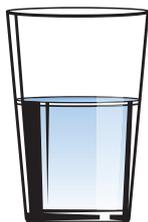


ANNUAL REPORT

Brescon Advisors
&
Holdings Limited

2011 - 2012



BRESCON[®]

Interpreting it right

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From The MD's Desk



Dear Stakeholders,

The issues that were threatening to derail the 'bounce-back' in the Global Economy in 2011 did precisely that. The Sovereign Debt Crisis roiling Europe and the continuing overhang of 'toxic assets' in the European banking system saw policy makers scrambling with unconventional policy measures to save the day. In the face of these problems, all major economies including China are forecasted to slow down considerably in 2012 vis-à-vis 2010 and 2011. Germany, however, bucked the trend and continued to hold forth in Europe in terms of, both, economic growth (marginally though) and reducing unemployment. To add to the silver lining, the US economy held its own, showing promising signs of recovery – as the Federal Reserve pledged to keep interest rates at near-zero levels till 2014.

Meanwhile, in India, there was a secular downtrend in GDP growth, as reflected in Q3 GDP growth hitting an 11-Quarter low of 6.1%. The fiscal deficit figure for FY12 came at 5.9% v/s a target of 4.6% - a significant deviation. Factoring in these dismal figures, S&P has downgraded India's credit rating outlook to 'negative',

while IMF has forecasted India's GDP growth to fall below 7% (6.9%). In the face of such deceleration in GDP growth, the RBI finally relented and cut the repo rate by 50bps to 8.00% in April 2012, after cutting the CRR by a cumulative 125 bps in February and March 2012 to combat tight liquidity situation. However, it still has its hands under leash because, while inflation (WPI) has eased to sub-7% in 2012 from an average of 9.5% in 2010 and 2011, fiscal pressures and expanded government borrowings are expected to deter aggressive rate cuts and keep bond yields around 8%.

As all these factors played out, Indian companies were squeezed from all directions while continuing to face high interest rates – and a lot of them gave in. This was reflected in no better way than by the sheer size of the number and volume of companies referred to the CDR Forum for Debt Restructuring. High profile cases, such as, GTL Infra, Bharti Shipyard, HCC, and Hotel Leela, hogged media limelight among CDR cases. As did the sheer volume of Debt – over

₹ 67,000 cr – referred to the CDR Forum in a single financial year. It also points to the sheer number of cases that might be undergoing bilateral restructuring – the one most exposed to public attention being Kingfisher Airlines. Keeping with the trend, rising NPA levels reached historical highs in Indian banks, especially Public Sector banks.

A distinct feature in the Current Crisis is the struggle faced by first time entrepreneurs. They form the single most vulnerable class of borrowers today. Having experienced an explosion of opportunity with access to capital in the boom years, they have been hit the hardest by the multitude of problems confronting today's economy. Without the deep relations afforded by the backing of an industrial house or conglomerate, nor the deep pockets of such an entity, they are at the mercy of circumstances. Many companies that are run by first time entrepreneurs are fighting for survival, and the current economic reality means that there can be no viable solution on offer without huge level of sacrifices from lenders. However, such an approach has never been trodden by the Indian banking system – which continues to be intent on short-termism and piecemeal solutions which are, at best, suited to “window dress” balance sheets.

Among the various sectors, we continue to see stress in the Infrastructure sector, Power sector and also in Metals and Mining sectors. Steel, in particular, saw a number of companies buckling under the pressure of High Interest burden, scarcity of raw material (in the face of Iron Ore bans) and government inaction over sanction of mining leases / allocation of mines etc. Except for large companies and those which have access to captive mines, the rest found the environment stifling. Likewise, the Infra and Power spaces are beset with their own challenges and stresses. These sectors are crucial for India to move forward as an economy because we are lagging way behind the world in per capita steel consumption, infrastructure facilities and electricity generation to sustain the targeted real GDP growth of 8% p.a.

We continue to focus as a specialist in 'Financial Restructuring Advisory' while offering the full bouquet of 'financial consulting services' as per our client's needs. This, however, adds many critical risk dimensions to our business – fee realization, stiff resistance from banks, and unfair competition from bank sponsored advisory firms, elongated mandate execution cycles and with the sudden expansion of cases undergoing debt restructuring and the high profile nature of companies' involved created intense competition in both the top-end and the mid-layer of the advisory market. A lot of dormant players became active while fresh ones mushroomed as new service offerings of mid-tier advisory firms who were earlier not in this space. On the whole, this is complex, challenging, and increasingly, a business with diminishing remuneration.

In the face of these distinct challenges and complexities facing the Advisory Services business, we are beginning to feel the necessity for a re-orientation of our overall business – from the shareholder's perspective. Among the options we are considering is the separation of our treasury/investment arm of our business from the increasingly volatile and demanding nature of our Advisory business by creating a separate subsidiary to transfer and independently run the Advisory business. We are also considering the divestment of our NBFC subsidiary, owing to its small size and lack of scale in operations which hampers long term returns in this segment. However, suitable diligence and compliance measures will be put in place to manage the existing investment portfolio in the company – safeguarding the interest of shareholders.

We believe that these strategic re-orientation efforts and corporate restructuring would be better aligned to the long term interests of shareholders.

Sincerely,

Nirmal Gangwal

Details Of The Directors

Shri Premchand Godha, Chairman

Shri Premchand Godha is a CA by qualification with over 33 years of industry experience is currently the Chairman cum Managing Director of IPCA Laboratories Ltd., a leading pharmaceutical company with consolidated annual sales of ₹ 23.14 billion. He is also on the board of Prayas Bio Lifescience Ltd and AB Corp. Ltd.

Shri V.K. Gupta, Director

Shri V.K.Gupta is a certified associate of Indian Institute of Bankers (CAIIB), and has done M.A in English Literature from Punjab University and is Gold Medalist. He has rich and diverse experience of 38 years in the area of domestic cum international Merchant/Investment banking and in Treasury Operations. He is also on the board of Spanco Ltd., Micromax Informatics Ltd., Best Foods Ltd., Darcl Logistics Ltd and Ushdev International Ltd.

Shri Rajashekar Iyer, Director

Shri Rajashekar Iyer is a chartered accountant by academic qualification. Since 1987, he has been actively engaged in studying the Indian capital markets and is now well known as one of the pioneers of the concept of equity research in the country. He is also Managing Director of the SCIL Ventures Ltd.

Ms. Pooja Gangwal Sheth, Director

Ms. Pooja is an MBA graduate from NMIMS and an applied behavioral science specialist. She has been associated with Brescon over a period of 6 years and plays an integral role in the Human Resources, Branding & Communications and Corporate Strategy functions. Apart from which she has had a brief stint in human capital consulting in Deloitte Touche Tohmatsu International

Shri Nirmal Gangwal, Managing Director

Shri Nirmal Gangwal is the Founder-Promoter and Managing Director of Brescon. With over 31 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. FCA, ACS and LLB by qualification, Mr. Gangwal looks after the day-to-day affairs of the Company. He also holds directorship in many companies, prominent ones include Welspun Corp Ltd., Welspun Projects Ltd., Remi Metals Gujarat Ltd., V.I.P. Industries Ltd. and Windsor Machine Ltd.

Corporate Information

BOARD OF DIRECTORS

Shri Premchand Godha

Chairman

Shri V.K. Gupta

Director

Shri Rajashekar Iyer

Director

Ms. Pooja Gangwal Sheth

Director

Shri Nirmal Gangwal

Managing Director

REGISTERED OFFICE

Siddhivinayak Chambers,
7th Floor, Gandhi Nagar,
Opp. M.I.G. Club, Bandra (East)
Mumbai 400 051
Phone No.: 42538888

BANKERS

HDFC Bank Ltd.
ICICI Bank Ltd.

AUDITORS

M/s. **Vijay R. Tater & Co.**
Chartered Accountants
Mumbai.

REGISTRAR & SHARE TRANSFER AGENT (RTA)

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (W), Mumbai-400 078.
Tel : (22) 25963838
Fax: (22) 25946969
Website : www.linkintime.co.in
Email : rnt.helpdesk@linkintime.co.in

Notice

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Friday 27th July 2012 at 11.00 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 on 31st March 2012, 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. a) To appoint a Director in place of Shri Rajashekar Iyer who retires by rotation and, being eligible, offers himself for reappointment.

b) To appoint a Director in place of Ms. Pooja Gangwal Sheth who retires by rotation and, being eligible, offers herself for reappointment.
4. To consider, & 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 (Firm Reg.no.111426W) who retire at the conclusion of this annual general meeting be & are hereby appointed as Statutory Auditors of the company till the conclusion of the next annual general meeting at a remuneration to be fixed by the Board of Directors.”

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/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING.**
- b) Members are requested to intimate immediately change of address, bank details if any, to the Registrars and Transfer Agents of the Company, M/s. Link Intime India Pvt Ltd.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 21st July 2012 to Friday 27th July 2012 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 Advisors & Holdings Limited
(formerly known as Brescon Corporate Advisors Ltd.)**

Place : Mumbai
Date : 24th May 2012

NIRMAL GANGWAL
Managing Director

Annexure To The AGM Notice

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

Name of the Director	Shri Rajashekar Iyer
Date of Birth	16th May 1957
Date of Appointment	29th May 2010
Qualification	Chartered Accountant
Directorship of other Limited Cos. as on 31.03.2012	- SCIL Ventures Ltd.
Chairman / Member of Committees of other Limited cos. as on 31.03.2012	- Member of Audit Committee of SCIL Ventures Ltd. - Member of Investor Grievance Committee of SCIL Ventures Ltd.

Name of the Director	Ms. Pooja Gangwal Sheth
Date of Birth	08th September 1983
Date of Appointment	29th May 2010
Qualification	MBA
Directorship of other Limited Cos. as on 31.03.2012	- i Tenable India Ltd.
Chairman / Member of Committees of other Limited cos. as on 31.03.2012	-

Director's Report

To,

The Shareholders,

Your Directors take pleasure in presenting the 21st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

1. FINANCIALS

Financial Results of the last 3 years at a glance are as under.

(₹. in Lacs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Income From Operation	1040.09	1560.64	1910.49
Other Income	392.88	98.63	61.74
Total Income	1432.98	1659.27	1972.23
Profit Before Finance cost & Taxes	415.50	846.48	879.97
Less : Finance Cost	7.83	8.44	0.43
Profit Before Taxation	407.67	838.04	879.54
Less : Taxes	89.72	250.89	324.56
Profit After Tax	317.95	587.15	554.98

2. PERFORMANCE REVIEW

The fee-based revenue of the company for the year under review decreased to ₹ 1040.09 Lacs as compared to ₹ 1560.64 Lacs in the previous financial year. The fee based revenue was down by 33 % and the net profit was down by 46% during the year to ₹ 317.95 Lacs as compared to ₹ 587.15 Lacs of previous year.

Detailed information on the overall performance of the Company is given in the 'Management Discussion and Analysis' section which forms part of this Report.

3. DIVIDEND

The Board of Directors of the Company, for the year ended 31st March 2012, has recommended a dividend @ 10% (₹ 1/- per Equity Share of face value of ₹ 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 ₹ 35.02 Lacs towards dividend and ₹ 5.68 Lacs towards dividend tax resulting in a total outflow of ₹ 40.07 Lacs.

4. TRANSFER TO RESERVES

The Company proposes to transfer ₹ 10 Lacs to General Reserve out of the amount available for appropriation.

5. 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.

6. DIRECTORS

Shri Rajashekar Iyer, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Ms. Pooja Gangwal Sheth, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment

Dr. B. Vasanthan ,Independent Director & Chairman has resigned from Board w.e.f 05.08.2011.

Board expresses sincere gratitude to Dr. B. Vasanthan for guiding the company and will always cherish his valuable contribution in strengthening the company's foundation.

In compliance to the 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:-

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) Appropriate accounting policies have been selected, applied consistently and judgments and estimates made are reasonable & prudent so as to give a true & fair view of the State of Affairs of the Company as of 31st March 2012 and of the Profit & Loss of the Company for that period.
- c) Proper and sufficient care have 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 frauds and other irregularities.
- d) The accounts have been prepared on a going concern basis.

8. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL RESULTS

During the year company has acquired the 100% Equity shares of Brescon Corporate Advisors (P).Ltd. (formerly known as Brescon Fund Advisors Pvt. Ltd.) resultantly it became wholly owned subsidiary of the Company.

The financial data of the subsidiary companies has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, the Company has presented the consolidated financial statements which include the financial information relating to its subsidiary and forms part of the Annual Report.

The Company shall provide a copy of the Annual Report and other related information of its subsidiary companies as required under section 212 of the Companies Act, 1956 to the shareholders of the Company and the subsidiaries upon their written request. These documents will also be available for inspection at the registered office of the Company and the registered office of the respective subsidiary companies during working hours up to the date of the Annual General Meeting.

The Consolidated Financial Statement has been prepared by the Company in accordance to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India.

9. FIXED DEPOSIT

The Company has not accepted and/or renewed any Fixed Deposits within the meaning of the provisions of Section 58-A of the Companies Act, 1956.

