finance Ltd.



Mr. Sumesh b Agarwal
Director

For Ladam Finance Ltd.



Mr. Prashant K Shinkar
Manager-Accounts & Finance

Thane, 5th day of September, 2014

Certification by Director and Senior Management Officer Pursuant to**Clause 49 of the Listing Agreement**

We, Mr. Sumesh B Agarwal , Director and, Mr. Prashant K Shinkar , Manager- Accounts & Finance, in our capacity as Senior Management Executive respectively of the Company hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - b) 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.
2. 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 in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting 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.

We have indicated to the Auditor's and the Audit committee:

- a) significant changes in internal control over financial reporting during the year ;
- b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
- c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Ladam Finance Ltd



Mr. Sumesh b Agarwal
Director

For Ladam Finance Ltd.



Mr. Prashant K Shinkar
Manager-Accounts & Finance

Thane, 5th day of September, 2014



CHATURVEDI & CHATURVEDI

CHARTERED ACCOUNTANTS

215, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.
Mob.: 98705 28687 • Email: ipnco@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
LADAM FINANCE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. LADAM FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

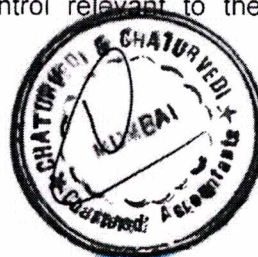
Management's Responsibilities for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

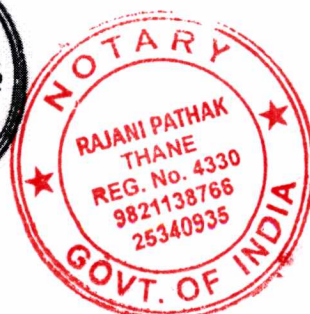
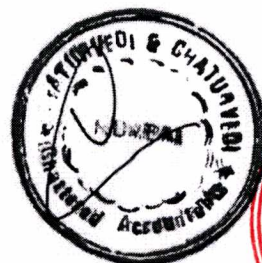
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the LOSS for the year ended on that date

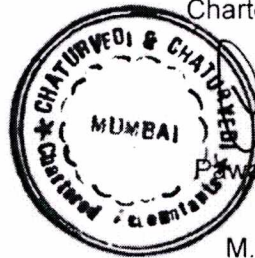
Report on other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.



- d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For CHATURVEDI & CHATURVEDI
Chartered Accountants



Pawan Chaturvedi
(Partner)

M. No. : 125751
Firm Registration No. 101718W

Place: Mumbai

Date: 05/09/2014





CHATURVEDI & CHATURVEDI
CHARTERED ACCOUNTANTS

215, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.
Mob.: 98705 28687 • Email: ipnco@yahoo.com

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors Report of even date to the members of Ladam Finance Ltd on the financial statements for the year ended 31st March, 2014]

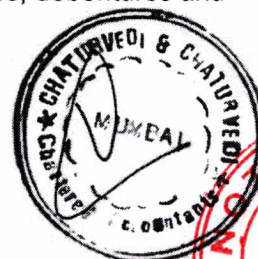
1. In respect of its fixed assets:
 - a) As the Company is having Fixed Assets hence clauses 1 (a), (b) & (c) is applicable.
2. In respect of its inventories:

Since there are Nil Inventory in the company during the year (P.Y. Nil), the disclosure required under the provisions of clause 4 (xiii) of the Order are not applicable to the company.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

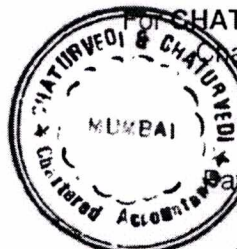
The Company has not taken / granted interest free unsecured loan from / to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Thus, the disclosure required under the provisions of clause 4 (iii) of the Order is not applicable to the company.
4. In our opinion and according to the explanations given to us there is an adequate internal control procedure commensurate with the size of Company and nature of its business, for the purchase of fixed assets, inventory and for the sale of goods and services. During the course of our audit no major weakness has been observed in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
 - a) Based on the audit procedures applied by us and according to the explanations provided by the management, we are of the opinion that there are transactions that need to be entered into a register in



