

# **BRD MOTORS LIMITED**

**19th ANNUAL REPORT  
2017-18**

## **BRD Corporate Social Responsibility (CSR) Initiatives**

### **1. BRD's helping hand for rebuilding Kerala.**



Shri. C.C William Varghese, Chairman, handing over BRD's financial contribution to Chief Minister's Distress Relief Fund (CMDRF) to Smt. T.V Anupama, Thrissur District Collector, as part of BRD's Corporate Social Responsibility (CSR) activities, for helping families and individuals distressed by calamity, loss of life due to flood and heavy rains in State of Kerala.

### **2. BRD's caring for children with long term illnesses and their families.**



Shri. C.C William Varghese, Chairman, along with BRD Directors handing over MARUTI ECCO vehicle, as part of BRD's Corporate Social Responsibility (CSR) activities, to Smt. Sheeba Ameer, Founder & Secretary, Solace Foundation for improving their services for children with long term illnesses.

# **BRD MOTORS LIMITED**

CIN : U50101KL1999PLC012864

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## **REGISTERED OFFICE**

T K M Complex, Kokkalai

Thrissur - 680 021.

Phone : 048-2358217

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## BRD MOTORS LIMITED

### DIRECTORS' REPORT

Dear 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:

Particulars	(₹ in thousands)	
	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Operatio	147624699	148225642
Other Income	79603124	109616666
Expense	181710393	172189583
Profit/(Loss) before taxation	4,55,17,430	8,56,52,724
Less : Tax Expense		
Current Tax	1,17,72,894	2,00,44,732
Deferred Tax	2,33,300	2,31,100
Profit/(Loss) after tax	3,35,11,236	6,53,76,892

### Company Overview

BRD Motors Limited is an authorized dealer of M/S Piaggio Vehicles Private Limited. Marketing their world renowned products viz Ape Passenger, Pick up etc. through BRD's outlets. The pioneer of 3-wheeler goods transportation in India, Piaggio Vehicles Pvt. Ltd. (PVPL) leads the league today. By revolutionizing the 3-wheeler cargo segment in the country, Piaggio, today, is setting global standards in multiple arenas of service. BRD Motors is not resting on the laurels, but poised to be the dealers of the prestigious vehicles of other companies of worldwide repute.

### State of the Company's Affairs and Future Outlook:

The financial year 2017-2018 was a challenging and defining year for the Indian economy. Post demonetization, the Country witnessed the implementation of long awaited Goods and Services Tax (GST) introduced with the slogan 'One Tax One Nation' in July 2017. Like any other new tax regime, GST created panic and confusion among the businessmen and professionals at the initial implementation stage and such worries has faded by beginning of 2018. All three-wheeler

manufacturers felt a drop in both their domestic and export turnover in 2017, which was due to entry of aggressively priced, small four-wheeled mini-trucks. However, Piaggio maintained its pace among its competitors in managing the market share which helped your company to generate profits for FY 2018. In spite of the challenges, your company has a profit of Rs. 4,55,17,430 (before tax). Revenue from the operations & other income of the company has decreased from Rs.25.78 crores to Rs. 22.72 crores and expenses increased from Rs. 17.21 crores to ` Rs. 18.17 crores. The management of the Company is thinking of focusing on customer satisfaction through better sales and service in days to come.

### 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 Company had declared and paid an interim dividend at 18% to its members in January, 2018

## BRD MOTORS LIMITED

.However, the Board of Directors does not recommend any final dividend for the financial year 2017-18 with a view to conserve resources of the Company.

### Amounts Transferred to Reserves:

The Board has not proposed to transfer any amount to its General reserves. The total reserves and surplus as on 31st March 2018 stands at ` 6,30,15,498/-.

### Changes in Share Capital, if any:

During the Financial Year 2017-18, 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.

### Number of Board Meetings:

During the Financial Year 2017-18, Seven (07) 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	28.04.2017	12	4
2	18.08.2017	12	6
3	12.09.2017	11	4
4	04.11.2017	8	4
5	16.01.2018	8	5
6	25.01.2018	10	6
7	26.03.2018	10	6

### Composition of the Board:

The composition of Board is mainly governed by the Companies Act 2013 and rules framed thereunder. The Board of Directors of the Company comprises of 10 Directors as on 31st March 2018. The name, designation, date of appointment and the number of Board meetings attended by each of them in the FY 2017-18 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	07
2	Mary Williams	Director	31.03.1999	-
3	Simon Cheru C	Managing Director	23.03.2006	07
4	Samu K C	Director	31.03.1999	06
5	Binu Skaria	Director	06.10.2001	02
6	Griger Cherry Williams	Director	19.09.2009	-
7	Kochu Mathew C J	Director	10.10.2013	06
8	Baby Skaria	Director	23.05.2014	-
9	Antony James V	Independent Director	06.10.2001	2
10	Ramakrishnan T B	Independent Director	25.01.2018	2

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### **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 particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the financial year ended 31st March, 2018 is annexed hereto as Annexure 2 in prescribed Form AOC-2 and forms part of this report.

### **Explanation to Auditor's Remarks:**

The auditors' remarks in their report to the members and reply of Board of Directors with respect to the same are given below.