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 re-appointment by the Audit Committee of the Board of Directors. They have furnished the requisite certificate to the effect that their re-appointment, 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 Apointment	Experience	Remuneration / Salary (` in lacs.)	Previous Employment
Nirmal Gangwal	Managing Director	FCA, ACS, LLB (G)	01.07.2009	Over 31 years of experience in Finance & Management Consultancy	108.00	Nil
N. S. Rao	Director	MS(Econ) PGDIM (IMI)	02.12.2004	Over 29 years of experience in Commercial Banking & Venture Cap	54.14	Pardeshi. Com Pvt Ltd. (MD)
Sridhar Ramchandran	Director	CA, CWA, CPA	05.10.2009	Over 22 yrs of experience in general , financial & turnaround management	48.11	Integrated Textile & Retail Group
Sandeep Desai	Director	MBA (Finance)/Engg	01.07.2010	Over 21 yrs of experience in investment banking field	48.17	Kotak Mahindra Bank
Mahindra Bangar	Asst.Vice President	MBA, Engineering	29.04.2008	Over 9 years of exposure in Finance industry	29.65	Adventity (Credit Suisse)
Prashant Patil	Asst.Vice President	MBA	14.11.2008	Over 10 yrs of experience in financial industry	29.32	Kotak Mahindra Bank

12. CHANGE OF NAME / ALTERATION OF OBJECT CLAUSE

The name of the Company has been changed to Brescon Advisors & Holdings Limited w.e.f. 29th March, 2012 subsequent to the approval of members obtained through Postal Ballot.

Further subsequent to the approval of Shareholders through Postal Ballot the Company has also altered its main objects of the Memorandum of Association of the Company.

13. 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.

14. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

15. EMPLOYEE STOCK OPTION SCHEME

The Company had 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 ₹ 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 Nil Grant – II Nil Grant –III 10000
The pricing formula	Exercise Price equals to Book value per equityShare as on 31.03.2006 (i.e.) ₹51/-
Option Vested (as of March 31,2012)	----
Options exercised but not allotted during the year	-----
Money raised on exercise of Options	----
No. of shares arising as result of exercise of option of Last year	----
Options forfeited during the year	Nil
Options lapsed during the year	10,000
Total number of options in force at the end of the year	-----
Grant to senior management	---
Employees/Directors receiving 5% or more of the total number of options granted during the year	Nil
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	₹ 17.45

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

16. FOREIGN EXCHANGE EARNINGS & OUTGO

	Year ended 31.03.2012	Year ended 31.03.2011
	(₹ in Lacs)	(₹ in Lacs)
(i) Earnings	----	----
(ii) Outgo	----	0.46

17. 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 Advisors & Holdings Limited
 (formerly known as Brescon Corporate Advisors Ltd.)

Place: Mumbai
 Date : 24th May 2012

Premchand Godha
 Chairman

Management Discussion & Analysis

Global Economic Outlook

Slowing GDP Growth – that's the new reality across the globe. In April 2011, the International Monetary Fund (IMF) forecasted that the world economy would grow at 4.5% in both 2011 and 2012. However, anemic growth in the Euro Area – as it got jolted by the Sovereign Debt Crisis – and its spillover effect meant that the world economy grew at 3.9% in 2011 and is forecasted to grow at 3.5% in 2012 before improving partially to 4.1% in 2013, as per the recently published World Economic Outlook by IMF.

According to the IMF, in 2012 most of the 'advanced' economies in the world would grow (or contract) at a much slower (or faster) rate compared to 2011 and perform much worse compared to 2010. And that nations among all the major 'blocs' – Newly Industrialized Asian Economies, Central and Eastern European Economies, the Commonwealth of Independent States, Developing Asia (including India and China), Latin America and the Caribbean – are forecasted to have much tepid growth in 2012 vis-à-vis 2011 (and certainly 2010). However, despite their falling growth rates, India and China are forecasted to grow faster than any major economy in 2012 at 6.9% and 8.2% respectively.

From this perspective, the economic bounce back we saw across the globe in 2010 seems a false dawn and more like a quick reflex action in the face of unprecedented policy measures and abundant liquidity. In 2012, there seems to be a 'dampening' effect playing out. The challenges to growth remain as strong as they did in the recent past – amidst calls for ending stimulus measures, and moving towards fiscal consolidation across the globe.

Indian Economic Outlook

The Indian economy does not seem to have found a bottom to its slowing GDP growth rate, yet. Q3 FY12 saw GDP growth coming in at a mere 6.1% - lowest level of growth since Q4 FY09 (when it was 5.8%).

It also represented the 7th consecutive quarter where growth has decelerated – from a high of 9.4% in Q4 FY10. On the positive side, over the same period the Inflation Rate (WPI) had reduced from peak of 10.88% in April 2010 to 6.89% in March 2012.

This combination of slowing growth and moderating inflation gave the Reserve Bank of India (RBI) the license to reduce the repo rate from a twelve year peak of 8.5% to 8.0% in April 2012. It had preceded this rate cut with a series of 'Open Market Operations' and a 125 bps cut in the Cash Reserve Ratio (CRR) in order to boost liquidity in the banking system. Both these measures were read as a signal of shifting policy stance from moderating to expansionary.

However, the fiscal deficit numbers were a major dampener to the sentiment – coming in at 5.9% for FY12 as against an envisaged 4.6%, much wider than last year's figure of 5.1%. The S&P in its recent "negative" outlook to India's sovereign credit rating – forecasted that India's debt-to-GDP ratio will widen to 74.7% in FY12 up from 69.2% in FY11 and expects it to further widen, marginally, to 74.9% in FY13. It also notes that the government envisaged new market borrowings of ₹ 4.8 trillion and lacks the political will and the numbers to push through critical reform measures.

All these factors point out that India will, in the medium term, assume a slower growth trajectory while grinding out a bottom to its economic cycle. As to when it will emerge from this phase is anybody's guess because numerous unknowns have to play out in the ensuing period. From a longer term perspective though, this period will be looked at as a consolidation phase after years of blistering economic growth.

Credit Growth & Monetary Policy Overview

In-line with slowing GDP growth, growth in Non-Food Credit slowed to a multiyear low at 15.4% on a YoY basis in February 2012. Credit to industry increased by 19.1%, registering 7.4 percentage point drop from

26.5% growth last year while credit to services sector increased by 15.2% - a 9 percentage point drop from 24.2% growth in the previous year. Meanwhile, credit to agriculture grew by a mere 8.1% vis-à-vis an 18.3% growth last year.

However, the picture was quite different on the external commercial borrowings (ECBs) front. The flood of liquidity abroad and cheap sources of funding afforded to banks by Central Banks in Advanced Economies found its way into India. Indian companies (and Indian arms of multinational companies) with strong fundamentals were able to tap these lines of credit at a much lesser interest burden compared to Indian Rupee borrowings. Between March 2011 and February 2012, Indian companies (and Indian arms of multinational companies) raised a record USD 37.76 billion in the form of ECBs and FCCBs – registering a whopping 54.34% growth on the USD 24.47 billion they raised last year. Interestingly, a huge chunk of this borrowing, USD 36.84 billion, was in the form of ECBs (a YoY growth of 59.15%) while a mere USD 0.92 billion was in the form of FCCBs (a YoY decline of 30.29%).

On the monetary policy front, in FY12 the RBI did as was expected in its effort to curb inflation. The RBI raised key policy rates numerous times during FY12 –

- On the repo rate front – the RBI increased it 5 times as it went up from 6.75% at the end of FY11 to 8.50% by end of October 2011. It remained so for the rest of the financial year.
- The reverse repo rate followed the repo rate but with a 100bps spread, as it moved from 5.75% at the end of FY11 to 7.50% by end of October 2011. It remained so for the rest of the financial year.
- The RBI did the opposite on the cash reserve ratio (CRR) front – after keeping it at 6.00% till January 2012, the RBI eased it 50bps in February 2012 and followed it up with a 75bps cut in March 2012 – as the system was choking with tight liquidity.

These changes along with slowing growth, low business sentiment, rising NPA levels at banks and tight liquidity saw credit off-take tapering off with a growth of less than 16%. Also, with inflation (WPI) finally moderating to the sub-7% level since January 2012, it brought about a change in the RBI's stance (albeit slightly) and moved it to reduce the repo rate and the reverse repo rate by 50 bps to 8.0% and 7.0% respectively, in April 2012.

As for the monetary policy outlook for FY13, the RBI, in its recently released monetary policy statement for FY13, maintained the following tone in its policy stance,

1. First and foremost, it acknowledged the “current growth moderation” that has set in the economy and that it intends to adjust policy rates to levels consistent with this changed reality.
2. It acknowledged that demand-led inflationary pressures had receded for the time being that the current focus would be to guard against its re-emergence.
3. Driven by its earlier concern on the tight liquidity situation in the financial system, it intends to provide a greater liquidity cushion.

Business Overview

FY 2012 was a record year in terms of the sheer number of cases and the volume of debt which came up for Corporate Debt Restructuring (CDR) in India. While the RBI instituted CDR Forum grabbed the headlines as it was referred a record 87 companies with over ₹ 67000cr of debt outstanding for the first ever time in a single fiscal year, the media attention for a bilateral restructuring case (negotiated outside the CDR Forum) centered on Kingfisher Airlines. All in all a difficult economic environment amidst political instability, lack of reforms, high inflation, high interest rate cycle created a perfect storm for a lot of Indian companies. Coming as it did, so vicious and sudden, after years of booming economic growth – it surely caught even

some of best managed companies off guard. Indian banks saw their NPA levels at historic highs – even as they scrambled to ‘window-dress’ their balance sheets the best they could, in the short term.

The financial restructuring advisory services, our core offering saw expanded opportunities but it came with caveats galore. Many unique situations and hitherto unseen challenges arose, such as, stiff resistance from banks to acknowledge a liquidity crisis in a company till the company literally ran dry and once such a stage was reached a short sighted approach ensued. Thus, their primary objective was totally centered on trying to protect their accounts from converting into NPAs – thereby saving themselves from further provisioning requirements and from their balance sheets deteriorating further in the short term. The long term viability of companies was not kept in mind and, as an extension of such an approach, the long term “health” of the accounts and debt recovery from such accounts were short-changed.

To elaborate one mechanism, in particular, is the concept of ‘NPV neutrality’ afforded to banks to maintain the account as ‘Standard’ in cases undergoing Second Restructuring. This concept is being used extensively nowadays by banks to protect their balance sheet, so much so, that the dialogue between the borrowers (staring at Second Restructuring) and the lenders begins with the borrower’s willingness to ‘protect’ the NPV – in exchange for the lenders’ support for restructuring. The starting point has ceased to neither revolve around the depth of the issues facing the borrower nor an objective evaluation of the long term debt servicing capability of the borrower. Thus, the high interest rates stipulated on the borrower to achieve such NPV neutrality does more harm than remedy the debt recoverability position from the borrower. Needless to say, such accounts are bound to return to the fold of restructuring in the future.

In the ensuing melee, and other complexities of restructuring and distortion of incentives, the mandate cycle has stretched from a 4 to 6 month time frame to a 10 to 12 month time frame. As this abrupt change came

about in a single year, our billing cycle got adversely affected and many cases got pushed to the next year. On the whole, it was year that saw activity at a frenetic pace while throwing up dynamic and complex issues to deal with.

Opportunities

At a macro level, the capital intensive business model – driven by highly leveraged capital expenditure and buttressed by aggressive lending during the boom years right from FY 2004 till FY 2009, has become ripe for restructuring given today’s economic reality. The massive expansion that balance sheets of Indian lenders underwent in this period created vastly expanded manufacturing capacities, which today face muted demand. Thus, post-implementation of these facilities and post-moratorium period these accounts have resulted in large scale debt restructurings. This trend is expected to continue in the coming fiscal year.

In-line with our expectations, the ‘stress’ in the Power and Infrastructure sectors continued to play out in a major way in this fiscal year. We expect this to continue for a further two years and that it would be wishful thinking on the part of the banks to believe that the worst of restructuring is past them. The Telecom sector was hard hit due to scams and diminishing returns and this resulted in adverse repercussions for ancillary players in the sector. While the domestic Steel industry was beset with both demand side issues due to the economic as well as supply side issues which arose out of bans on Iron Ore mining in states such as Karnataka, the government was yet to allocate captive mines for a vast majority of players. Also, the Indian Textile industry continued to struggle in the wake of numerous challenges. Meanwhile, the unprecedented depreciation in the rupee has put pressure on companies which rely on import of raw materials or those that are engaged in dollar denominated capex.

Risks and Challenges

Among the key risks that have arisen over this fiscal year, is the strong arm tactics of banks in pushing borrowers to appoint bank sponsored advisory firms / subsidiaries as advisors for debt restructuring. We also faced intense competition from hitherto dormant advisory firms and freshly mushrooming units that are seeing the headline grabbing volume of debt restructured as an opportunity they cannot afford to miss.

As our core clientele are financially distressed companies, fee recovery continues to be a major challenge. In keeping with a prudent approach we continue to toe a cautious line with regard to revenue recognition and cash flow realization.