- pursuance of Section 301 of the Companies Act, 1956 and have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. Sections 58A and 58AA of the Companies Act, 1956 is not applicable to the Company as it has not accepted any deposits from the public. Hence, the clause (vi) of the Order is not applicable.
7. In our opinion the company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The company has not received any communication from Central Government regarding maintenance of cost records as prescribed under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
- a) The Company is generally not required to deposit any statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information made available to us, no undisputed arrears of statutory dues are outstanding as at 31st March, 2014 for more than six months from the date when they became payable.
- b) According to the information and explanations given to us there are no amounts in respect of Sales Tax, Income Tax, Custom duty, Wealth tax, Service Tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The company has accumulated profit of Rs. 1,51,14,144/- as at the end of the financial current financial year. The company has not incurred cash losses during the current financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our audit procedures and as per the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the financial year 2013-2014.



13. The provision of any special statutes applicable to the Chit Funds, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable on the Company.
15. According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and the explanations given to us, the company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long-term investments.
18. During the current financial year, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. No debentures have been issued during the current financial year.
20. No money has been raised by public issues during the current financial year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the current financial year.

**CHATURVEDI & CHATURVEDI**
Chartered Accountants
[Signature]
Anuran Chaturvedi
(Partner)
M. No. : 125751
Firm Registration No. 101718W

Place: Mumbai

Date : 05/09/2014

**TRUE COPY
ATTESTED BY ME**

[Signature]
Rajani Pathak
B.Sc., LL.M.
NOTARY & ADVOCATE
1st Floor, Vision Business Centre,
Bhiwandiwala Terrace,
Adjacent to Court, Thane.
Ph : 25340935, 9821138766, 9930538766



LADAM FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Note	Figures as at the end of current reporting period 31st March, 2014	Figures as at the end of Previous reporting period 31st March, 2013
I	<u>EQUITY AND LIABILITIES</u>			
1	Shareholder's Fund			
	Share Capital	2	91,523,000	91,523,000
	Reserves and Surplus	3	15,114,144	9,487,848
			106,637,144	101,010,848
2	Current Liabilities			
	Short-Term Provisions	4	101,177,250	101,102,250
	Other Current Liabilities	5	1,503,688	644,843
			102,680,938	101,747,093
	TOTAL		209,318,082	202,757,941
II	ASSETS			
1	Non-current assets			
	FIXED ASSETS	6		
	(i) Tangible Assets		53,254,451	52,298,402
	(ii) Intangible Assets		2,018,191	2,018,191
	NON CURRENT INVESTMENT	7	32,852,370	26,342,557
1	Current Assets			
	Inventories	8	3,027,735	3,104,256
	Cash And Cash Equivalents	9	6,647	51,662
	Short-Term Loans And Advances	10	118,158,688	118,942,873
			209,318,082	202,757,941
	TOTAL		209,318,082	202,757,941

Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement
Significant Accounting Policies and Notes to Accounts 13

As per our report of even date

For CHATURVEDI & CHATURVEDI

Chartered Accountants

Firm Reg. No. 101781/A

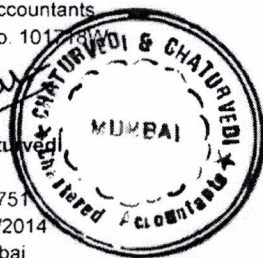
Pawan Chaturvedi

Partner

M. No. : 125751

Date : 05/09/2014

Place : Mumbai



FOR AND ON BEHALF OF BOARD OF
LADAM FINANCE LIMITED

(Signature)

Director



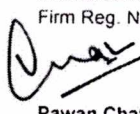
Director

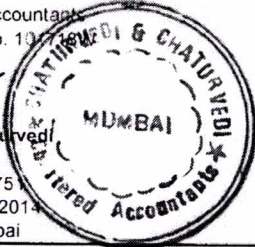


LADAM FINANCE LIMITED				
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014				
(Amount in Rs.)				
	Particulars	Note	Year Ended 31st March, 2014	Year Ended 31 st March, 2013
I.	Revenue from operations	11	6,509,813	1,616,142
II.	Other Income		-	-
III.	Total Revenue (I + II)		6,509,813	1,616,142
IV	Expenses:			
	Other Expenses	12	883,517	1,665,795
	Total expenses		883,517	1,665,795
V	Profit before exceptional and extraordinary items and tax (III-IV)		5,626,296	(49,653)
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		5,626,296	(49,653)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		5,626,296	(49,653)
X	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
	(3) (Short) / Excess Provision for Income Tax for Earlier Years		-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)		5,626,296	(49,653)
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		5,626,296	(49,653)
XVI	Earnings per equity share:			
	Basic		0.61	(0.01)
	Diluted		0.61	(0.01)

