

BRD MOTORS LIMITED

**18th ANNUAL REPORT
2016-17**

BRD MOTORS LIMITED

CIN : U50101KL1999PLC012864

AUDITORS

M/s.Balan & Co.,
Chartered Accountants
Aluva

REGISTERED OFFICE

T K M Complex, Kokkalai
Thrissur - 680 021.
Phone : 048-2358217
E mail : brdmotors@brdgroup.net
Web site : www.brdgroup.net

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BRD MOTORS LIMITED

DIRECTORS' REPORT

The Members,

Your directors have pleasure in presenting their 18th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS:

During the year under review, performance of your company as under:

(₹ in thousands)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Revenue	25,78,42,308	16,10,30,242
Expense	17,21,89,583	16,89,59,082
Profit/(Loss) before taxation	8,56,52,724	(79,28,840)
Less : Tax Expense		
Current Tax	2,00,44,732	-
Deferred Tax	231,100	1,41,300
Profit/(Loss) after tax	6,53,76,892	(80,70,140)

State of the Company's Affairs and Future Outlook:

During the year under analysis the company has achieved a profit of ₹ 8,56,52,724 as against the previous year Loss of ₹ (79,28,840)/-. Revenue from the operations & other income of the company was increased from ₹ 16.10' crores to ₹25.78' crores and subsequently the expenses were increased from ₹ 16.89 crores to ₹ 17.21 crores.

Change in nature of business, if any:

During the year of report there was no change in the nature of business of the company.

Dividend:

The directors are not recommending any dividend with a view to conserve the resources of the company.

Amounts Transferred to Reserves:

The Board has not proposed to transfer any amount to its General reserves. The total reserve and surplus as on 31st March 2017 stands at ₹ 82345516.

Changes in Share Capital, if any:

During the Financial Year 2016-17, There were no changes in the Authorized share capital of the company, the subscribed, issued and paid up capital of the Company.

Disclosure regarding Issue of Equity Shares with Differential Rights:

The company has not issued any shares with differential rights during the year.

Disclosure regarding issue of Employee Stock Options:

The company has not issued any shares under an Employee Stock Option scheme during the year.

Disclosure regarding issue of Sweat Equity Shares:

The company has not issued any sweat equity shares during the year.

Extract of Annual Return:

The extract of Annual Return in form no.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2017 is annexed hereto as Annexure 1 and forms part of this report.

Composition of the Board:

The board of directors of the Company comprises of Twelve directors. Their name designation, date of appointment and the number of board meetings attended by each of them are given below:

Sl No	Name of Director	Designation	Date of Appointment	No.of Board Meetings attended
1	C C William Varghese	Director	09.03.1999	09
2	Mary Williams	Director	31.03.1999	02
3	Simon Cheru C	Managing Director	23.03.2006	08
4	Samu K C	Director	31.03.1999	08
5	Binu Skaria	Director	06.10.2001	08
6	Sunitha A C	Director	06.10.2001	09
7	Roshini Simon	Director	06.10.2001	09
8	Sudheesh M	Director	06.10.2001	04
9	Griger Cherry Williams	Director	19.09.2009	01
10	Kochu Mathew C J	Director	10.10.2013	09
11	Baby Skaria	Director	23.05.2014	-
12	John Mathai	Director	27.02.2014	02

Number of Board Meetings:

During the Financial Year 2016-17, Nine (09) meetings of the Board of Directors of the company were held. The Board meetings were held on the following dates:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	23.06.2016	12	7
2	30.06.2016	12	7
3	18.08.2016	12	6
4	20.09.2016	12	7
5	04.11.2016	12	8
6	09.12.2016	12	8
7	02.01.2017	12	9
8	10.02.2017	12	9
9	24.03.2017	12	8

Particulars of Loan, Guarantees and Investments under Section 186

The company has not given any loan or any guarantee or investment or provided security in connection with any loan as per the provisions of section 186 of the Companies Act, 2013.

Particulars of Contract or Arrangements with Related Parties:

The company has not entered into any contract or arrangement with related parties during the financial year 2016-17.

Explanation to Auditor's Remarks:

The Auditors in their report to the members have given qualified opinion on specified Bank Notes and the response of your Directors with respect to it are as follows:-

“The Company has maintained all records related with dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

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Particulars	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	1340000	501175	1841175
(+) Permitted receipts	-	8329869	8329869
(-) Permitted Payments	-	4825799	4825799
(-) Amount deposited in banks	1340000	1229500	2569500
Closing cash in hand as on 30.12.2016	Nil	2775745	2775745

Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date of the report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

A. Conservation of Energy, Technology Absorption

The particulars as required to be furnished under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption are not applicable for the year under review

B. Foreign Exchange Earnings and Outgo

There was no Foreign Exchange Earnings and Outgo during the year.

Details of Subsidiary, Joint Venture or Associates:

No company has become or ceased to be a Subsidiary, Joint Venture or Associate of the company during the year.

Risk Management Policy:

The company is yet to formulate a policy for management of risk as the elements of risk threatening the company's existence are very minimal.

Details of Directors and Key Managerial Personnel:

a. Appointments:

There was no directors appointed during the year.