Note 4 of the financial statements indicate the balance of the accumulated Reserves & Surplus of the Company. Company has paid interim dividend on 16.01.2018 amounting to Rs. 4, 39, 03,528. Interim dividend along with dividend distribution tax is shown as deduction from the accumulated balance in the surplus account and has not transferred any amount to General reserves. The General reserve balance and profit and loss account as on balance sheet dates stood at Rs. 8, 41,253 and Rs. 32, 92,765 respectively.

### **Response of Board of Directors:**

The Board declared the interim dividend on the basis of profits and free reserves available on the date of declaration. This was in compliance of the relevant provisions of the Companies Act, 2013

### **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:**

Pursuant to Section 203 of the Companies Act 2013 and rules framed thereunder, your Company had appointed Shri. Sudheer Pallath as Chief Financial Officer of the Company on 25th January 2018. Dr. Vellanikaran Antony James and Shri. T B Ramakrishnan were appointed as Independent Directors (Additional Director) on 25th January 2018. CS Bahuleyan Raman Nalupurakkal was appointed on 16th May 2018 as Independent Director (Additional Director). Shri. T.B Ramakrishnan resigned w.e.f 10th October 2018. Their appointment CS Bahuleyan Raman Nalupurakkal and Dr. Vellanikaran Antony James as Independent Directors (Additional Directors) has to be regularized in this AGM and resolution for the same is set out in the notice calling AGM. Shri. William Varghese Chungath Cheru, Shri. Binu Kollanoor Skaria, Directors are retiring by rotation in the Annual General Meeting and being eligible,

## BRD MOTORS LIMITED

seeks re-appointment. Shri. John Mathai, Director resigned from the company with effect from 12.09.2017

Additional information required under Secretarial Standards on General Meetings in respect of Directors seeking appointment at this Annual General Meeting is included as Annexure III to Directors Report.

### **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 Company has constituted a CSR Committee which will be considering CSR proposals and recommending long term sustainable projects having positive impact in the society. The CSR committee will identify, evaluate the proposal and recommend the Board for approving the proposal considering various aspects of the same.

### **Internal Control System:**

Your Company has put in place an effective internal control system and scope of the internal control system is defined in various policies adopted by the Board/committees. Your Company has an Audit Committee and a dedicated team which oversees the entire internal control system and make recommendations to the Board based on its findings. The Board has taken measures to improve the quality of operations accounting and internal audit procedures within the Company and to ensure timely action on major concerns. The Board of Directors are hopeful that the efficiency of operations of the Company will improve in days to come.

### **Committees of the Board:**

As on date, the Board of Directors has the following Committees under provisions of the Companies Act 2013:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings held and attendance at meetings are detailed below.

### **Audit Committee:**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted primarily with the responsibility to supervise the Company's internal controls and financial reporting process. The members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation and Auditing. The composition, quorum, powers, role and scope of the Committee shall be in accordance with Section 177 of the Companies Act and rules framed thereunder.

The Audit committee had following Directors as its members. During the Financial Year 2017-18, 2 meetings of the Audit Committee were held on 18.08.2017 and 28.10.2017 respectively.

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

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The Company had inducted independent Directors to Audit Committee during the period under review. On 26th March 2018, the Audit Committee was reconstituted in the following manner-

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

No meetings of the committee was held after reconstitution. 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 committee mainly 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 improving 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.

<b>Name of Director</b>	<b>No. of meetings attended</b>
C C William varghese	2
Kochu Mathew C J	2
Sunitha A C	2

During the Financial Year 2017-18, 2 meetings of the NRC were held on 18.08.2017 and 28.10.2017 respectively. The Company had inducted independent Directors to committee during the period under review. On 26th March 2018, the Committee was reconstituted in the following manner:

1. Shri. C C Willaim Verghese
2. Shri. KochuMathew C J
3. Shri. Simon Cheru C
4. Shri. Ramakrishnan T B

No meetings of the committee was held after reconstitution.

### **Stakeholders Relationship Committee:**

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

<b>Name of Director</b>	<b>No. of meetings attended</b>
C C William Verghese	2
Sunitha A C	2
Roshini Simon	2

The Committee looks into the matters of Shareholders/ Investors grievances relating to transfer of shares, issue of duplicate shares, split certificate and related matters.

During the Financial Year 2017-18, 2 meetings of the Stakeholder Committee were held on 18.08.2017 and 28.10.2017 respectively. The Company had inducted independent Directors to committee during the period under review. On 26th March 2018, the Committee was reconstituted in the following manner:

1. Shri. C C William Verghese
2. Shri. Kochumathew C J
3. Shri. Samu K C
4. Shri. Antony James V

No meetings of the committee was held after reconstitution.

### **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.



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### **Disclosure on Establishment of a Vigil Mechanism:**

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

### **Dematerialisation of securities:**

The Ministry of Corporate Affairs (MCA) has made it mandatory for unlisted public Companies to allot its securities and to provide facility for transfer of securities in demat mode w.e.f 02nd October 2018. Allotment and transfer of securities in physical mode is not allowed w.e.f 02nd October 2018. In order to comply with the MCA direction, the Company has taken measures to dematerialize the shares and Non-convertible Debentures (NCDs) with National Securities Depository Limited and Central Depository Services Limited .

### **Statutory Auditors:**

The Company had appointed Shri. 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 the Annual General Meeting for the financial year 2016-17, held on 27.09.2017 until the conclusion of the Annual General Meeting to be held for the financial year 2021-22.