Also the stiff resistance from banks and numerous complexities arising in every case has stretched the mandate execution cycle and adversely affected our financial performance and cash realization.

Human Resource & Development

Leaders are critical to the growth and development of any organization and grooming leaders to drive our future is imperative in a knowledge intensive, people driven business, such as, ours. At Brescon, we strive towards creating an empowering environment to support the development of highly motivated and skilled professionals in their pursuit of excellence. We complement this approach with our focus on manpower efficiency and managing employee costs within budgets to deliver long term shareholder value.

Our HR&D framework supports the overall strategic business plans and organizational objectives –

- A robust manpower planning process ensures that all steps, right from business requirements to sourcing and staffing, are seamlessly aligned.
- To enhance employee skill-sets, training and development needs are assessed periodically and programs are conducted through internal resources

as well as by engaging external facilitators & trainers, as required.

- During the year, several employee enabling policies, such as, suggestion scheme, paternity leave & recognition for long years of service were introduced with an aim to provide feeling of inclusion and work life balance to employees.
- At a personalized level, understanding the unique psychological and circumstantial requirements of employees and efforts to provide them with the necessary support was undertaken.

Employee engagement continued to be the thread bringing together all employees in the organization. Regular internal communications, meetings and events had been arranged to enhance the level of interaction among employees, making them feel at home and an integral part of the Brescon Family.

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 meaning of applicable to securities laws and regulations. Actual results may 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 incidental factors.

Corporate Governance Disclosure

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1. Company's philosophy on code of governance:

The company firmly believes and has consistently practiced good corporate governance. The company relies on strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. The company has complied with the requirements of Corporate Governance as laid down under clause 49 of the Listing Agreement with the Stock Exchanges. In addition to compliance with regulatory requirements, The company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole.

2. Board of Directors:

The Board of directors is composed of professionals drawn from various fields, who bring in a wide range of skills and experience to provide guidance to the Company's management.

During the year under review, the strength of Brescon's Board is five Directors. As on 31st March 2012, the Board consisted of four Non-Executive/Independent Directors and one Executive Director. The Chairman of the Board is a Non-Executive/Independent Director. Dr. B. Vasanthan, Independent Director & Chairman has resigned from Board w. e. f 05.08.2011. Except the above, during the year under review, there was no change in the Board of the Company.

All the Directors on the Board of the Company have made the necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other companies.

The details of the Board of Directors with respect to attendance, directorship in other companies and membership in committees of other companies are given below:

Name	Category	Attendance Particulars		No. of Directorships in other Companies *	Membership of Audit & Investor Grievance Committee (excluding -Brescon)
		Board Meeting	Last AGM		
Dr. B.Vasanthan #	Chairman NED	1	No	--	--
Shri Nirmal Gangwal	Managing Director, ED	4	Yes	6	1
Shri Premchand Godha	Chairman NED	4	Yes	4	1
Shri Rajashekar Iyer	NED	3	No	1	2
Ms. Pooja Gangwal Sheth	NED	2	Yes	1	--
Shri V.K. Gupta	NED	4	No	5	4

Resigned as Chairman & Director w.e.f. 05.08.2011

* Excluding Private Company & Foreign Company.

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

During the year 2011-2012 the Board met Four (4) times on 10th May 11, 05th August 11, 04th November 11 & 2nd February 12.

3. Directors with Material Pecuniary or Business Relationship with the Company :

As mandated by Clause 49, the Independent Directors of the Company:

- Apart from receiving Director's sitting fee, do not have any material pecuniary relationships or transactions with the Company, its promoters or Directors, its senior management which may affect independence of these Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial year.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - a) Statutory audit firm or the internal audit firm that is associated with the Company.
 - b) Legal/consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees to the Company which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Transactions with related parties are disclosed in Note No. 29 of annexed to the financial statements of the year. There have been no material pecuniary transactions or relationships between the Company and its non-executive and/or independent Directors during the year 2011-12.

4. Audit Committee:

During the year under review, the Audit Committee comprised of three independent non-executive Directors namely, Shri Premchand Godha, Shri Rajashekar Iyer and Shri V. K. Gupta. Shri.Premchand Godha was the Chairperson of the Audit Committee. Dr. B. Vasanthan, Independent Director & Chairman has resigned from Member of Audit committee Board w.e.f 05.08.2011.

During the year 2011-2012 the committee met Four (4) times - on 10th May 2011, 5th August 2011, 4th November 2011 & 2nd February 2012.

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

Dr. B. Vasanthan - 1 (One)

Shri Premchand Godha - 4 (Four)

Shri Rajashekar Iyer - 3 (Three)

Shri V.K. Gupta -4 (Four)

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 discussions with the 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 & 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.

5. Shareholders / Investor Grievance Committee:

During the year under review, the Company's Shareholders / Investor's Grievance Committee consisted of three members namely Shri Premchand Godha, Shri Rajashekar Iyer & Shri Nirmal Gangwal. The committee was headed by Shri Premchand Godha, 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.

6. Finance Committee (Non Mandatory Committee) :

During the year under review , the Company Finance Committee consisted of three members namely, Shri Rajashekar Iyer, Ms. Pooja Gangwal Sheth and Shri Nirmal Gangwal. The committee was headed by Shri Rajashekar Iyer, an independent non-executive Director.

The Committee reviews the actual performance (Revenue), existing investment portfolio and debtors management etc. on a periodic basis.

7. Remuneration Committee:

During the year under review, the Remuneration Committee consisted of a three member team, comprising of two independent Non Executive Directors (i.e.) Shri Premchand Godha & Shri Rajashekar Iyer and one Executive Director (i.e.) Shri Nirmal Gangwal.

Scope & Role of Remuneration Committee:

- To determine the Company's policy on compensation packages of Executive & Non-Executive Directors 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, 2012 to Shri Nirmal Gangwal - Managing Director was ₹ 1,08,00,000/-, inclusive of allowances & perquisites.

Besides this, the company has paid sitting fees of ₹ 10000/- for each Board meeting and ₹ 5000/- for each Audit Committee & Finance Committee meeting attended by each Non executive Director.

Total sitting fees paid by the Company for the year ended 31st March, 2012 to the directors works out to ₹ 1,90,000/-.

8. 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

- a) Non Executive Directors and
- b) Executive Directors and Senior Management Officers of the Company

9. 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.

10. 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 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.

11. General Body Meetings:

Location and time for last three Annual General Meeting were

Year	Location	Time	Date
2008-2009	Siddhivinayak Chambers, 6th Floor, Gandhi Nagar Opp. M. I. G Club, Bandra (E), Mumbai – 400 051	11.30 A.M.	30/09/2009
2009-2010	Siddhivinayak Chambers, 7th Floor, Gandhi Nagar Opp. M. I. G Club, Bandra (E), Mumbai – 400 051	10.30 A.M.	13/08/2010
2010-2011	Siddhivinayak Chambers, 7th Floor, Gandhi Nagar Opp. M. I. G Club, Bandra (E), Mumbai – 400 051	10.30 A.M.	21/09/2011

The Company's Annual Financial Results are also displayed on the Company's website www.brescon.com.

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

12. Postal Ballot :

During the Financial Year ended 31st March 2012, Company has pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules 2011 conducted Postal Ballot for which details are as under :

Sr. No.	Particulars	Number of Assent Votes	% of Assent Votes
1	Resolution No. 1 : Special Resolution for Change of name of the Company u/s. 21 of the Companies Act, 1956;	28,69,095	99.72
2	Resolution No. 2 : Special Resolution for Amendment /Addition in the Main Object Clause of the Memorandum of Association of the Company u/s. 16 and 17 of the Companies Act, 1956; and	28,69,096	99.72
3	Resolution No. 3 : Ordinary Resolution for Sale of Advisory Business Undertaking of the Company to its Wholly Owned subsidiary, Brescon Fund Advisors Private Limited (presently known as Brescon Corporate Advisors Private Limited) as a going concern on slump sale basis u/s. 293(1)(a) of the Companies Act, 1956;	28,69,096	99.72

The Postal Ballot was conducted by Shri S. Laxminaraynan, a Practicing Company Secretary who was appointed as scrutinizer for the Postal Ballot.

Procedure followed for conducting Postal Ballot:

- a) Approval to conduct postal ballot and appointment of Scrutinizer was granted by Board on 02.02.2012.
- b) Dispatch of Postal Ballot Notice along with Postal Ballot Form and self addressed envelop to all those who were Members as on cut off date was completed on 18.02.2012.
- c) Advertisement in Newspapers for completion of dispatch of notice was published 20.02.2012.
- d) Report by scrutinizer, for declaration of result was submitted on 20.03.2012 to Managing Director.
- e) Result was declared by Managing Director on 22.03.2012.
- f) Result was published in Newspapers on 23.03.2012.

13. General Shareholder information:

- Annual General Meeting : - Friday ,27th July 2012 at 11.00 a.m.
- Venue :- 6th Floor, Siddhivinayak Chambers
Gandhi Nagar, Opp. M.I.G Club,
Bandra (East), Mumbai 400 051
- Book Closure date :- Saturday, 21st July 2012 to Friday, 27th July 2012
(both days inclusive)
- Listing on Stock Exchange : - Mumbai Stock Exchange (BSE)
- Stock Code and demat ISIN No. : - The Stock Exchange, Mumbai, 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 2011	88.00	71.00	May 2011	84.90	70.65
June 2011	79.65	68.65	July 2011	84.60	70.00
Aug 2011	77.00	58.00	Sept.2011	76.50	59.00
Oct. 2011	71.90	57.60	Nov.2011	62.00	40.00
Dec.2011	67.00	43.60	Jan. 2012	64.80	48.00
Feb.2012	67.00	52.00	Mar.2012	66.90	50.30

- Registrar and Transfer Agents :-
Link Intime India Pvt. Ltd.
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 of the Company are authorised to approve the transfer of shares and the same are generally registered/confirmed within 15 days of receipt, provided the documents are clear in all aspects.
- Dematerialisation of Shares: 97.12% (i.e. 34,00,876 equity shares) of the total shareholding has been dematerialised as on 31st March 2012.

14. 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 31.03.2012	Date of Payment of Dividend	Last date for claiming unpaid dividend after which it shall be transferred to IEP Fund
2004-2005	₹ 1,23,630/-	30.08.2005	29.08.2012
2005-2006	₹ 1,60,422/-	20.07.2006	19.07.2013
2006-2007	₹ 1,65,638/-	25.08.2007	24.08.2014
2007-2008	₹ 2,61,875/-	16.09.2008	15.09.2015
2008-2009	₹ 1,66,060/-	10.10.2009	09.10.2016
2009-2010	₹ 1,12,015/-	19.08.2010	18.08.2017
2010-2011	₹ 1,10,075/-	28.09.2011	27.09.2018

The company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund established by the government. The Company has, in September 2011 transferred dividends of ₹ 1,05,100/- for the year ended March 31,2004 which have remained unclaimed / unpaid.

15. Shareholding :

Distribution of shareholding as on 31st March, 2012 is as under:

No. of shares	No. of Shareholders	% of Shareholders	Total No. Shares in the Category	% of Total
Upto 500	1618	89.9889	206030	5.8839
501 – 1000	81	4.5050	64468	1.8411
1001 – 2000	38	2.1135	58713	1.6767
2001 – 3000	16	0.8899	38832	1.1090
3001 – 4000	10	0.5562	36113	1.0313
4001 – 5000	3	0.1669	14079	0.4021
5001 – 10000	10	0.5562	64513	1.8424
10001 and above	22	1.2236	3018849	86.2135
TOTAL	1798	100.0000	3501597	100.0000

* Categories of shareholders as on 31st March 2012.

Category	No. of Shareholders	No. of Shares of Rs. 10/- each.	Percentage %
Indian Promoters	3	8,59,800	24.5545
Foreign Promoters	Nil	Nil	Nil
Persons Acting in Concert	2	11,81,854	33.7519
Mutual funds & UTI	Nil	Nil	Nil
Banks / Financial Institutions / Insurance Companies	Nil	Nil	Nil
Private Corporate Bodies	72	7,58,920	21.6735
Indian Public	1703	6,89,983	19.7048
Clearing Member	13	10,809	0.3087
NRI / OCB	5	231	0.0066
Total	1798	35,01,597	100.0000

• Address for correspondence :

For Transfer / Dematerialisation

Ms. Chaitali Jadhav
Officer Corporate Registry
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S Marg, Bhandup (w), Mumbai - 400
078 Phone No. - 25946970
E-mail Id : chaitali.jadhav@linkintime.co.in

For other query on Annual Report

Mr. Pankaj Jain
Sr. Manager Accounts & Finance
Brescon Advisors & Holdings Ltd
(formerly known as Brescon Corporate Advisors Ltd)
Siddhivinayak Chambers, 6 Flr, Gandhi Nagar,
Opp.MIG Club, Bandra (East), Mumbai - 400 051
Phone No. - 42538888
Email ID: pankaj@brescon.com

To,
The Members of Brescon Advisors & Holdings Ltd.
(formerly known as Brescon Corporate Advisors Ltd)

I, Nirmal Gangwal, Managing Director, hereby declare that to the best of my knowledge and belief, all members of the Board of Directors and Senior Management Personnel have confirmed compliance with Company's Code of Conduct for the year ended 31st March 2012.