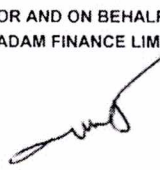
Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement
 Significant Accounting Policies and Notes to Accounts 13

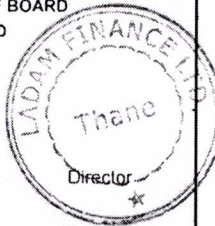
As per our report of even date
 For CHATURVEDI & CHATURVEDI
 Chartered Accountants
 Firm Reg. No. 13077


 Pawan Chaturvedi
 Partner
 M. No. : 12575
 Date : 05/09/2014
 Place : Mumbai



FOR AND ON BEHALF OF BOARD
 LADAM FINANCE LIMITED


 Director




LADAM FINANCE LIMITED

Notes annexed to and forming part of the Balance Sheet & Profit and Loss Statement

(Amount in Rs.)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
NOTE - 2		
SHARE CAPITAL		
Authorised Share Capital 2,00,50,000(P.Y. 2,00,50,000) Equity Shares of Rs. 10/- each	101,500,000	101,500,000
TOTAL	101,500,000	101,500,000
Issued, Subscribed and Paid up share capital 9152300 (P.Y. 91,52,300) Equity Shares of Rs. 10/- each fully paid up	91,523,000	91,523,000
TOTAL	91,523,000	91,523,000

a) A reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year, is set out below:

Particulars	F.Y. 2013-2014	F.Y. 2012-2013
	No. of shares	No. of shares
Equity Shares		
Equity shares at the beginning of the year	9,152,300	9,152,300
Add. shares issued during the year		
Equity shares at the end of the year	9,152,300	9,152,300

b) There are No (Previous year – No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.

c) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate

d) Shares in the company held by each shareholders holding more than 5% shares, as on 31.03.2014

Name of the Shareholder	No. of shares	Percentage (%)
B. B. Agarwal	3,148,500	34.40%
Sumesh B. Agarwal	2,197,900	24.01%

e) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvestment including the terms and amounts.

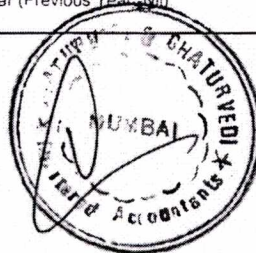
f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No of Equity Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil
Aggregate number and class of shares bought back	Nil

g) There are no securities issued which are convertible into equity/preference shares.

h) There are no calls unpaid (Previous year No)including calls unpaid by Directors and Officers as on balance sheet date

i) There is no forfeiture of the shares of any class during the Financial Year (Previous Year, Nil)

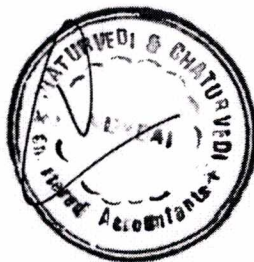


LADAM FINANCE LIMITED

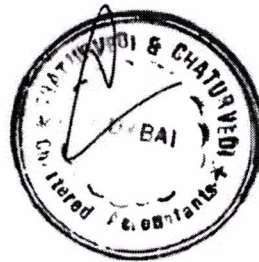
Notes annexed to and forming part of the Balance Sheet & Profit and Loss Statement

(Amount in Rs.)