Earlier, Section 139(1) of the Companies Act 2013 had a proviso which prescribed ratification of appointment of Statutory Auditors in every consecutive Annual General Meetings. However, vide notification dated May 7, 2018 issued by

Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been included in notice of Annual General Meeting.

### **Cost Auditors:**

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

### **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, 2018, 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, 2018 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.

### **Cautionary Statement:**

Statements in this Boards report describing the Company's objectives, projections, estimates and expectations may be forward looking, within the meaning of the applicable laws, and regulations. Although the

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expectations are based on reasonable assumptions, the actual results might differ.

**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-

**William Varghese Chungath Cheru**

Chairman

( DIN:00074708)

THRISSUR  
09.10.2018

# BRD MOTORS LIMITED

ANNEXURE-1

FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2018

[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	S.K.D.C. Consultants Limited PB No. 2016, "Kanapathy Towers", 1391/A1, Sathy Road, Ganapathy Post, Coimbatore - 641006, Ph: +91 422 4958995, 2539835/ 836

### 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, Kunnampulam, Kerala - 680503	U45200KL2010PLC026202	Associate	48.78%	2(6)

## BRD MOTORS LIMITED

### 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	3567560	3567560	14.63%	Nil	3062712	3062712	12.56%	14.15%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A)(1)</b>	-	3567560	3567560	14.63%	Nil	3062712	3062712	12.56%	14.15%
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any othe	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	-	3567560	3567560	14.63%	Nil	3062712	3062712	12.56%	14.15%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

## BRD MOTORS LIMITED

### 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	2052538	2052538	8.41%	Nil	2076614	2076614	8.51%	1.17%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual share holders holding nominal share capital upto Rs. 1 lakh	-	7215579	7215579	29.58%	Nil	7566111	7566111	31.02%	4.86%
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1155172	1155172	47.38%	Nil	11685412	11685412	47.91%	0.53%
c) Others Specify									
<b>Sub-total (B)(2):-</b>	-	20823289	20823289	85.37%	Nil	21328137	21328137	87.44%	2.42%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>		20823289	20823289	85.37%	Nil	21328137	21328137	87.44%	2.42%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		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	C C William varghese	3567560	14.63%	-	3064118	12.56%	-	-14.11%
	<b>TOTAL</b>	<b>3567560</b>	<b>14.63%</b>	<b>-</b>	<b>3064118</b>	<b>12.56%</b>	<b>-</b>	<b>-14.11%</b>

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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	3567560	14.63%	3064118	12.56%	Purchase-28.07.2016-365035	3064118	12.56%

### 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%	1.53%
2	Sreedevi Vishnu	278461	1.14%	830332	3.40%	198.2%
2	Zarine M Punnoose	560335	2.29%	560335	2.29%	Nil
4	SML Finance Limited	505014	2.07%	529090	2.17%	4.76%
5	Prasad Punnoose	487773	1.99%	487773	1.99%	Nil
6	Geogy John Ukken	474006	1.94%	474006	1.94%	Nil
7	Sunitha A C	385512	1.58%	385512	1.58%	Nil
8	Mohan T V	344181	1.41%	346456	1.42%	0.66%
9	Appumon C K	292247	1.20%	257708	1.05%	-12.30%
10	Soumya Vishnu	246169	1.01%	246169	1.01%	Nil

\*\* Increase/decrease detail in share holding

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### v) Shareholding Pattern of Directors and Key Managerial Personnel :

S. No.	For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative 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	3567560	14.63%	3064118	12.56	-14.11%
2	Mary Williams	275901	1.13%	227163	0.93%	-17.67%
3	Binu K skaria	73931	0.30%	71931	0.29%	-2.71%
4	Griger Cherry Williams	200499	0.82%	188499	0.77%	-5.99%
5	Simon Cheru C	343718	1.41%	270618	1.11%	-21.27%
6	Kochu Mathew C J	370669	1.52%	374669	1.54%	1.08%
7	Baby Skaria	254371	1.04%	254371	1.04%	Nil
8	Samu K C	28488	0.12%	28488	0.12%	Nil
9	Vellanikkaran Antony James	1180	0.005%	1180	0.005%	Nil
10	T B Ramakrishnan	-	-	-	-	-

## BRD MOTORS LIMITED

### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3957108	-	-	3957108
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3957108</b>	<b>-</b>	<b>-</b>	<b>3957108</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3997810	-	-	3997810
Reduction	-	-	-	-
<b>Net Change</b>	<b>3997810</b>	<b>-</b>	<b>-</b>	<b>3997810</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7957918	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7957918</b>	<b>-</b>	<b>-</b>	<b>3957108</b>

### 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		
	<b>Total (A)</b>	-	-
	Ceiling as per the Act	-	



## BRD MOTORS LIMITED

### 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			56,000	56,000
	(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			56,000	56,000

## BRD MOTORS LIMITED

### 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

Sd/  
William Varghese Chungath Cheru  
Chairman  
(DIN:00074708)

