

BRESCON  
CORPORATE  
ADVISORS  
LIMITED

Annual Report  
2008 - 2009



Optimism?  
Pessimism?  
The only 'ism'  
we believe in  
is realism.



# BRESCON

Interpreting it right

Is the glass half full or half empty?

This expression means any situation can be seen in different ways depending on one's point of view.

Optimists see opportunity, pessimists trouble, and realists like us at Brescon, realism.

Point is, there's more to business and the business of life, than opportunities or problems, profits or losses, assets or liabilities, black or white. How could anyone forget the colour grey? How could anyone ignore the subtleties of situations?

At Brescon, we certainly don't.

We first sift through millions of pieces of data. Take a long, hard, objective look at the information that emerges. Analyse all viewpoints, all angles. And then accurately interpret situations.

Whether it is Brescon's own business decisions or recommendations to clients in the areas of Restructuring, Debt Syndication or Real Estate Advisory, the principle is the same. The principle of objectivity.

Our new identity reflects what we stand for: Objectivity leads to accurate interpretation. It was created as the final step of a brand definition and expression exercise in collaboration with a specialist brand transformation consultancy.

The unique, memorable visual in the identity – the half-full or half-empty glass- represents different points of view. And the brand line 'Interpreting it right' completes the message.

From the CEO's desk



"These are not the judgemental times.  
These are times of resoluteness and  
decisive action as to what should be  
done now to protect the future."

## Dear Stakeholders,

The year gone by was the most tumultuous year in about 35 years in the global context. It was equally a significant year in the Indian context calling for major corrections in the approach to the growth. The free fall of markets, more so after Lehman Bros collapse, severely affected the international trade and stock markets and caught the major financial institutions in the tail spin. Leading banks and auto giants suffered heavy losses. Major economies have suffered their worst growth rates; even negative. And India is poised to enter decelerated 5.5% to 6 % GDP growth rate regime after clocking a robust 8%-9% growth in previous years. Not very bad, viewed from the global developments angle. But we had our due share of pains.

Indian corporates, having gone ahead with huge expansion and growth plans, organic and inorganic through acquisitions at the back of robust growth till the beginning of 2008, were faced with recessionary trends. The ones more globalized suffered the most. Reduced exports and adverse foreign exchange movements unfolded rapidly. Inflationary pressure on input costs and hardening interest rates added to the financial woes. Declining sales, reduced margins and elongated working capital cycle eroded the liquidity. Lack of funds at competitive rates contributed to the mounting pressure on incomplete projects.

These are not the judgemental times. These are times of resoluteness and decisive action as to what should be done now to protect the future. Perhaps, the Government/RBI knows this too well and responded with series of measures and stimulus package, albeit little late. Corporates have undertaken restructuring and the forum like CDR responded well. Yet, the response from corporates and the lenders could have been more pro-active.

We addressed the industry forums like CITI (Confederation of Indian Textile Industries, CREDAI (Confederation of Real Estate Developers' Associations of India) at Natcon 2009 and ET Financial Management Summit 2009 to emphasise the importance and need for efficient 'Liability Management' during not just the bad but at all times. Also dwelt extensively on various measures to conserve the apart from emphasising on increasing bandwidth of management wherever expansions have been undertaken.

Brescon, being a leading player in the space, moved swiftly and addressed various issues faced by its clients. The major

clients were from worst hit textiles industry apart from plastics, petro-chemicals, real estate, diamond & jewellery and ceramic segments. The effort has been to address maladies radically. Most of the restructuring plans were implemented on time. But, still we feel there should have been more comprehensive and elaborate excersise at lenders and corporate level taking advantage of the stimulus package of the government. There is more ground to be covered and we would not be surprised, if some of the restructuring that have been put in place may even come for second restructuring.

We are also aware now that after a decisive political mandate given by the people, State would move forward more resolutely and there is a lot of ground that needs to be covered. This is to improve the urban and social infrastructure, increased spent on the withheld capex plans of manufacturing industries and substantial improvement in health, education and logistics sectors. This calls for huge outlays and offers good scope for financial intermediation. We have initiated steps to strengthen our teams to tackle this business.

We also expect that the hedge and specialist funds would now move swiftly to look at the opportunities at 'Recapitalization' of the restructured assets that hold promise in the wake of renewed vigour in the markets.

Though we have reasonable expertise and experience in this space and ready to handle opportunities as they unfold, rapidly emerging opportunities call for exceptional in-house talent to be built as we move forward. We feel, getting the people of high calibre with right attitude and setting high standards in performance benchmarks with corresponding scientific evaluation system, which ensures development of highly satisfied cadre, is a big challenge ahead.

We believe, the country entered an inflection point of its history for the second time, post 1991, and assure that we would play our part to the best of our abilities.

We count upon your best wishes.

Sincerely,  
Nirmal Gangwal



**Mr. N. D. Prabhu, Chairman**

Mr. Prabhu, an eminent banker with over 40 years of experience of domestic and international banking was the former Chairman and Managing Director of Canara Bank. He has also been the Chairman of Canara Bank's Venture Capital arm, Canbank Bank Mutual Fund, Canbank Factors Ltd. and Canfin Homes Ltd. His current portfolio includes the directorship of companies like Jumbo Bags Ltd. and Self Growth Nidhi Ltd.



**Mr. C.L. Jain, Director**

Mr. Jain, an eminent and recognized accounting and company law expert, has around four decades of experience in Corporate Finance, Accounts and Company Law. Formerly, he held the post of Director, Finance at Hoechst India Ltd. He has to his credit several international industry qualifications coupled with immense expertise in the manufacturing and services sectors. His current portfolio includes the directorship of companies like United Breweries Ltd., Shasun Chemicals & Drugs Ltd., NOCIL Ltd., Asit C. Mehta Investment Intermediates Ltd., RPG Life Science Ltd. and Shaw Wallace & Co. Ltd.



**Mr. Prem Chand Godha, Director**

Mr. Godha, a CA by qualification with over 30 years of industry experience is currently the Promoter & Managing Director at IPCA Laboratories Ltd., a leading pharmaceutical company with consolidated annual sales of Rs. 129 mn. He is also on the board of IndusInd Bank Ltd.



**Dr. B. Vasanthan, Director**

Dr. Vasanthan, a distinguished banker with over 40 years of experience in Core banking was former Chairman & Managing Director of Andhra Bank. He was also the Chief executive officer of National Bank of Oman for a brief period. He had started his career with Syndicate bank where he rose to the post of General Manager. He is also on the board of M/s. Lanco Infratech Ltd. and M/s. GVPR Engineers Ltd.



**Mr. Nirmal Gangwal, Managing Director / Chief Executive Officer**

Mr. Gangwal is the Founder-Promoter and Managing Director/Chief Executive Officer of Brescon. Having over 28 years of experience in the field of finance and management, he is the driving force behind the Company's success. A specialist in financial turnaround and restructuring solutions, his ability to build consensus among creditors coupled with his in-depth understanding of the industry has been instrumental in building long standing relationships. ACA, CS and LLB by qualification, Mr. Gangwal looks after the day-to-day affairs of the Company. His current portfolio includes the directorship of companies like Welspun Gujarat Stahl Rohren Ltd., MSK Project (India) Ltd., Remi Metals Gujarat Ltd. and iTenable India Ltd.

# Corporate Information

## Board of Directors

**Mr. N. D. Prabhu**

Chairman

**Mr. C. L. Jain**

Director

**Mr. Premchand Godha**

Director

**Dr. B. Vasanthan**

Director

**Mr. Nirmal Gangwal**

Managing Director (Upto 31st July, 2008)

Chief Executive Officer & Company Secretary (From 1st August, 2008)

## Registered Office

Siddhivinayak Chambers

7th Floor, Gandhi Nagar

Opp. M.I.G club, Bandra(east)

Mumbai 400 051

Phone No: 2645 1644

## Bankers

HDFC Bank Ltd.

## Auditors

M/s. Vijay R. Tater & Co.

Chartered Accountants

Mumbai

## Registrar & Share/Transfer Agent

Intime Spectrum Registry Limited

C/13, Pannalal Silk Mills Compound

L.B.S Marg, Bhandup (W)

Mumbai 400 078

Phone No: 2596 3838

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# Notice

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Wednesday, 30th September 2009 at 11.30 a.m. at 6th Floor, Siddhivinayak Chambers, Opp. MIG Club, Gandhi Nagar, Bandra (East), Mumbai - 400 051 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri P. C. Godha who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

“RESOLVED THAT M/s Vijay R. Tater & Co., Chartered Accountants who retire at the conclusion of this annual general meeting be and are hereby appointed as Auditors of the company till the conclusion of the next annual general meeting at a remuneration to be fixed by the Board of Directors.”

## SPECIAL BUSINESS:

### 5. A. Appointment of Director & Managing Director Shri Nirmal Gangwal

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

RESOLVED THAT Shri Nirmal Gangwal, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, 311 and other

applicable provisions of the Companies Act, 1956 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”), and subject to the approval of the Central Government, the company hereby approves the appointment of Shri Nirmal Gangwal as Managing Director of the company for a period of five years with effect from 1st July 2009 on the following remuneration as approved by the Remuneration Committee and on the terms and conditions as under:

- (a) Salary: Rs. 12,00,000 (Rupees Twelve Lacs only) per month inclusive of perquisites.
- b) Commission: Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.

The above remuneration shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rules, perquisites will be evaluated at actual costs.

In addition to the above, the Managing Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
- ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
- iii) Encashment of leave at the end of tenure.
- iv) Provision for Expenses related to Car and Telephone at the residence of the Managing Director shall not be treated as perquisites.

## Other terms:

The Board of Directors shall be entitled to terminate the appointment of Managing Director at any time during the tenure as the Managing Director by giving three months notice to him. The Managing Director shall also be entitled to resign by giving to the Company a notice of three months.



## BRESCON CORPORATE ADVISORS LTD.

Minimum Remuneration: In the absence or inadequacy of profits in any financial year, the above remuneration shall be treated as minimum remuneration notwithstanding the fact that such remuneration is or may be in excess of the limits prescribed under the Act.

FURTHER RESOLVED THAT the Board of Directors' be and are hereby authorised to increase the remuneration and vary any of the above terms of appointment including remuneration in consultation with the Managing Director provided that such increase and variation is within the limits of Companies Act, 1956 and with the approval of Central Government.

### **B. Appointment of Director Dr. B. Vasanthan**

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

"RESOLVED THAT Dr. B. Vasanthan who was appointed as an Additional Director, and who in terms of Section 260 of the Companies Act, 1956 read with article 143 of the Company's Articles of Association holds office upto the date of this Annual General Meeting and in respect of whom the company has received notice from a shareholder of the company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### **NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING.**
- b) Members are requested to intimate immediately change of address, if any, to the Registrars and Transfer Agents of the Company, M/s. Intime Spectrum Registry Limited.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 2009 to 30th September 2009 both days inclusive.
- d) Queries on accounts should reach the Registered Office of the Company at least seven days before the meeting.
- e) Members are requested to bring their own copies of the Annual Report to the meeting.

**By the Order of the Board  
For Brescon Corporate Advisors Limited**

**NIRMAL GANGWAL**  
Chief Executive Officer

Place: Mumbai  
Date: 30th June, 2009

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO NOTICE**

### **ITEM NO. 5**

- A) The business has expanded considerably and the team under the leadership of CEO, Shri Nirmal Gangwal has strived to achieve the targeted results. Recognizing the experience and expertise that Shri Nirmal Gangwal brings in and the scope of contribution in the wake of unfolding opportunities, the Board decided to appoint him as Managing Director with suitable remuneration package.

Shri Nirmal Gangwal was appointed by the Board as an Additional Director with effect from 1st July 2009 pursuant to Section 260 of the Companies Act, 1956. Shri Nirmal Gangwal holds office only upto the date of ensuing Annual General Meeting. The Company has received the notice alongwith necessary deposit under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose the appointment of Shri Nirmal Gangwal as director of the company.

As per the provisions of Sections 198, 269, 309 and 310, 311 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), and subject to the approval of the company in General Meeting and approval of the Central Government, Shri Nirmal Gangwal be and is hereby appointed as Managing Director of the company for a period of five years with effect from 1st July 2009 on the following remuneration as approved by the Remuneration Committee and on the terms and conditions as under:

- (a) Salary: Rs. 12,00,000 (Rupees Twelve Lacs only) per month inclusive of perquisites.
- (b) Commission: Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.

Shri Nirmal Gangwal, is deemed to be concerned or interested in the resolution regarding his appointment.

The Board of Directors recommend the passing of the said resolution.

None of the Directors, except Shri Nirmal Gangwal, is considered to be interested in the above resolution.

- B) Dr. B. Vasanthan brings in vast experience in Banking, Finance & Administration. His journey in the financial sector began with Syndicate Bank where he served over 33 years at various positions and his last stint in India was with Andhra Bank as its Chairman and Managing Director. He is currently associated as a Director of several Indian Corporates. Dr. B. Vasanthan is a recipient of Honorary Doctorate Degree

(Honoris Causa) by Sri Venkateshwara University, Tirupathi in recognition of services and contributions in the area of Banking in 2003 and various other awards.

Dr. B. Vasanthan was appointed by the Board as an Additional Director with effect from 17th October 2008 pursuant to Section 260 of the Companies Act, 1956. Dr. B. Vasanthan holds office only upto the date of ensuing Annual General Meeting.

The Company has received the notice alongwith necessary deposit under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose the appointment of Dr. B. Vasanthan as director of the company. Dr. B. Vasanthan has more than 40+ years of experience with various organisations. The Board considers his appointment as a Director of the Company would be beneficial and in the interest of the Company, and therefore recommends that Dr. B. Vasanthan be elected as a Director of the Company.

Dr. B. Vasanthan is deemed to be concerned or interested in the resolution regarding his appointment.

None of the other directors of the company are, in any way, concerned or interested in the resolution.

#### ANNEXURE TO THE AGM NOTICE

Information pursuant to Clause 49 of the Listing Agreement regarding appointment / reappointment of a Director.

Name of the Director	Shri P. C. Godha
Date of Birth	8th January 1947
Date of Appointment	8th February 1992
Qualification	Chartered Accountant
Directorship of other Limited Cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- Ipca Laboratories Ltd.</li> <li>- Vasant Investments Corporation Groups Ltd.</li> <li>- Gudakesh Investments &amp; Traders Ltd.</li> <li>- Indus Ind Bank Ltd.</li> </ul>
Chairman/Member of Committees of other Limited cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- Member of Customer Service Committee and Audit Committee of IndusInd Bank Ltd.</li> <li>- Member of Shareholders Investors Grievences Committee of IPCA Laboratories Ltd.</li> </ul>

Name of the Director	Dr. B. Vasanthan
Date of Birth	07th October 1943
Date of Appointment	17th October 2008
Qualification	Bachelor of Commerce – Gold Medallist
Directorship of other Limited Cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- Lanco Infratech Ltd</li> <li>- GVPR Engineers Ltd</li> </ul>
Chairman / Member of Committees of other Limited cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- Member of Remuneration Committee of Lanco Infratech Ltd.</li> <li>- Chairman of Audit Committee of GVPR Engineers Ltd.</li> </ul>

Name of the Director	Shri Nirmal Gangwal
Date of Birth	18th September 1956
Date of Appointment	01st July 2009
Qualification	C.A., C.S., L.L.B (G)
Directorship of other Limited Cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- I Tenable India Ltd.</li> <li>- Welspun Gujarat Stahl Rohren Ltd.</li> <li>- MSK Projects (India) Ltd.</li> <li>- Remi Metals Gujarat Ltd.</li> </ul>
Chairman / Member of Committees of other Limited cos. as on 31.03.2009	<ul style="list-style-type: none"> <li>- Member of Audit Committee of Remi Metals Gujarat Ltd.</li> <li>- Member of Remuneration Committee of Remi Metals Gujarat Ltd.</li> <li>- Member of Share Transfer &amp; Investors' Grievance Committee of Remi Metals Gujarat Ltd.</li> </ul>

# Directors' Report

To,

The Shareholders,

Your Directors have pleasure in presenting 18th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2009.