Nirmal Gangwal
Managing Director

Place : Mumbai
Dated: 24th May 2012

Managing Director & Sr. Manager Accounts & Finance Certification

We have reviewed the financial statements, read with the cash flow statement of Brescon Advisors & Holdings Limited (formerly known as Brescon Corporate Advisors Ltd) for the year ended March 31st 2012, and to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading.
- (ii) These statements present a true and fair view of the company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and audit committee:
 - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (ii) There are no instances of fraud involving the management or an employee.

Nirmal Gangwal
Managing Director

Place : Mumbai
Dated: 24th May 2012

Pankaj Jain
Sr. Manager Accounts & Finance

Auditor's 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 Advisors & Holdings Ltd.
(formerly known as Brescon Corporate Advisors Ltd)

We have examined the compliance of conditions of Corporate Governance by Brescon Advisors & Holdings Limited (formerly known as Brescon Corporate Advisors Ltd) for the year ended 31st March 2012, 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 has been limited to a review of the 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vijay R. Tater & Co.
Chartered Accountants
Firm Registration no.111426W

Place : Mumbai
Date : 24th May 2012

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

Auditor's Report

To,
The Members,

BRESCON ADVISORS & HOLDINGS LTD.

(formerly known as 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 ADVISORS & HOLDINGS LIMITED** (formerly known as Brescon Corporate Advisors Ltd.) as at 31st March, 2012, 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 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India 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, 2012, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 2012.
 - (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
Firm Registration No.111426W

(CA Suresh G. Kothari)

Place : Mumbai
Date : 24th May 2012

Partner
(M. No 47625)

Annexure To The Auditor's Report

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(Referred to in paragraph 3 of our report of even date to the members of **Brescon Advisors & Holdings Ltd.** (formerly known as Brescon Corporate Advisors Ltd.) for the year ended 31st March, 2012.)

- (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 of 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 hence 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) According to information and explanations given to us, 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 provisions of clause 4 (iii) (a) to (d) are not applicable.
- b) According to the information and explanation given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly provisions of clause 4 (iii) (e) to (g) are not applicable.
- (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) In respect of contracts of arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our Knowledge and belief and according to the information and explanation given to us:
 - a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b) Where each of such transactions (excluding loans reported under paragraph (iii) above) is in excess of ₹ 5 lakhs in respect of any party, the transaction have been made at prices which are prima facie 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, sales-tax, 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, sales-tax, 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 record 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 record and information and explanations given to us the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to chit fund, nidhi or mutual benefit fund/ societies are not applicable to the company.
- (xiv) 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 financial institutions.
- (xvi) The company has not taken any term loan during the year.
- (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) On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the company, has been noticed or reported during the year.

For **VIJAY R. TATER & CO.**
Chartered Accountants
Firm Registration No.111426W

(CA Suresh G. Kothari)
Partner
Place : Mumbai
Date: 24th May 2012 (M. No 47625)

Balance Sheet As At 31st March, 2012

Particulars	Note No.	As at 31st March 2012 ₹	As at 31st March 2011 ₹
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	35,015,970	35,015,970
(b) Reserves and Surplus	3	422,546,151	395,269,612
<u>(2) Current Liabilities</u>			
(a) Short-Term Borrowings	4	-	54,647,494
(b) Trade Payables	5	6,499,689	7,274,416
(c) Other Current Liabilities	6	4,840,766	12,168,117
(d) Short-Term Provisions	7	68,236,013	107,273,890
Total Equity & Liabilities		537,138,589	611,649,499
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Tangible assets	8	1,302,652	1,215,703
(b) Non-current investments	9	112,387,301	137,750,291
(c) Deferred tax assets (net)	10	22,275	30,981
(d) Long term loans and advances	11	9,308,770	9,297,100
<u>(2) Current Assets</u>			
(a) Current investments	12	287,210,289	269,085,536
(b) Trade receivables	13	38,879,608	88,229,604
(c) Cash and cash equivalents	14	19,265,945	5,809,470
(d) Short-term loans and advances	15	68,761,749	100,230,814
Total Assets		537,138,589	611,649,499
Significant Accounting Policies	1		
& Notes on accounts	2-31		
are an integral part of the Financial Statements			

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Place : Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director

Place : Mumbai
Date: 24th May 2012

Profit And Loss Account For The Year Ended 31st March, 2012

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Sr. No	Particulars	Note No.	For the year ended 31st March 2012 ₹	For the year ended 31st March 2011 ₹
I	Revenue from operations	16	104,009,329	156,064,306
II	Other Income	17	39,288,191	9,862,909
III	III. Total Revenue (I +II)		143,297,520	165,927,215
IV	Expenses:			
	Employee Benefit Expense	18	51,143,766	50,896,185
	Finance Costs	19	783,217	844,109
	Bad Debts		24,000,473	1,136,564
	Depreciation & Amortization		349,921	287,855
	Other Administrative Expenses	20	26,252,765	28,958,332
	Total Expenses (IV)		102,530,142	82,123,046
V	Profit before tax (III - IV)		40,767,378	83,804,169
VI	Tax expense:			
	Less: Current tax		8,130,900	25,080,000
	Less :Deferred tax		8,706	8,519
	Less: Short Provision for taxation of Earlier years		832,880	-
VII	Profit/(Loss) for the period (V - VI)		31,794,892	58,715,650
VIII	Earning per equity share:			
	(1) Basic	28	9.08	16.77
	(2) Diluted	28	9.08	16.77
	Significant Accounting Policies & Notes on accounts	1 2-31		

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Place :Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director

Place :Mumbai
Date: 24th May 2012

Cash Flow Statement For The Year Ended 31st March, 2012

Particulars	YEAR ENDED ON 31ST MARCH 2012		YEAR ENDED ON 31ST MARCH 2011	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before tax		40,767,378		83,804,169
Adjustments for :				
- Depreciation	349,921		287,855	
- Employee Stock Option Amortisation	(448,709)		(182,944)	
- Interest received	(1,473,167)		(315,428)	
- Interest paid	609,725		808,327	
- Dividend received	(846,860)		(2,865,050)	
- Net (gain) / loss on sale of investments	(15,837,680)		(6,712,889)	
- (Profit) / loss on sale of fixed assets	(3,926)	(17,650,696)	30,459	(8,949,671)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		23,116,682		74,854,499
Increase/(Decrease) in trade payables	(774,728)		(315,592)	
Increase/(Decrease) in other current liabilities	(7,327,351)		(15,873)	
(Increase)/Decrease in trade receivables	49,349,996		(25,529,933)	
(Increase)/Decrease in long-term loans and advances	(11,670)		1,106,490	
(Increase)/Decrease in short-term loans and advances	98,561		(746,907)	
		41,334,808		(25,501,815)
CASH GENERATED FROM OPERATIONS		64,451,490		49,352,684
Direct Taxes Paid	(11,946,802)	(11,946,802)	(27,596,690)	(27,596,690)
NET CASH FROM OPERATING ACTIVITIES		52,504,688		21,755,994
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(443,344)		(145,800)	
Proceeds from sale of fixed assets	10,400		30,000	
Purchase of non-current investments	(5,437,315)		(38,316,383)	
Purchase of current investments	(789,464,400)		(1,053,711,551)	
Proceeds from sale of non-current investments	29,490,651		14,049,424	
Proceeds from sale of current investments	788,486,980		999,421,473	
Interest received	1,473,167		315,428	
Dividend received	846,860		2,865,050	
NET CASH USED IN INVESTING ACTIVITIES		24,962,999		(75,492,358)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	-		340,017	
Share application money received	-		(340,017)	
Proceeds from short-term borrowings	-		54,647,494	
Repayment of short-term borrowings	(54,647,494)		-	
Interest paid	(609,725)		(808,327)	
Dividend paid	(8,753,993)		(8,737,325)	
NET CASH USED IN FINANCING ACTIVITIES		(64,011,212)		45,101,842
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		13,456,475		(8,634,523)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		5,809,470		14,443,993
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		19,265,945		5,809,470

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) The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investors Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- 3) Figures in brackets indicates out go.
- 4) Previous year figures have been regrouped and recast wherever necessary.

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

CA Suresh G. Kothari
Partner
(M.No.47625)
Place :Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director
Place :Mumbai
Date: 24th May 2012

Significant Accounting Policies

NOTE- 1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Accounting Convention :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.2 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.

1.3 Fixed Assets :

Tangible assets are stated at acquisition cost less accumulated depreciation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.4 Depreciation / 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, 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.

1.5 Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

The Investments are classified as Quoted & Unquoted Investments.

- A) Long term Investments are stated at cost less provision for permanent diminution in value of such Investments.
- B) Current Investments are stated at lower of cost and fair market value, determined by category of Investments.
- C) 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.
- D) Investment in properties that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

Quantitative Statement of Opening & Closing Stock of Quoted Investment is given in Note 25.

1.6 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.

1.7 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 is 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 with Life Insurance Corporation of India.

d) 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.

1.8 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, Merger & Acquisition advisory and Due diligence advisory is recognised on completion basis of the assignment.

b) Other Income :

Interest Income on loan / deposits are recognised on accrual basis, while Dividend on shares & securities are recognised when right to receive the Dividend are established.

1.9 Borrowing Costs :

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

1.10 Earnings per Share (EPS) :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.11 Taxation :

a) **Current Tax:** A provision for current income 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 recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is a virtual certainty with respect to the reversal of the same in future.

1.12 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.

1.13 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.

Notes Forming Integral Part Of The Balance Sheet

Sr. No	Particulars	₹	₹
		As at 31st March 2012	As at 31st March 2011
Note : 2 Share Capital			
1	AUTHORIZED CAPITAL		
	10000000 (10000000) Equity Shares of ₹ 10/- each.	100,000,000	100,000,000
	200000 (200000) Preference Shares of ₹ 100/- each	20,000,000	20,000,000
		120,000,000	120,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL		
	3501597(3501597) Equity Shares of ₹ 10/- each fully paid up	35,015,970	35,015,970
	Total in ₹	35,015,970	35,015,970

2.1 a) Reconciliation of number of the Equity Shares

Particulars	31st March 2012		31st March 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	3,501,597	35,015,970	3,494,930	34,949,300
Shares Issued during the year (Under ESOP)	-	-	6,667	66,670
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,501,597	35,015,970	3,501,597	35,015,970

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.2 Details of shareholders holding more than 5% share in the company

Name of Share Holders	31st March 2012		31st March 2011	
	Number of Shares	% of holding	Number of Shares	% of holding
Equity Shares of ₹ 10 each fully paid				
Brescon Advisors Pvt. Ltd	1,036,900	29.61	1,036,900	29.61
Nirmal Kumar Gangwal	848,100	24.22	-	-
Alok Finance Private Ltd	335,100	9.57	335,100	9.57
Malhar Traders Private Ltd	195,275	5.58	-	-
Ind Finance & Securities Trust Pvt Ltd.	-	-	679,600	19.41

2.3 Shares reserved for issue under options

Refer note 24 for details of shares to be issued under the Employee Stock Option Plan.

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
Note : 3 Reserve & Surplus			
1	General Reserve		
	Opening Balance	80,037,016	70,037,016
	Add: Transferred from Profit & Loss Account	1,000,000	10,000,000
	Closing Balance	81,037,016	80,037,016
2	Securities Premium Reserve	29,742,377	29,742,377
3	Employee Stock Options Outstanding		
	Opening Employee Stock Option Reserve	448,709	489,500
	Less: Deferred Employee Compensation Expenses	448,709	40,791
	Closing Employee Stock Option Reserve	-	448,709
4	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	285,041,510	246,533,782
	Add: Profit for the period	31,794,892	58,715,650
	Less : Appropriations :		
	Proposed Final Dividend (Amount per share ₹ 1)	3,501,597	8,753,993
	Tax on Distributed Fund	568,047	1,453,929
	Transferred to General Reserve	1,000,000	10,000,000
	Balance carried forward to next year	311,766,758	285,041,510
	Total in ₹	422,546,151	395,269,612

Note : 4 Short Term Borrowings

1	Unsecured		
	Loans & Advances From Related Parties :		
	Loan from Subsidiary Company - Brescon Finance Pvt. Ltd.	-	54,647,494
	Total in ₹	-	54,647,494

Note : 5 Trades Payable

1	Sundry Creditors for Expenses [Refer note (a) below]	6,499,689	7,274,416
	Total in ₹	6,499,689	7,274,416

(a) The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to our company as we are neither a trading nor a manufacturing company and accordingly do not have any such suppliers.

Sr. No	Particulars	₹	₹
		As at 31st March 2012	As at 31st March 2011
Note : 6 Other Current Liabilities			
1	Unpaid Dividend [Refer note (a) below]	1,099,715	1,118,002
2	Other Payables	3,741,051	11,050,114
	Total in ₹	4,840,766	12,168,117

(a) The company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund established by the government. The Company has, in September 2011 transferred dividends to the Investor Education and Protection Fund of ₹ 1,05,100/- for the year ended March 31,2004 which have remained unclaimed / unpaid.