Thrissur  
09.10.2018

#### Annexure 1 (a)

S No:	Directors Name	Date of Purchase	Purchase No. of Shares of	Date of Sale	Sale No. Shares
1	C C William Varghese	18-08-2017	244991	06-08-2017	539520
		09-01-2017	141180	18-08-2017	237000
		12-11-2017	5301	09-08-2017	6000
		25-01-2018	13200	12-11-2017	107000
				25-01-2018	20000
2	Mary Williams			06-08-2017	2738
				18-10-2017	45000
				12-11-2017	1000
3	Binu K Skaria			06-08-2017	2000
4	Griger Cherry Williams			06-08-2017	8000
				18-08-2017	4000
5	Simon Cheru C			06-08-2017	20000
				18-08-2017	42100
				12-11-2017	9000
				25-01-2018	2000
6	Kochu Mathew C J	12-11-17	4000		

## BRD MOTORS LIMITED

Annexure II

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts/ arrangements/ transactions	Nil
c.	Duration of the contracts / arrangements/ transactions	Nil
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e.	Justification for entering into such contracts or arrangements or transactions	Nil
f.	Date(s) of approval by the Board	Nil
g.	Amount paid as advances, if any:	Nil
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details		
a.	Name(s) of the related party and nature of relationship	BRD Car World LTD (Associate Company)		
b.	Nature of contracts/ arrangements/ transactions	Infrastructure Income (Rent Received)		
c.	Duration of the contracts / arrangements/ transactions	Subject to decision of the Board		
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	5,15,00,000		
e.	Date(s) of approval by the Board			
g.	Amount paid as advances, if any:	Nil	Nil	Nil

For and on behalf of the Board of Directors  
Sd/-

**William Varghese Chungath Cheru**  
Chairman & Managing Director  
( DIN:00074708)

Thrissur  
09.10.2018

## BRD MOTORS LIMITED

Additional information required under Secretarial Standards on General Meetings with respect to Directors seeking appointment- *Annexure III*

<b>Name of Director</b>	<b>Vellanikkaran Antony James</b>	<b>Bahuleyan Raman Nalupurakkal</b>
<b>Category &amp; proposed Designation</b>	Independent Non-Executive Director	Independent Non-Executive Director
<b>Age</b>	63	70
<b>Date of first appointment on Board</b>	21/07/2018 as Additional Director	25/01/2018 as Additional Director (Independent Non-Executive Director)
<b>Qualifications</b>	PhD, MBA, CAIIB, PGDGC, DCM	B.com (Hons), FCS
<b>Experience</b>	<ul style="list-style-type: none"><li>•Banking industry 30 years in managerial roles.</li><li>•Global HR head in a MNC, Dubai – 3 years.</li><li>•Visiting Faculty in leading management institute in Kerala</li></ul>	<ul style="list-style-type: none"><li>•More than 30 years experience in top management /senior management positions in premier public sector/private sector Companies.</li><li>•Company Secretary in leading public.</li></ul>
<b>Shareholding in the Company</b>	1180	Nil
<b>Number of meeting of the Board attended during the Financial period 2017-18/ Board meetings held during his tenure</b>	3/3	0/0

## BRD MOTORS LIMITED

<b>Directorships in other Companies.</b>	<ul style="list-style-type: none"> <li>•B R D Securities Limited</li> <li>•B R D Finance Limited</li> <li>•B R D Car World Limited</li> </ul>	<ul style="list-style-type: none"> <li>•B R D Security Limited</li> <li>•Ernad Nidhi Limited</li> <li>•B R D Finance limited</li> <li>•Rajputana Investment &amp; Finance Limited</li> </ul>
<b>Relationship with other Directors / KMP of the Company.</b>	Nil	Nil
<b>Terms and Conditions of appointment / reappointment</b>	<ul style="list-style-type: none"> <li>•Tenure- 5 years</li> <li>•Not liable to retire by rotation</li> <li>•Sitting fee and reimbursement for expenses incurred during the course of duty.</li> </ul>	<ul style="list-style-type: none"> <li>•Tenure- 5 years</li> <li>•Not liable to retire by rotation</li> <li>•Sitting fee and reimbursement for expenses incurred during the course of duty.</li> </ul>
<b>Remuneration sought to be paid.</b>	<ul style="list-style-type: none"> <li>•No remuneration as Independent Director.</li> <li>•Sitting fee and reimbursement for expenses incurred only during the course of duty.</li> </ul>	<ul style="list-style-type: none"> <li>•No remuneration as Independent Director.</li> <li>•Sitting fee and reimbursement for expenses incurred only during the course of duty.</li> </ul>
<b>Remuneration during Financial period 2017-18.</b>	N.A	N.A

For and on behalf of the Board of Directors

Sd/  
**William Varghese Chungath Cheru**  
Chairman  
(DIN:00074708)

Thrissur  
09.10.2018

## **BRD MOTORS LIMITED**

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### **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, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year 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, 2018, and its

## BRD MOTORS LIMITED

Profit/Loss and its Cash Flow for the year ended on that date.

### EMPHASIS OF MATTER

We draw attention to the following matters in the notes to the financial statements:

Note 4 of the financial statements indicate the balance of the accumulated Reserves & Surplus of the Company. Company has paid interim dividend on 16.01.2018 amounting to Rs. 4, 39, 03,528. Interim dividend along with dividend distribution tax is shown as deduction from the accumulated balance in the surplus account and has not transferred any amount to General reserves. The General reserve balance and profit and loss account as on balance sheet dates stood at Rs. 8, 41,253 and Rs. 32, 92,765 respectively. Our opinion is not modified in respect of these matters.