## 1. FINANCIALS

Financial Results of the last three years at a glance are as under: (Rs. in Lacs)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007
Income From Operation	2119.32	1423.10	1301.39
Other Income	(170.76)	604.48	123.62
Total Income	1948.56	2027.56	1425.02
Profit Before Depreciation	970.77	1285.40	699.44
Less: Depreciation	8.35	17.20	16.73
Profit Before Taxation	962.42	1267.49	682.72
Less: Provision for Taxation	413.36	309.77	210.85
<b>Profit After Tax</b>	<b>549.06</b>	<b>957.72</b>	<b>471.87</b>

## 2. PERFORMANCE REVIEW

The performance of the Company during the year was satisfactory and the core business grew 150%. The Company was able to increase its revenue from Fee based advisory activities from Rs. 1423.10 lacs in FY-08 to Rs. 2119.32 lacs in FY-09.

The year 2008-09 was a challenging year for the global economy and it had its adverse effects on domestic economy too. Accordingly, though our Company registered a healthy growth in the core business, the steep decline in stock markets affected our investment portfolio and thus decline in "Other Income". The other factors contributing to decline in profits are mainly on account of increase in administrative and employee costs.

However, the Company's management is optimistic of the markets in the wake of recent developments and as such no provision has been made as on 31st March 2009 as the investments under portfolio management are of long term in nature and that the markets have registered a rally also.

## 3. DIVIDEND

The Board of Directors of the Company, for the year ended 31st March 2009 has recommended a dividend @ 25% (Rs. 2.50 per Equity Share of face value of Rs.10 each) subject to the approval of the shareholders at the Annual General Meeting. The dividend, if declared, as above would involve an outflow of Rs. 87.37 lacs towards dividend and Rs. 14.85 lacs towards dividend tax resulting in a total outflow of Rs. 102.22 lacs.

## 4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 150 lacs to General Reserve out of the amount available for appropriation.

## 5. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL RESULTS

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of the above Subsidiary and its Audited Accounts for the Year 2008-2009 together with the Directors and Auditors report thereon are annexed to the Accounts of the Company.

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and its subsidiary is attached. The Consolidated Financial Statement have been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and show the financial information of the Company and its subsidiary.

## 6. DIRECTORS

Shri P. C. Godha, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Dr. B. Vasanthan appointed as an Additional Director of the Company with effect from 17th October, 2008, who shall hold office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing alongwith

necessary deposit from a member proposing the candidature of Dr. B. Vasanthan for the office of Director liable to retire by rotation.

Shri Nirmal Gangwal appointed as an Additional Director of the Company with effect from 1st July, 2009, shall hold office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing alongwith necessary deposit from a member proposing the candidature of Shri Nirmal Gangwal for the office of Director liable to retire by rotation.

Further Shri Nirmal Gangwal has been appointed as Managing Director of the company for a period of 5 years with effect from 1st July 2009.

In terms of Clause 49 of the Listing Agreement with the Stock Exchange the details of Directors to be appointed/reappointed are contained in the accompanying notice of the Annual General Meeting.

## 7. DIRECTORS RESPONSIBILITY STATEMENT

The directors confirm that:

- In preparation of annual accounts the applicable accounting standards have been followed along with proper explanation.
- Accounting policies selected and applied are on consistent basis and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of Profit and Loss of the Company for that period.
- Sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- Annual accounts have been prepared on a going concern basis.

## 8. CORPORATE GOVERNANCE

A certificate from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

## 9. FIXED DEPOSIT

The Company has not accepted and/or renewed any Fixed Deposits during the period under review.

## 10. AUDITORS

The Company's Auditors M/s Vijay R. Tater & Co., Chartered Accountants hold office up to the conclusion of the forthcoming Annual General Meeting and being eligible are recommended for reappointment by the Audit Committee of the Board of Directors. They have furnished the requisite certificate to the effect that their reappointment, if effected will be in accordance with Section 224(1B) of the Companies Act, 1956.

## 11. PARTICULARS OF EMPLOYEES

Particulars of the employees of the Company pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2000 is as under:-

Name of Employee	Designation	Qualification	Date of Appt.	Experience	Gross Remuneration	Prev.emp.
Shri Nirmal Gangwal	Managing Director (from 01.04.08 to 31.07.08) and Chief Executive Officer (from 01.08.08 to 31.03.09)	C.A., C.S., L.L.B.(G)	08.06.2000	over 18 years of experience in Finance & Management Consultancy	108,00,000/-	Nil
Shri Omprakash Jain	Director	MMS	01.11.2000	over 11 years of experience In Finance	49,56,060/-	Kothari Global Ltd.(Fin. Controller)
Shri N.S.Rao	Director	MS(Econ), PGDIM (IMI)	02.12.2004	over 26 years of experience in Commercial Banking & Venture Cap.	51,06,075/-	Pardeshi. Com Pvt. Ltd. (MD)
Shri Shrenik Vora	Director	C.A.	14.01.2008	over 11 years of experience In Finance & M & A	52,36,017/-	Kotak Mahindra Bank Ltd.
Shri Rohit Mehta	Director	C.A.	16.01.2008	over 15 years of experience in Corporate Finance	49,91,848/-	Money Matter Advisory Services Ltd.

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### 12. LISTING ARRANGEMENT

The securities of the Company are listed on Mumbai Stock Exchange. (Stock Code - 511628). The annual listing fees for the year under review have been paid to The Stock Exchange, Mumbai.

### 13. EMPLOYEE STOCK OPTION SCHEME

The Company has introduced stock option scheme for its employees/directors in the year 2006.

Employees Stock Option Scheme 2006:

Details of options granted under the 2006 scheme are given below:

Description	Details
Total No. of shares reserved under 2006 scheme	5,17,300 with each such option conferring right to apply for 1 Equity Share of Rs.10 each
Variation, if any in terms of Options	Nil
Total No. of options outstanding at the beginning of the year under 2006 scheme	Grant – I 65,834 options Grant – II 67,500 options
Total No. of options granted during the year ended 31.03.09	Grant – III 110,500 options
The pricing formula	Exercise Price equals to Book value per Equity Share as on 31.03.2006 (i.e.) Rs.51/-
Options vested (as of March 31, 2009)	103,000
Options exercised during the year	39,164
Money raised on exercise of options	Rs.19,97,364
No. of shares arising as result of exercise of option	39,164
Options forfeited during the year	Nil
Options lapsed during the year	21,667
Total No. of options in force at the end of the year	1,83,003
Grant to senior management	1) Shri P.C. Godha – 6,666 options 2) Shri N.D. Prabhu – 3,333 options 3) Shri C.L. Jain – 3, 333 options
Employees/Directors receiving 5% or more of the total no. of options granted during the year	1) Shri Omprakash Jain – 5,833 options 2) Shri N.S. Rao – 5,833 options 3) Shri Mahesh Singhal – 3,333 options 4) Shri Venkatesh Srinivasan – 3,333 options 5) Shri Tarak Shah – 7,500 options
Employees etc. receiving options which is 1% or more of the issued capital of the Co. at the time of grant	Nil
Diluted Earning per Share pursuant to issue of shares on exercise of option	Rs.15.79

Fair value of the options granted under the ESOP Scheme 2006 is as under. The fair values of the options have been calculated using the Black-Scholes Option pricing formula.

Date of Grant	Fair Value
– 15/07/2006	38.98
– 31/07/2007	46.66
– 01/07/2008	101.48

### 14. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Not Applicable in view of the nature of the Business of the Company.

### 15. FOREIGN EXCHANGE EARNINGS & OUTGO

	(Rs. in Lacs)	
	Year ended 31.03.2009	Year ended 31.03.2008
(i) Earnings	Nil	Nil
(ii) Outgo	5.35	0.40

### 16. ACKNOWLEDGEMENTS & APPRECIATION

The Board would like to place on record their appreciation of the contributions made by every employee of the Company. The Board would like to thank the shareholders for their continued support to the Company.

For and on behalf of the Board  
For **Brescon Corporate Advisors Limited**

Place: Mumbai  
Date: 30th June, 2009

**Shri N. D. Prabhu**  
Chairman



# Management Discussion & Analysis

## Economic Overview:

The year passed by marked with unprecedented developments in the global economy. Several advanced economies had experienced their sharpest declines. The global financial system entered a crisis phase in mid-September 2008, post Lehman Brothers collapse. There has been steep decline in trade volumes (imports and exports), gradual drying up of capital flows, increased protectionism and record levels of lay-offs. The knock-on effect of all these contributed to the growing distress among banking and financial institutions and across the real sector viz., manufacturing and services industry spectrum. Being well integrated in to world economy, India and China too experienced their share of woes and witnessed deceleration on their GDP growth rates. It is now estimated that India's GDP may border 5.9% growth in the 2009-10 fiscal.

The global liquidity squeeze resulted in Indian corporates shifting their credit demand to the domestic banking sector and to look for substitute financing. Both money markets and credit markets came under intense pressure. Forex market too was impacted because of reversal of capital flows as part of the global deleveraging process as well as due to conversion of the funds raised locally into foreign currency to meet tier external obligations which caused downward pressure on rupee.

On the other hand, soaring commodity prices in first half of FY-08 resulted in steep increase in input cost to almost all segments of manufacturing sector. High input prices, weakening rupee, extreme tight liquidity conditions and slowing global demand as well as moderating domestic demand put corporates cash flows under tremendous pressure and deteriorated their capability to repay their obligations to lending and financial institutions. This understandably poses significant danger of large NPA levels in future.

An important challenge in the macroeconomic and monetary policy making during 2008-09 has been to manage the volatility emerging in respect of several key economic indicators of the Indian economy. Notwithstanding several challenges, particularly from the global economy, the Indian economy remained resilient and its financial institutions and private corporate sector remained relatively stable.

## Industry Overview:

Till the beginning of 2008, Indian corporate sector has witnessed strong growth momentum year on year. Companies have also responded to the competitive pressures through

extensive repositioning that involved mergers, acquisitions, alliances, divestitures and demergers. Closely on the heels of such significant structural changes, marked by huge capital raising, considerable leveraging of balance sheets and significant expansions, came the gradual unfolding of global economic turmoil and its adverse effect on domestic markets. The year under review was a tough challenge to corporates at all levels due to various reasons. First half FY 2009 witnessed slow off-take of finished products and high input costs in the mid of last year and credit squeeze in second half. Major source of capital like equity dried up completely. Banks slowed down their lending activity. Downward pressure of demand from international markets, failed acquisitions and funds starved incomplete projects have put corporates under severe stress.

Overall, industry registered 17% growth in credit outstanding but the same was somewhat skewed too, where infrastructure, construction activities attracted a larger part of lending. The sub-prime crisis and consequent sudden collapse of large financial institution like Lehman, Merrill Lynch dampened the confidence of investors and lenders. This resulted in sudden drop in lending. Despite the Government and RBI efforts to increase the liquidity in banking system through various measures such as reducing the SLR and CRR, the surplus liquidity, currently estimated at more than Rs.1,00,000 cr, is parked with RBI. Though, credit growth slowed down in second half of FY-2009, the reverse pressure from RBI to soften the interest rates to boost lending may again result in high credit growth rate which would bring its own risk and likely to affect quality of asset too in future.

This throws up a very interesting scenario that is twin headed.

On one hand, there would be concerted, of course much needed, effort to increase the fund flows to bolster real economy viz., manufacturing, infrastructure, education, health and social sectors. It is expected bank advances will grow from current Rs.27,04,000 cr to around Rs.31,37,500 cr next year (Global Markets Research, Deutsche Bank, 5th June 2009). That's about Rs.4,33,000 cr incremental credit. Out of this Corporates account nearly half of this. At least one fourth of this would be additionally supported by equity or equity related funds. The opportunity in the 'growth' segment could thus be quite significant.

On the other hand increased intensity of demand slow down, lack of access to funding at reasonable rates, movements in foreign exchange rates and lengthening of working capital cycle would result in deterioration of asset quality of corporate loans. It is estimated by CRISIL in its recent report the gross NPAs (GNPA) level of banks is expected to

## BRESCON CORPORATE ADVISORS LTD.

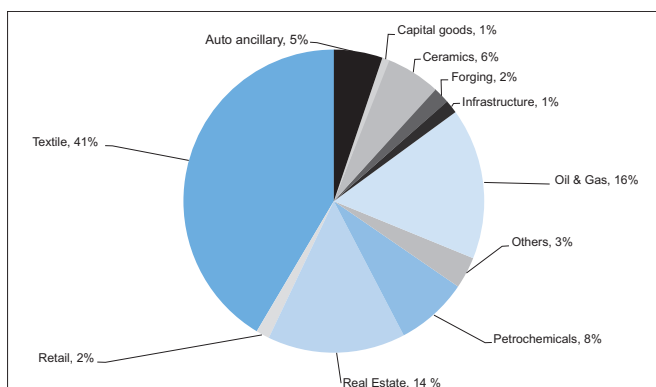
jump three folds to Rs.1,90,000 cr (5 per cent of advances) by FY2011. Out of this 56% is contributed by the corporate sector. And conservatively estimating the, corporate SMEs contributing to around 40%, it amounts to around Rs.43,000 cr as addressable distress assets market.

### Business overview:

Brescon Corporate Advisors Limited is one of India's leading corporate advisory companies that assist companies in any special situations through resolution, recapitalization, debt syndication, mergers and acquisitions, infusion of private equity or direct investment. With over 400 man-years of operating experience and a client base of over 110 companies across 27 segments of the industry, Brescon has till date, consummated transactions aggregating to over USD 5.5 billion under various service offerings.

Resolving complexity and creating value are the key differentiators at Brescon. The year under review has extensively tested Brescon's ability to drive the mandates under trying circumstances. Last fiscal year more than 50% of work was from textile. Petrochemicals, Plastics Recycling, Real Estate and Ceramics were other major sectors. Brescon's approach has been as radical and comprehensive as ever. Client cases were extremely diverse and called for application of different resolution mechanisms to achieve most optimal solutions. Clientele among textile industry ranged across the value chain and in the real estate among the top five (5). In almost all the cases successful implementation of sanctioned packages was as per the time lines planned. During FY-09, Brescon resolved INR 21193 million of debt successfully.

### Revenue distribution sectorwise for FY-09



As part of promoting the 'Advisory and Industry interface', Brescon collaborated with CITI (Confederation of Indian textile industry) to help them addressing textile industry's problems to Ministry of Finance for long term and effective solutions. Brescon also sponsored NATCON 2009, the CREDAI (Confederation of Real Estate Developers' Association of India)'s event in Macau and ET Financial Management Summit 2009 on how to tackle the liquidity and liability related issues during down turn.

### Opportunities

As explained in above paras, currently, the opportunities in India are of twin fold. Necessity of increased capex and infrastructure expenditure to catch up with the targeted GDP growth would call for increased funds flow to corporate sector. On the other hand, expected NPAs level of corporates would grow from current level of 2.5% of outstanding credit

to around 5% by 2011 (Crisil). A lower double digit target of the above should make Brescon to grow multi-fold.

Another opportunity that emerged strongly couple of years ago and was almost dormant last year is investment in distressed/stressed assets by hedge funds and special asset class funds. The strong credit growth and expected increase in NPA portfolio in absolute terms may trigger renewed strong interest in distress market in the coming years. It is likely to propel interest of foreign players, foreign funds who have been eagerly waiting to invest large amount of capital in bad loans. Brescon, with its experience and expertise is well positioned to be the gateway for exploiting the exciting opportunities that lie ahead in the distress market.