And

The present directors of the company, Shri. Sudheesh MM, Shri. K C Samu, Smt. Sunitha A C and Smt. Roshni Simon are retiring by rotation in the ensuing annual general meeting and has expressed there unwillingness to be re-appointment. Except Shri.K C Somu and he is eligible for seeking re-appointment.

Details of significant & material orders passed by the regulators or courts or tribunal:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements:

The company has an effective and adequate financial control system in place. The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors and the accuracy and completeness of accounting records.

Deposits:

The company has not accepted any deposits covered under the provisions of the Companies Act, 2013 and also there are no outstanding deposits as at the end of the financial year.

Commission: (for public companies only)

The company has not provided any commission to its MD/WTD and hence the provisions relating to disclosure are not applicable.

Secretarial Audit Report:

The provisions of the Companies Act, 2013 and the rules framed there under relating secretarial

audit report are not applicable to the company.

Corporate Social Responsibility (CSR) Policy:

The provisions of the Companies Act, 2013 and the rules made there under relating to Corporate Social Responsibility are not applicable to the company and hence the company has not formulated any Corporate Social Responsibility Policy.

Audit Committee:

The company has constituted an Audit Committee comprising of the following members:

1. Shri. C C Willaim Verghese
2. Shri. KochuMathew C J
3. Shri. Simon Cheru C

During the Financial Year 2016-17, two (2) meetings of the Audit Committee were held on 30.6.2016 and 20.09.2016 respectively. The details of attendance of the members are as given below:

Name of Director	No. of meetings attended
C C William verghese	2
Kochu Mathew C J	2
Simon Cheru C	2

During the year there were no cases of non-acceptance of recommendations of the Audit Committee by the Board of Directors.

Nomination & Remuneration Committee:

The company has constituted a Nomination and Remuneration Committee comprising of the following members:

1. Sri. C C William varghese
2. Sri. Kochu Mathew C J
3. Smt. Sunitha A C

During the financial year one meeting of the committee was held on 20.09.2016, which was attended by all the members.

The committee chiefly deals with matters relating to the size and composition of the Board, succession plans, evaluation of performance, Board diversity and remuneration framework and policies thereon. The committee is in the process of formulating detailed criteria relating to the

determination of qualifications, positive attributes and independence of directors and recommendation of candidates to the Board as well as a policy relating to remuneration of directors, key managerial personnel and other employees.

Stakeholders Relationship Committee:

The company has constituted an Stakeholders Relationship Committee comprising of the following members:

1. Shri. C C William Verghese
2. Smt. Sunitha A C
3. Smt. Roshini Simon

During the Financial Year 2016-17, two (2) meetings of the Stakeholders Relationship Committee were held on 20.09.2016 and 09.12.2016 respectively. The details of attendance of the members are as given below:

Name of Director	No. of meetings attended
C C William Verghese	2
Sunitha A C	2
Roshini Simon	2

Annual Evaluation:

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of governance. The main aspects of evaluation included the contribution to governance, participation in planning and fulfillment of obligations and responsibilities.

Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees:

Pursuant to the provisions of the Companies Act, 2013 and the rules made there under the provisions relating to the formal annual evaluation are not applicable to the company.

Disclosure on Establishment of a Vigil Mechanism:

The company is not required to constitute a vigil mechanism pursuant to the provision of the

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Companies Act, 2013 and the rules framed there under.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The company has not received any complaints during the financial year.

Disclosure u/s 143(12):

The auditors of the company have not reported any fraud pursuant to section 143(12) of the Companies Act, 2013 (Companies (Amendment) Act, 2013).

Statutory Auditors:

The present statutory auditors of the company, M/s Balan & Co, Chartered Accountants, Always, who were appointed to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2016-17, are not eligible to continue the office, hence the board recommended to appoint Mr. Damodaran P, ACA (Membership No. 221178), Paravattathu Mana, Karthika, Urakam PO, Thrissur, Kerala-680562, as the Statutory Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-22 on such remuneration as may be determined by the Board of Directors, They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified..

Cost Auditors:

The company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013.

THRISSUR
18.08.2017

Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit /loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment:

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support

For and on behalf of the Board of Directors

-Sd-
C C William Varghese
Chairman
(DIN:00074708)

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U50101KL1999PLC012864
ii)	Registration Date	09.03.1999
iii)	Name of the Company	BRD MOTORS LTD
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	TKM Complex, Kokkalai, Thrissur, Kerala - 680021 Phone: 048-2358217 E mail: brdmotors@brdgroup.net
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Dealer of Piaggio Vehicles	50101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1.	BRD Car World LTD Door No.1/66a, NH 47 Bypass, Konikkara, Thrissur, Kerala -680306	U50401KL2008PLC022450	Associate	36.26	2(6)
2.	BRD Developers & Builders LTD, Door No XIII/436, A1, 2nd Floor, Bethany Complex, Thrissur Road, Kunnamkulam, Kerala - 680503	U45200KL2010PLC026202	Associate	48.78%	2(6)