### 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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.

Aluva,  
12.09.2018.

Damodaran P Namboodiri, ACA  
Chartered Accountants  
Membership No. 221178

## BRD MOTORS LIMITED

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### "ANNEXURE A" TO THE INDEPENDENT AUDITORS' 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, 2018:

- 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, 2018 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,  
12.09.2018.

Damodaran P Namboodiri ACA  
Chartered Accountant  
Membership No. 221178

### 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, 2018 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

## BRD MOTORS LIMITED

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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, 2018, 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.

Aluva,  
12.09.2018

**Damodaran P Namboodiri** ACA  
Chartered Accountant  
Membership No.221178

## BRD MOTORS LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	243,908,490	243,908,490
(b) Reserves and Surplus	4	63,015,498	82,345,516
<b>(2) Non-Current Liabilities:</b>			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liability (net )	5	1,229,600	996,300
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(3) Non-Current Liabilities:</b>			
(a) Short Term Borrowings	6	11,476,441	5,558,496
(b) Trade Payables	7	5,076,416	291,027
(c) Other Current Liabilities	8	77,380,018	72,114,140
(d) Short Term Provisions	9	12,603,966	21,011,169
Total		<u>414,690,428</u>	<u>426,225,138</u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets:</b>			
(a) Fixed Assets			
i) Property, Plant & Equipments	10	40,406,831	42,193,049
ii) Intangible Assets		-	-
iii) Capital WIP		-	-
(b) Non-Current Investments	11	273,175,372	272,911,959
(c) Deferred Tax Asset ( net )		-	-
(d) Long Term Loans and Advances	12	3,560,185	3,390,185
(e) Other Non Current Assets		-	-
<b>(2) Current Assets:</b>			
(a) Current Investments		-	-
(b) Inventories	13	42,147,615	40,055,417
(c) Trade Receivables	14	11,816,228	12,885,055
(d) Cash and Cash Equivalents	15	1,768,798	1,752,736
(e) Short Term Loans and Advances	16	24,319,102	23,444,795
(f) Other Current Assets	17	17,496,296	29,591,943
Total		<u>414,690,428</u>	<u>426,225,138</u>

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

“As per our report of even date”

Sd/-  
**DAMODARAN P NAMBOODIRI, ACA**  
Chartered Accountant  
M.No. 221178  
Aluva  
12.09.2018

Sd/-  
**P. SUDHEER**  
Chief Financial Officer

Sd/-  
**C.C. WILLIAM VARGHESE**  
Chairman  
( DIN: 00074708)  
Sd/-  
**C. SIMON CHERU**  
Managing Director  
( DIN:00074163)  
Thrissur  
12.09.2018

## BRD MOTORS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>INCOME:</b>			
Revenue From Operations	18	147,624,699	148,225,642
Other Income	19	79,603,124	109,616,666
<b>TOTAL</b>		<b>227,227,823</b>	<b>257,842,308</b>
<b>EXPENSES:</b>			
Purchase of stock-in-trade	20	130,035,703	124,505,451
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(2,092,198)	3,417,271
Employee benefit expense	22	26,492,371	17,980,603
Finance cost	23	3,253,986	1,806,154
Depreciation and amortization Expenses	10	2,169,920	2,675,892
Other expense	24	21,850,611	21,804,212
<b>TOTAL</b>		<b>181,710,393</b>	<b>172,189,583</b>
Profit before Tax		45,517,430	85,652,725
Tax Expense			
Current tax		11,772,894	20,044,733
Deferred Tax		233,300	231,100
		12,006,194	20,275,833
Profit/(-) Loss after Tax		33,511,236	65,376,892
Earnings per equity share ( Basic and Diluted )	25	1.37	2.68
Adjusted earnings per share		1.37	2.68
Notes are an integral part of the financial statements	1-27		

“As per our report of even date”

Sd/-  
**DAMODARAN P NAMBOODIRI, ACA**  
Chartered Accountant  
M.No. 221178  
Aluva  
12.09.2018

Sd/-  
**P. SUDHEER**  
Chief Financial Officer

Sd/-  
**C.C. WILLIAM VARGHESE**  
Chairman  
(DIN: 00074708)  
Sd/-  
**C. SIMON CHERU**  
Managing Director  
(DIN:00074163)  
Thrissur  
12.09.2018

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

#### 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 Property, Plant & Equipments

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing

## **BRD MOTORS LIMITED**

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### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### **2.5 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

#### **2.6 Depreciation and amortization**

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

\* Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortised over a period of five years, being its estimated useful life.

#### **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 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

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

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.

**2.9 Employee benefits**

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense)

**i . Gratuity**

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effects of any plan amendments are recognised in the statement of profit and loss.

**ii. Provident Fund**

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund.

The Company has no further obligation to the plan beyond its monthly contributions.

## **BRD MOTORS LIMITED**

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### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

#### **2.10 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.

#### **2.11 Income taxes**

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **2.12 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.

#### **2.13 Trade receivables and Loans and advances**

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.



### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

#### **2.14 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.

#### **2.15 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.

#### **2.16 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.

#### **2.17 Provisions and Contingent liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

3 SHARE CAPITAL	31.03.2018	31.03.2017
	Rs.	Rs.
<b>Share Capital</b>		
<b>Authorized :</b>		
The Authorised, issued, subscribed and paid-up share capital comprises of equity shares having a par value		
2,50,00,000 (31 Mar 2017 : 2,50,00,000) Equity shares of ₹ 10/- each	250,000,000	250,000,000
<b>Issued, Subscribed and Paid-up</b>		
2,43,90,849 (31 Mar 2017 : 2,43,90,849) Equity shares of ₹10/- each	243,908,490	243,908,490
<b>i. Terms / rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>ii. Reconciliation of the shares at the beginning and at the end of the reporting period:</b>		
Shares outstanding at the beginning of the year	24,390,849	24,390,849
Add: Fresh Issue	-	-
Right Issue	-	-
Bonus Issue	-	-
Less : Shares bought back	-	-
Reduction in share capital	-	-
Shares outstanding at the end of the year	24,390,849	24,390,849
(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)		
<b>iii. List of shareholders holding more than 5% of share capital</b>		
Name of Shareholder	<b>31.03.2018</b>	<b>31.03.2017</b>
	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	3,057,581	3,203,931
BRD Finance LTD	1,547,524	1,524,149
	<b>31.03.2018</b>	<b>31.03.2017</b>
	Rs.	Rs.
<b>4 RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	3,292,765	-
(+) Additions/ transfers during the Year	-	3,292,765
	<u>3,292,765</u>	<u>3,292,765</u>
<b>Securities Premium Account:</b>		
Opening balance	58,881,480	58,881,480
Additions during the year (+)	-	-
Issue of Bonus shares (-)	-	-
Closing Balance	<u>58,881,480</u>	<u>58,881,480</u>
<b>Profit and Loss Account</b>		
Opening Balance	20,171,271	10,928,398
Balance from Statement of Profit and Loss (+)	33,511,236	65,376,892
Interim Dividend Paid (-)	43,903,528	43,903,528
Dividend Tax (-)	8,937,726	8,937,726
Transfer to General Reserves (-)	-	-
Closing Balance	<u>841,253</u>	<u>20,171,271</u>
<b>TOTAL</b>	<u>63,015,498</u>	<u>82,345,516</u>

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

	31.03.2018 Rs	31.03.2017 Rs	
<b>5 DEFERRED TAX LIABILITY (Net)</b>			
Tax effect of items constituting deferred tax liability :			
On difference between book balance and tax balance of fixed assets	1,229,600	996,300	
<b>TOTAL</b>	<u>1,229,600</u>	<u>996,300</u>	
<b>6 SHORT TERM BORROWINGS</b>			
(a) Loans repayable on demand			
From Banks			
Secured	7,954,918	3,957,108	
(b) Other loans and advances			
Unsecured	-	-	
Advance From Customers	3,521,523	1,601,388	
<b>TOTAL</b>	<u>11,476,441</u>	<u>5,558,496</u>	
<b>Nature of Security</b>			
(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.			
<b>7 TRADE PAYABLES</b>			
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	5,076,416	291,027	
<b>TOTAL</b>	<u>5,076,416</u>	<u>291,027</u>	
<b>TRADE PAYABLES - DUES TO MICRO AND SMALL ENTERPRISES (as per the intimation received from vendors)</b>			
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	-	-	
<b>8 OTHER CURRENT LIABILITIES</b>			
Other payables			
Statutory remittances	8,378,351	3,357,081	
Expenses Payable	1,761,207	1,516,599	
Others	67,240,460	67,240,460	
<b>TOTAL</b>	<u>77,380,018</u>	<u>72,114,140</u>	

# BRD MOTORS LIMITED

Rs.

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost upto 1.4.2017	Addi- tions	Deli- tions	Cost upto 31.3.2018	Upto 31.3.2017	For the year	Deli- tions	Upto 31.3.2018	As at 31.3.2017	As at 31.3.2018
Land	10,399,709	-	-	10,399,709	-	-	-	-	10,399,709	10,399,709
Building	47,224,485	27,180.89	-	47,251,665	18,853,565	1,401,878	-	20,255,443	28,370,919	26,996,222
Computer & Accessories	5,224,620	66,833	-	5,291,453	4,903,957	54,289	-	4,958,246	320,663	333,207
Electrical Equipments & Fittings	5,138,665	12,798	-	5,151,462	4,343,631	231,964	-	4,575,595	795,033	575,868
Furniture & Fittings	5,415,213	-	-	5,415,213	4,758,803	146,404	-	4,905,207	656,410	510,007
Office Equipments	1,544,865	4,500	-	1,549,365	1,445,235	16,083	-	1,461,317	99,630	88,048
Tools & Equipments	4,508,211	14,464	-	4,522,675	3,360,989	226,633.26	-	3,587,622	1,147,223	935,053
Vehicles	5,014,648	320,000	1,095,695	4,238,953	4,611,187	92,670	1,033,622	3,670,235	403,461	568,718
Total	84,470,415	445,776	1,095,695	83,820,496	42,277,366	2,169,920	1,033,622	43,413,665	42,193,049	40,406,831