### Risks and Challenges

Though, it has been a good year for Brescon in terms of the mandates executed, their size and complexity, all this was against the backdrop of lack of control over extraneous factors, such as consensuses and acceptance among lenders, behaviour of the markets, willingness and capacity of the client managements and cyclical nature of industry. Going forward there are few major challenges. One: to achieve higher levels of deal flow and to nurturing genuine and mature relationships with clients, banks, financial institutions. Two: challenges in recovering the fee income. There are certain well thought out steps that have been configured on this count and the efforts have been initiated to:

1. Maintain the balance between Clients and Lender's expectations.
2. Develop and sustain positive vibrant image with various institution at all levels by increased acceptance of Brescon's Role.
3. Structured retainership and milestone fee stipulations. However the issue of effective recovery on with in reasonable time limit remains as challenge.
4. Sustain and improve various steps that have been taken in last couple of years paved the way for reduced attrition.

On the operational front, internal control systems, well defined organizational structure, documented policy guidelines ensure efficiency of operations and compliance of applicable laws and regulations. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits by an independent firm of Chartered Accountants.

### Human Resource & Development

Various initiatives were undertaken to strengthen the functional and behavioural skills of our employees. There were several team-building activities through various methods such as outbound workshops, focused group discussions, etc. There has been an intensified focus on training and development of manpower in order to increase efficiency levels as well as remain updated with the latest developments in our field. From this year onwards in order to show company's commitment towards training and development, we have made it mandatory for all staff to dedicate 112 hours to skills development.

Company also started a knowledge management series, wherein each part of our execution process was documented and explained in great detail to all executives so as to create a standardized operating process and result in faster execution management. Industry gurus were invited for in-house open sessions, where our executives had an opportunity of getting a closer view of the dynamics of the industry and how one could outperform in various situations.

The attrition has also gone down significantly in the recent past. The fact that many of our senior pros, who had left the organization at an earlier point of time, have come back to our company holds testimony to the relationship we share with each of our employees and also employer brand value.

#### Cautionary statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable to securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments in the country and improvement in the state of capital markets, changes in the Government regulations, tax laws and other statutes and other incidental factors.



# Corporate Governance Disclosure

## 1. Company's philosophy on code of governance:

Brescon is committed to maintaining the highest standards of Corporate Governance. The Board endorses the principles set out in the Code and throughout the year ended 31st March 2009 the Company has complied in full with the requirements of the Code.

## 2. Board of Directors:

The present strength of Brescon's Board comprises of four Directors and all of them are Non – Executive Independent Directors having considerable experience in their respective fields. The Board consisted of One Executive Director and Three Non-Executive/Independent Directors till 31st July 2008. On 31st July 2008, Dr. B. Vasanthan was appointed as an additional Director to the board till the ensuing Annual General Meeting. Shri Nirmal Gangwal resigned as a Managing Director & Director and was appointed as the Chief Executive Officer as on that date. On 17th October 2008, Dr. B Vasanthan was appointed as an Additional Director to the Board. The Chairman of the Board is a Non-Executive/Independent Director. Except the above, during the year under review, there was no change in the Board of the Company.

The details of Board of Directors in respect to attendance, directorship in other cos. and membership in committees of other cos. are given below:

Name	Category	Attendance Particulars		No. of directorship in other Companies*	Membership of Audit & Investor Grievance Committee (excluding –Brescon)
		Board Meeting	Last AGM		
Shri N. D. Prabhu	Chairman NED	5	Yes	2	3 (1 Chairman)
Shri Nirmal Gangwal (till 31st July 2008)	Managing Director ED	3	Yes	4	3 (0 Chairman)
Shri C. L. Jain	NED	2	Yes	10	7 (3 Chairman)
Shri P. C. Godha	NED	4	No	4	2 (0 Chairman)
Dr. B. Vasanthan	NED	3	No	2	2 (1 Chairman)

\* Excluding Private Company and Foreign Company.

(NED = Non Executive Director and ED = Executive Director)

During the year 2008-2009 the Board met Five (5) times on 16th April 08, 30th June 08, 31st July 08, 17th October 08 and 20th January 09.

## 3. Audit Committee:

Audit Committee comprises of four independent non-executive directors namely, Shri N. D. Prabhu, Shri C. L. Jain, Shri P. C. Godha and Shri B. Vasanthan. Shri N. D. Prabhu is the Chairperson of the Audit Committee.

During the year 2008-2009 the committee met 5 (Five) times on 16th April 08, 30th June 08, 31st July 08, 17th October 08 and 20th January 09.

Attendance of each member at the Committee Meetings were as follows:

Shri N. D. Prabhu - 5 (Five)

Shri Nirmal Gangwal - 3 (Three)

Shri C. L. Jain - 2 (Two)

Shri P. C. Godha - 4 (Four)

Dr. B. Vasanthan - 3 (Three)

The broad terms of reference of the Committee include:

- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To hold periodic discussion with statutory auditors and internal auditors concerning the accounts, internal audit system, scope of audit and observations of the auditor/internal auditors.

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and to make recommendation to the Board on any matter relating to the financial management of the Company.
- To review compliance with internal control system.
- To review periodically statements of transactions with related parties in the ordinary course of business.

#### 4. Shareholders/Investor Grievance Committee:

Company's Shareholders/Investors Grievance Committee consists of two members namely Shri N. D. Prabhu and Shri Nirmal Gangwal. The committee is headed by Shri N. D. Prabhu, an independent non-executive director.

The Committee, apart from approving share transfers, transmissions, etc., and other related matters, also looks into the redressal of shareholder complaints like non-transfer of shares, non-receipt of annual reports, issue of duplicate shares certificate, transmission of shares, etc.

#### 5. Remuneration Committee:

Remuneration Committee in the Company is a four-member team comprising of three independent Non Executive Directors (i.e.) Shri N. D. Prabhu, Shri C. L. Jain and Shri P. C. Godha and one Executive Director/Chief Executive Officer (i.e.) Shri Nirmal Gangwal.

Scope and Role of Remuneration Committee :

To determine the Company's policy on compensation packages of Executive and Non-Executive Directors and Chief Executive Officer and for considering any revision in their compensation packages.

Define scope/role and also Implementation, administration and superintendence of the ESOP Scheme and formulating the detailed terms and conditions of the ESOP Scheme.

Particulars of Directors Remuneration:

The aggregate value of salary and perquisite paid for the year ended 31st March, 2009 to Shri Nirmal Gangwal – Managing Director was Rs. 12,00,000 inclusive of allowances and perquisites.

Besides this the company has paid sitting fees of Rs. 10,000 for each Board meeting and Rs. 5,000 for each Audit Committee meeting attended by each Non Executive Director.

Total sitting fees paid by the Company for the year ended 31st March, 2009 to the directors works out to Rs. 2,05,000.

#### 6. Code of Conduct:

In compliance with Clause 49 of the Listing Agreement, the Company had designed a Code of Conduct for the following categories of persons and the same is displayed on the Company's website (i.e.) [www.brescon.com](http://www.brescon.com)

- Non Executive Directors and ;
- Executive Directors and Senior Management Officers of the Company.

#### 7. General Body Meetings:

Location and time for last three Annual General Meeting were

Year	Location	Time	Date
2005-2006	Siddhivinayak Chambers, 6th Floor, Gandhi Nagar Opp. M.I.G. Club, Bandra (E), Mumbai – 400 051	11.30 a.m.	15/07/2006
2006-2007	Siddhivinayak Chambers, 6th Floor, Gandhi Nagar Opp. M.I.G. Club, Bandra (E), Mumbai – 400 051	11.30 a.m.	18/08/2007
2007-2008	Siddhivinayak Chambers, 6th Floor, Gandhi Nagar Opp. M.I.G. Club, Bandra (E), Mumbai – 400 051	11.30 a.m.	12/09/2008

#### 8a. Disclosure on Materially significant related party transaction that may have potential conflict with the interest of company at large

None of the transaction with any of the related parties were in conflict with the interest of the company. For particulars of related party please refer Notes to Accounts given by way of annexure to the Accounts.

#### 8b. Details of non compliance by the company, penalties imposed on the company by Stock Exchange or SEBI on any matter related to capital markets during the last three years

No instance of levy of penalty by the stock exchange or SEBI due to non compliance by the Company.

#### 9. Means of Communication:

- The quarterly/half-yearly financial results of the Company, as approved by the Board of Directors of the Company, are communicated to all the Stock Exchanges, where the shares of the Company are listed and published in the Mumbai

## BRESCON CORPORATE ADVISORS LTD.

edition of Economic Times or Business Standard and Maharashtra Times or Sagar Daily within the stipulated time. The same are not sent individually to each shareholder.

- The Company's Annual Financial Results are also displayed on the Company's website [www.brescon.com](http://www.brescon.com).

The Management Discussion and Analysis Report forms part of this Annual Report.

### 10. General Shareholder information:

- Annual General Meeting: Wednesday, 30th September 2009 at 11.30 a.m.  
Venue: 6th Floor, Siddhivinayak Chambers  
Gandhi Nagar, Opp. M.I.G. Club,  
Bandra (East), Mumbai 400 051
- Book Closure date: 24th September 2009 to 30th September 2009 (both days inclusive)
- Listing on Stock Exchange: Bombay Stock Exchange (BSE)
- Stock Code and demat ISIN No.: The Stock Exchange, Bombay Code 511628  
Demat ISIN No. INE 417D01012
- Market Price Data: High / Low during each month in last financial year:

Period	High	Low	Period	High	Low
April 2008	155.00	102.00	May 2008	143.00	108.00
June 2008	120.00	82.15	July 2008	107.90	71.20
Aug 2008	104.25	78.10	Sept. 2008	104.00	80.00
Oct. 2008	93.00	57.55	Nov. 2008	74.95	52.55
Dec. 2008	78.90	55.05	Jan. 2009	74.60	52.30
Feb. 2009	59.90	49.00	Mar. 2009	59.50	49.00

- Registrar and Transfer Agents:  
**Intime Spectrum Registry Limited**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078
- Share Transfer System: The Compliance Officer and the Managing Director /Chief Executive Officer of the Company are authorised to approve the transfer of share and the same are generally registered/confirmed within 15 days of receipt, provided the documents are clear in all aspects.
- Dematerialisation of Shares: 59.20% (i.e. 2068909 equity shares) of the total shareholding has been dematerialised as on 31st March 2009.

### 11. The Investor Education and Protection Fund (IEPF)

Following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF. Once the unpaid amounts are transferred to IEPF no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid.

Financial Year ended	Amt. of Dividend remaining unpaid/unclaimed as on 31.03.2009	Date of Payment of Dividend	Last date for claiming unpaid dividend after which it shall be transferred to IEP Fund
2002-2003	Rs. 95,260	19.07.2003	18.07.2010
2003-2004	Rs. 1,23,700	30.08.2004	29.08.2011
2004-2005	Rs. 1,33,230	30.08.2005	29.08.2012
2005-2006	Rs. 1,64,173	19.07.2006	18.07.2013
2006-2007	Rs. 1,73,878	25.08.2007	24.08.2014
2007-2008	Rs. 2,81,910	30.07.2008	29.07.2015

## 12. Shareholding

Distribution of shareholding as on 31st March, 2009 is as under:

No. of shares	No. of shareholders	% of shareholders	Total No. shares in the category	% of total
Upto 500	1586	89.7570	211501	6.0520
501 — 1000	81	4.5840	66917	1.9150
1001 — 2000	32	1.8110	46769	1.3380
2001 — 3000	19	1.0750	49714	1.4220
3001 — 4000	06	0.3400	21203	0.6070
4001 — 5000	04	0.2260	17908	.05120
5001 — 10000	16	0.9050	123131	3.5230
10001 — and above	23	1.3020	2957787	84.6310
<b>TOTAL</b>	<b>1767</b>	<b>100.000</b>	<b>3494930</b>	<b>100.000</b>

\* Categories of shareholders as on 31<sup>st</sup> March 2009.

Category	No. of shares of Rs. 10 each	Percentage %
Indian Promoters	143,900	4.12
Foreign Promoters	Nil	Nil
Persons Acting in Concert	1,753,345	50.17
Mutual Funds & UTI	275,450	7.88
Banks/Financial Institutions/Insurance Companies	Nil	Nil
Private Corporate Bodies	707,052	20.23
Indian Public	587,572	16.81
NRI/OCB	27611	0.79
<b>Total</b>	<b>3,494,930</b>	<b>100</b>

• Address for correspondence:

For Transfer/Dematerialisation

**Mr. Raghunath Poojary**

AVP – Corporate Registry

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W),

Mumbai - 400 078

Phone No. 022-25963838

For other query on Annual Report

**Mr. Milind Shah**

Head – Finance & Compliance

Brescon Corporate Advisors Ltd.

Siddhivinayak Chambers,

Gandhi Nagar, Opp. MIG Club,

Bandra (East), Mumbai - 400 051

Phone No. 022-42538838

### Auditor Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchange

To,

The Members of Brescon Corporate Advisors Ltd.

We have examined the compliance of conditions of Corporate Governance by Brescon Corporate Advisors Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedure and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For **Vijay R. Tater & Co.**  
Chartered Accountants

Place: Mumbai  
Date: 30.06.2009

(CA Suresh G. Kothari)  
Partner  
Mem. No.: 47625

# Auditors' Report

To,

The Members,

**BRESCON CORPORATE ADVISORS LTD.**

Siddhivinayak Chambers, 7th Floor, Gandhi Nagar,  
Opp. M.I.G. Club, Bandra (E),  
Mumbai- 400 051.

- 1) We have audited the attached Balance Sheet of **BRESCON CORPORATE ADVISORS LIMITED** as at 31st March, 2009, the Profit & Loss Account and also 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.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks, as we considered appropriate set out in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in Annexure referred to in paragraph 3 above we report that:
  - a) We have obtained all the information and explanation, 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 it appears from our examination of the books.
  - c) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared, in all material respects in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e) On the basis of the written representations received from the Directors as on 31st March, 2009, and taken on the

record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Clause (g) of the Sub-section (1) of Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other Notes generally give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
  - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date. and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **VIJAY R. TATER & CO.**  
Chartered Accountants

Place: Mumbai  
Date: 30th June, 2009

(CA Suresh G. Kothari)  
Partner  
M. No 47625

**Annexure to the Auditors' Report**

(Referred to in paragraph 3 of our report of even date to the members of **Brescon Corporate Advisors Ltd.**

**For the year ended 31st March, 2009)**

- (i) a) The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, during the year the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- (ii) According to the information and explanation given to us, during the year the company does not have any trading activity and does not have any inventory. Therefore the question of physical verification, adequacy of procedures of physical verification and maintenance of proper records of inventory does not arise.
- (iii) a) As per the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured to companies, firms or other parties

covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub Clause (a),(b),(c) and (d) of Clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- b) The company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub Clause (e), (f) and (g) of Clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, it appears that there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of shares and securities and other assets, and for the sale of shares and securities and services. Further, on the basis of our examination of the books of accounts of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements 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.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public during the year, within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, internal audit function, carried out during the year by a firm of chartered accountants appointed by the management, have been commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of Cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) a) According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, SalesTax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty, Cess, Service Tax or any other statutory dues to the extent applicable with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they became payable as at the close of the year.
- b) According to the information and explanations given to us and records of the company examined by us, there are no dues of Income Tax, SalesTax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which have not been deposited on account of any dispute.
- (x) The company does not have any accumulated losses as at the end of the financial year and has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- (xi) Based on our examination of records and information and explanations given to us the company has not taken any loan from the financial institution, banks or debenture holders during the year.
- (xii) Based on our examination of records and the information and explanations given to us the company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to chit fund, nidhi or mutual benefit fund/ societies are not applicable to the company.
- (xiv) The company has maintained proper records of transactions and contracts in respect of investments in shares, debentures and other securities and those timely entries have been made therein. The shares, debentures and other securities have been held by the company in its own name except to the extent of the exemption granted under section 49 (4) of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and/or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us, the company has not availed of any term loans during the year hence the provision of clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xvii) In our opinion and according to the information and explanation given to us, and on an overall examination of the balance sheet and cash flow of the company, funds raised on short term basis have, prima facie, not been used for long term investment.
- (xviii) According to the information and explanations given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year the company has not issued any debentures and hence no securities or charges are required to be created in respect thereof.
- (xx) The company has not raised any money by way of public issues during the period covered under the audit report.
- (xxi) During the course of our examination of books of account, carried out in accordance with generally accepted auditing practices in India, and according to the explanations given to us, we have neither come across any incidence of any material fraud on or by the company, noticed or reported during the year, nor have been informed of any such case by the management