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	3202525	3202525	13.13%	Nil	3567560	3567560	14.63%	1.5%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	-	3202525	3202525	13.13%	Nil	3567560	3567560	14.63%	1.50%
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any othe	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter									
(A) = (A)(1)+(A)(2)	-	3202525	3202525	13.13%	Nil	3567560	3567560	14.63%	1.50%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	15244149	15244149	6.25%	Nil	2052538	2052538	8.41%	2.16%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
l) Individual share holders holding nominal share capital upto Rs. 1 lakh	-	7589075	7589075	31.11%	Nil	7215579	7215579	29.58%	1.53%
ll) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	12075100	12075100	49.51%	Nil	1155172	1155172	47.38%	2.13%
c) Others Specify									
Sub-total (B)(2):-	-	21188324	21188324	86.87%	Nil	20823289	20823289	85.37%	1.5%
Total Public Shareholding (B)=(B)(1)+ (B)(2)		21188324	21188324	86.87%	Nil	20823289	20823289	85.37%	1.5%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		24390849	24390849	100%	Nil	24390849	24390849	100%	

ii) Shareholding of Promoter-

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	CC William varghese	3202525	13.13%	-	3567560	14.63%	-	1.50%
	TOTAL	3202525	13.13%	-	3567560	14.63%	-	1.50%

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iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	At the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	C C William Varghese	3202525	13.13%	3567560	14.63%	Purchase-28.07.2016-365035	3567560	1.50%

iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of Top 10 Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Increase/Decrease in Shareholding during the year specifying the date and reasons for increase/ decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	BRD Finance LTD	1524149	6.25%	1547524	6.34%	Purchase-26.05.16-23375
2	Zarine M Punnoose	560335	2.29%	560335	2.29%	
3	Geogy John Ukken	499386	2.05%	474006	1.94%	Sale-28.07.16-25380
4	Prasad Punnoose	487773	1.99%	487773	1.99%	
5	A N Vishnu Bhathirippad	354034	1.45%	354034	1.45%	
6	Mohan T V	347181	1.42%	344181	1.41%	Sale-28.07.16-3000
7	Appumon C K	292247	1.20%	293802	1.20%	Purchase-04.11.16-1555
8	Sreedevi Vishnu	278461	1.14%	278461	1.14%	
9	Soumya Vishnu	246169	1.01%	246169	1.01%	
10	SML Finance Limited			505014	2.07%	Purchase-04.11.16-50294, 24.03.17-454720

** Increase/decrease detail in share holding

v) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of Directotrs and KMP	Shareholding at the beginning of the year		holding during the year		Increase/Decrease in Shareholding during the year specifying the date and reasons for increase/decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	C C William Varghese	3202525	13.13%	3567560	14.63%	Purchase-28.07.2016-365035
2	Mary Williams	275901	1.13%	275901	1.13%	
3	John Mathai	258170	1.05%	218789	0.90%	Sale- 23.06.16-39381
4	Binu K skaria	73931	0.30%	73931	0.30%	
5	Sunitha A C	385512	1.58%	385512	1.58%	
6	Sudheesh M	167551	0.69%	167551	0.69%	
7	Roshni Simon	130782	0.54%	132528	0.54%	
8	Griger Cherry Williams	200499	0.82%	200499	0.82%	
9	Simon Cheru C	343718	1.41%	343718	1.41%	
10	Kochu Mathew C J	374669	1.54%	370669	1.52%	Sale-4.11.2016-4000
11	Baby Skaria	254371	1.04%	254371	1.04%	
12	Samu K C	28488	0.12%	28488	0.12%	

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V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment
₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	12,000,000	-	12,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	12,000,000	-	12,000,000
Change in Indebtedness during the financial year				
Addition	3957108	-	-	3957108
Reduction	-	12000000	-	12000000
Net Change	3957108	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	3957108	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3957108	-	-	3957108

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

₹ in Lakhs

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others		
5	Others		
	Total (A)	-	-
	Ceiling as per the Act	-	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

B. Remuneration to Other Directors

Amount in ₹

S. No.	Particulars of Remuneration	Name of MD/WTD/Managers			Total Amount
		CEO	Company Secretary	CFO	
(1)	Independent Directors	-	-	-	-
1	Fee for attending board/ committee meetings	-	-	-	-
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
(2)	Other Non-Executive Directors				
1	Fee for attending board/ committee meetings	-	-	-	-
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1) +(2)	-	-	-	-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specif				
5	Others, please specify				
	Total				

- NOT APPLICABLE -

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VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding					
	NONE				
B. DIRECTORS Penalty Punishment Compounding					
	NONE				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					
	NONE				

For and on behalf of the Board of Directors

THRISSUR
18.08.2017

-SD-
C C William Varghese
Chairman
(DIN:00074708)

INDEPENDENT AUDITORS' REPORT**To
REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of M/s BRD MOTORS LIMITED, Thrissur ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit/Loss and its Cash Flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has not provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016

Aluva,
18th August, 2017.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)
Sd/-
P. Mohandas, FCA
Partner (M. No. 21262)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the rules framed there under.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders. The company does not have any borrowing by way of debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

BRD MOTORS LIMITED

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Aluva,
18th August, 2017.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)
Sd/-
P. Mohandas, FCA
Partner (M. No. 21262)