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

	31.03.2018	31.03.2017
	Rs	Rs
<b>9 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits		
Provision for gratuity	831,072	966,437
(b) Provision - Others:		
Provision for Income Tax	<u>11,772,894</u>	<u>20,044,732</u>
<b>TOTAL</b>	<u><b>12,603,966</b></u>	<u><b>21,011,169</b></u>
<b>11 NON-CURRENT INVESTMENTS</b>		
(a) Non-Trade Investments - Unquoted		
Investment in shares of		
BRD Car World -70,45,000 shares @ 10 each	70,450,000	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 - Total No. of Shares961494	<u>68,949,920</u>	<u>69,399,920</u>
(b) Investment in partnership firms	<u>123,725,452</u>	<u>123,462,039</u>
<b>TOTAL</b>	<u><b>273,175,372</b></u>	<u><b>272,911,959</b></u>
<b>12 LONG TERM LOANS AND ADVANCES</b>		
(a) Security deposits		
Unsecured, considered good	<u>3,560,185</u>	<u>3,390,185</u>
<b>TOTAL</b>	<u><b>3,560,185</b></u>	<u><b>3,390,185</b></u>
<b>13 INVENTORIES</b>		
Stock - in - Trade		
(a) Vehicles	26,034,891	22,414,437
(b) Used Vehicle	251,750	251,750
(c) Fabricated Structures	232,350	112,365
(d) Spares	<u>15,628,624</u>	<u>17,276,865</u>
<b>TOTAL</b>	<u><b>42,147,615</b></u>	<u><b>40,055,417</b></u>
<b>14 TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured considered good	261,830	85,606
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
Other Trade receivables		
Secured, considered good	-	-
Unsecured considered good	11,554,399	12,799,449
Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
<b>TOTAL</b>	<u><b>11,816,228</b></u>	<u><b>12,885,055</b></u>
<b>15 CASH AND CASH EQUIVALENTS</b>		
(a) Cash in hand	990,377	1,136,972
(b) Balance with banks		
In Current Accounts	<u>778,421</u>	<u>615,764</u>
<b>TOTAL</b>	<u><b>1,768,798</b></u>	<u><b>1,752,736</b></u>

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31.03.2018 Rs	31.03.2017 Rs
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
(a) Loans and advances to related parties	-	-
(b) Balances with government authorities		
Unsecured, considered good		
Income Tax refund	-	735,610
Income Tax Advance & TDS	11,607,805	4,209,289
Others (Unsecured, considered good)		
Loans and advances to employees	168,029	208,664
Prepaid expenses	66,043	151,088
Advance to suppliers	648,216	11,549,736
Other Advances	11,829,008	6,590,408
TOTAL	<u>24,319,102</u>	<u>23,444,795</u>
<b>17 OTHER CURRENT ASSETS</b>		
Accruals		
Interest accrued on deposits	123,943	167,557
Others		
PVPL Receivable	1,132,720	1,155,534
Rent / Infrastructure Income Receivable	15,639,372	27,519,372
Other Receivables	600,261	749,479
TOTAL	<u>17,496,296</u>	<u>29,591,943</u>
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of products	147,624,699	148,225,642
TOTAL	<u>147,624,699</u>	<u>148,225,642</u>
<b>19 OTHER INCOME</b>		
Interest on Deposits	480,293	1,033,272
Dividend income	5,934,109	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	370,877	50,915
Documentation Charges Received	1,596,171	1,396,406
Insurance Commission Received	223,706	402,478
Labour Charges	5,356,701	4,816,003
Patch Work	8,312,909	3,763,501
Rent/ Infrastructure Income Received	51,832,250	30,298,750
Other miscellaneous income	2,024,277	2,138,059
Sundry Balance w/off	-	1,904,724
Profit on Sale of Fixed Asset	587,927	-
Excise Duty Credit (TRAN 1)	2,883,904	-
TOTAL	<u>79,603,124</u>	<u>109,616,666</u>
<b>21 PURCHASE OF STOCK-IN-TRADE</b>		
Purchases		
Vehicles	109,498,717	96,658,240
Fabrication	1,602,640	884,487
Spares	18,934,346	26,962,723
TOTAL	<u>130,035,703</u>	<u>124,505,451</u>

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31.03.2018	31.03.2017
	Rs	Rs
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Inventories at the end of the year:		
Vehicles	26,286,641	22,666,187
Fabrication	232,350	112,365
Spares	<u>15,628,624</u>	<u>17,276,865</u>
	<u>42,147,615</u>	<u>40,055,417</u>
Inventories at the beginning of the year:		
Vehicles	22,666,187	28,014,012
Fabrication	112,365	1,281,585
Spares	<u>17,276,865</u>	<u>14,177,091</u>
	<u>40,055,417</u>	<u>43,472,688</u>
Net (increase) / decrease	<u>(2,092,198)</u>	<u>3,417,271</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	23,345,783	15,131,531
Contributions to provident and other funds	<u>3,146,588</u>	<u>2,849,072</u>
<b>TOTAL</b>	<u>26,492,371</u>	<u>17,980,603</u>
<b>Details of Employee Benefits : Disclosures required under Accounting Standard 15 - Employee Benefits ( Revised 2005)</b>		
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	<u>1,974,934</u>	<u>1,385,916</u>
Employers Contribution to Employee's State Insurance	<u>813,254</u>	<u>501,007</u>
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	3,862,642	3,151,696
Interest Cost	309,011	252,135
Current Service Cost	408,986	369,053
Benefits paid	(550,316)	(343,444)
Actuarial (Gain)/Loss	(175,434)	433,202
Present value of obligations at the end of the period	<u>3,854,889</u>	<u>3,862,642</u>
iii. Assets		
Fair value of Plant Assets at the beginning of the year	2,896,205	2,225,484
Acquisition Adjustment	-	314,998
Expected return of Assets	195,723	219,169
Contributions	482,205	479,998
Benefits paid	(550,316)	(343,444)
Actuarial (Gain)/Loss	-	-
Fair value of Plant Assets at the end of the year	<u>3,023,817</u>	<u>2,896,205</u>