For **VIJAY R. TATER & CO.**  
Chartered Accountants

Place: Mumbai  
Date: 30.06.2009

(CA Suresh G. Kothari)  
Partner  
M.NO. 47625



# BRESCON CORPORATE ADVISORS LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SOURCES OF FUNDS:</b>				
<b>1 Shareholders' Funds</b>				
a) Share Capital	<b>1</b>	34,949,300		34,557,660
b) Reserves & Surplus	<b>2</b>	303,482,035		255,751,214
			338,431,335	290,308,874
<b>Total</b>			<b>338,431,335</b>	<b>290,308,874</b>
<b>APPLICATION OF FUNDS:</b>				
<b>1 Fixed Assets</b>				
a) Gross Block	<b>3</b>	14,156,629		17,645,537
b) Less: Depreciation		11,502,585		11,900,431
c) Net Block			2,654,044	5,745,106
<b>2 Investments</b>	<b>4</b>		252,207,775	223,386,085
<b>3 Current Assets, Loans &amp; Advances</b>				
a) Current Assets	<b>5</b>	114,589,123		82,467,881
b) Loans & Advances	<b>6</b>	74,519,240		40,776,250
		189,108,363		123,244,131
<b>4 Less: Current Liabilities &amp; Provisions</b>				
a) Current Liabilities	<b>7</b>	23,827,220		21,678,355
b) Provisions	<b>8</b>	82,010,715		40,519,405
		105,837,934		62,197,760
<b>Net Current Assets</b>	<b>A-B</b>		83,270,428	61,046,371
<b>5 Deferred Tax Assets</b>			299,088	131,312
<b>Total</b>			<b>338,431,335</b>	<b>290,308,874</b>

### Significant Accounting Policies & Notes on Accounts 13

As per our report of even date attached  
For **Vijay R. Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner  
(M.No.47625)

Place: Mumbai  
Date: 30.06.2009

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer  
& Company Secretary

Place: Mumbai  
Date: 30.06.2009

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009**

	Schedule	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
<b>INCOME</b>			
Fee Based Financial Services	9	211,931,990	142,309,982
		<b>211,931,990</b>	<b>142,309,982</b>
<b>EXPENDITURE</b>			
Administrative Expenses	11	39,901,729	26,215,823
Employees Cost	12	57,305,242	48,002,191
Depreciation		834,773	1,720,029
Loss on sale of Fixed Assets		572,054	71,525
		<b>98,613,797</b>	<b>76,009,568</b>
<b>PROFIT/(LOSS) BEFORE TAX &amp; OTHER INCOME</b>			
Other Income	10	113,318,193	66,300,414
		(17,075,758)	60,448,382
<b>PROFIT/(LOSS) BEFORE TAX</b>			
Less: Short Provision for Taxation of earlier years		96,242,435	126,748,796
Less: Provision for Taxation		76,042	792,207
Less: Provision for Fringe Benefits Tax		39,961,245	29,376,543
Add: Excess provision for FBT of Earlier year		1,069,253	983,996
Less: Provision for Shortfall in Gratuity			86,489
Less: Provision for Shortfall in Gratuity		363,679	
Less: Provision for Diminishing Value of Investments		33,765	—
<b>Provision for Deferred Tax</b>			
Add/(less): Timing difference on account of difference of current year depreciation		167,776	89,304
<b>PROFIT/(LOSS) AFTER TAX</b>			
Add: Balance brought forward		<b>54,906,227</b>	<b>95,771,843</b>
		186,573,885	110,960,908
<b>AVAILABLE FOR APPROPRIATION</b>			
Proposed Dividend		<b>241,480,112</b>	<b>206,732,751</b>
Tax on Distributed Fund		8,737,325	8,683,163
Transferred to General Reserve		1,484,908	1,475,703
Balance carried to Balance Sheet		15,000,000	10,000,000
		<b>216,257,878</b>	<b>186,573,885</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>			
	13		

As per our report of even date attached  
For **Vijay R. Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner  
(M.No.47625)

Place: Mumbai  
Date: 30.06.2009

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer  
& Company Secretary

Place: Mumbai  
Date: 30.06.2009



**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31st MARCH 2009**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE –1 “SHARE CAPITAL”</b>		
<b>Authorised</b>		
10000000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
200000 Preference Shares of Rs. 100 each	20,000,000	20,000,000
	<b>120,000,000</b>	<b>120,000,000</b>
<b>Issued, Subscribed and paid up</b>		
3494930(3455766) Equity Shares of Rs. 10 each fully paid up.	34,949,300	34,557,660
	<b>34,949,300</b>	<b>34,557,660</b>
<b>SCHEDULE –2 “RESERVES &amp; SURPLUS”</b>		
General Reserve	40,037,016	30,037,016
Add: Transferred from Profit & Loss Account	15,000,000	10,000,000
	55,037,016	40,037,016
Share Premium A/c	29,469,030	27,863,306
Profit & Loss Account	216,257,878	186,573,885
<b>EMPLOYEE STOCK OPTION</b>		
Employee Stock Option Reserve	7,215,583	
Less: Deferred Employee Compensation Expenses	4,497,472	
	2,718,111	1,277,007
	<b>303,482,035</b>	<b>255,751,214</b>

**SCHEDULE –3 “FIXED ASSETS”**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2008	Additions during the year	Deductions during the year	As at 31.03.2009	As at 01.04.2008	For the year	Deductions for the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
<b>Owned Assets</b>										
Furniture, Fixtures & Fittings	2,708,563	–	–	2,708,563	2,014,793	69,377	–	2,084,170	624,393	693,770
Office Equipment/ Air-conditioners	2,214,318	86,241	–	2,300,559	1,463,204	125,603	–	1,588,807	711,752	751,114
Computer	7,661,271	201,374	–	7,862,645	7,093,448	461,518	–	7,554,966	307,679	567,823
Motor Car	5,061,385	–	3,776,523	1,284,862	1,328,986	178,274	1,232,619	274,641	1,010,221	3,732,399
<b>TOTAL</b>	<b>17,645,537</b>	<b>287,615</b>	<b>3,776,523</b>	<b>14,156,629</b>	<b>11,900,431</b>	<b>834,773</b>	<b>1,232,619</b>	<b>11,502,585</b>	<b>2,654,044</b>	<b>5,745,106</b>
Previous Year	14,604,175	3,706,746	665,384	17,645,537	10,624,261	1,720,029	443,859	11,900,431	5,745,106	–

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE – 4 “ INVESTMENTS” (at cost)</b>		
<b>(Valued, verified &amp; Certified by the Management)</b>		
<b>Unquoted (Long Term Investment)</b>		
4990000 (previous year 4990000) Equity Shares of Cognizant Finance P. Ltd. (Face Value Rs.10 each)	49,900,000	49,900,000
66660 (previous year 66660) Equity Shares @ Rs.75 each of Southern Wind Farms P. Ltd. (face value Rs.10 each at premium of Rs.65 each)	4,999,500	4,999,500
477334 (previous year 477334) fully convertible warrants @ Rs.53 each of Multi Flex Lami Print Ltd. (face value Rs.10 each at premium of Rs.43 each) (5 % i.e. Rs. 2.65 per Share warrant paid )	1,264,936	1,264,936
Nil (previous year 533000) fully convertible warrants @ Rs.25 each of Uniflex Cable Ltd. (face value Rs.10 each at premium of Rs.15 each) (10 % i.e. Rs. 2.50 per Share warrant paid )	—	1,332,500
Investment in Indian Real Opp. Venture Capital Fund (Now known as Milestone Real Estate Fund)	3,750,000	2,000,000
6660 Equity Shares of Global Wind power Ltd @ Rs.50 per share	333,000	333,000
Share Application in Trinity Credit Management P. Ltd 100000 Equity Shares @ Rs. 10 each	1,000,000	—
Nil (previous year 200000) warrants of Rs.171 each of IMP Powers Ltd ( 10% i.e. Rs.17.10 per warrant )	—	3420000
<b>Quoted</b>		
<b>Long Term Investment</b>		
Investment In Shares & Securities -> In Equity Shares/Diversified Mutual Fund Scheme (Mkt Value – Rs. 699.53 lacs) (previous year Mkt Value 1045.72 Lacs)	119,351,613	121,524,879
<b>Current Investment</b>		
-> In Mutual Fund (Floater & Liquid/FMP) (Mkt Value – Rs. 715.75 Lacs) (previous year Mkt Value - Rs. 386.12 Lacs)	71,608,726	38,611,270
	<b>252,207,775</b>	<b>223,386,085</b>
<b>SCHEDULE – 5 “CURRENT ASSETS”</b>		
Debtors (Unsecured, considered good)		
-> More than six months	29,031,726	11,579,974
-> Less than six months	67,974,931	62,787,878
Cash and Bank Balances		
-> Cash in Hand	361,164	
-> Bank Balance in Current Account (including Flexi & Fixed Deposit)	17,221,302	
	17,582,466	8,100,029
	<b>114,589,123</b>	<b>82,467,881</b>

## BRESCON CORPORATE ADVISORS LTD.

### SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE – 6 “LOANS &amp; ADVANCES”</b>		
(Unsecured considered good)		
Deposit for Office Premises	9,738,600	9,738,600
Advances Recoverable in cash in kind or for value to be received	1,693,786	1,329,296
Advance Tax, Self Assessment Tax & TDS	63,086,854	29,708,354
	<b>74,519,240</b>	<b>40,776,250</b>
<b>SCHEDULE – 7 “CURRENT LIABILITIES”</b>		
Creditors – For Expenses & Others	23,827,220	21,678,355
	<b>23,827,220</b>	<b>21,678,355</b>
<b>SCHEDULE – 8 “PROVISIONS”</b>		
Other Liabilities	—	10,158,866
Provision for Taxation	82,010,715	30,360,539
	<b>82,010,715</b>	<b>40,519,405</b>
<b>SCHEDULE – 9 “FEE BASED FINANCIAL SERVICES”</b>		
Debt Resolution	152,973,491	100,078,982
Debt Syndication	58,958,499	21,850,000
Others	—	20,381,000
	<b>211,931,990</b>	<b>142,309,982</b>
<b>SCHEDULE – 10 “OTHER INCOME”</b>		
Dividend	2,716,920	3,702,324
Interest Received	1,097,265	1,158,301
Profit / (Loss) on sale of Investment	(20,889,942)	55,587,757
	<b>(17,075,758)</b>	<b>60,448,382</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS  
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
<b>SCHEDULE – 11 “ADMINISTRATIVE EXPENSES”</b>		
Advertising Expenses & Public Relation Expenses	831,370	121,080
Auditors Remuneration		
– Audit Fees including statutory certification	75,000	55,000
– For Tax Audit	15,000	15,000
Bank Charges	35,092	55,747
Books & Periodicals	44,532	30,398
Business Promotion Expenses	1,711,966	2,432,826
Claims & Bad Debts	5,443,072	2,213,426
Computer/Software Expenses	739,862	459,767
Conveyance	175,038	220,100
Directors Sitting Fees	205,000	215,000
Electricity & Water Charges	1,176,080	705,630
Insurance Charges	28,597	73,069
Internet & E-mail Expenses	516,347	549,226
Office Expenses	212,693	137,571
Motor Car Expenses	3,067,707	2,928,697
Office Utilities	15,618,600	10,204,650
Postage & Couriers	121,295	45,141
Printing & Stationery	772,002	840,317
Rent, Rates & Taxes	79,013	54,009
Professional Fees	4,056,401	1,041,901
Repairs & Maintenance	235,478	278,018
ROC Expenses	7,975	2,028
Seminar & Conference Expenses	869,990	118,000
Shares & Securities Expenses	101,242	657,921
Share Transfer Agent Fees	41,000	44,711
Society Maintenance Charges	539,520	525,733
Subscription & Membership Fees	354,623	848,719
Telephone Expenses	740,942	724,255
Travelling Expenses	2,086,292	617,882
	<b>39,901,729</b>	<b>26,215,823</b>
<b>SCHEDULE – 12 “ EMPLOYEES COST”</b>		
Salaries, Incentive & Allowances	49,142,703	40,191,647
Employee Compensation Expenses	1,441,104	779,757
Contribution in Gratuity Fund/Key Men Insurance	5,818,573	6,309,474
Staff Welfare	902,862	721,313
	<b>57,305,242</b>	<b>48,002,191</b>

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

### SCHEDULE- 13

#### A. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Accounting Convention:

The Financial Statements have been prepared under the historical cost convention, on accrual basis to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

##### 2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

##### 3. Fixed Assets:

The fixed assets are stated at acquisition cost less accumulated depreciation.

##### 4. Depreciation and Amortisation:

Depreciation on Fixed Assets has been provided in accordance with the rates specified under Income Tax Rules, 1962 or under Schedule XIV of the Companies Act, 1956 on Straight Line Method for single shift basis, whichever is higher.

In respect of additions/deductions during the period for the purpose of charging the Depreciation the period is reckoned as per the provisions of the Income Tax Rules, 1962.

##### 5. Investments:

The Investments are classified as Quoted & Unquoted Investments.

Long term Investments are stated at cost less provision for permanent diminution in value of such investments.

Current Investments are stated at lower of cost and fair market value, determined by category of Investments.

Quantitative Statement of Opening & Closing Stock of Quoted Investment is given in Annexure 1.

Investments in Subsidiaries are accounted on the cost method, whereby the company recognizes only dividends received from the subsidiary as income. In case of losses made by the subsidiary, other than temporary, adequate provision is made to recognize any decline in the value of investment.

##### 6. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates on settlement are recognised in the Profit and Loss Account.

Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the period end and the overall net gain/loss is adjusted to the Profit and Loss account.

##### 7. Retirement Benefits:

###### a) Post-employment benefit plan:

Liability for gratuity as at the year end is provided on the basis of actuarial valuation and funded with Life Insurance Corporation of India.

###### b) Short term employment benefits:

The amount of short term employee benefits expected to be paid in exchange for services rendered by employees was recognised during the period when the employee renders the services. These benefits include performance incentives.

###### c) Key Man Insurance Policy:

The Company has taken a Key Man Insurance Policy of the Managing Director/Chief Executive Officer with Life Insurance Corporation of India. The Premium on the policy is charged to Profit & Loss account in the year of payment.

##### 8. Revenue Recognition:

###### a) Income From Operations

Revenue from Debt Resolution/Debt syndication and Financial Restructuring Advisory Services are recognised on the basis of achievement of prescribed milestones as relevant to each mandate or proportionate completion method as applicable.

Revenue from Private Equity placement, Acquisition advisory and Due Diligence advisory is recognised on completion basis of the assignment.

**b) Other Income:**

Interest Income is recognised on accrual basis, while dividend on shares and securities is recognised when right to receive dividend is established.

**9. Borrowing Costs:**

Interest and other costs incurred in connection with borrowing of the funds are charged to revenue on accrual basis except those borrowing cost which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the fixed assets.

**10. Earnings per Share (EPS):**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (after providing the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of equity shares outstanding during the year.

**11. Taxation:**

- a)** Current Tax: A provision for current income tax and fringe benefit tax is made on the taxable income using the applicable tax rates and tax laws.
- b)** Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

**12. Employee Stock Option Plan:**

Stock Option grants to the employees who accept the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based payments issued by Institute of Chartered Accountants of India. The Company follows the fair value method for option pricing and accordingly the fair value of the option as of the date of the grant of the option over the exercise price of the option is recognized as employee compensation cost and amortised on straight line basis over the vesting period.