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of BRD MOTORS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BRD Motors Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)
Sd/-

Aluva,
18th August, 2017

P. Mohandas, FCA
Partner (M. No. 21262)

BRD MOTORS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	243,908,490	243,908,490
(b) Reserves and Surplus	4	82,345,516	69,809,878
(2) Non-Current Liabilities:			
(a) Long Term Borrowings	5	-	12,000,000
(b) Deferred Tax Liability (net)	6	996,300	765,200
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Non-Current Liabilities:			
(a) Short Term Borrowings	7	5,558,496	2,878,892
(b) Trade Payables	8	291,027	568,394
(c) Other Current Liabilities	9	72,114,140	70,826,387
(d) Short Term Provisions	10	21,011,170	491,706
Total		<u>426,225,138</u>	<u>401,248,946</u>
II. ASSETS			
(1) Non-Current Assets:			
(a) Fixed Assets			
i) Tangible Assets	11	42,193,049	51,474,688
ii) Intangible Assets		-	-
iii) Capital WIP		-	-
(b) Non-Current Investments	12	272,911,959	272,946,326
(c) Deferred Tax Asset (net)		-	-
(d) Long Term Loans and Advances	13	3,390,185	3,351,735
(e) Other Non Current Assets		-	-
(2) Current Assets:			
(a) Current Investments	-	-	-
(b) Inventories	14	40,055,417	43,472,688
(c) Trade Receivables	15	12,885,055	7,806,868
(d) Cash and Cash Equivalents	16	1,752,736	7,946,054
(e) Short Term Loans and Advances	17	23,444,795	11,196,331
(f) Other Current Assets	18	29,591,943	3,054,256
Total		<u>426,225,138</u>	<u>401,248,946</u>

Notes are an integral part of the financial statements 1-27

"As per our report of even date"

For **Balan & Co.**

Chartered Accountants,

FRN 000340S

Sd/-

P. MOHANDAS, FCA

Partner

M.No. 021262

Aluva

18.08.2017

Sd/-

MARY WILLIAMS

Director

Sd/-

C.C. WILLIAM VARGHESE

Chairman

Sd/-

C. SIMON CHERU

Managing Director

Thrissur

18.08.2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
INCOME:			
Revenue From Operations	19	148,225,642	147,045,833
Other Income	20	<u>109,616,666</u>	<u>13,984,409</u>
TOTAL		<u>257,842,308</u>	<u>161,030,242</u>
EXPENSES:			
Purchase of stock-in-trade	21	124,505,451	124,700,938
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	3,417,271	1,166,169
Employee benefit expense	23	17,980,603	16,223,398
Finance cost	24	1,806,154	4,150,068
Depreciation and amortization Expenses	11	<u>2,675,892</u>	<u>3,447,671</u>
Other expense	25	<u>21,804,212</u>	<u>19,270,838</u>
TOTAL		<u>172,189,583</u>	<u>168,959,082</u>
Profit before Tax		85,652,724	(7,928,840)
Tax Expense			
Current tax		<u>20,044,732</u>	-
Deferred Tax		<u>231,100</u>	<u>141,300</u>
Profit/(-) Loss after Tax		<u>65,376,892</u>	<u>(8,070,140)</u>
Earnings per equity share (Basic and Diluted)		2.68	(0.33)
Adjusted earnings per share		2.68	(0.33)

Notes are an integral part of the financial statements 1-27

“As per our report of even date”

For **Balan & Co.**
Chartered Accountants,
FRN 000340S

Sd/-
P. MOHANDAS, FCA
Partner
M.No. 021262
Aluva
18.08.2017

Sd/-
MARY WILLIAMS
Director

Sd/-
C.C. WILLIAM VARGHESE
Chairman

Sd/-
C. SIMON CHERU
Managing Director
Thrissur
18.08.2017

BRD MOTORS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS

1) Company Overview

B R D Motors Limited ('the company') is a public limited company incorporated in the year 1999. The Company is the authorized dealer of M/S Piaggio Vehicles Private Limited, trading in world renowned products viz Ape Truck and Pick up and its components and spare parts.

2) Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company follows the directions prescribed by the Reserve Bank of India for Non Banking Financial Companies.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Income from services is recognised on completion of rendering of services.

Interest income is recognised on the time proportion basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

Dividend income from investments is recognised when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists

2.4 Tangible and Intangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization.

2.5 Depreciation and amortization

DDepreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of additions or

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

extensions forming an integral part of existing assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

2.6 Impairment

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.7 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is computed on a first - in - first out basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

2.8 Employee benefits

Employee benefit expenses include salary, wages, incentives and other perquisites. It also includes post-employment benefits such as provident fund, superannuation fund, gratuity, pensionary benefits etc.