Note : 7 Short Term Provisions

1	Provision for Proposed Dividend	3,501,597	8,753,993
2	Provision for tax on distributed profit	568,047	1,453,929
3	Provision for Fringe Benefits Tax	-	1,069,253
4	Provision for Taxation	64,166,369	95,996,715
	Total in ₹	68,236,013	107,273,890

Note : 8 Fixed Asset

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April 2011	Addition during the year	Deduction during the year	As at 31st March 2012	As at 1st April 2011	For the year	Deduction during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Tangible Assets										
Furniture's & Fixtures	2,708,563	-	-	2,708,563	2,202,804	50,576	-	2,253,380	455,183	505,759
Office Equipment / Airconditioners	2,330,909	101,878	26,500	2,406,287	1,719,937	103,366	21,283	1,802,020	604,267	610,972
Computer	7,739,995	341,466	344,133	7,737,328	7,641,023	195,979	342,876	7,494,126	243,202	98,972
Total (Current Year)	12,779,467	443,344	370,633	12,852,178	11,563,764	349,921	364,159	11,549,526	1,302,652	1,215,703
Previous Year	13,032,167	145,800	398,500	12,779,467	11,613,950	287,855	338,041	11,563,764	1,215,703	1,418,217

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
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Note : 9 Non Current Investment

1	Investment in Properties (at cost less accumulated depreciation)	-	12,901,403
2	Investment in Equity Instrument	112,387,301	124,848,888
i	Quoted - Trade Investment		
	Investment In Shares & Securities		
	-> In Equity Shares (Refer note 25)	58,309,301	70,468,888
ii	Unquoted		
	In subsidiary company:-		
	5000000 (Previous Year 5000000) Equity Shares of Brescon Finance Pvt. Ltd. (formerly known Cognizant Finance Pvt. Ltd.) (Face Value ₹ 10/- each)	50,000,000	50,000,000
	10000 (prev. year Nil) Equity Shares of Brescon Fund Advisors Pvt. Ltd. (presently known as Brescon Corporate Advisors (P) Ltd.) (Face Value ₹ 10/- each)	100,000	-
	Others:-		
	6660 Equity shares of Global Wind Power Ltd @ ₹ 50/- per share	333,000	333,000
	Investment in Milestone Real Estate Fund (formerly known as Indian Real Opp.Venurer Capital Fund)	3,645,000	4,047,000
	Total in ₹	112,387,301	137,750,29

Aggregate amount of quoted investments (Market value of ₹ 450.94 Lacs (Previous Year ₹ 419.23 Lacs)	58,309,301	70,468,888
Aggregate amount of unquoted investments	54,078,000	67,281,403
Aggregate provision for diminution in value of investments [refer note (a) below]	-	-

(a) The diminution of ₹ 132.15 Lacs (Previous Year ₹ 285.46 Lacs) in the value of non current long term investments in quoted equity instruments 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.

Note : 10 Deferred Tax Assets (net)

1	Deferred Tax Assets:- (Opening)	30,981	39,500
	Add: Deferred Tax Assets / (Deferred Tax Liability) for timing difference on Depreciation [refer note (a) below]	(8,706)	(8,519)
	Net deferred Tax Assets (Closing)	22,275	30,981

(a) The Company has unadjusted 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.

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
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Note : 11 Long Term Loans and Advances

1)	Deposit		
	a) Secured, Considered Good :		
	Deposit for office premises	9,240,000	9,240,000
	Other deposits	68,770	57,100
	Total in ₹	9,308,770	9,297,100

Note :12 Current Investment

	Other Investment		
1	Investment in Bonds (Refer note 25)	109,253,294	46,307,961
2	Investment in Mutual Funds (Refer note 25)	177,956,995	222,777,575
	Total in ₹	287,210,289	269,085,536

Aggregate amount of other current investments (Market value of ₹ 2985.22 Lacs (Previous Year ₹ 2728.83 Lacs)	287,210,289	269,085,536
--	-------------	-------------

Note : 13 Trade Receivables

1	Outstanding for a period exceeding six months from the date they are due for payment		
	a) Unsecured, Considered Good	9,818,179	28,219,777
2	Others		
	a) Unsecured, Considered Good	29,061,429	60,009,827
	Total in ₹	38,879,608	88,229,604

Note : 14 Cash & Cash equivalents

1	Cash on Hand	116,546	159,186
2	Balances with Banks		
	In Current Account	18,049,684	4,532,281
	In Unpaid Dividend Accounts	1,099,715	1,118,003
	Total in ₹	19,265,945	5,809,470

Note :15 Short Terms Loans and Advances

1	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Staff	3,188,702	2,782,905
	Tax Payment -Advance Tax, Self Asst. Tax & TDS	64,788,106	96,158,610
	Prepaid Expenses	784,941	1,289,299
	Total in ₹	68,761,749	100,230,814

Notes Forming Integral Part Of The Profit & Loss Account For The Year Ended 31st March 2012

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Sr. No	Particulars	₹ For the year ended 31st March 2012	₹ For the year ended 31st March 2011
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Note : 16 Revenue from Operations

	<u>FEE BASED FINANCIAL SERVICES</u>		
1	Financial Restructuring / Recapitalisation	103,509,329	113,831,431
2	Syndication of Debt	500,000	38,232,875
3	M&A Advisory	-	4,000,000
	Total in ₹	104,009,329	156,064,306

Note : 17 Other Income

1	<u>Interest Received on</u>	1,473,167	315,428
	a) Bonds	1,214,426	-
	b) loans	257,105	280,550
	c) Other	1,636	34,878
2	<u>Dividend Income on</u>	846,860	2,865,050
	a) Subsidiary companies	-	-
	b) Current Investment	559,494	2,797,850
	c) Non-Current Investment	287,366	67,201
3	<u>Net Gain / (Loss) on sale of Investment</u>	15,837,680	6,712,889
	a) Current Investment	17,147,334	6,685,653
	b) Non Current Investment	(1,309,654)	27,236
4	<u>Other Non Operating Income</u>	21,130,484	(30,459)
	(net of expenses directly attributable to such income)		
	a) Sale of Keyman Insurance policies	21,126,558	-
	b) Profit / (Loss) on sale of assets	3,926	(30,459)
	Total in ₹	39,288,191	9,862,909

Note : 18 Employment Benefit Expenses

1	Salaries, Incentive & Allowances [Refer note 26]	48,432,462	47,655,002
2	Contribution In Gratuity Fund / Key Men Insurance [refer note (a) below]	1,458,415	2,021,033
3	Employee Compensation Expenses (refer note 24)	(448,709)	(182,944)
4	Staff Welfare	1,701,598	1,403,093
	Total in ₹	51,143,766	50,896,185

(a) Liability for gratuity as at the year end is provided on the basis of actuarial valuation and funded with Life Insurance Corporation of India. The Company has taken a Key Man Insurance Policy of the Managing Director with Life Insurance Corporation of India.

Sr. No.	Particulars	₹ For the year ended 31st March 2012	₹ For the year ended 31st March 2011
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Note :19 Finance Costs

1	Interest Paid	609,725	808,327
2	Bank & Demat Charges	173,492	35,782
	Total in. ₹	783,217	844,109

Note : 20 Other Administrative Expenses

1	Advertising Expenses & Public Relation Expenses	1,374,616	543,900
2	Auditors Remuneration		
	- Audit Fees	80,000	65,000
	- For Tax Audit	20,000	15,000
	- Limited Review	10,000	10,000
3	Books & Periodicals	466,503	458,304
4	Business Promotion Expenses	752,075	3,084,912
5	Computer / Software expenses	638,465	591,320
6	Conveyance	476,976	536,580
7	Directors sitting fees	190,000	165,000
8	Donation	-	23,000
9	Electricity expenses	678,869	825,942
10	Insurance charges	29,471	19,705
11	Internet & e-mail expenses	420,179	464,556
12	Miscellaneous Office Expenses	154,231	187,617
13	Motor car expenses	529,015	535,471
14	Office Utilities	10,080,000	10,204,650
15	Postage & Couriers	138,517	93,040
16	Printing & Stationery	386,631	844,168
17	PMS Management Fees	1,064,729	118,449
18	Rates & Taxes & Other filling Fees	38,990	31,930
19	Professional Fees & Recruitment Charges	3,981,895	5,663,812
20	Repairs & Maintenance	259,115	137,863
21	ROC Expenses	11,000	7,000
22	Seminar & Conference Expenses	302,050	387,330
23	Shares & Securities Expenses	26,158	50,603
24	Share Transfer Agent Fees	56,000	56,000
25	Society Maintenance charges	337,200	347,030
26	Subscription & Membership Fees	688,454	664,776
27	Telephone Expenses	842,588	878,859
28	Travelling Expenses	2,219,039	1,946,515
	Total in ₹	26,252,765	28,958,332

OTHER NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**21 Consolidated Financial Results :-**

Consolidated financial statements forming part of the accounts with the auditor's report thereon are attached herewith.

22 Contingent Liabilities & Capital Commitments not provided for :-	(₹ in Lacs)	
	31.03.2012	31.03.2011
a) Contingent Liabilities		
1) Claims against the Company not acknowledged as debts	Nil	Nil
b) Capital Commitments		
1) Estimated amount of contracts remaining to be executed on capital account (Net of Advances)	Nil	239.60

23 Proposed Dividend :-

The final dividend proposed for the year is as follows :

	31.03.2012	31.03.2011
<u>On Equity shares of ₹ 10 each</u>		
Amount of Dividend proposed	₹ 35.02 Lacs	₹ 87.54 Lacs
Dividend per Equity Shares	₹ 1.00 per share	₹ 2.50 per share

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

The Board vide its resolution dated May 18, 2006 approved ESOP 2006 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) and amendments thereof from time to time. The eligible employees, including directors, for the purpose of ESOP 2006 will be determined by the Compensation Committee from time to time.

Details of Employee Stock Option Scheme,2006 is as under :-

Particulars	Grant – III	
Date of Grant	01.07.2008	
Total no. of Options Granted	110,500	
Exercise Price	₹ 51/-	
	No. of Options	Amount (₹)
Options outstanding at the beginning of the year	10,000	4,89,500
Granted during the year	Nil	Nil
Expired/Lapsed during the year	10,000	4,89,500
Exercised but not allotted during the year	Nil	Nil
Outstanding at the end of the year	Nil	Nil
Amount written off		(4,48,709)

The Company has adopted the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India" in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer. The fair values of the option have been calculated using the Black- Scholes Option pricing formula.

Note No.25

Sr. No.	Scrip Name	Face Vaue	Quantity		Quantity as at		Value considered (at cost value)	
			Acquired	Sold	31.03.2012	31.03.2011	31.03.2012	31.03.2011
			During the period		No. of Shares / Units	No. of Shares / Units	₹	₹
NON CURRENT INVESTMENT								
Statement of Quoted Investment in Shares & Securities as on 31.03.2012								
1	Alok Industries Ltd	10	-	50,000	-	50,000	-	1,182,000
2	Asian Hotel (East) Ltd	10	-	-	4,072	4,072	2,965,082	2,965,082
3	Asian Hotel (North) Ltd-Bonus	10	-	-	2,072	2,072	-	-
4	Asian Hotel (West) Ltd	10	-	-	4,072	4,072	2,965,082	2,965,082
5	Bellary Steel & Alloys Ltd	1	-	-	90,000	90,000	450,698	450,698
6	Dhanuka Agritech Ltd.	2	-	-	29,911	29,911	2,392,107	2,392,107
7	Edelweiss Capital Ltd	1	10,000	25,000	10,000	25,000	235,400	1,098,734
8	Ganesh Polytek Ltd	10	-	5,000	-	5,000	-	294,200
9	Govind Rubber Ltd	10	-	72,329	-	72,329	-	1,064,245
10	Grabal Alok Ind	10	-	-	5,400	5,400	722,886	722,886
11	Himatsingka Seide Ltd.	5	-	3,895	-	3,895	-	239,884
12	IFB Industries Ltd	10	-	7,486	-	7,486	-	798,099
13	Infrastructure Development Finance Co. Ltd.	10	20,000	20,000	20,000	20,000	2,345,795	3,619,289
14	JBF Industries Ltd	10	-	5,000	-	5,000	-	790,087
15	MCX	10	35	-	35	-	36,120	-
16	Nicco Corporation Ltd.	2	-	-	616,070	616,070	12,184,831	12,184,831
17	Oberoi Realty Ltd	10	-	11,388	-	11,388	-	2,960,880
18	Patel Airtemp (India) Ltd	10	-	5,000	-	5,000	-	425,615
19	Pioneer Investcorp Ltd.	10	-	20,000	-	20,000	-	1,376,971
20	Power Grid Corporation	10	-	9,383	10,000	19,383	900,000	1,744,470
21	Rainbow Denim Ltd.	10	-	-	20,268	20,268	123,702	123,702
22	Rama Petrochemical Ltd.	10	-	-	10,000	10,000	146,820	146,820
23	Remi Metals Gujarat Ltd	6	-	-	1,240,175	1,240,175	7,441,050	7,441,050
24	Saurashtra Cement Ltd.	10	-	-	499,500	499,500	17,482,500	17,482,500
25	Shilpa Medicare Ltd	2	-	7,311	-	7,311	-	1,933,028
26	Stone India Ltd	10	-	-	33,606	33,606	5,197,228	5,197,228
27	Tecpro Systems Ltd	10	-	2,355	-	2,355	-	869,399
28	Windsor Machine Ltd	2	1,360,000	-	1,360,000	-	2,720,000	-
	Total		1,390,035	244,147	3,955,181	2,809,293	58,309,301	70,468,888
	Market Value		-	-	-	-	450.94 Lacs	419.23 Lacs