**13. Impairment of Assets:**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**14. Provisions and Contingencies:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

# BRESCON CORPORATE ADVISORS LTD.

## B. NOTES TO ACCOUNTS

### 1. Consolidated Financial Results:

Consolidated financials statements forming part of the accounts with the auditors report thereon are attached herewith.

2. Contingent Liabilities Not Provided For: (Rs. in Lacs)	31.03.2009	31.03.2008
1) Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
<b>2) Uncalled liabilities of partly paid-up convertible warrants</b>		
a) 2 lacs fully convertible warrants of IMP Powers Ltd payable @ 153.90 each	Nil	307.80
b) 4.77 lacs fully convertible warrants of Multi-Flex Lami Print Ltd. payable @ Rs.50.35 each	240.34	240.34
c) 5.33 lacs fully convertible warrants of Uniflex Cable Ltd. payable @ Rs.22.50 each	Nil	119.92

### 3. Managerial Remuneration :-

Salary and other benefits include remuneration paid to Managing Director, as under :-  
Salary Rs.12,00,000 (For 4 Months) (Previous Year Rs. 36,00,000/- P.A.)

#### Calculation of Remuneration in accordance with Section 309(5) of the Companies Act, 1956 for the year ended 31st March, 2009

	31.03.2009	31.03.2008
Profit Before tax	9,62,42,435	12,67,48,796
Add: Remuneration paid to Managing Director	12,00,000	36,00,000
<b>Total</b>	<b>9,74,42,435</b>	<b>13,03,48,796</b>
Add/(Less): Loss/(Profit) on sale of Investments	2,08,89,942	(5,55,87,757)
Net Profit U/s 349 of the companies Act, 1956	<b>11,83,32,377</b>	<b>7,47,61,039</b>
(Amount which can be paid under companies Act to Managing Director (@ 5% of <b>Net Profit</b> )	<b>59,16,619</b>	<b>37,38,051</b>

### 4. Deferred Tax:

Break up of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences	As at 31.03.2009	As at 31.03.2008
Deferred Tax Asset: (Opening)	131,312	42,008
Add: Deferred Tax Asset/(Deferred Tax Liability) for timing difference on Depreciation	167,776	89,304
Net Deferred Tax Asset/(Deferred Tax Liability)	<b>299,088</b>	<b>131,312</b>

The Company has unadjusted Short Term Capital Loss under the Income Tax Act, 1961. However as a matter of prudence and in the absence of virtual certainty of sufficient future taxable Capital Gains, Deferred Tax asset on the same has not been recognised in accounts.

### 5. Expenditure, Earnings, and remittance in foreign currency (Rs. in lacs)

1. Expenditure (Travelling) – Rs. 5.35 (previous year Rs. 0.40)
2. Earnings (Advisory Fees) – Rs. Nil (previous year Rs. Nil)

## 6. Details of Employee Stock Option Scheme, 2006 is as under:

Particulars	Grant - I		Grant - II		Grant - III	
Date of Grant	15.07.2006		31.07.2007		01.07.2008	
Total No. of Options Granted	165,000		92,500		110,500	
Exercise Price	Rs.51		Rs.51		Rs.51	
	No. of Options	Amount (Rs.)	No. of Options	Amount (Rs.)	No. of Options	Amount (Rs.)
Options outstanding at the beginning of the year	65,834	14,22,014	67,500	21,02,625	Nil	Nil
Granted during the year	Nil	Nil	Nil	Nil	1,10,500	54,08,975
Forfeited during the year	Nil	Nil	Nil	Nil	Nil	Nil
Expired/Lapsed during the year	2,500	54,000	11,667	3,63,427	7,500	3,67,125
Exercised during the year	29,998	6,47,957	9,166	2,85,521	Nil	Nil
Outstanding at the end of the year	33,336	7,20,057	46,667	14,53,677	1,03,000	50,41,850
Amount written off		(1,59,706)		3,40,384		12,60,463

## 7. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to our company as we are not a trading company and accordingly do not have any such suppliers.

## 8. The Company is engaged in the intermediation and advisory services of Debt Resolution and Recapitalisation, Debt Syndication and Other Corporate Financial Services. These in context of Accounting Standard 17 (AS 17) on Segment Reporting issued by Institute of Chartered Accountants of India are considered to constitute one single primary segment.

## 9. Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India

## I. List of Related Parties:

- a) Parties where Control Exists:
  - (i) Subsidiary Companies  
Cognizant Finance Pvt. Ltd.
- b) Associate companies where Relatives of the Managing Director/Chief Executive Officer are Directors.
  - (i) I Tenable (India) Ltd.
  - (ii) Brescon Research Pvt. Ltd.
  - (iii) Ind Finance & Securities Trust Pvt. Ltd.
  - (iv) Brescon Marketing Services Pvt. Ltd.
  - (v) Deep Investrade (Bombay) Pvt. Ltd.
  - (vi) Brescon Advisors Pvt. Ltd.
- c) Key Management Personnel
  - (i) Shri Nirmal Gangwal – Managing Director/Chief Executive Officer
- d) Relative of Key Manager Personnel
  - (i) Ms. Pooja Gangwal Sheth – Head – HR

## II. Particulars of transactions during the year with Related Parties:

(Rs.in Lacs)

Name of the Party	Nature of transaction	2008-09	2007-08
Cognizant Finance Pvt. Ltd.	Investment in Shares of Subsidiary	499.00	499.00
Brescon Research Pvt. Ltd.	a. Business Center fees paid	25.20	25.20
	b. Interest received – Deposit for Office Premises	—	1.85
	c. Office Premises deposit given	23.10	23.10
Ind Finance & Securities Trust Pvt. Ltd.	a. Business Center fees paid	50.40	50.40
	b. Interest received – Deposit for office Premises	—	3.70
	c. Office Premises deposit given	46.20	46.20
Brescon Marketing Services Pvt. Ltd.	a. Business Center fees paid	25.20	25.20
	b. Interest received – Deposit for office Premises	—	1.85
	c. Office Premises deposit given	23.10	23.10
Deep Investrade (Bombay) Pvt. Ltd.	a. Business Center fees paid	1.24	1.24
	b. Office Premises deposit given–	4.98	4.98
Shri Nirmal Gangwal	a. Remuneration as Managing Director	12.00	36.00
	b. Remuneration as Chief Executive Officer	108.00	—
Ms. Pooja Gangwal Sheth	Remuneration as Head –HR	5.42	—



## BRESCON CORPORATE ADVISORS LTD.

### III. Particulars of Outstanding Balance at the end of the year with Related Parties

There is no outstanding balance at the end of the year (previous year – Nil) of any related Party

### IV. In addition, during the year following Directors were issued equity shares of the Company on exercise of stock options vested with them under Company's Employees Stock Option Scheme, 2006.

Name of Director	No. of Options granted	
	2008-09	2007-08
Shri C. L. Jain	3333	3333
Shri N. D. Prabhu	3333	3333
Shri P. C. Godha	6666	NIL

### 10 As per Accounting Standard 20 "Earning Per Share" issued by Institute of Chartered Accountant of India the Company gives following disclosure for the year.

Basic & Diluted Earning Per Share			
Basic Earning Per Share		2008-09	2007-08
Profit/Loss after Tax (Rs. in lacs)	(A)	549.06	957.71
Weighted Avg. No. of Shares (No. in lacs)	(B)	34.95	34.55
Earning Per Share (Rs.)	(A/B)	15.71	27.71
Diluted Earning Per Share		2008-09	2007-08
Profit/Loss after Tax (Rs. in lacs)	(A)	549.06	957.71
Weighted Avg. No. of Shares (No. in lacs)	(B)	34.87	34.53
Earning Per Share (Rs.)	(A/B)	15.75	27.71

### 11. Diminution in Value of Long Term Investment

The diminution of Rs 493.98 lacs (previous year Rs 169.53 lacs) in the value of long term investments in quoted equity shares and diversified Mutual Fund Schemes as on 31.03.2009 has not been provided as in the view of the management such diminution is temporary in nature and as such there is no requirement of making any provision.

### 12. During the financial year 2007-08 the Company had subscribed two lakhs warrants of IMP Power Limited @ Rs. 171 per warrants. By making a payment of Rs. 17.10 per warrant. The Company was entitled to apply for and be allotted two lakh equity sharees at a price of Rs. 171 per share on payment of the balance amount. The last date for such payment was 13.09.2008. Due to substantial downfall in the prices of the IMP Power Ltd in the Capital market, the Company has decided not to exercise its option by not paying the balance amount due against the warrants. In terms of the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, IMP Power Limited forfeited the said Warrants. The loss amounting to Rs. 34,20,000 of forfeiture of warrants has been shown under the head loss on sale of investment.

### 13. The figures of the previous year have been regrouped and recast wherever necessary to confirm to the groupings of the current year.

As per our report of even date attached  
For **Vijay R. Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner (M.No.47625)

Place: Mumbai  
Date: 30.06.2009

For and behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer  
& Company Secretary

Place: Mumbai  
Date: 30.06.2009

## Schedule 13 (Contd)

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

## I. Registration Details

Registration No.							State Code
Balance Sheet Date	3	1	0	3	0	9	11
	Date Month Year						

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

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

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

Sources of Funds	Total Liabilities	Total Assets
	338,431	338,431
	Paid-Up Capital	Reserves & Surplus
	34,949	303,482
	Secured Loans	Unsecured Loan
	Nil	Nil
Application of Funds	Net Fixed Assets	Investments
	2,654	252,208
	Net Current Assets	Misc. Expenditure
	83,270	Nil
	Accumulated losses	Deferred Tax Assets
	Nil	299.09

## IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
211,932	98,614
Profit/Loss before Tax	Profit /Loss after Tax
96,242	54,906
Earning per share in Rs.	Dividend rate %
15.71	25%

## V. Generic Names of three Principal products/services of the company (as per monetary terms)

Products Description	Item Code No.
Financial Restructuring, Syndication of Debt & Equity Related Services/ Advisory	Not Applicable

Signatures to Schedules 1 to 13

As per our report of even date attached  
For **Vijay R.Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner ( M.No.47625 )

Place: Mumbai  
Date: 30th June, 2009

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer & Company Secretary

Place: Mumbai  
Date: 30th June, 2009

## BRESCON CORPORATE ADVISORS LTD.

### Annexure –1A

#### A) Statement of Quoted Investment in Shares & Securities as on 31.03.2009

Sr. No.	Scrip Name	Face Value	Quantity		Quantity as at		Value considered (at cost value)	
			Acquired	Sold	31.03.2009	31.03.2008	31.03.2009	31.03.2008
			During the period		No. of Shares/ Units	No. of Shares/ Units	Rupees	Rupees
1	Banswara Syntex Ltd	10			95,522	95,522	5,473,110	5,473,110
2	IL & FS Investment Managers Ltd	10	3,589	10,768	—	7,179	—	1,468,641
3	Grabal Alok Inds. Ltd	10		4,004	6,695	10,699	896,245	1,432,251
4	Sangam India Ltd	10	20,214	124,797	148,693	253,276	8,388,068	14,707,082
5	GKW Ltd	10		5,413	—	5,413	—	214,754
6	Stone India Ltd	10			45,606	45,606	7,053,049	7,053,049
7	Vybra Automet Ltd	10			13,204	13,204	545,458	545,458
8	Indiabulls Real Estate Ltd	2			1,000	1,000	572,710	572,710
9	Indiabulls Finance Ltd	2			2,000	2,000	1,205,942	1,205,942
10	Indiabulls Securities Ltd	2		3,000	—	3,000	—	750,000
11	Gujarat Alkalies & Chemicals Ltd	10		5,000	—	5,000	—	725,397
12	Graphite India Ltd	2			8,980	8,980	639,968	639,968
13	Pyramid Saimira Theatre Ltd	10			5,000	5,000	1,372,050	1,372,050
14	Asian Hotels Ltd	10	927		8,145	7,218	5,930,164	5,410,265
15	Reliance Infrastructure Ltd	10			2,000	2,000	3,705,520	3,705,520
16	Powergrid Corporation of India Ltd	10		4,894	—	4,894	—	254,488
17	Bellary Steels & Alloys Ltd	1			90,000	90,000	450,698	450,698
18	Alok Industries Ltd	10		14,672	—	14,672	—	984,969
19	Bank of India	10		726	—	726	—	251,894
20	Dalmia Cement (Bharat) Ltd	2		5,365	—	5,365	—	2,702,900
21	Godrej Industries Ltd	1		3,000	—	3,000	—	877,315
22	IDBI Bank Ltd	10		7,500	—	7,500	—	738,975
23	Jaiprakash Associates Ltd	2		5,000	5,000	10,000	1,691,350	3,382,699
24	Solar Industries (India) Ltd	10		191	7,186	7,377	3,501,686	3,594,759
25	UCO Bank	10		15,000	—	15,000	—	865,800
26	Vas Infrastructure Ltd	10		14,495	—	14,495	—	1,155,541
27	IDFC Ltd	10	22,000		29,000	7,000	3,804,950	1,206,300
28	Andhra Cements Ltd	10			8,060	8,060	250,263	250,263
29	Greaves Cotton Ltd	10		507	1,493	2,000	367,830	492,740
30	Samtel Color Ltd	10			60,189	60,189	1,181,727	1,181,727
31	Garnet Construction Ltd	10			24,212	24,212	1,612,886	1,612,886
32	Rainbow Denim Ltd	10			20,268	20,268	123,702	123,702
33	Siemens Ltd	2		2,000	—	2,000	—	1,704,503
34	JBF Industries Ltd	10			1,175	1,175	123,563	123,563
35	Edelweiss Capital Ltd	5		500	—	500	—	337,994
36	Rama Petrochemicals Ltd	10			10,000	10,000	146,820	146,820
37	Kotak Mahindra Bank Ltd	10		1,500	—	1,500	—	989,612
38	Jain Irrigation Systems Ltd	10			423	423	187,378	187,378
39	Nicco Corporation Ltd	2	1,874,035	1,200,000	674,035	—	13,334,381	—
40	Uniflex Cables Ltd	10	533,000	669,722	21,362	158,084	534,050	3,952,100
41	Saurashtra Cement Ltd	10		500	499,500	500,000	17,482,500	17,500,000
42	Diamond Cables Ltd	10			9,356	9,356	888,820	888,820
43	Nahar Industrial Enterprises Ltd	10			17,120	17,120	2,864,947	2,864,947
44	Kinetic Engineering.Ltd	10		1,000	14,615	15,615	1,754,509	1,874,558
45	BPL Ltd	10			56,887	56,887	1,998,124	1,998,124
46	Kilburn Engineering Ltd	10			7,900	7,900	197,500	197,500

47	MSK Projects India Ltd	10		7,000	150,500	157,500	12,725,406	13,317,285
48	Indo Asian Fusegear Ltd	10		12,000	21,380	33,380	2,586,238	4,037,821
49	Remi Metals Gujarat Ltd	6	1,626,667	—	1,626,667	—	97,60,002	—
50	Reliance Natural Resource Fund	10			250,000	250,000	2,500,000	2,500,000
51	Kotak Indoworld Infrastructure Fund	10			100,000	100,000	1,000,000	1,000,000
52	Kotak Emerging Fund	10			250,000	250,000	2,500,000	2,500,000
<b>Total (A)</b>			<b>4,080,432</b>	<b>2,118,554</b>	<b>4,293,173</b>	<b>2,331,295</b>	<b>119,351,613</b>	<b>121,524,878</b>