Defined contribution plans

Company's contribution to provident fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

Defined Benefit Plans

Company's liability towards gratuity is actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

2.9 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

2.10 Income taxes

Tax expense for the year comprises current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with AS 20, Earnings per Share, as specified under Section 133 of the Companies Act, 2013. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

2.12 Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.13 Cash & equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

3 SHARE CAPITAL	31.03.2017	31.03.2016
	Rs.	Rs.
Share Capital		
Authorized :		
2,50,00,000 (31 Mar 2016 : 2,50,00,000) Equity shares of ₹ 10/- each	250,000,000	250,000,000
Issued, Subscribed and Paid-up		
2,43,90,849 (31 Mar 2016 : 2,43,90,849) Equity shares of ₹10/- each	243,908,490	206,908,490
(Out of the above 1,13,45,126 shares of Rs.10/- each were allotted as fully paid bonus shares by capitalisation of accumulated Profit and Share premium Reserve)		
i. Reconciliation of the shares at the beginning and at the end of the reporting period:		
Shares outstanding at the beginning of the year	24,390,849	20,670,888
Add: Fresh Issue	-	-
Right Issue	-	-
Bonus Issue	-	3,719,961
Less : Shares bought back	-	-
Reduction in share capital	-	-
Shares outstanding at the end of the year	24,390,849	24,390,849
ii. List of shareholders holding more than 5% of share capital		
Name of Shareholder	31.03.2017	31.03.2016
	No. of shares held	No. of shares held
	% of Share holding	% of Share holding
Equity shares of ₹10 each fully paid		
C.C.William Varghese	3,567,560	3,202,525
BRD Finance LTD	1,547,524	1,524,149
	31.03.2016	31.03.2015
	Rs.	Rs.
4 RESERVES AND SURPLUS		
General Reserve		
Opening Balance	-	-
(+) Additions/ transfers during the Year	3,292,765	-
	<u>3,292,765</u>	<u>-</u>
Securities Premium Account:		
Opening balance	58,881,480	96,081,090
Additions during the year (+)	-	-
Issue of Bonus shares (-)	-	37,199,610
Closing Balance	<u>58,881,480</u>	<u>58,881,480</u>
Profit and Loss Account		
Opening Balance	10,928,398	18,998,537
Balance from Statement of Profit and Loss (+)	65,376,892	(8,070,140)
Proposed Dividend (-)	-	-
Interim Dividend Paid (-)	43,903,528	-
Dividend Tax (-)	8,937,726	-
Issue of Bonus shares (-)	-	-
Transfer to General Reserves (-)	3,292,765	-
Closing Balance	<u>20,171,271</u>	<u>10,928,398</u>
TOTAL	<u>82,345,516</u>	<u>69,809,878</u>
5 LONG TERM BORROWINGS		
(a) Other Loans and advances		
Inter - corporate deposits	-	12,000,000
TOTAL	<u>-</u>	<u>12,000,000</u>

BRD MOTORS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	31.03.2017	31.03.2016
	Rs	Rs
6 DEFERRED TAX LIABILITY (Net)		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	996,300	765,200
TOTAL	996,300	765,200
7 SHORT TERM BORROWINGS		
(a) Loans repayable on demand		
From Banks		
Secured	3,957,108	-
(b) Other loans and advances		
General Advance	-	2,277,926
Advance From Customers	1,601,388	600,966
TOTAL	5,558,496	2,878,892

Nature of Security

- (a) Loans repayable on demand from Banks
South Indian Bank

Particulars	Primary	Collateral	Gurantors
Cash Credit Limit Rs 5 Crore	Hypothecation of stock / book debts not older than 90 days	EM of property generally secured to 1)M/s BRD Motors Ltd and 2) BRD Securities Ltd	C.C William Varghese Simon Cheru C Mary Williams K.C Seemon Binu Skaria A.C Sunitha Sudeesh M Roshini Simon K.C Samu

There is no continuing default/default as on the date of balance sheet in repayment of loans and interest.

8 TRADE PAYABLES

Trade payables (refer note(a) below)

Total outstanding dues of micro and small enterprises

-

-

Total outstanding dues of creditors other than micro and small enterprises

291,027

568,394

TOTAL

291,027

568,394

TRADE PAYABLES - DUES TO MICRO AND SMALL ENTERPRISES (as per the intimation received from vendors)

a. Principal and interest amount remaining unpaid

-

-

b. Interest due thereon remaining unpaid

-

-

c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day

-

-

d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006

-

-

e. Interest accrued and remaining unpaid

-

-

f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises

-

-

9 OTHER CURRENT LIABILITIES

Other payables

Statutory remittances

3,357,081

2,323,845

Expenses Payable

1,516,599

1,262,082

Others

67,240,460

67,240,460

TOTAL

72,114,140

70,826,387

10. FIXED ASSETS Rs.

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost upto 1.4.2016	Addi- tions	Deli- tions	Cost upto 31.3.2017	Upto 31.3.2016	For the year	Deli- tions	Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016
Land	17,065,729	634,851	7,300,871	10,399,709	-	-	-	-	17,065,729	10,399,709
Building	47,224,485	-	-	47,224,485	17,372,057	1,481,508	-	18,853,565	29,852,427	28,370,919
Computer & Accessories	5,164,347	60,273	-	5,224,620	4,838,481	65,476	-	4,903,957	325,866	320,663
Electrical Equipements & Fittings	5,138,665	-	-	5,138,665	3,963,874	379,758	-	4,343,631	1,174,791	795,033
Furniture & Fittings	5,415,213	-	-	5,415,213	4,517,200	241,603	-	4,758,803	898,013	656,410
Office Equipements	1,544,865	-	-	1,544,865	1,388,006	57,228	-	1,445,235	156,859	99,630
Tools & Equipements	4,508,211	-	-	4,508,211	3,079,505	281,484	-	3,360,989	1,428,706	1,147,223
Vehicles	5,014,648	-	-	5,014,648	4,442,351	168,836	-	4,611,187	572,297	403,461
Total	91,076,162	695,124	7,300,871	84,470,415	39,601,474	2,675,892	-	42,277,366	51,474,688	42,193,049