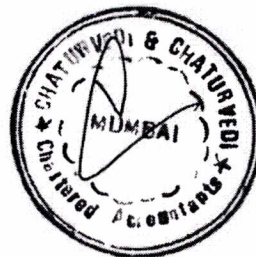
PARTICULARS	As at 31.03.2014	As at 31.03.2013
NOTE - 3 RESERVES AND SURPLUS		
Share Premium Account		
Opening balance	30,011,500	30,011,500
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	30,011,500	30,011,500
Revaluation Reserve		
Opening balance	20,000,000	20,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	20,000,000	20,000,000
Profit and Loss Account		
Opening balance	(40,523,652)	(40,473,999)
(+) Net Profit/(Net Loss) For the current year	5,626,296	(49,653)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(34,897,356)	(40,523,652)
TOTAL	15,114,144	9,487,848
NOTE - 4 SHORT TERM BORROWINGS		
UNSECURED SHORT TERM BORROWINGS		
From Related Parties	99,453,830	99,378,830
From Others	1,723,420	1,723,420
TOTAL	101,177,250	101,102,250
NOTE - 5 OTHER CURRENT LIABILITIES		
From Others	1,503,688	644,843
TOTAL	1,503,688	644,843
NOTE - 7 NON CURRENT INVESTMENT		
Equity Shares (fully paid-up)		
Shares of Group Companies		
Ladam Steels Ltd (1,28,360 Shares of Rs. 10/- each)	1,283,600	1,283,600
Spearhead Metals & Alloys Ltd (200 Shares of Rs. 10/- each)	2,000	2,000
Lacon India Ltd (39,000 of Rs. 10/- each)	390,000	390,000
Ladam Homes Ltd (25,000 Shares of Rs. 10/- each)	250,000	250,000
Ladam Foods Ltd (45,000 Shares of Rs. 10/- each)	450,000	450,000
Other Investment	30,476,770	23,966,957
TOTAL	32,852,370	26,342,557



NOTE - 8 INVENTORIES		
WIP	3,027,735	3,104,256
TOTAL	3,027,735	3,104,256
NOTE - 9 CASH & CASH EQUIVALENTS		
Cash on Hand	3,189	16,633
Balance with Banks - Current Account	3,458	35,029
TOTAL	6,647	51,662
NOTE - 10 SHORT TERM LOANS & ADVANCES		
Other Advance	118,158,688	118,942,873
TOTAL	118,158,688	118,942,873



LADAM FINANCE LIMITED		
NOTES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014		
(Amount in Rs.)		
PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE - 11		
REVENUE FOR OPERATION		
Share of Profit from Firm	6,509,813	1,616,142
TOTAL	6,509,813	1,616,142
NOTE - 12		
OTHER EXPENSES		
Auditors Remuneration	5,000	5,000
Bank Charges	56	337
Electricity Charges	13,930.00	31,970.00
Travelling Exps	-	62,256.00
Office Exps	11,447.00	1,935.00
Survey Charges	33,483.00	48,000.00
Security Charges	-	842,374.00
Staff Welfare	19,846.00	20,324.00
Repairs & Maintenance	40,745.00	2,505.00
Property Tax	-	47,594.00
Listing Fees	6,000.00	6,000.00
Donation	6,000	4,800
Housekeeping Exps	-	10,900
Conveyance Exp	38,556	18,542
Salaries	217,956	376,507
Legal & Profesional Exp.	243,706	171,142
Miscellaneous Expenses	85,962	13,442
Printing & Stationery	38,778	1,937
Grampanchayat Vehlooi	9,156	-
Motor Car Exps	24,003	-
ROC Charges	27,516	-
Postage & Courier Charges	61,377	230
	883,517	1,665,795



LADAM FINANCE LIMITED 2013-14		GROSS BLOCK		DEPRECIATION		NET BLOCK			
SCHEDULE	FIXED ASSETS	COST AS ON 01.04.2013	ADDITIONS DURING THE YEAR	SALES	TOTAL AS ON 31.03.2014	UPTO 01.04.2013 YEAR	FOR THE YEAR	AS AT 31.03.2014	AS AT 31.03.2013
	BUILDING	1074229	956049	0	2030278	162569		2030278	1074229
	ELECTRICAL INSTALLATION	26266	0	0	26266	7221		26266	26266
	FURNITURE & FIXTURE	141755	0	0	141755	385799		141755	141755
	LAND	51001349	0	0	51001349	0		51001349	51001349
	MISC. EQUIPMENT	54803	0	0	54803	70970		54803	54803
	TOTAL	52298402	0	0	53254451	626559		53254451	52298402
	PREVIOUS YEAR	52298402	0	0	52298402	626559		52298402	52298402





CHATURVEDI & CHATURVEDI
CHARTERED ACCOUNTANTS

215, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053.
Mob.: 98705 28687 • Email: ipnco@yahoo.com

NOTE NO. 1 : SINGNIFICANT ACCOUNTING POLICIES

1.1 System of Accounting:

i) **Basis for preparation of financial statements**

The financial statements are prepared under the historical cost convention and on going concern basis in accordance with generally accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

ii) **Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from estimates.

iii) **Method of accounting**

1. Revenue :

- a) Revenues are recognized on accrual basis.
- b) No Export Sales occurred during the year.