**Annexure –1A****B) Floater/FMP Mutual Fund**

Sr. No.	Scrip Name	Face Value	Quantity		Quantity as at		Value considered (at cost value)	
			Acquired	Sold	31.03.2009	31.03.2008	31.03.2009	31.03.2008
			During the period		No. of Shares/ Units	No. of Shares/ Units	Rupees	Rupees
1	HSBC Liquid Plus Fund	10	7,597,082	10,514,633	—	2,917,551	—	29,279,558
2	HDFC Fixed Maturity Plan	10	1,000,000	1,000,000	—	—	—	—
3	Principal Floating Rate Fund	10	18,375	949,679	—	931,304	—	9,331,713
4	Birla Short Term Fund	10	693,407	693,407	—	—	—	—
5	Fidelity Liquid Plus Fund	10	390,734	390,734	—	—	—	—
6	Reliance Medium Term Fund	10	4,615,904	438,535	4,177,368	—	71,448,008	—
7	Birla Sunlife Dynamic Fund	10	1,956,202	1,940,566	15,636	—	160,720	—
<b>Total (B)</b>			<b>16,271,705</b>	<b>15,927,555</b>	<b>4,193,005</b>	<b>3,848,855</b>	<b>71,608,727</b>	<b>38,611,271</b>
<b>Grand Total (A + B)</b>			<b>20,352,137</b>	<b>18,046,109</b>	<b>8,486,178</b>	<b>6,180,150</b>	<b>190,960,341</b>	<b>160,136,149</b>
<b>Market Value (A + B)</b>							<b>1415.28</b>	<b>1431.82</b>
							<b>Lacs</b>	<b>Lacs</b>

# BRESCON CORPORATE ADVISORS LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	YEAR ENDED ON 31.03.2009		YEAR ENDED ON 31.03.2008	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT AFTER TAX</b>		54,906,227		95,771,843
Adjustments for :				
– Deprecation	834,773		1,720,029	
– Employee Stock Option amortisation	1,441,104		779,757	
– Interest received	(1,097,265)		(1,158,301)	
– Dividend received	(2,716,920)		(3,702,324)	
– (Profit )/loss on sale of fixed assets/Investment	21,461,996		(55,659,282)	
– Provision for taxation	40,972,530	60,896,218	31,063,442	(26,956,679)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		115,802,445		68,815,164
(Increase)/Decrease in current assets				
– Inventories	—		—	
– Sundry Debtors	(22,638,804)		(22,193,713)	
– Loans & Advances	(364,490)		106,121	
	(23,003,294)		(22,087,592)	
Increase/(Decrease) in current liabilities				
– Liabilities	2,512,544		11,423,517	
		(20,490,751)		(10,664,075)
<b>CASH GENERATED FROM OPERATIONS</b>		95,311,694		58,151,089
Direct Taxes Paid		(33,378,500)		(32,271,956)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		61,933,194		25,879,133
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(287,615)		(3,706,746)	
Sale of Fixed Assets	1,971,850		150,000	
(Purchase )/Sale of Investments	(49,711,632)		(16,941,063)	
Dividend Received	2,716,920		3,702,324	
Interest Received	1,097,265		1,158,301	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(44,213,213)		(15,637,183)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Shares(including Share Premium)	1,997,364		483,952	
Dividend Paid	(10,234,908)		(8,622,750)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(8,237,544)		(8,138,798)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		9,482,438		2,103,151
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		8,100,028		5,996,877
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		17,582,466		8,100,028

Notes:

- 1) The above Cash Flow Statement has been prepared under indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2) Figures in brackets indicates outgo.
- 3) Previous period figures have been regrouped and recast wherever necessary

As per our report of even date attached  
For **Vijay R.Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner ( M.No.47625 )

Place: Mumbai  
Date: 30th June, 2009

For and on behalf of the Board

<b>N. D. Prabhu</b>	Chairman
<b>C. L. Jain</b>	Director
<b>Premchand Godha</b>	Director
<b>B. Vasanthan</b>	Director
<b>Nirmal Gangwal</b>	Chief Executive Officer & Company Secretary

Place: Mumbai  
Date: 30th June, 2009

**CONSOLIDATED REPORTS**

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 TO BE INCLUDED.

1	Name of the Subsidiary Company	<b>Cognizant Finance Pvt. Ltd.</b>
2	Financial Year of the Subsidiary ended on	31.03.2009
3	Date from which the company became a subsidiary	23.11.2006
4	Extent if the interest of the Company in the subsidiary at the end of the financial year	
	a) No. of Shares held by Holding Co.	4990000
	b) % of Shareholding	99.80
5	a) Net aggregate amount of profit less losses so far as they concern members of the company and not dealt within the company's account	
	i) for the financial year ended 31.03.2009	23.38
	ii) for the previous financial year	21.86
	b) Net aggregate amount of profit less losses so far as they concern members of the company and dealt within the company's account	
	i) for the financial year ended 31.03.2009	-
	ii) for the previous financial year	-

As per our report of even date attached  
For **Vijay R.Tater & Co.**

For and on behalf of the Board

CA Suresh Kothari  
Partner ( M.No.47625 )

**N. D. Prabhu** Chairman  
**C. L. Jain** Director  
**Premchand Godha** Director  
**B. Vasanthan** Director  
**Nirmal Gangwal** Chief Executive Officer & Company Secretary

Place: Mumbai  
Date: 30th June, 2009

Place: Mumbai  
Date: 30th June, 2009

**AUDITOR REPORT TO THE MEMBERS ON THE CONSOLIDATED FINANCIAL STATEMENT OF BRESCON CORPORATE ADVISORS LTD., AND ITS SUBSIDIARIES**

- 1) We have audited the attached Consolidated Balance Sheet of **BRESCON CORPORATE ADVISORS LIMITED** and its subsidiary as at 31st March, 2009, the Consolidated Profit & Loss Account and also the Consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Brescon Corporate Advisors Ltd's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of subsidiary company, Cognizant Finance Pvt. Ltd. The financial statement of this subsidiary reflect total assets Rs.549.49 Lacs as at 31st March, 2009 and profit after tax of Rs. 23.43 lacs for the year ended on that date. These financial statements have been audited by another auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
- 4) We report that the consolidated financial statement have been prepared by the Brescon Corporate Advisors Ltd in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Brescon Corporate Advisors Ltd and its subsidiary included in the consolidated financial statements.
- 5) On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Brescon Corporate Advisors Ltd, and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Brescon Corporate Advisors Ltd and its subsidiary as at 31st March 2009.
  - (ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operation of the Brescon Corporate Advisors Ltd and its subsidiary for the year ended on that date . and
  - (iii) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Brescon Corporate Advisors Ltd and its subsidiary for the year ended on that date.

For **VIJAY R. TATER & CO.**  
Chartered Accountants

Place: Mumbai  
Date: 30.06.2009

(CA Suresh G. Kothari)  
Partner  
M. No. 47625

# BRESCON CORPORATE ADVISORS LTD.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SOURCES OF FUNDS:</b>				
<b>1 Shareholders' Funds</b>				
a) Share Capital	1	34,949,300		34,557,660
b) Reserves & Surplus	2	308,420,044		258,350,841
			343,369,344	292,908,501
Minority interest			111,094	106,408
<b>Total</b>			<b>343,480,438</b>	<b>293,014,909</b>
<b>APPLICATION OF FUNDS :</b>				
<b>1 Fixed Assets</b>				
a) Gross Block	3	14,156,629		17,645,537
b) Less: Depreciation		11,502,584		11,900,431
c) Net Block			2,654,045	5,745,106
<b>2 Investments</b>	4		249,761,085	176,605,550
<b>3 Current Assets, Loans &amp; Advances</b>				
a) Current Assets	5	121,589,785		82,498,428
b) Loans & Advances	6	75,820,845		91,013,948
		197,410,630		173,512,376
<b>4 Less: Current Liabilities &amp; Provisions</b>				
a) Current Liabilities	7	23,829,426		21,680,602
b) Provisions	8	82,988,863		41,497,553
		106,818,288		63,178,155
<b>Net Current Assets</b>			90,592,341	110,334,221
<b>5 Deferred Tax Liability</b>			299,088	131,312
<b>6 Miscellaneous Expenditure</b>			173,880	198,720
<b>Total</b>			<b>343,480,438</b>	<b>293,014,909</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	13			

As per our report of even date attached  
For **Vijay R. Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner  
(M.No.47625)

Place: Mumbai  
Date: 30.06.2009

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer  
& Company Secretary

Place: Mumbai  
Date: 30.06.2009



## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009

	Schedule	Year ended on 31.03.2009 Rupees	Year ended on 31.03.2008 Rupees
<b>INCOME</b>			
Income from Operation	9	211,931,990	142,309,982
		<b>211,931,990</b>	<b>142,309,982</b>
<b>EXPENDITURE</b>			
Administrative Expenses	11	41,419,239	26,431,659
Employees Cost	12	57,305,242	48,002,191
Depreciation		834,772	1,720,029
Preliminary Exps. Written off		24,840	24,840
Loss on Sale of Fixed Assets		572,054	71,525
		<b>100,156,147</b>	<b>76,250,244</b>
Other Income	10	(13,190,341)	63,857,704
		<b>98,585,502</b>	<b>129,917,441</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		98,585,502	129,917,441
Less: Short Provision for Taxation of earlier years		76,042	792,207
Less: Provision for Taxation		39,961,245	30,354,690
Less: Provision for Fringe Benefits Tax		1,069,252	983,996
Add: Excess Provision for Fringe Benefit Tax of earlier year		—	86,489
Less: Provision for Shortfall in Gratuity		363,679	—
Less: Provision for Diminution in value of Investment		33,765	—
<b>Provision for Deferred Tax</b>			
Add/(less): Timing difference on account of difference of current year depreciation		167,776	89,304
<b>PROFIT/(LOSS) AFTER TAX BUT BEFORE MINORITY INTEREST</b>		<b>57,249,295</b>	<b>97,962,341</b>
<b>Less: Minority interest in Net Profit of the Subsidiary Company</b>		4,686	4,381
		<b>57,244,609</b>	<b>97,957,960</b>
Add: Balance brought forward		189,173,512	111,374,419
<b>AVAILABLE FOR APPROPRIATION</b>		246,418,121	209,332,379
Proposed Dividend		8,737,325	8,683,163
Tax on Distributed Fund		1,484,908	1,475,704
Transferred to General Reserve		15,000,000	10,000,000
<b>Balance carried to Balance Sheet</b>		<b>221,195,887</b>	<b>189,173,512</b>
<b>Basic &amp; Diluted Earnings per Shares (Refer Note No.4.5 in schedule 13)</b>		16.38	28.35
<b>Significant Accounting Policies &amp; Notes on Accounts</b>		<b>13</b>	

As per our report of even date attached  
For **Vijay R. Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner  
(M.No.47625)

Place: Mumbai  
Date: 30.06.2009

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer  
& Company Secretary

Place: Mumbai  
Date: 30.06.2009



# BRESCON CORPORATE ADVISORS LTD.

## CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE -1 "SHARE CAPITAL"</b>		
<b>Authorised</b>		
10000000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
200000 Preference Shares of Rs. 100 each	20,000,000	20,000,000
	<b>120,000,000</b>	<b>120,000,000</b>
<b>Issued, Subscribed and paid up</b>		
3455766(3449100) Equity Shares of Rs. 10 each fully paid up.	34,949,300	34,557,660
	<b>34,949,300</b>	<b>34,557,660</b>
<b>SCHEDULE -2 "RESERVES &amp; SURPLUS"</b>		
General Reserve	40,037,016	30,037,016
Add : Transferred from Profit & Loss Account	15,000,000	10,000,000
	55,037,016	40,037,016
Share Premium A/c	29,469,030	27,863,306
Profit & Loss Account	221,195,887	189,173,512
<b>EMPLOYEE STOCK OPTION</b>		
Employee Stock Option Reserve	7,215,583	
Less: Deferred Employee Compensation Expenses	4,497,472	
	2,718,111	1,277,007
	<b>308,420,044</b>	<b>258,350,841</b>

## SCHEDULE -3 "FIXED ASSETS"

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2008	Additions during the year	Deductions during the year	As at 31.03.2009	As at 01.04.2008	For the year	Deductions for the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
<b>Owned Assets</b>										
Furniture, Fixtures & Fittings	2,708,563	—	—	2,708,563	2,014,793	69,377	—	2,084,170	624,393	693,770
Office Equipment / Air-conditioners	2,214,318	86,241	—	2,300,559	1,463,204	125,603	—	1,588,807	711,752	751,114
Computer	7,661,271	201,374	—	7,862,645	7,093,448	461,518	—	7,554,966	307,679	567,823
Motor Car	5,061,385		3,776,523	1,284,862	1,328,986	178,274	1,232,619	274,641	1,010,221	3,732,399
<b>TOTAL</b>	<b>17,645,537</b>	<b>287,615</b>	<b>3,776,523</b>	<b>14,156,629</b>	<b>11,900,431</b>	<b>834,772</b>	<b>1,232,619</b>	<b>11,502,584</b>	<b>2,654,045</b>	<b>5,745,106</b>
Previous Year	14,604,175	3,706,746	665,384	17,645,537	10,624,261	1,720,029	443,859	11,900,431	5,745,106	

**CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE – 4 “ INVESTMENTS” (at cost)</b>		
<b>(Valued, verified &amp; Certified by the Management)</b>		
<b><u>Unquoted (Long Term Investment)</u></b>		
66660 (previous year 66660) Equity Shares @ Rs.75 each of Southern Wind Farms Pvt. Ltd .(face value Rs.10 each at premium of Rs.65 each)	4,999,500	4,999,500
477334 (previous year 477334) fully convertible warrants @ Rs.53 each of Multi Flex Lami Print Ltd. (face value Rs.10 each at premium of Rs.43 each) (5 % i.e.Rs.2.65 per Share warrant paid )	1,264,936	1,264,936
Nil (previous year 533000) fully convertible warrants @ Rs.25 each of Uniflex Cable Ltd .(face value Rs.10 each at premium of Rs.15 each) (10 % i.e.Rs.2.50 per Share warrant paid )	—	1,332,500
Investment in Indian Real Opp. Venture Capital Fund (Now known as Milestone Real Estate Fund)	3,750,000	2,000,000
Nil (previous year 200000) warrants of Rs.171 each of IMP Powers Ltd. (10% i.e. Rs.17.10 per warrant)	—	3,420,000
6660 Equity Shares of Global Wind Power Ltd @ Rs.50 per share	333,000	333,000
Share Application in Trinity Credit Management Pvt. Ltd. 100000 Equity Shares @ Rs.10 each	1,000,000	—
<b><u>Quoted</u></b>		
<b><u>Long Term Investment</u></b>		
Investment In Shares & Securities (Mkt. Value - Rs. 728.93 Lacs) (Previous Year Mkt. Value - 1045.72 Lacs)	126,586,310	121,524,879
<b><u>Current Investment</u></b>		
-> In Mutual Fund (Floater & Liquid/FMP) (Mkt.value – Rs. 1147.06 Lacs) (Previous Year Mkt.Value - 417.33 Lacs)	111,827,338	41,730,735
	<b>249,761,085</b>	<b>176,605,550</b>
<b>SCHEDULE –5 “CURRENT ASSETS”</b>		
Debtors (Unsecured, considered good)		
-> More than six months	29,031,726	11,579,974
-> Less than six months	67,974,931	62,787,878
<b>Cash and Bank Balances</b>		
-> Cash in Hand	370,376	
-> Bank Balance in Current Account (including Flexi & Fixed Deposit)	24,212,752	8,130,576
	<b>121,589,785</b>	<b>82,498,428</b>
<b>SCHEDULE – 6 “ LOANS &amp; ADVANCES”</b>		
(Unsecured considered good)		
Deposit for Office Premises	9,738,600	9,738,600
Advances Recoverable in cash in kind or for value to be received	1,693,786	50,604,105
Advance Tax, Self Asst.Tax & TDS	64,388,459	30,671,243
	<b>75,820,845</b>	<b>91,013,948</b>
<b>SCHEDULE – 7 “ CURRENT LIABILITIES”</b>		
Creditors – For Expenses & others	23,829,426	21,680,602
	<b>23,829,426</b>	<b>21,680,602</b>