BRD MOTORS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	31.03.2017 Rs	31.03.2016 Rs
11 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for gratuity	966,437	491,706
(b) Provision - Others:		
Provision for Income Tax	20,044,732	-
TOTAL	<u>21,011,170</u>	<u>491,706</u>
12 NON-CURRENT INVESTMENTS		
(a) Non-Trade Investments - Unquoted		
Investment in shares of		
BRD Car World -70,00,000 shares @ 10 each	70,000,000	70,000,000
Kairali TV- 5000 shares @ 100 each	50,000	50,000
BRD Developers & Builders -10,00,000 shares @ 10 each	10,000,000	10,000,000
BRD Finance Ltd - 35991 Shares @ 60 & 6478 Shares @ 0.00 and 5,69,818 shares @ 110/- and 57,006 shares @ 80/-	69,399,920	69,399,920
(b) Investment in partnership firms	123,462,039	123,496,406
TOTAL	<u>272,911,959</u>	<u>272,946,326</u>
13 LONG TERM LOANS AND ADVANCES		
(a) Security deposits		
Unsecured, considered good	3,390,185	3,351,735
(b) Inter-corporate deposits - unsecured considered good	-	-
TOTAL	<u>3,390,185</u>	<u>3,351,735</u>
14 INVENTORIES		
Stock - in - Trade		
(a) Vehicles	22,414,437	27,762,262
(b) Used Vehicle	251,750	251,750
(c) Fabricated Structures	112,365	1,281,585
(d) Spares	17,276,865	14,177,091
TOTAL	<u>40,055,417</u>	<u>43,472,688</u>
15 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured considered good	85,606	41,563
Doubtful -	-	-
Less: Provision for doubtful trade receivables	-	-
Other Trade receivables		
Secured, considered good	-	-
Unsecured considered good	12,799,449	7,765,305
Doubtful-	-	-
Less: Provision for doubtful trade receivables	-	-
TOTAL	<u>12,885,055</u>	<u>7,806,868</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017 Rs	31.03.2016 Rs
16 CASH AND CASH EQUIVALENTS		
(a) Cash in hand	1,136,972	1,285,903
(b) Balance with banks In Current Accounts	<u>615,764</u>	<u>6,660,151</u>
TOTAL	<u>1,752,736</u>	<u>7,946,054</u>
17 SHORT TERM LOANS AND ADVANCES		
(a) Loans and advances to related parties	-	-
(b) Balances with government authorities Unsecured, considered good		
Income Tax refund	735,610	1,669,890
Income Tax Advance & TDS	4,209,289	735,610
Others (Unsecured, considered good)		
Loans and advances to employees - unsecured considered good	208,664	281,052
Prepaid expenses	151,088	161,366
Advance to suppliers	11,549,736	2,331,141
Others	<u>6,590,408</u>	<u>6,017,273</u>
TOTAL	<u>23,444,795</u>	<u>11,196,331</u>
18 OTHER CURRENT ASSETS		
Accruals		
Interest accrued on deposits	167,557	114,876
Others		
PVPL Receivable	1,155,534	2,019,665
PVPL	-	-
Rent Receivable	519,372	519,372
Others	<u>27,749,479</u>	<u>400,343</u>
TOTAL	<u>29,591,943</u>	<u>3,054,256</u>
19 REVENUE FROM OPERATIONS		
Sale of products	<u>148,225,642</u>	<u>147,045,833</u>
TOTAL	<u>148,225,642</u>	<u>147,045,833</u>
20 OTHER INCOME		
Interest on Deposits	1,033,272	2,554,593
Dividend income	1,738,429	-
Profit/(loss) on sale of Land	62,074,129	-
Other non-operating income (net of expenses directly attributable to such income)		
Share of profit from partnership firms	50,915	(151,815)
Documentation Charges Received	1,396,406	1,150,452
Insurance Commission Received	402,478	248,967
Labour Charges	4,816,003	5,399,485
Patch Work	3,763,501	1,932,902
Rent Received	30,298,750	422,515
Other miscellaneous income	2,138,059	1,484,871
Sundry Balance w/off	1,904,724	202,325
Enhanced compensation	-	740,110
TOTAL	<u>109,616,666</u>	<u>13,984,405</u>