Sr. No.	Scrip Name	Face Vaue	Quantity		Quantity as at		Value considered (at cost value)	
			Acquired	Sold	31.03.2012	31.03.2011	31.03.2012	31.03.2011
			During the period		No. of Shares / Units	No. of Shares / Units	₹	₹
CURRENT INVESTMENT								
A) Statement of Quoted Investment in Bonds as on 31.03.2012								
ii	Bonds / CD							
1	10.20% SREI Bonds		-	2	-	2	-	2,013,959
2	10.05% Air India Bonds		98	2	96	-	100,996,751	-
3	IFCI Deep Discount Bonds		14,250	26,920	-	12,670	-	33,056,030
4	12.50% Magma Fincorp Ltd- Bonds		-	-	5	5	5,130,137	5,130,137
5	11.80% TISCO Prepetual Bonds		23	23	-	-	-	-
6	11.35% IDBI Bank Bonds		27	27	-	-	-	-
7	9.38% IDBI Bonds		53	53	-	-	-	-
8	11.70 IIFL Bonds		33,000	33,000	-	-	-	-
9	9.70% IFCI Bonds		5	5	-	-	-	-
10	10.75% DPSC Bonds		11	11	-	-	-	-
11	10.75% DPSC Bonds		25	25	-	-	-	-
12	10.75% DPSC Bonds		25	25	-	-	-	-
13	9.70% GES Co Ltd Bonds		32	32	-	-	-	-
14	9.70% GE Shipping Bonds		52	52	-	-	-	-
15	9.25% PGC Bonds		8	8	-	-	-	-
16	10.85% WBSE Distribution Bond		5	2	3	-	3,126,407	-
17	7.5 % WSPF Bonds		-	10	-	10	-	1,040,479
18	11.35% Tata Motors FinLtd Per.Bond		-	10	-	10	-	5,067,356
	Total (A)		47,614	60,207	104	12,697	109,253,295	46,307,961

Sr. No.	Scrip Name	Face Value	Quantity		Quantity as at		Value considered (at cost value)	
			Acquired	Sold	31.03.2012	31.03.2011	31.03.2012	31.03.2011
			During the period		No. of Shares / Units	No. of Shares / Units	₹	₹
B) Statement of Quoted Investment in Mutual Funds as on 31.03.2012								
1	DSP Black Rock FMP-12M Series 18- G	10	-	-	2,500,000	2,500,000	25,000,000	25,000,000
2	DSP Black Rock FMP-3M Series 40	10	1,000,000	-	1,000,000	-	10,000,000	-
3	DSP Black Rock FMP-3M Series 42	10	3,000,000	-	3,000,000	-	30,000,000	-
4	DSP Black Rock FMP-3M Series 29-Dividend	10	-	2,446,584	-	2,446,584	-	24,465,840
5	DSP Black Rock FMP-3M Series 30	10	-	3,000,000	-	3,000,000	-	30,000,000
6	HDFC FMP-92D March 12 (2)	10	1,000,000	-	1,000,000	-	10,000,000	-
7	ICICI Prudential Quarterly Interval Plan	10	838,895	838,895	-	-	-	-
8	ICICI Pru. Series 56 1 Yr. - Plan - B Growth	10	-	2,552,545	-	2,552,545	-	25,525,450
9	ICICI Pru. Series 61 1 yr - Plan - A - Cum. G	10	1,000,000	-	1,000,000	-	10,000,000	-
10	ICICI Prudential Flexible Income Plan-Growth	100	458,794	381,138	77,655	-	15,452,185	-
11	IDFC Money Mnaager Fund-Inve-Plan-B Growth	10	980,937	980,937	-	-	-	-
12	IDFC SSIF Medium Term - Plan B (Ins) - D	10	-	473,891	-	473,891	-	5,384,447
13	Kotak Credit Opportunities Fund - Growth	10	-	6,000,000	-	6,000,000	-	60,000,000
14	Kotak FMP Series 41- Growth	10	-	-	3,000,000	3,000,000	30,000,000	30,000,000
15	Kotak Quarterly Interval Plan	10	4,983,860	4,983,860	-	-	-	-
16	Reliance Liquid Fund - Cash Plan	10	-	444,055	-	444,055	-	7,000,000
17	Kotak Liquid	10	4,515,648	4,515,648	-	-	-	-
18	Morgan Stanley Liquid Fund DD	1000	5,102	5,102	-	-	-	-
19	Morgan Stanley Liquid Fund Growth	1000	25,112	25,112	-	-	-	-
20	Reliance Qterly Interval Fund Series I -Div	10	28,430	1,567,237	-	1,538,807	-	15,401,838
21	Reliance Fixed Horison Fund XX Series 24 G	10	3,500,000	-	3,500,000	-	35,000,000	-
22	Reliance Fixed Horison Fund XXI Series 8 G	10	1,000,000	-	1,000,000	-	10,000,000	-
23	UTI Treasury Advantage Fund	1000	1,186	228	958	-	2,504,810	-
	Total (B)		22,337,963	28,215,231	16,078,614	21,955,882	177,956,995	222,777,575
	Total (A+B)		22,385,577	28,275,438	16,078,718	21,968,579	287,210,289	269,085,536
	Market Value		-	-	-	-	2985.22 Lacs	2728.83 Lacs

26 Managerial Remuneration :-

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

Salary ₹ 1,08,00,000/- (Previous Year ₹ 1,08,00,000/-)

Central Government has approved remuneration to the tune of ₹ .9.00 Lacs per month vide letter no.A-68187376-CL.VII dated 18th May 2010 hence calculation of Remuneration in accordance with Section 309(5) of the Companies Act, 1956 is not applicable.

27 Expenditure, Earnings, and remittance in foreign currency (₹ in Lacs)

1.Expenditure (Travelling)	-	₹ Nil (Previous year ₹ 0.46)
2.Earnings (Advisory Fees)	-	₹ Nil (Previous year ₹ Nil)

28 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**

		2011-12	2010-11
Profit / Loss after tax (₹ in lacs)	(A)	317.95	587.15
Weighted Avg. No. of Shares (No. in lacs)	(B)	35.02	35.02
Earning Per Share (₹)	(A/B)	9.08	16.77

Diluted Earning Per Share

Profit / Loss after tax (₹ in lacs)	(A)	317.95	587.15
Weighted Avg. No. of Shares (No. in lacs)	(B)	35.02	35.01
Earning Per Share (₹)	(A/B)	9.08	16.77

29 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 :**

Brescon Finance Private Limited (formerly known as Cognizant Finance Pvt. Ltd.)

Brescon Corporate Advisors (P) Limited (formerly known as Brescon Fund Advisors Pvt. Ltd.)

b) Associate companies where managing directors or relatives of managing director are Director

- (i) Brescon Research Private Limited
- (ii) Ind Finance & securities Trust Private Limited
- (iii) Brescon Marketing Service Private Limited
- (iv) I Tenable India Limited

c) Key Management Personnel

- (i) Nirmal Gangwal – Managing Director

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

(₹ in Lacs)

Name of the Party	Nature of transaction	2011-12	2010-11
Brescon Finance Private Limited (formerly known as Cognizant Finance Pvt. Ltd.)	Interest paid Short Term Loan (repaid) / taken	6.09 (546.47)	8.08 551.70
Brescon Corporate Advisors (P) Limited (formerly known as Brescon Fund Advisors Pvt Ltd)	Investment in Shares of Subsidiary Company	1.00	---
Brescon Research Private Limited	Business Centre fees paid	25.20	25.20
Ind Finance & Securities Trust Private Limited	Business Centre fees paid	50.40	50.40
Brescon Marketing Services Private Limited	Business Centre fees paid	25.20	25.20
I Tenable India Limited	Data Processing Charges Received	3.95	2.65
Nirmal Gangwal	Remuneration as a Managing Director	108.00	108.00
	Sale of key man insurance policies	211.27	----

III. Particulars of Outstanding Balance at the end of the year with Related Parties (₹ in Lacs)

Name of the Party	Nature of transaction	2011-12 Receivable / (Payable)	2010-11 Receivable / (Payable)
Brescon Finance Private Limited (formerly known as Cognizant Finance Pvt. Ltd.)	Investment in Shares of Subsidiary Company	500.00	500.00
	Interest Payable (net)	-----	(7.27)
	Short Term Loan taken (net)	-----	(539.20)
Brescon Corporate Advisors (P) Limited (formerly known as Brescon Fund Advisors Pvt Ltd)	Investment in Shares of Subsidiary Company	1.00	----
Brescon Research Private Limited	Office Premises deposit given	23.10	23.10
Ind Finance & Securities Trust Private Limited	Office Premises deposit given	46.20	46.20
Brescon Marketing Services Private Limited	Office Premises deposit given	23.10	23.10
Nirmal Gangwal	Remuneration as a Managing Director	----	(13.13)

- 30.** The Company is engaged in the intermediation and advisory services of Debt Resolution & 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.
- 31.** Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. the company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Place :Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director

Place :Mumbai
Date: 24th May 2012

Statement Pursuant To Section 212 Of The Companies Act, 1956

1	Name of the Subsidiary Companies	Brescon Finance Pvt. Ltd. (formerly Known as Cognizant Finance Pvt. Ltd.)	Brescon Corporate Advisors (P) Ltd. (formerly Known as Brescon Fund Advisors Pvt. Ltd.)
2	Financial Year of the Subsidiary ended on	31.03.2012	31.03.2012
3	Date from which the company became a subsidiary	23.11.2006	22.12.2011
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.	5,000,000	10,000
	b) % of Shareholding	100.00	100.00
5	a) Net aggregate amount of profit less lossess so far as they concern members of the company and not dealt with,in the company's account		
	i) for the Financial year ended 31.03.2012 (₹ in lacs)	52.75	0.71
	ii) for the previous Financial year since it became a subsidiary (₹ In lacs)	86.60	N.A
	b) Net aggregate amount of profit less lossess so far as they concern members of the company and dealt with,in the company's account		
	i) for the Financial year ended 31.03.2012	-	-
	ii) for the previous Financial year since it became a subsidiary	-	-

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Place :Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director

Place :Mumbai
Date: 24th May 2012

Auditors Report On Consolidated Financial Statements

51

- 1) We have audited the attached Consolidated Balance Sheet of **BRESCON ADVISORS & HOLDINGS LIMITED** (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries as at 31st March, 2012, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Brescon Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) 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 companies, Brescon Finance Pvt. Ltd. (formerly known as Cognizant Finance Pvt. Ltd) & Brescon Corporate Advisors (P) Ltd.(formerly known as Brescon Fund Advisors Pvt.Ltd.). The financial statement of the above subsidiaries reflect total assets ₹ 774.85 Lacs as at 31st March,2012 and profit after tax of ₹ 53.46 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 subsidiaries are based solely on the report of the other auditor.
- 4) We report that the consolidated financial statement have been prepared by the Brescon Advisors & Holdings Ltd (formerly known as 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 Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries 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 Advisors & Holdings Ltd, (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries, 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 Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries as at 31st March 2012.
 - (ii) in the case of the Consolidated Profit and Loss account, of the consolidated results of operation of the Brescon Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries for the year ended on that date

And

 - (iii) in the case of the consolidated cash flow statement, of the consolidated Cash Flow Statement of the Brescon Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) and its subsidiaries for the year ended on that date.