## BRESCON CORPORATE ADVISORS LTD.

### CONSOLIDATED SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE – 8 “ PROVISIONS”</b>		
Provision for Taxation	82,988,863	31,338,687
	<b>82,988,863</b>	<b>41,497,553</b>
<b>SCHEDULE – 9 “INCOME FROM OPERATION”</b>		
Debt Resolution	152,973,491	100,078,982
Debt Syndication	58,958,499	21,850,000
Others	—	20,381,000
	<b>211,931,990</b>	<b>142,309,982</b>
<b>SCHEDULE – 10 “OTHER INCOME”</b>		
Dividend	5,127,538	4,154,351
Interest Received	1,097,265	1,158,301
Interest on Funding activity	1,494,774	2,937,698
Profit/(Loss) on sale of Investment	(20,909,918)	55,607,354
	<b>(13,190,341)</b>	<b>63,857,704</b>
<b>SCHEDULE – 11 “ADMINISTRATIVE EXPENSES”</b>		
Advertising Expenses & Public Relation Expenses	831,370	121,080
Auditors Remuneration		
– Audit Fees including statutory certification	75,000	55,000
– For Tax Audit	15,000	15,000
– Audit Fees of Subsidiary Company Auditor	2,206	2,247
Bank Charges	46,566	55,951
Books & Periodicals	44,532	30,398
Business Promotion Expenses	1,711,966	2,432,826
Bad debts w/off	6,936,798	2,213,426
Computer/Software Expenses	739,862	459,767
Conveyance	175,038	220,100
Directors Sitting Fees	205,000	215,000
Electricity & Water Charges	1,176,080	705,630
Insurance Charges	28,597	73,069
Internet & e-mail Expenses	516,347	549,226
Office Expenses	218,548	141,271
Motor car Expenses	3,067,707	2,928,697
Office Utilities	15,618,600	10,204,650
Postage & Couriers	121,295	45,141
Printing & Stationery	772,002	840,318
Rent, Rates & Taxes	79,013	260,509
Professional Fees	4,060,149	1,043,587
Repairs & Maintenance	235,478	278,018
ROC Expenses	8,475	3,528
Seminar & Conference Expenses	869,990	118,000
Shares & Securities Expenses	101,242	657,921
Share Transfer Agent Fees	41,000	44,711
Society Maintenance Charges	539,520	525,733
Subscription & Membership Fees	354,623	848,719
Telephone Expenses	740,942	724,255
Travelling Expenses	2,086,292	617,882
	<b>41,419,239</b>	<b>26,431,659</b>
<b>SCHEDULE – 12 “ EMPLOYEES COST”</b>		
Salaries, Incentives & Allowances	49,142,703	40,191,647
Employee Compensation Expenses	1,441,104	779,757
Contribution in Gratuity Fund/Key Men Insurance	5,818,573	6,309,474
Staff Welfare	902,862	721,313
	<b>57,305,242</b>	<b>48,002,191</b>

**CONSOLIDATED SCHEDULE ANNEXED TO AND PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.****SCHEDULE – 13****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Principles Of Consolidation**

- 1.1 The Consolidated Financial Statement relates to Brescon Corporate Advisors Ltd. and its Subsidiary Company. The Consolidated Financial Statement have been prepared in accordance with Accounting Standard-21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statement have been prepared on the following basis.

The Financial statement of the company & its subsidiary company have been combined on a line-by-line basis by adding together the book value of like items of Assets, Liabilities, income and expenses, after eliminating intra-group balances, transactions and the resulting unrealized profit or losses.

The financial statements of the Subsidiary Company used in the consolidation are drawn upto March 31, 2009, the same reporting date as that of the Holding Company.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where stated otherwise, in the same manner as the Company's separate financial statements.

- 1.2 The Subsidiary Companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		March 31, 2009	March 31, 2008
Cognizant Finance Pvt. Ltd	India	99.80	99.80

- 1.3 Minority Interest in the net assets of the subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary company and further movements in their share in the equity, subsequent to the date on investments, profit or loss attributable to the equity.

**2. Accounting Convention:**

The consolidated Financial Statements have been prepared under the historical cost convention, on accrual basis to comply in all material respects with all applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

**3. Use of Estimates:**

The preparation of the Consolidated Financial Statement in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying Consolidated Financial Statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated Financial Statement. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

**4. Fixed Assets:**

The fixed assets are stated at acquisition cost less accumulated depreciation.

**5. Depreciation:**

Depreciation on Fixed Assets has been provided in accordance with the rates specified under Income Tax Rules, 1962 or under Schedule XIV of the Companies Act, 1956 on straight line method for single shift basis, whichever is higher.

In respect of additions/deductions during the period for the purpose of charging the Depreciation the period is reckoned as per the provisions of the Income Tax Rules, 1962.

**6. Investments:**

The Investments are classified as Quoted & Unquoted Investments

Long term Investments are stated at cost less provision for permanent diminution in value of such investments.

Current Investments are stated at lower of cost and fair market value, determined by category of Investments.

**7. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates on settlement are recognised in the profit and loss account.

Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the period end and the overall net gain/loss is adjusted to the profit and loss account.

### 8. Retirement Benefits:

#### a) Post – employment benefit plan:

BCAL (Holding Company), has provided for liability for gratuity as at the year end, on the basis of actuarial valuation and funded with Life Insurance Corporation of India.

#### b) Short term employment benefits:

BCAL (Holding Company), has recognized the amount of short term employee benefits expected to be paid in exchange for services rendered by employees during the period when the employee renders the services. These benefits include performance incentives.

#### c) Key Man Insurance Policy:

BCAL (Holding Company) has taken a Key Man Insurance Policy of the Managing Director/Chief Executive Officer with Life Insurance Corporation of India. The Premium on the policy is charged to Profit & Loss Account in the year of payment.

### 9. Revenue Recognition:

#### a) Income from Operations:

Revenue from Debt Resolution/Debt syndication and Financial Restructuring Advisory Services are recognised on the basis of achievement of prescribed milestones as relevant to each mandate or proportionate completion method as applicable.

Revenue from Private Equity placement, Acquisition advisory and Due Diligence advisory is recognised on completion basis of the assignment.

#### b) Other Income:

Interest Income is recognised on accrual basis, while dividend on shares & securities is recognised when right to receive dividend is established.

### 10. Borrowing Costs:

Interest and other costs incurred in connection with borrowing of the funds are charged to revenue on accrual basis except those borrowing cost which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, such costs are capitalised with the fixed assets.

### 11. Earning per Share (EPS):

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (after providing the post tax effect of any extra ordinary items). The number of shares used in computing Diluted EPS is the weighted average number of equity shares outstanding during the year.

### 12. Taxation:

a) Current Tax: A provision for current income tax and fringe benefit tax is made on the taxable income using the applicable tax rates and tax laws.

b) Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

### 13. Employee Stock Option Plan:

Stock Option grants to the employees who accept the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share-based payments issued by Institute of Chartered Accountants of India. The Company follows the fair value method for option pricing and accordingly the fair value of the option as of the date of the grant of the option over the exercise price of the option is recognized as employee compensation cost and amortised on straight line basis over the vesting period.

### 14. Provisions and Contingencies:

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### 15. Amortisation:

Preliminary Expenses have been amortised equally over a period of 10 years.

## NOTES TO ACCOUNTS

## 1. Contingent Liabilities Not Provided For:

(Rs. In Lacs)

	31.03.2009	31.03.2008
1) Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
2) Uncalled liabilities of partly paid-up convertible warrants		
a) 2 lacs fully convertible warrants of IMP Powers Ltd payable @ 153.90 each	Nil	307.80
b) 4.77 lacs fully convertible warrants of Multi-Flex Lami Print Ltd. payable @ Rs.50.35 each	240.34	240.34
c) 5.33 lacs fully convertible warrants of Uniflex Cable Ltd. payable @ Rs.22.50 each	Nil	119.92

## 2. Managerial Remuneration:

Salary and other benefits include remuneration paid to Managing Director, as under:

Salary Rs.12,00,000 (For 4 Months) (previous year Rs. 36,00,000 P.A.)

In addition, during the year following Directors were issued equity shares of the Company on exercise of stock options vested with them under Company's Employees Stock Option Scheme, 2006.

Name of Director	No. of Options granted	
	2008-09	2007-08
Shri C. L. Jain	3333	3333
Shri N. D. Prabhu	3333	3333
Shri P. C. Godha	6666	NIL

## 3. Deferred Tax:

## Break up of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences

As at 31.03.2009

As at 31.03.2008

Deferred Tax Asset: (Opening)	131,312	42,008
Add: Deferred Tax Asset for timing difference on Depreciation	167,776	89,304
Net Deferred Tax Asset/(Deferred Tax Liability)	299,088	131,312

The Company has unadjusted Short Term Capital Loss under the Income Tax Act, 1961. However, as a matter of prudence and in the absence of virtual certainty of sufficient future taxable Capital Gains, Deferred Tax asset on the same has not been recognised in accounts.

## 4. Details of Employee Stock Option Scheme, 2006 of BCAL (The Holding Company) is as under

Particulars	Grant - I		Grant - II		Grant - III	
Date of Grant	15.07.2006		31.07.2007		01.07.2008	
Total No. of Options Granted	165,000		92,500		110,500	
Exercise Price	Rs. 51		Rs. 51		Rs. 51	
	No. of Options	Amount (Rs.)	No. of Options	Amount (Rs.)	No. of Options	Amount (Rs.)
Options outstanding at the beginning of the year	65,834	14,22,014	67,500	21,02,625	Nil	Nil
Granted during the year	Nil	Nil	Nil	Nil	1,10,500	54,08,975
Forfeited during the year	Nil	Nil	Nil	Nil	Nil	Nil
Expired/Lapsed during the year	2,500	54,000	11,667	3,63,427	7,500	3,67,125
Exercised during the year	29,998	6,47,957	9,166	2,85,521	Nil	Nil
Outstanding at the end of the year	33,336	7,20,057	46,667	14,53,677	1,03,000	50,41,850
Amount written off		(1,59,706)		3,40,384		12,60,463

5. The Company is engaged in the intermediation and advisory services of Debt Resolution and Recapitalisation, Debt Syndication and Other Corporate Financial Services. These in context of Accounting Standard 17 (AS 17) on Segment Reporting issued by Institute of Chartered Accountants of India are considered to constitute one single primary segment.

6. Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India :

## I. List of Related Parties:

- a. Associate companies where Relatives of the Managing Director/Chief Executive Officer are Directors.
  - i. I Tenable India Pvt. Ltd.

## BRESCON CORPORATE ADVISORS LTD.

- ii. Brescon Research Pvt. Ltd.
- iii. Ind Finance & securities Trust Pvt. Ltd.
- iv. Brescon Marketing Service Pvt. Ltd.
- v. Deep Investrade ( Bombay ) Pvt. Ltd.
- vi. Brescon Advisors Pvt. Ltd.
- b. Key Management Personnel
  - i. Shri Nirmal Gangwal – Managing Director/Chief Executive Officer
- c. Relative of Key Manager Personnel
  - i. Ms. Pooja Gangwal Sheth – Head – HR

### II. Particulars of transactions during the year with Related Parties: ( Rs.in lacs )

Name of the Party	Nature of transaction	2008-09	2007-08
Brescon Research Pvt. Ltd.	a. Business Center fees paid	25.20	25.20
	b. Interest received on – Deposit for office premises	—	1.85
	c. Office Premises deposit given	23.10	23.10
Ind Finance & Securities Trust Pvt. Ltd.	a. Business Center fees paid	50.40	50.40
	b. Interest received on – Deposit for office premises	—	3.70
	c. Office premises deposit given	46.20	46.20
Brescon Marketing Services Pvt. Ltd.	a. Business Center fees paid	25.20	25.20
	b. Interest received on – Deposit for office premises	—	1.85
	c. Office premises deposit given	23.10	23.10
Deep Investrade ( Bombay ) Pvt. Ltd.	a. Business Center fees paid	1.24	1.24
	b. Office Premises deposit given	4.98	4.98
Shri Nirmal Gangwal	Remuneration as Managing Director	12.00	36.00
	Remuneration as Chief Executive Officer	108.00	—
Pooja Gangwal Sheth	Remuneration as Head – HR	5.42	—

### III. Particulars of Outstanding Balance at the end of the year with Related Parties

There is no outstanding balance at the end of the year (previous year – Nil) of any related Party

7. As per Accounting Standard 20 “ Earning Per Share” issued by the Institute of Chartered Accountants of India the Company gives the following disclosure for the year

#### Basic & Diluted Earning Per Share

Basic Earning Per Share		2008-09	2007-08
Profit/Loss after tax (Rs.in lacs)	(A)	572.45	979.62
Weighted Avg. No. of Shares (No.in lacs)	(B)	34.95	34.55
Earning Per Share (Rs.)	(A/B)	16.38	28.35
Diluted Earning Per Share		2008-09	2007-08
Profit/Loss after tax (Rs.in lacs)	(A)	572.45	979.62
Weighted Avg. No. of Shares (No.in lacs)	(B)	34.87	34.53
Earning Per Share (Rs.)	(A/B)	16.42	28.35

8. The figures of the previous year have been regrouped and recast wherever necessary to confirm to the groupings of the current year.

As per our report of even date attached  
For **Vijay R.Tater & Co.**  
Chartered Accountants

For and on behalf of the Board

**N. D. Prabhu** Chairman

**C. L. Jain** Director

**Premchand Godha** Director

**B. Vasanthan** Director

**Nirmal Gangwal** Chief Executive Officer & Company Secretary

CA Suresh G. Kothari  
Partner ( M.No.47625 )

Place: Mumbai  
Date: 30th June, 2009

Place: Mumbai  
Date: 30th June, 2009



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	YEAR ENDED ON 31.03.2009		YEAR ENDED ON 31.03.2008	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT AFTER TAX</b>		57,249,295		97,962,341
Adjustments for :				
– Depreciation	834,773		1,720,029	
– Employee Stock Option amortisation	1,441,104		779,757	
– Interest received	(1,097,265)		(1,158,301)	
– Dividend received	(5,127,539)		(4,154,351)	
– Preliminary Exp. w/o	24,840		24,840	
– (Profit)/loss on sale of fixed assets/Investment	21,461,996		(55,535,829)	
– Provision for taxation	40,992,506	58,530,415	32,041,589	(26,282,266)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		115,779,710		71,680,075
(Increase)/Decrease in current assets				
– Inventories	—		—	
– Sundry Debtors	(22,638,804)		(22,193,713)	
– Loans & Advances	48,910,319		(49,168,688)	
	26,271,515		(71,362,401)	
Increase/(Decrease) in current liabilities				
– Liabilities	2,512,503		11,423,519	
		28,784,018		(59,938,882)
<b>CASH GENERATED FROM OPERATIONS</b>		144,563,727		11,741,193
Direct Taxes Paid	(33,717,216)		(33,234,845)	
Minority Share of Interest in Profit	(4,686)	(33,721,902)	(4,381)	(33,239,226)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		110,841,825		(21,498,033)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(287,615)		(3,706,746)	
Sale of Fixed Assets	1,971,850		150,000	
(Purchase)/Sale of Investments	(94,065,453)		29,763,859	
Dividend Received	5,127,539		4,154,351	
Interest Received	1,097,265		1,158,301	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(86,156,415)		31,519,766
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Shares(including Share Premium)	1,997,364		483,952	
Change in Minority Interest	4,686		4,381	
Dividend Paid	(10,234,908)		(8,622,750)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(8,232,858)		(8,134,417)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		16,452,553		1,887,316
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		8,130,575		6,243,259
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		24,583,128		8,130,575

As per our report of even date attached  
For **Vijay R.Tater & Co.**  
Chartered Accountants

CA Suresh G. Kothari  
Partner ( M.No.47625 )

Place: Mumbai  
Date: 30th June, 2009

For and on behalf of the Board

<b>N. D. Prabhu</b>	Chairman
<b>C. L. Jain</b>	Director
<b>Premchand Godha</b>	Director
<b>B. Vasanthan</b>	Director
<b>Nirmal Gangwal</b>	Chief Executive Officer & Company Secretary

Place: Mumbai  
Date: 30th June, 2009

# Directors' Report

## 1. Working Results

	Year ( 2008-09 ) Rupees	Year ( 2007-08 ) Rupees
Profit / (loss) for the year	23,43,068	31,68,664
Less : Provision for Taxation	NIL	9,78,148
-Profit / (loss) after tax	23,43,068	21,90,496

## 2. Dividend

Directors do not recommend any dividend during the year under review.