2. Expenditure:

- a) Expenses are accounted on accrual basis and the provisions are made for all known liabilities except in case of gratuity which have been accounted on 'payment basis'.

1.2 Fixed Assets:

Fixed assets are capitalized at cost inclusive of inward freight, duties, taxes and installation expenses.

1.3 Depreciation:

Depreciation on fixed assets has been provided on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition/deletion to the assets during the year provided on pro-rata basis.



1.4 Leased Assets:

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

Finance Leases: Fixed Assets taken on finance lease on or after 1st April, 2001 are stated at the lower of the fair value of the lease assets or the present value of the minimum lease payments at the inception of the lease.

In respect of fixed assets taken on finance lease, when there is reasonable certainty that the Company will obtain ownership by the end of the lease term, depreciation is provided in accordance with the policy followed by the Company for owned assets.

1.5 Valuation of Inventories

There is no Raw Material and Stores & Consumables Stock hence no valuation of inventories has been adopted.

1.6 Foreign Currency Transactions

Monetary items denominated in foreign currencies on the Balance Sheet date are converted at the forward exchange contract rates wherever taken or at the exchange rates prevailing at the year end. The resultant gain or loss is recognized in the Profit and loss account under the natural revenue heads of account.

1.7 Provision for Current and Deferred Tax:

No Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

1.8 Preliminary Expenses:

All preliminary expenses have been written off completely during the period in which they incurred.

1.9 Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its



account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.10 Provisions, Contingent Liabilities and Contingent Assets:

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

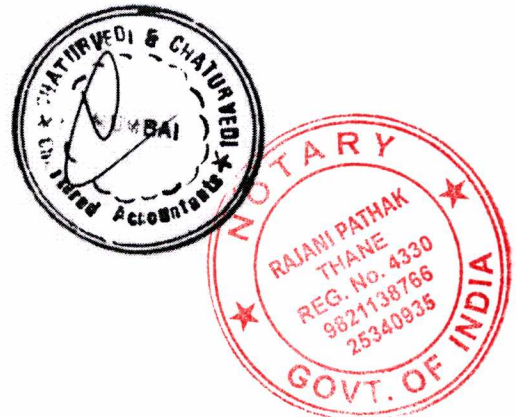
1.11 Forward Contracts and Commodity Hedging Transactions:

In respect of transactions covered by forward contracts/forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expenses over the life of the contract and forward contracts outstanding as on the date of the balance sheet are disclosed by way of notes to the accounts.

Commodity hedging contracts are accounted on the date of their settlement and realized gain / loss in respect of settled contracts are recognized in the Profit & Loss Account.

1.12 Retirement and other benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. No Gratuity liability accounted during the year.



NOTE NO. 23 : NOTES TO ACCOUNTS

23.1 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for liabilities are considered to be adequate by the Board.

23.2 Debtors and Creditors balances of some parties are subject to confirmation.

23.3 Payment to Auditors:

	For year ended	
	31-03-2014	31-03-2013
Payment to Auditors (incl. Service Tax)		
Statutory Audit fees	5000.00	5000.00
Tax Audit Fee		
Other services (Includes company law consultancy charges)		
Total	5000.00	5000.00

23.4 Contingent Liabilities:

		(Rs. in lacs)	
		31-03-2014	31-03-2013
a)	Letter of Credit (LC) issued by the Company's bankers for various purposes	NIL	NIL
	(Fixed deposit of Rs. Nil (PY. Rs. 60 lacs) has been given to the bankers as a margin for issuing the above LC)	NIL	NIL

23.5 Derivative Financial Instruments/Forward Contracts:

No hedging/forward contracts has been made during the year

23.6 Remuneration to Directors:

No Provision has been made for making a consolidated salary to directors under section 198 of the Companies Act, 1956



- 23.7 Related party disclosure in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India (ICAI)

Sr. No.	Name of Party	Relation	Nature of Payments / Receipt	Amount (Rs.)
1.				

- 23.8 Expenses incurred in foreign currency: Nil (P.Y. Nil).
- 23.9 Sundry creditors do not include any amount outstanding for more than 45 days in respect of SSI units.
- 23.10 The Company does not received any intimation from " Suppliers" regarding their Status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.
- 23.11 "The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company."
- 23.12 Forward Exchange Contract:
- Nil
- 23.13 Taxation

Provision for Current Tax

No Provision for current tax has been provided.