For **VIJAY R. TATER & CO.**
Chartered Accountants
Firm Registration No.111426W

Place: **Mumbai**
Date: 24th May 2012

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

Consolidated Balance Sheet

Particulars	Note No.	As at 31st March 2012 ₹	As at 31st March 2011 ₹
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	35,015,970	35,015,970
(b) Reserves and Surplus	3	444,147,667	411,584,616
<u>(2) Current Liabilities</u>			
(a) Trade Payables	4	6,564,262	7,279,931
(b) Other Current Liabilities	5	4,847,271	12,229,273
(c) Short-Term Provisions	6	73,948,181	111,034,476
Total Equity & Liabilities		<u>564,523,351</u>	<u>577,144,266</u>
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Tangible assets	7	1,302,652	1,215,703
(b) Non-current investments	8	72,866,877	91,585,116
(c) Deferred tax assets (net)	9	22,275	30,981
(d) Long term loans and advances	10	27,308,770	9,297,100
(e) Other non-current assets	11	99,360	124,200
<u>(2) Current Assets</u>			
(a) Current investments	12	329,158,835	276,275,137
(b) Trade receivables	13	38,879,608	88,229,604
(c) Cash and cash equivalents	14	19,771,008	5,862,386
(d) Short-term loans and advances	15	75,113,966	104,524,039
Total Assets		<u>564,523,351</u>	<u>577,144,266</u>
Significant Accounting Policies & Notes on accounts	1 2-28		
are an integral part of the Financial Statements			

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Place : Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director

Place : Mumbai
Date: 24th May 2012

Consolidated Profit & Loss Account

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Sr. No	Particulars	Note No.	For the year ended 31st March 2012 ₹	For the year ended 31st March 2011 ₹
I	Revenue from operations	16	104,134,329	156,064,306
II	Other Income	17	46,894,204	26,791,588
III	III. Total Revenue (I +II)		151,028,533	182,855,894
IV	Expenses:			
	Employee Benefit Expense	18	51,143,766	50,896,184
	Finance Costs	19	805,653	1,467,740
	Bad Debts		24,000,473	5,561,807
	Depreciation & Amortization		349,921	287,855
	Other Administrative Expenses	20	26,572,195	29,069,779
	Provision for contingent against standard assets		-	136,619
	Total Expenses (IV)		102,872,008	87,419,984
V	Profit before tax (III - IV)		48,156,525	95,435,910
VI	Tax expense:			
	Less :Current tax		10,174,100	28,141,100
	Less: Deferred tax		8,706	8,519
	(Add) / Less Short Provision for taxation of Earlier years		832,880	(88,929)
VII	Profit/(Loss) for the period (V + VI)		37,140,839	67,375,220
VIII	Earning per equity share:			
	(1) Basic	26	10.61	19.25
	(2) Diluted	26	10.61	19.25

Significant Accounting Policies &

1

Notes on accounts

2-28

are an integral part of the Financial Statements

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Pooja Gangwal Sheth
Director

Place :Mumbai
Date: 24th May 2012

Place :Mumbai
Date: 24th May 2012

Consolidated Cash Flow Statement

Particulars	YEAR ENDED ON 31.03.2012		YEAR ENDED ON 31.03.2011	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		48,156,525		95,435,910
Adjustments for :				
- Deprecation	349,921		287,855	
- Opening Loss of new subsidiary	(59,435)		-	
- Employee Stock Option Amortisation	(448,709)		(182,944)	
- Interest received	(7,687,727)		(11,805,779)	
- Interest paid	609,725		1,419,886	
- Dividend received	(1,639,798)		(3,122,166)	
- Net (gain) / loss on sale of investments	(15,894,995)		(11,474,010)	
- (Profit) / loss on sale of fixed assets	(3,926)		30,459	
- Provision for Contingent against Standard Assets	(91,619)	(24,866,563)	136,619	(24,710,080)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		23,289,962		70,725,830
Increase/(Decrease) in trade payables	(715,670)		(312,283)	
Increase/(Decrease) in other current liabilities	(7,382,002)		45,283	
(Increase)/Decrease in other non-current assets	24,840		24,840	
(Increase)/Decrease in trade receivables	49,349,996		(25,529,933)	
(Increase)/Decrease in long-term loans and advances	(11,670)		1,106,490	
(Increase)/Decrease in short-term loans and advances	98,524		(746,907)	
		41,364,018		(25,412,510)
CASH GENERATED FROM OPERATIONS		64,653,980		45,313,320
Direct Taxes Paid	(14,005,757)	(14,005,757)	(30,895,721)	(30,895,721)
NET CASH FROM OPERATING ACTIVITIES		50,648,223		14,417,599
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(443,344)		(145,800)	
Proceeds from sale of fixed assets	10,400		30,000	
Purchase of non-current investments	(12,632,996)		(50,061,841)	
Purchase of current investments	(894,930,657)		(1,087,347,092)	
Proceeds from sale of non-current investments	30,090,770		99,035,618	
Proceeds from sale of current investments	859,202,418		975,195,559	
Long-term loans given	(18,000,000)		-	
Interest received	7,687,727		11,805,779	
Dividend received	1,639,798		3,122,166	
NET CASH USED IN INVESTING ACTIVITIES		(27,375,883)		(48,365,609)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	-		340,017	
Share application money received	-		(340,017)	
Short-term loans received back	-		34,690,104	
Interest paid	(609,725)		(1,419,886)	
Dividend paid	(8,753,993)		(8,737,325)	
NET CASH USED IN FINANCING ACTIVITIES		(9,363,718)		24,532,893
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,908,622		(9,415,118)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		5,862,386		15,277,504
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		19,771,008		5,862,386

Notes:

- 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.
- The balance with the bank for unpaid dividend is not available for use by the company and the money remaining unpaid will be deposited in Investors Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- Figures in brackets indicates out go.
- Previous year figures have been regrouped and recast wherever necessary.

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

CA Suresh G. Kothari
Partner
(M.No.47625)
Place :Mumbai
Date: 24th May 2012

Pooja Gangwal Sheth
Director
Place :Mumbai
Date: 24th May 2012

Consolidated Significant Accounting Policies and Notes to Accounts

1.1 Principles of Consolidation :

The consolidated financial statement relates to Brescon Advisors & Holdings Ltd (formerly known as Brescon Corporate Advisors Ltd.) and its Subsidiary Companies. 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 statements have been prepared on the following basis.

The Financial statement of the company & its subsidiary companies 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 Companies used in the consolidation are drawn upto March 31, 2012, 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.

During the year company has acquired the 100% Equity shares of Brescon Corporate Advisors (P).Ltd (formerly known as Brescon Fund Advisors Pvt. Ltd.) resultantly it became wholly owned subsidiary of the Company.

The Subsidiary companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		March 31,2012	March 31, 2011
Brescon Finance Pvt Ltd (formerly known as Cognizant Finance P Ltd	India	100.00	100.00
Brescon Corporate Advisors (P) Ltd (formerly known as Brescon Fund Advisors Pvt Ltd)	India	100.00	N.A.

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

1.2 Accounting Convention :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule VI to the Companies Act,1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.3 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.

1.4 Fixed Assets :

Tangible assets are stated at acquisition cost less accumulated depreciation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.5 Depreciation / 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, 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.

1.6 Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

The Investments are classified as Quoted & Unquoted Investments.

- A) Long term Investments are stated at cost less provision for permanent diminution in value of such Investments.
- B) Current Investments are stated at lower of cost and fair market value, determined by category of Investments.
- C) Investment in properties that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

1.7 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.

1.8 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 is 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 with Life Insurance Corporation of India.

d) 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 .

1.9 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, Merger & Acquisition advisory and Due diligence advisory is recognised on completion basis of the assignment.

b) Other Income :

Interest Income on loan / deposits are recognised on accrual basis, while Dividend on shares & securities are recognised when right to receive the Dividend are established.

1.10 Borrowing Costs :

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

1.11 Earnings per Share (EPS) :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.12 Taxation :

- a) **Current Tax:** A provision for current income 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 recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is a virtual certainty with respect to the reversal of the same in future.

1.13 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.

1.14 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.

Consolidated Notes Forming Integral Part Of The Balance Sheet

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
Note : 2 Share Capital			
1	<u>AUTHORIZED CAPITAL</u> 10000000 (10000000) Equity Shares of ₹ 10/- each. 200000 (200000) Preference Shares of ₹ 100/- each	100,000,000 20,000,000 120,000,000	100,000,000 20,000,000 120,000,000
2	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> 3501597(3501597) Equity Shares of ₹ 10/- each fully paid up	35,015,970	35,015,970
	Total in ₹	35,015,970	35,015,970

2.1 a.) Reconciliation of number of the Equity Shares

Particulars	31st March 2012		31st March 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	3,501,597	35,015,970	3,494,930	34,949,300
Shares Issued during the year (Under ESOP)	-	-	6,667	66,670
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,501,597	35,015,970	3,501,597	35,015,970

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.2 Details of shareholders holding more than 5% share in the company

Name of Share Holders	31st March 2012		31st March 2011	
	Number of Shares	% of holding	Number of Shares	% of holding
<u>Equity Shares of Rs.10 each fully paid</u>				
Brescon Advisors Pvt. Ltd	1,036,900	29.61	1,036,900	29.61
Nirmal Kumar Gangwal	848,100	24.22	-	-
Alok Finance Private Ltd	335,100	9.57	335,100	9.57
Malhar Traders Private Ltd	195,275	5.58	-	-
Ind Finance & Securities Trust Pvt Ltd.	-	-	679,600	19.41

2.3 Shares reserved for issue under options

Refer note 23 for details of shares to be issued under the Employee Stock Option Plan.

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
Note : 3 Reserve & Surplus			
1	General Reserve		
	Opening Balance	80,037,016	70,037,016
	Add: Transferred from Profit & Loss Account	1,000,000	10,000,000
	Closing Balance	81,037,016	80,037,016
2	Securities Premium Reserve	29,742,377	29,742,377
3	Employee Stock Options Outstanding		
	Opening Employee Stock Option Reserve	448,709	489,500
	Less: Deferred Employee Compensation Expenses	448,709	40,791
	Closing Employee Stock Option Reserve	-	448,709
4	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	301,356,514	254,189,216
	Balance brought forward of new subsidiary company	(59,435)	-
	Add: Profit for the period	37,140,839	67,375,220
	Less : Appropriations :		
	Proposed Final Dividend (Amount per share ₹ 1)	3,501,597	8,753,993
	Tax on Distributed Fund	568,047	1,453,929
	Transferred to General Reserve	1,000,000	10,000,000
	Balance carried forward to next year	333,368,274	301,356,514
	Total in ₹	444,147,667	411,584,616

Note : 4 Trades Payable

1	Sundry Creditors for Expenses [Refer note (a) below]	6,564,262	7,279,931
	Total in ₹.	6,564,262	7,279,931

(a) The disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not applicable to our company as we are neither a trading nor a manufacturing company and accordingly do not have any such suppliers.

Note : 5 Other Current Liabilities

1	Unpaid Dividend [Refer note (a) below]	1,099,715	1,118,002
2	Other Payables	3,747,556	11,111,270
	Total in ₹	4,847,271	12,229,273

(a) The company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund established by the government. The Company has, in September 2011 transferred dividends to the Investor Education and Protection Fund of ₹ 1,05,100/- for the year ended March 31,2004 which have remained unclaimed / unpaid.

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
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Note : 6 Short Term Provisions

1	Provision for Proposed Dividend	3,501,597	8,753,993
2	Provision for tax on distributed profit	568,047	1,453,929
3	Provision for Fringe Benefits Tax	-	1,069,253
4	Provision for Taxation	69,833,537	99,620,683
5	Provision for Contingent against Standard Assets	45,000	136,619
	Total in ₹	73,948,181	111,034,476

Note : 7 Fixed Asset

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April 2011	Addition during the year	Deduction during the year	As at 31st March 2012	As at 1st April 2011	For the year	Deduction during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Tangible Assets										
Furniture's & Fixtures	2,708,563	-	-	2,708,563	2,202,804	50,576	-	2,253,380	455,183	505,759
Office Equipment / Airconditioners	2,330,909	101,878	26,500	2,406,287	1,719,937	103,366	21,283	1,802,020	604,267	610,972
Computer	7,739,995	341,466	344,133	7,737,328	7,641,023	195,979	342,876	7,494,126	243,202	98,972
Total (Current Year)	12,779,467	443,344	370,633	12,852,178	11,563,764	349,921	364,159	11,549,526	1,302,652	1,215,703
Previous Year	13,032,167	145,800	398,500	12,779,467	11,613,950	287,855	338,041	11,563,764	1,215,703	1,418,217

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
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Note : 8 Non Current Investment

1	Investment in Properties (at cost less accumulated depreciation)	-	12,901,403
2	Investment in Equity Instrument	72,866,877	78,683,713
i	Quoted - Trade Investment		
	Investment In Shares & Securities		
	-> In Equity Shares	68,888,877	74,303,713
ii	Unquoted		
	Others:-		
	6660 Equity shares of Global Wind Power Ltd @ ₹ 50/- per share	333,000	333,000
	Investment in Milestone Real Estate Fund (formerly known as Indian Real Opp.Venurer Capital Fund)	3,645,000	4,047,000
	Total in ₹	72,866,877	91,585,116

Aggregate amount of quoted investments (Market value of ₹ 539.38 Lacs (Previous Year ₹ 439.34 Lacs)	68,888,877	74,303,713
Aggregate amount of unquoted investments	3,978,000	17,281,403
Aggregate provision for diminution in value of investments [refer note (a) below]	-	-

(a) The diminution of ₹ 149.51 Lacs (Previous Year ₹ 303.69 Lacs) in the value of non current long term investments in quoted equity instruments 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.

Note : 9 Deferred Tax Assets (net)

1	Deferred Tax Assets:- (Opening)	30,981	39,500
	Add: Deferred Tax Assets / (Deferred Tax Liability) for timing difference on Depreciation [refer note (a) below]	(8,706)	(8,519)
	Net deferred Tax Assets (closing)	22,275	30,981

(a) The Company has unadjusted 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.