## 3. Fixed Deposits

The Company has not accepted and / or renewed any Fixed Deposits during the year under review.

## 4. Particulars of Employees

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 and amendment thereto, if applicable: - NIL

## 5. Directors Responsibility:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- In the preparation of the accounts , the applicable accounting standard have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied Consistently , and have 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, 2009 and of the profit of the company for the said year;

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- The accounts have been prepared on going concern basis.

## 6. Energy conservation, Technology Absorption & Foreign exchange and earnings and outgoings:

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

### A) Conservation of Energy & Technology Absorption:

There is no energy conservation and technology absorption and hence this clause is not applicable.

### B) Foreign Exchange Earnings and outgoings:

Foreign Exchange earnings	:	Nil
Foreign Exchange outgoings	:	Nil

For and on behalf of the Board  
For **Cognizant Finance Pvt. Ltd.**

**Nirmal Gangwal**  
Director

**P. C. Godha**  
Director

Place: MUMBAI  
Date: 15th May, 2009

# Auditors' Report

To,

The Board of Directors

**M/s. Cognizant Finance Private Limited**

Mumbai.

- 1) We have audited the attached Balance Sheet of M/s. Cognizant Finance Pvt. Ltd. as at 31st March, 2009 and also the Profit & Loss Account for the period 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.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks as we consider appropriate, set out in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in Annexure referred to in paragraph 3 above we report that
  - a. We have obtained all the information and explanation, 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 it appears from our examination of the books.
  - c. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet and Profit & Loss account have been prepared in all material respects in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e. On the basis of the written representations received from the Directors as on 31st March, 2009, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of the sub-section (1) of section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other Notes generally give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view : -
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and
    - (ii) in the case of the Profit and Loss account, of the Profit for the year ended on that date.

**For R. K. PATNI & CO.**  
Chartered Accountants

Place: Mumbai  
Date : 15th May, 2009

CA Rakesh Patni  
Proprietor  
Mem.No.43947

## Annexure to the Auditors Report

(Referred to in paragraph 3 of our report of even date on the accounts of Cognizant Finance P. Ltd. for the year ended 31st March, 2009)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, during the period the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- c) No substantial part of fixed assets of the company has been disposed of during the year.
2. a) Investment has been verified by the management at reasonable intervals during the year.
- b) In our opinion, the procedures of verification of Investments followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The company has maintained proper records of Investments and no discrepancies were noticed on such physical verification as compared to book records.
3. a) The Company has not taken and / or granted loans to the companies covered in the register to be maintained under section 301 of the Companies Act 1956.
- b) As there are no such loans taken or granted during the year by the Company, the comments on the terms and conditions of the loans taken and granted, whether prima facie prejudicial to the interest of the Company are not applicable.
- c) In respect of such loans taken or given by/to the company, where stipulations have been made, they have repaid the principle amount as stipulated.
- d) In respect of such loans taken/given by the Company, there are no overdue amounts more than Rs.1,00,000/-.
4. In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
5. a) According to the information and explanations given to us no transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956;
- b) In our opinion, and according to the information and explanations given to us, no service provided and purchase and sale of securities in pursuance of contracts or arrangements listed in the register maintained under Section 301 of the Companies Act, 1956 and aggregate in during the period to Rs. 5,00,000/- or more in respect of each party.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the period, within the meaning of Section 58-A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. As informed by the company the provision pertaining to an internal audit system is not applicable.
8. According to the information and explanations given to us, the maintenance of Cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. According to the records of the Company and information and explanations given to us the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-Tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty, Cess, Service Tax or any other statutory dues with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they became payable as at the close of the year.
10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current period and in the immediately preceding financial year.
11. The Company has not defaulted in re-payment of its dues to banks, financial institutions or debenture holder.
12. The Company had granted two loans in form of Inter Corporate Deposits in the previous year. These loans were provided against the security by way of pledge of equity shares. The party was not able to repay the loans and accordingly the shares were transferred in the name of the company. But based on the number of shares transferred and the rate at which they were transferred, the company has incurred a business loss of Rs14.81 lacs.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
14. The company has maintained proper records of transactions and contracts in respect of investments and that timely entries have been made therein. The investment have been held by the company in its own name except to the extent of the exemption granted under section 49 (4) of the Companies Act 1956.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any terms loans during the year.
17. On the basis of our examination of the books of accounts of the company, funds raised on short-term basis have not been used for long-term investments, as they have been financed out of internal accruals. The Company has not raised long-term funds during the period and hence, the use of such funds for short-term investments does not arise.
18. During the year, Company has not made any preferential allotment of shares to parties and/or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any new Debentures during the year and hence no securities are required to be created in respect thereof.
20. The Company has not raised any money by way of public issues during the 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 year.

For **R. K. PATNI & CO.**  
Chartered Accountants,

Place: Mumbai  
Date: 15th May, 2009

CA Rakesh Patni  
Proprietor  
Mem.No.: 43947

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SOURCES OF FUNDS:</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	<b>1</b>	50,000,000	50,000,000
b) Reserves & Surplus	<b>2</b>	4,949,101	2,606,033
<b>Total</b>		<b>54,949,101</b>	<b>52,606,033</b>
<b>APPLICATION OF FUNDS :</b>			
<b>1 Fixed Assets</b>			
a) Gross Block		—	—
b) Less: Depreciation		—	—
c) Net Block		—	—
<b>2 Investments</b>	<b>3</b>	47,453,310	3,119,465
<b>3 Current Assets, Loans &amp; Advances</b>			
a) Current Assets	<b>4</b>	7,000,662	30,547
b) Loans & Advances	<b>5</b>	1,301,605	50,237,698
		8,302,267	50,268,245
<b>4 Less: Current Liabilities &amp; Provisions</b>			
a) Current Liabilities	<b>6</b>	2,206	2,247
b) Provisions	<b>7</b>	978,148	978,148
		980,354	980,395
<b>Net Current Assets</b>		7,321,913	49,287,850
<b>5 Miscellaneous Expenditure</b>		173,880	198,720
<b>Total</b>		<b>54,949,101</b>	<b>52,606,033</b>
<b>Significant Accounting Policies &amp; Notes On Accounts</b>	<b>8</b>		

As per our report of even date attached  
For **R. K. PATNI & CO.**  
Chartered Accountants

CA Rakesh Patni  
Proprietor  
Place : Mumbai  
Date : 15th May, 2009

For Cognizant Finance Pvt. Ltd.

**Nirmal Gangwal**  
Director

**P. C. Godha**  
Director  
Place : Mumbai  
Date : 15th May, 2009

## COGNIZANT FINANCE PRIVATE LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
<b>INCOME</b>			
Income from Operations	9	1,494,774	2,937,698
Other Income	10	2,390,643	471,623
		<b>3,885,417</b>	<b>3,409,321</b>
<b>EXPENDITURE</b>			
Administrative Expenses	11	1,542,349	240,677
<b>PROFIT / (LOSS) BEFORE TAX</b>		2,343,068	3,168,644
Less : Provision for Taxation		—	978,148.36
<b>PROFIT / (LOSS) AFTER TAX</b>		2,343,068	2,190,496
Add: Balance brought forward		2,606,033	415,538
Balance carried to Balance Sheet		<b>4,949,101</b>	<b>2,606,033</b>
Significant Accounting Policies & Notes On Accounts	8		

As per our report of even date attached

For **R .K. PATNI & CO.**

Chartered Accountants

CA Rakesh Patni

Proprietor

Mem. No. 43947

Place : Mumbai

Date : 15th May, 2009

For **Cognizant Finance Pvt. Ltd.**

**Nirmal Gangwal**

Director

**P. C. Godha**

Director

Place : Mumbai

Date : 15th May, 2009

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE - 1 "SHARE CAPITAL"</b>		
<b>Authorised</b>		
50,00,000( P. Y. 50,00,000) Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, Subscribed and paid up</b>		
P. Y. 50,00,000 (50,00,000) Equity Shares of Rs. 10/- each fully paid up.	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b>SCHEDULE - 2 " RESERVES &amp; SURPLUS"</b>		
Profit & Loss Account	4,949,101	2,606,033
	<b>4,949,101</b>	<b>2,606,033</b>
<b>SCHEDULE - 3 " INVESTMENTS" (at cost)</b>		
<u>Quoted</u>		
<u>Long Term Investment</u>		
Investment in Shares & Securities / Mutual Funds (Market Value - 29.41 Lacs)	7,234,697	—
<u>Current Investment</u>		
Investment in Shares & Securities / Mutual Funds (Market Value - 401.90 Lacs)	40,218,613	3,119,465
	<b>47,453,310</b>	<b>3,119,465</b>
<b>SCHEDULE - 4 "CURRENT ASSETS"</b>		
<u>Cash and Bank Balances</u>		
-> Cash on Hand	9,212	9,712
-> Bank Balance In Current Account	6,991,450	20,835
	<b>7,000,662</b>	<b>30,547</b>
<b>SCHEDULE - 5 " LOANS &amp; ADVANCES"</b>		
( Unsecured considered good)		
Advance receivable in cash or in kind for value to be received	—	49,274,809
Advance tax, Self Assessment tax & TDS	1,301,605	962,889
	<b>1,301,605</b>	<b>50,237,698</b>
<b>SCHEDULE - 6 " CURRENT LIABILITIES"</b>		
Creditors for expenses	2,206	2,247
	2,206	2,247
<b>SCHEDULE - 7 " PROVISION"</b>		
Provision for taxation ( A Y 08-09)	978,148	978,148
	<b>978,148</b>	<b>978,148</b>
<b>SCHEDULE - 9 "INCOME FROM OPERATION"</b>		
Interest received	1,494,774	2,937,698
	<b>1,494,774</b>	<b>2,937,698</b>
<b>SCHEDULE - 10 "OTHER INCOME"</b>		
Dividend on units received	2,410,619	452,027
Profit/(loss) on sale of Investment	(19,976)	19,596
	<b>2,390,643</b>	<b>471,623</b>



# COGNIZANT FINANCE PRIVATE LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE - 11 "ADMINISTRATIVE EXPENSES"</b>		
Auditors Remuneration	2,206	2,247
Bank Charges	11,474	204
Bad Debts w/off	1,493,726	—
Miscellaneous Expenses	5,855	3,700
Professional Fees	3,748	1,686
Rent, Rates & Taxes	—	206,500
ROC Expenses	500	1,500
Preliminary Exp. written off	24,840	24,840
	<b>1,542,349</b>	<b>240,677</b>

### SCHEDULE - 8

#### SIGNIFICANT POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

##### 1. Specific Accounting Policies

##### Basis of Accounting

The accounts are prepared under historical cost convention on accrual basis and in accordance with mandatory accounting standards and relevant presentational requirements of the Companies Act, 1956 except where otherwise stated.

##### Amortisation

Preliminary Expenses have been amortised equally over a period of 10 years.

##### Notes on accounts

Number of employees who were employed throughout the year and were in receipt of a remuneration exceeding Rs. 12,00,000/- per annum or if employed for a part of the year were in receipt of remuneration at a rate which aggregate was not less than Rs. 1,00,000/- P.M. is NIL.

Expenditure, Earning and remittance in foreign currency – NIL.

Previous year's figures have been regrouped, reclassified and renamed wherever necessary.

Company recognizes it's interest income on inter-corporate deposits and other short term funding on accrual basis.

As per our attached report of even date.

For **Cognizant Finance Pvt. Ltd.**

For **R. K. Patni & Co.**

Chartered Accountants

**Nirmal Gangwal**

Director

CA Rakesh Patni

Proprietor

Mem.No.: 43947

Place :- Mumbai

Date 15th May, 2009

**P. C. Godha**

Director

Place :- Mumbai

Date 15th May, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	YEAR ENDED ON 31.03.2009		YEAR ENDED ON 31.03.2008	
	RUPEES	RUPEES	RUPEES	RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit after tax</b>		2,343,068		2,190,495
Adjustments for :				
- Preliminary Exps. W/off	24,840		24,840	
- Dividend received	(2,410,619)		(452,027)	
- Loss on sale of Investment	19,976		(19,596)	
- Provision for taxation	—	(2,365,804)	978,148	531,366
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(22,736)		2,721,861
(Increase)/Decrease in Current Assets				
- Loans & Advances	49,274,809		(49,274,809)	
Increase/(Decrease) in Current Liabilities				
- Liabilities	(41)		2	
		49,274,768		(49,274,807)
<b>CASH GENERATED FROM OPERATIONS</b>		49,252,032		(46,552,946)
Direct Taxes Paid	(338,716)	(338,716)	(962,889)	(962,889)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		48,913,317		(47,515,834)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Profit on sale of investment	(19,976)		19,596	
(Purchase) / Sale of Investments	(44,333,845)		17,328,376	
Dividend Received	2,410,619		452,027	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(41,943,202)		17,799,999
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Shares (Including Share Premium)		—	29,500,000	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		—		29,500,000
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		6,970,115		(215,835)
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>		30,547		246,382
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>		<b>7,000,662</b>		<b>30,547</b>

For Cognizant Finance Pvt. Ltd.

Nirmal Gangwal  
DirectorP. C. Godha  
DirectorPlace : Mumbai  
Date : 15th May, 2009

## BRESCON CORPORATE ADVISORS LTD.

Regd. Office: 7th Floor, Siddhi Vinayak Chambers, Opp. M. I. G. Club, Gandhi Nagar, Bandra (East), Mumbai - 4000 51.

### ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company at **6th Floor, Siddhi Vinayak Chambers, Opp. M. I. G. Club, Gandhi Nagar, Bandra (East), Mumbai - 400051. at 11.30 a.m. on Wednesday, 30th September, 2009.**

.....  
Full name of the Shareholder  
(in block capitals)  
Folio No. .... /DP ID No.\* ..... & Client ID No.\* .....  
\* Applicable for Members holding Shares in electronic form.  
.....  
Full name of the Shareholder  
(in block capitals)  
Signature

## BRESCON CORPORATE ADVISORS LTD.

Regd. Office: 7th Floor, Siddhi Vinayak Chambers, Opp. M. I. G. Club, Gandhi Nagar, Bandra (East), Mumbai - 4000 51.

### PROXY

I/We .....  
of ..... in the district of ..... being a  
Member/Members of the above named Company, hereby appoint .....  
of ..... in the district of ..... or failing  
him ..... of ..... in the district of .....  
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 18th ANNUAL  
GENERAL MEETING of the Company to be held on 30th day of September, 2009 and at any adjournment thereof.  
Signed this ..... day of ..... 2009.  
Folio No..... /DP ID No.\* ..... & Client ID No.\* .....  
\* Applicable for Members holding Shares in electronic form.

Affix Re. 1  
Revenue  
Stamp

.....  
Signature

No. of Shares held:

- NOTES:**
- (i) The proxy must be deposited so as to reach the Registered Office of the Company at 6th Floor, Siddhi Vinayak Chambers, Opp. M. I. G. Club, Gandhi Nagar, Bandra (East), Mumbai - 400051, not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
  - (ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



**BRESCON**  
Interpreting it right

**BRESCON CORPORATE ADVISORS LIMITED**, Siddhi Vinayak Chambers, 7th Floor, Gandhi Nagar, Opp MIG Club, Bandra(E), Mumbai 400 051, India T: 91 22 4253 8888 F: 91 22 4253 8800 E: [info@brescon.com](mailto:info@brescon.com) [www.brescon.com](http://www.brescon.com)