Deferred Tax

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.



	Deferred tax liability/ (Asset) as at 31-03-2014 Rs.	Deferred tax liability/ (Asset) as at 31-03-2013 Rs.
<u>Deferred Tax Liabilities</u>		
Difference between book and tax Depreciation		
<u>Deferred Tax Assets</u>		
Difference of preliminary expenses	-	-
Deferred Tax Liability (Net)		
Current Year charge/(credit) in the Profit & Loss Account	NIL	NIL

23.14 Information on leases as per Accounting Standard 19 on "Accounting for Leases":

- i) Finance Lease : Nil (P.Y. – Nil)
- ii) Operating Lease Expenses:

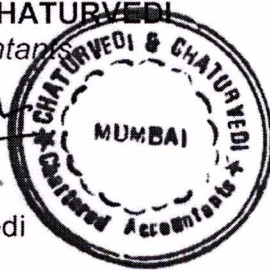
The company has operating leases for same machineries and factory building that are renewable on a periodic basis and cancelable at its option. Rental expenses for operating leases recognized in the Profit and Loss account for the year are Rs.

23.15 As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence, in the opinion of the management, there is no provision for impairment loss on the assets of the company as required according to Accounting Standard (AS 28) – Impairment of Assets issued by ICAI.

23.16 Provision for the liability of gratuity has not been made on the basis of actuarial valuation and the same has been recorded on payment basis, which is not in accordance with Accounting Standard (AS) –15 on Accounting for Employee Benefits, issued by ICAI. The management is of the opinion that the amount involved in the same is not material / significant considering the size of the business of the company, hence the actuarial valuation for the gratuity liability is not been carried out.

In terms of our report of even date
For **CHATURVEDI & CHATURVEDI**
Chartered Accountants

Pawan Chaturvedi
(Partner)
M. No. : 125751



For and on behalf of the Board

Director

**TRUE COPY
ATTESTED BY ME**

Rajani Pathak
B.Sc., LL.M.
NOTARY & ADVOCATE
1st Floor, Vision Business Centre,
Bhiwandiwalla Terrace,
Adjacent to Court, Thane.
Ph : 25340935, 9821138766, 9930538766



Ladam Finance Limited Cash Flow Statement
Annexed to the Balance Sheet for the period April, 2013 to March, 2014

Particulars	Current Year (2013-14)	Previous Year (2012-13)
A. Cash flow from Operating Activities		
Profit before tax as per Profit & Loss Account	56,26,296	-49,653
Less : Share of Profit from Partnership Firm	-65,09,813	-16,16,142
Depreciation (net)		
Operating profit before working capital changes	-8,83,517	-16,65,795
Adjustment for :		
(Increase) / decrease in Inventories	76,521	-16,05,438
(Increase) / decrease in Sundry Debtors		
(Increase) / decrease in Loans & Advances	7,84,185	8,44,441
(Increase) / decrease in Other Current Assets		
(Increase) / decrease in Misc. Expenditure		
Increase / (decrease) in Trade payables		-129
Increase / (decrease) in Other Liability	9,33,845	23,89,665
Cash generated from operations	9,11,034	-37,256
Direct taxes (paid/TDS deducted) / Refund received		
Net Cash flow from Operating Activities	9,11,034	-37,256
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets	-9,56,049	
(Purchase) / Sale of Investments	-	-
Net Cash flow from investing Activities	-	
C. Cash flow from Financing Activities		
Proceeds / (Repayment) of Unsecured Loans	-	-
Interest Paid	-	-
Net Cash flow from Financing Activities	-	-
Net Increase / (decrease) in cash and cash equivalent	-45,015	-37,256
Cash and cash equivalent as at the beginning of the year	51,662	88,918
Cash and cash equivalent as at the closing of the year	6,647	51,662

FOR CHATURVEDI & CHATURVEDI

Chartered Accountants
Firm Reg. No. 101718W

Pawan Chaturvedi

Partner

M No.125751

Date : 05/09/2014

Place : Mumbai



**FOR AND ON BEHALF OF BOARD OF
LADAM FINANCE LIMITED**



Director

Director

The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2015 and the relative Profit and Loss Account for the year ended on the date. The above Cash Flow Statement has been prepared in consonance with the requirement of AS-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India and the reconciliation required for the purpose is as made by Company.