Note : 10 Long Term Loans and Advances

1	a) Secured, Considered Good :		
	Loan to J K Surface Coatings P Ltd (secured against mortgage of property & personal Guarantee of Directors)	18,000,000	-
2	Deposits		
	a) Secured, Considered Good :		
	Deposit for office premises	9,240,000	9,240,000
	Other deposits	68,770	57,100
	Total in ₹	27,308,770	9,297,100

Sr. No	Particulars	₹ As at 31st March 2012	₹ As at 31st March 2011
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Note :11 Other Non- Current Investment

1	Miscellaneous Expenditure Preliminary Expenses [refer note (a) below]	99,360	124,200
	Total in ₹	99,360	124,200

a) Preliminary expenses have been amortized over a period of 10 year.

Note :12 Current Investment

	Other Investment		
1	Investment in Bonds	139,015,917	46,307,961
2	Investment in Mutual Funds	190,142,917	229,967,176
	Total in ₹	329,158,835	276,275,137

Aggregate amount of other Current investments (Market value of ₹ 3412.38 Lacs (Previous Year ₹ 2800.88 Lacs)	329,158,835	276,275,137
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Note : 13 Trade Receivables

1	Outstanding for a period exceeding six months from the date they are due for payment		
	a) Unsecured, Considered Good	9,818,179	28,219,777
2	Others		
	a) Unsecured, Considered Good	29,061,429	60,009,827
	Total in ₹	38,879,608	88,229,604

Note : 14 Cash & Cash equivalents

1	Cash on Hand	147,602	174,246
2	Balances with Banks		
	In Current Account	18,523,691	4,570,138
	In Unpaid Dividend Accounts	1,099,715	1,118,003
	Total in ₹	19,771,008	5,862,386

Note :15 Short Terms Loans and Advances

1	Others: Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Staff & others	3,188,739	2,782,905
	Tax Payment -Advance Tax, Self Asst. Tax & TDS	71,140,286	100,451,835
	Prepaid Expenses	784,941	1,289,299
	Total in ₹	75,113,966	104,524,039

Consolidated Notes Forming Integral Part Of The Profit & Loss Account For The Year Ended 31st March 2012

Sr. No	Particulars	₹ For the year ended 31st March 2012	₹ For the year ended 31st March 2011
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Note : 16 Revenue from Operations

FEE BASED FINANCIAL SERVICES			
1	Financial Restructuring / Recapitalisation	103,509,329	113,831,431
2	Syndication of Debt	500,000	38,232,875
3	M&A Advisory	-	4,000,000
3	Others	125,000	-
	Total in ₹	104,134,329	156,064,306

Note : 17 Other Income

1	Interest Received on	7,687,727	11,805,779
	a) Bonds	1,214,426	-
	b) loans	6,471,665	11,770,901
	c) Other	1,636	34,878
2	Dividend Income on	1,639,798	3,122,166
	a) Current Investment	1,294,269	3,033,390
	b) Non-Current Investment	345,529	88,776
3	Net Gain / (Loss) on sale of Investment	15,894,995	11,474,010
	a) Current Investment	17,155,460	6,740,012
	b) Non Current Investment	(1,260,465)	4,733,998
4	Other Non Operating Income	21,671,684	389,633
	(net of expenses directly attributable to such income)		
	a) Sale of Keyman Insurance policies	21,126,558	-
	b) Profit / (Loss) on sale of assets	3,926	(30,459)
	c) Profit / (Loss) on dealing in F & O transaction	-	420,092
	d) Recovery of Bad Debt	449,581	-
	e) Excess provision for contingent against standard assets W/back	91,619	-
	Total in ₹	46,894,204	26,791,588

Note : 18 Employment Benefit Expenses

1	Salaries, Incentive & Allowances [Refer note 24]	48,432,462	47,655,002
2	Contribution In Gratuity Fund / Key Men Insurance [refer note (a) below]	1,458,415	2,021,033
3	Employee Compensation Expenses (refer note 23)	(448,709)	(182,944)
4	Staff Welfare	1,701,598	1,403,093
	Total in ₹	51,143,766	50,896,184

(a) Liability for gratuity as at the year end is provided on the basis of actuarial valuation and funded with Life Insurance Corporation of India. The Company has taken a Key Man Insurance Policy of the Managing Director with Life Insurance Corporation of India.

Sr. No	Particulars	₹	₹
		For the year ended 31st March 2012	For the year ended 31st March 2011

Note :19 Finance Cost

1	Interest Paid	609,725	1,419,886
2	Bank & Demat Charges	195,928	47,854
	Total in ₹	805,653	1,467,740

Note : 20 Other Administrative Expenses

1	Advertising Expenses & Public Relation Expenses	1,374,616	543,900
2	Auditors Remuneration		
	- Audit Fees	80,000	65,000
	- For Tax Audit	20,000	15,000
	- Limited Review	10,000	10,000
	- Audit fees for subsidiary companies auditors	8,824	6,618
3	Books & Periodicals	466,503	458,304
4	Business Promotion Expenses	752,075	3,084,912
5	Computer / Software expenses	638,465	591,320
6	Conveyance	481,721	536,580
7	Directors sitting fees	190,000	165,000
8	Donation	-	23,000
9	Electricity expenses	678,869	825,942
10	Insurance charges	29,471	19,705
11	Internet & e-mail expenses	420,179	464,556
12	Miscellaneous Office Expenses	157,658	188,267
13	Motor car expenses	529,015	535,471
14	Office Utilities	10,080,000	10,204,650
15	Postage & Couriers	140,892	93,040
16	Printing & Stationery	395,546	844,168
17	PMS Management Fees	1,186,876	118,449
18	Preliminary Expenses W/O	24,840	24,840
19	Rates & Taxes & Other filling Fees	38,990	31,930
20	Professional Fees & Recruitment Charges	4,102,653	5,673,034
21	Repairs & Maintenance	259,115	137,863
22	ROC Expenses	19,150	12,125
23	Seminar & Conference Expenses	302,050	387,330
24	Shares & Securities Expenses	41,406	115,595
25	Share Transfer Agent Fees	56,000	56,000
26	Society Maintenance charges	337,200	347,030
27	Subscription & Membership Fees	688,454	664,776
28	Telephone Expenses	842,588	878,859
29	Travelling Expenses	2,219,039	1,946,515
	Total in ₹	26,572,195	29,069,779

21 Contingent Liabilities & Capital Commitments not provided for :- (₹ in Lacs)

	31.03.2012	31.03.2011
a) Contingent Liabilities		
1) Claims against the Company not acknowledged as debts	Nil	Nil
b) Capital Commitments		
1) Estimated amount of contracts remaining to be executed on capital account (Net of Advances)	Nil	239.60

22 Proposed Dividend :-

The final dividend proposed for the year is as follows :

	31.03.2012	31.03.2011
<u>On Equity shares of ₹ 10 each</u>		
Amount of Dividend proposed	₹ 35.02 Lacs	₹ 87.54 Lacs
Dividend per Equity Shares	₹ 1.00 per share	₹ 2.50 per share

23 The Company had introduced stock option scheme for its employees / directors in the year 2006

The Board vide its resolution dated May 18, 2006 approved ESOP 2006 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) and amendments thereof from time to time. The eligible employees, including directors, for the purpose of ESOP 2006 will be determined by the Compensation Committee from time to time.

Details of Employee Stock Option Scheme,2006 is as under :-

Particulars	Grant – III	
	No. of Options	Amount (₹)
Date of Grant	01.07.2008	
Total no. of Options Granted	110,500	
Exercise Price	₹ 51/-	
Options outstanding at the beginning of the year	10,000	4,89,500
Granted during the year	Nil	Nil
Expired/Lapsed during the year	10,000	4,89,500
Exercised but not allotted during the year	Nil	Nil
Outstanding at the end of the year	Nil	Nil
Amount written off		(4,48,709)

The Company has adopted the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India” in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer. The fair values of the option have been calculated using the Black- Scholes Option pricing formula.

24 Managerial Remuneration :-

Salary and other benefits include remuneration paid to Managing Director, as under :-
Salary ₹ 1,08,00,000/- (Previous Year ₹ 1,08,00,000/-)

Central Government has approved remuneration to the tune of ₹ .9.00 Lacs per month vide letter no.A-68187376-CL.VII dated 18th May 2010 hence calculation of Remuneration in accordance with Section 309(5) of the Companies Act,1956 is not applicable.

25 Expenditure, Earnings, and remittance in foreign currency (₹ in Lacs)

1. Expenditure (Travelling) - ₹ Nil (Previous year ₹ 0.46)
2. Earnings (Advisory Fees) - ₹ Nil (Previous year ₹ Nil)

26 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		2011-12	2010-11
Basic Earning Per Share			
Profit / Loss after tax (₹ in lacs)	(A)	371.41	673.75
Weighted Avg. No. of Shares (No. in lacs)	(B)	35.02	35.02
Earning Per Share (₹)	(A/B)	10.61	19.25
Diluted Earning Per Share			
Profit / Loss after tax (₹ in lacs)	(A)	371.41	673.75
Weighted Avg. No. of Shares (No. in lacs)	(B)	35.02	35.01
Earning Per Share (₹)	(A/B)	10.61	19.25

27 The Company is engaged in the intermediation and advisory services of Debt Resolution & 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.

28 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 managing directors or relatives of managing director are Director
 - (i) Brescon Research Private Limited
 - (ii) Ind Finance & securities Trust Private Limited
 - (iii) Brescon Marketing Service Private Limited
 - (iv) I Tenable India Limited
- b) Key Management Personnel
 - (i) Nirmal Gangwal – Managing Director

II. Particulars of transactions during the year with Related Parties : (₹ in Lacs)

Name of the Party	Nature of transaction	2011-12	2010-11
Brescon Research Private Limited	Business Centre fees paid	25.20	25.20
Ind Finance & Securities Trust Private Limited	Business Centre fees paid	50.40	50.40
Brescon Marketing Services Private Limited	Business Centre fees paid	25.20	25.20
I Tenable India Ltd.	Data Processing Charges received	3.95	2.65
Nirmal Gangwal	Remuneration as a Managing Director	108.00	108.00
	Sale of key man insurance policies	211.27	----

III. Particulars of Outstanding Balance at the end of the year with Related Parties (₹ in Lacs)

Name of the Party	Nature of transaction	2011-12 Receivable / (Payable)	2010-11 Receivable / (Payable)
Brescon Research Private Limited	Office Premises deposit given	23.10	23.10
Ind Finance & Securities Trust Private Limited	Office Premises deposit given	46.20	46.20
Brescon Marketing Services Private Limited	Office Premises deposit given	23.10	23.10
Nirmal Gangwal	Remuneration as a Managing Director	----	(13.13)

29 Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. the company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our Report of even date.

For **Vijay R. Tater & Co.**
Chartered Accountants
Firm Reg. No.: 111426W

For and on behalf of the Board

Premchand Godha
Chairman

Nirmal Gangwal
Managing Director

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

Pooja Gangwal Sheth
Director

Place :Mumbai
Date: 24th May 2012

Place :Mumbai
Date: 24th May 2012

BRESCON ADVISORS & HOLDINGS LIMITED
(formerly known as Brescon Corporate Advisors Limited)

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

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 **21st ANNUAL GENERAL MEETING** of the Company at 6th Floor, Siddhivinayak Chambers, Gandhi Nagar, Opp. M.I.G. Club, Bandra (East), Mumbai - 400 051. **at 11.00 a.m. on Friday 27th July, 2012.**

Folio No. _____ / DP ID No. * _____ & Client ID No. _____

No. of Share Held. _____

* Applicable for members holding Shares in electronic form.

Full Name of the Member's/Proxy
(In Block Capitals)

Member's/Proxy Signature

Tear Here



Tear Here



BRESCON ADVISORS & HOLDINGS LIMITED
(formerly known as Brescon Corporate Advisors Limited)

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

PROXY

I / We _____
of _____ in the district of _____ being a
Member / Members of the above named Company, hereby appoint _____
of _____ in the district of _____
of failing him / her

_____ of _____
_____ in the district of _____ as my / our Proxy to attend and vote for me / us and
my / our behalf at the **21st ANNUAL GENERAL MEETING** of the Company at 6th Floor, Siddhivinayak
Chambers, Gandhi Nagar, Opp. M.I.G. Club, Bandra (East), Mumbai - 400 051. **at 11.00 a.m. on Friday
27th July, 2012** and at any adjournment thereof.

Signed this _____ day of _____ 2012.

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, Siddhivinayak Chambers, Gandhi Nagar, Opp. M.I.G. Club, Bandra (East), Mumbai - 400 051, not less than FORTY - EIGHT HOURS before the time for holding the Meeting.

Book - Post

If Undelivered, please return to :

BRESCON ADVISORS & HOLDINGS LIMITED,

Siddhivinayak Chambers, 6th / 7th Floor,
Gandhi Nagar, Opp. M.I.G. Club,
Bandra (East), Mumbai - 400 051, India

Tel: +91 22 4253 8888 **Fax:** +91 22 4253 8800

Email: info@brescon.com **Website:** www.brescon.com