BRD MOTORS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017 Rs	31.03.2016 Rs
21 PURCHASE OF STOCK-IN-TRADE		
Purchases		
Vehicles	96,658,240	101,765,452
Fabrication	884,487	509,002
Spares	26,962,723	22,426,484
TOTAL	124,505,451	124,700,938
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Vehicles	22,666,187	28,014,012
Fabrication	112,365	1,281,585
Spares	17,276,865	14,177,091
	<u>40,055,417</u>	<u>43,472,688</u>
Inventories at the beginning of the year:		
Vehicles	28,014,012	25,784,453
Fabrication	1,281,585	1,321,876
Spares	14,177,091	17,532,528
	<u>43,472,688</u>	<u>44,638,857</u>
Net (increase) / decrease	3,417,271	1,166,169
23 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	15,131,531	14,074,657
Contributions to provident and other funds	2,849,072	2,148,741
TOTAL	17,980,603	16,223,398

Details of Employee Benefits : Disclosures required under Accounting Standard 15 - Employee Benefits (Revised 2005)

a. Defined Contribution Plans :

During the Year, the following amounts have been recognised in the Profit and Loss account on account of defined contribution plan

Employers Contribution to Provident Fund	1,385,916	1,262,521
Employers Contribution to Employee's State Insurance	501,007	452,531

b. Defined benefit Plans- Gratuity:

i. Actuarial Assumptions:

Discount Rate	8%	8%
Rate of increase in compensation level	7%	7%
Rate of Return on Plan Assets	Not Applicable	Not Applicable

ii. Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:

Present value of obligations at the beginning of the period	3,151,696	2,828,056
Interest Cost	252,135	226,244
Current Service Cost	369,053	416,325
Benefits paid	(343,444)	(753,396)
Actuarial (Gain)/Loss	433,202	(42,819)
Present value of obligations at the end of the period	3,862,642	2,674,410

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017 Rs	31.03.2016 Rs
iii. Assets		
Fair value of Plant Assets at the beginning of the year	2,225,484	2,027,133
Acquisition Adjustment	314,998	-
Expected return of Assets	219,169	172,306
Contributions	479,998	779,441
Benefits paid	(343,444)	(753,396)
Actuarial (Gain)/Loss	-	-
Fair value of Plant Assets at the end of the year	2,896,205	2,225,484
iv. Net Asset/Liability to be recognised in the Balance Sheet		
Present value of obligations at the end of the period	3,862,642	2,674,410
Fair value of Plan Assets at the end of the period	2,896,205	2,225,484
Funded Status	(966,437)	(448,926)
Unrecognised Actuarial (Gain)/Losses	-	-
Net Asst/Liability to be recognised in Balance Sheet	(966,437)	(448,926)
v. Expenses recognized in the Profit and Loss Account		
Current Service Cost	369,053	416,325
Past Service Cost	-	-
Interest Cost	252,135	226,244
Expected Return on Plan Assets	(219,169)	(172,306)
Net Actuarial (Gain)/Loss recognised in the period	433,202	(42,819)
Expenses recognised in the statement of Profit and Loss Account	835,221	427,444

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

The estimates of future Salary increases, considered in the actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors , such as supply and demand in the employment market.

24 FINANCE COST

(a) Interest expense on :

Borrowings	1,669,387	530,570
Inter-corporate deposit	136,767	3,595,504
Others		
Interest on delayed payment of income tax	-	23,994
TOTAL	1,806,154	4,150,068

BRD MOTORS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017	31.03.2016
	Rs	Rs
25 OTHER EXPENSES		
Advertisement Expenses	1,943	4,250
AMC Charges	-	6,857
Annual General Meeting exp	364,711	-
Audit Expenses	17,290	-
Audit Fee	176,250	115,000
Bank Charges	167,265	185,479
Discount paid	1,590,115	2,549,875
Trade Discount & Selling Promotion Expense	3,506,421	4,324,269
Donation	23,440	30,400
Electricity Charges	1,451,134	1,466,408
Filing Fee	52,200	43,800
Freight and Cooly	264,833	410,959
Generator Diesel Expenses	219,592	226,538
Gratuity Risk Premium	20,002	67,835
Income Tax	2,529,531	2,098,316
Insurance	258,718	284,885
Internet & Broadband Expenses	81,104	109,140
Legal Charges	20,705	9,610
Lorry Expenses	280,519	476,361
Miscellaneous Expenses	3,194	21,319
Newspaper & Periodicals	20,447	16,158
Office Expenses	159,726	213,294
Packing & Forwarding	11,170	19,687
Patch Work Expenses	1,717,199	450,046
PDI Expenses	21,543	194,430
Postage & Telephone	140,382	415,517
Printing & Stationary	356,489	230,075
Rates & Taxes	418,215	423,379
Refreshment Expenses	618,541	492,309
Rent	657,772	470,044
Repair & Maintenance	318,934	317,924
Repairs for Vehicles	233,753	188,309
Round Off	7	162
Service Tax paid	15,526	-
Service Camp Expenses	1,500	-
Software Expenses	73,575	65,430
Spare Parts Expenses	534,403	126,088
Sundry Parties w/Off	1,509,048	-
Training Programme Expenses	13,552	-
Transportation Charges	2,070,812	1,970,062
Travelling Expenses	636,320	230,902
Unloading Charges	33,377	44,008
VAT-Paid	260,330	133,826
Vehicle Demo Expenses	324,485	336,157
Workshop Expenses	628,140	501,729
TOTAL	21,804,212	19,270,838

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	31.03.2017	31.03.2016
	Rs	Rs
Payment to the auditors comprises		
As auditors - statutory audit	88,500	64,700
For taxation matters	35,400	28,750
For other services	23,600	21,550
TOTAL	147,500	115,000

26 Related party transactions :
Disclosures required as per AS-18

(i) Details of related parties

Nature of relationship	Related parties	
Key Managerial Persons	Chungath Cheru Simon	Griger Cherry Williams
	Binu Kollanoor Skaria	Kollannoor Chummar Samu
	William Varghese	Roshni Simon
	Chungath Cheru	
	Arimboor Cherukutty	Kochumathew Chowailoor
	Sunitha	Joseph
	Sudheesh Meleppattu	John Mathai
	Madhavapanicker	
	Mary Williams	Baby Injakuzhiyil Skaria
Associates/ Enterprises owned or significantly influenced by key management personnel or their relatives	B R D Finance Limited	
	S M L Finance Limited	
	B R D Car World Limited	
	B R D Developers and Builders Limited	

(ii) Nature and volume of transactions of the company during the year with the above related parties are:

Nature of Transaction	Associate	Key management personnel	Relative of Key Managerial Personnel	Total
Interest Paid	136,767	0.00	0.00	136,767
Interest Received	890,403	0.00	0.00	890,403
Inter Corporate Deposits paid	12,000,000	0.00	0.00	12,000,000

27 Previous year figures have been regrouped wherever found necessary.

“As per our report of even date”

For **Balan & Co.**
Chartered Accountants,
FRN 000340S

Sd/-
P. MOHANDAS, FCA
Partner
M.No. 021262
Aluva
18.08.2017

Sd/-
MARY WILLIAMS
Director

Sd/-
C.C. WILLIAM VARGHESE
Chairman

Sd/-
C. SIMON CHERU
Managing Director
Thrissur
18.08.2017

BRD MOTORS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH 2017.

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
A. Cash Flow from Operating activities		
Net profit Before Taxation	85,652,724	(7,928,840)
Adjustment for:		
Provision for Depreciation	2,675,892	3,447,671
Interest on Borrowings	1,806,154	4,126,074
Income Tax	2,529,531	2,122,310
Provision for gratuity	954,729	424,945
Interest income	(1,033,272)	(2,554,593)
Dividend income	(1,738,429)	-
Profit on sale of Fixed Assets	(62,074,129)	-
Share of profit from partnership firms	(50,915)	151,815
Sundry balances written off	(394,859)	(202,325)
	(57,325,296)	7,515,896
Operating profit before working capital changes	28,327,428	(412,944)
(Increase)/Decrease in Trade receivable	(5,078,405)	(147,506)
(Increase)/Decrease in Inventories	3,417,271	1,166,169
(Increase)/Decrease in Other Current Assets	(26,537,687)	(393,423)
(Increase)/Decrease in Long term loans and advances	(38,450)	(3,829)
(Increase)/Decrease in Short term loans and advances	(7,746,402)	3,944,443
Increase/(Decrease) in Trade payables	(175,062)	280,168
Increase/(Decrease) in Other current liabilities	807,755	3,869,503
	(35,350,980)	8,715,525
Cash from operations	(7,023,552)	8,302,581
Income tax paid	(6,653,539)	(3,184,946)
Net cash from operating activities	(13,677,090)	5,117,635
B. Cash flow from Investing Activities		
Purchase of Fixed assets	(695,124)	(821,377)
Sale of Fixed assets	69,375,000	-
Interest Income	1,033,272	2,554,593
Dividend received	1,738,429	-
Purchase of investments	-	(4,560,480)
Net cash from Investing activities	71,451,577	(2,827,264)
C. Cash flow from Financing activities		
Repayment of Long term Borrowings	(12,000,000)	-
Increase in Long Trm Borrowings	-	20,000,000
Repayment of other short-term borrowings	-	(12,594,894)
Increase in Short term Borrowings	2,679,604	-
Dividend paid	(43,903,528)	-
Dividend Tax paid	(8,937,726)	-
Interest on borrowings	(1,806,154)	(4,126,074)
Net Cash flow from Financing Activities	(63,967,804)	3,279,032
Net Increase/Decrease in Cash & Cash Equivalents	(6,193,317)	5,569,403
Cash and cash equivalents at the beginning of the year	7,946,054	2,376,651
Cash and cash equivalents at the end of the year	1,752,736	7,946,054

“As per our report of even date”

For **Balan & Co.**

Chartered Accountants,

FRN 000340S

Sd/-

P. MOHANDAS, FCA

Partner

M.No. 021262

Aluva

18.08.2017

Sd/-

MARY WILLIAMS

Director

Sd/-

C.C. WILLIAM VARGHESE

Chairman

Sd/-

C. SIMON CHERU

Managing Director

Thrissur

18.08.2017

BOOK POST

If undelivered please return to:

BRD MOTORS LIMITED

T K M Complex, Kokkalai

Thrissur - 680 021.

Phone : 048-2358217

E mail : brdmotors@brdgroup.net

Web site : www.brdgroup.net