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31.03.2018 Rs	31.03.2017 Rs
iv. Net Asset/Liability to be recognised in the Balance Sheet		
Present value of obligations at the end of the period	3,854,889	3,862,642
Fair value of Plan Assets at the end of the period	3,023,817	2,896,205
Funded Status	(831,072)	(966,437)
Unrecognised Actuarial (Gain)/Losses	-	-
Net Asst/Liability to be recognised in Balance Sheet	(831,072)	(966,437)
v. Expenses recognized in the Profit and Loss Account		
Current Service Cost	408,986	369,053
Past Service Cost	-	-
Interest Cost	309,011	252,135
Expected Return on Plan Assets	(195,723)	(219,169)
Net Actuarial (Gain)/Loss recognised in the period	(175,434)	433,202
Expenses recognised in the statement of Profit and Loss Account	346,840	835,221
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.		
<b>24 FINANCE COST</b>		
(a) Interest expense on :		
Borrowings	1,876,586	1,669,387
Inter-corporate deposit	-	136,767
Others		
Interest on delayed payment of income tax	1,377,400	-
TOTAL	3,253,986	1,806,154
<b>25 OTHER EXPENSES</b>		
Advertisement Expenses	-	1,943
Annual General Meeting exp	371,250	364,711
Audit Expenses	-	17,290
Audit Fee	150,000	176,250
Bank Charges	426,624	167,265
Discount paid	235,265	1,590,115
Trade Discount & Selling Promotion Expense	2,567,426	3,506,421
Donation	15,200	23,440
Electricity Charges	1,470,511	1,451,134
Filing Fee	47,700	52,200
Freight and Cooly	5,617,553	264,833
Generator Diesel Expenses	383,573	219,592
Gratuity Risk Premium	17,795	20,002
Income Tax	313,180	2,529,531
Insurance	289,732	258,718



## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31.03.2018	31.03.2017
	Rs	Rs
Internet & Broadband Expenses	19,507	81,104
Legal Charges	6,840	20,705
Lorry Expenses	22,614	280,519
Miscellaneous Expenses	16,462	3,194
Newspaper & Periodicals	19,630	20,447
Office Expenses	157,173	159,726
Packing & Forwarding	7,420	11,170
Patch Work Expenses	4,730,820	1,717,199
PDI Expenses	29,611	21,543
Postage & Telephone	88,075	140,382
Printing & Stationary	387,529	356,489
Rates & Taxes	226,845	418,215
Refreshment Expenses	617,707	618,541
Rent	799,148	657,772
Repair & Maintenance	308,899	318,934
Repairs for Vehicles	114,782	233,753
Round Off	178	7
Service Tax paid	36,174	15,526
Service Camp Expenses	-	1,500
Software Expenses	53,500	73,575
Spare Parts Expenses	131,129	534,403
Sundry Parties w/Off	-	1,509,048
Training Programme Expenses	10,878	13,552
Transportation Charges	230,240	2,070,812
Travelling Expenses	504,764	636,320
Unloading Charges	38,941	33,377
VAT-Paid	159,561	260,330
Vehicle Demo Expenses	308,828	324,485
Workshop Expenses	917,547	628,140
<b>TOTAL</b>	<b>21,850,611</b>	<b>21,804,212</b>
Payment to the auditors comprises		
As auditors - statutory audit	100,000	88,500
For taxation matters	30,000	35,400
For other services	20,000	23,600
<b>TOTAL</b>	<b>150,000</b>	<b>147,500</b>
<b>25 EARNINGS PER SHARE (BASIC &amp; DILUTED) :</b>		
Profit after tax	33,511,236	65,376,892
Weighted average number of shares	24,390,849	24,390,849
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	1.37	2.68

## BRD MOTORS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	31.03.2018	31.03.2017		
	Rs	Rs		
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 Sudheer Pallath			
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			
The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the Auditors.				
(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)	-	-	- (136,767)
Interest Received	399,240 (890,403)	-	-	399,240 (890,403)
Infrastructure Income	51,500,000 (30,000,000)			51,500,000 (30,000,000)
Inter Corporate Deposits paid	47,000,000 (12,000,000)	-	-	47,000,000 (12,000,000)
Inter Corporate Deposits Received	47,000,000	-	-	47,000,000
Remuneration		56,000	-	56,000
27 Previous year figures have been regrouped wherever found necessary.				

“As per our report of even date”

Sd/-  
**DAMODARAN P NAMBOODIRI, ACA**  
Chartered Accountant  
M.No. 221178  
Aluva  
12.09.2018

Sd/-  
**P. SUDHEER**  
Chief Financial Officer

Sd/-  
**C.C. WILLIAM VARGHESE**  
Chairman  
( DIN: 00074708)  
Sd/-  
**C. SIMON CHERU**  
Managing Director  
( DIN:00074163)  
Thrissur  
12.09.2018

## BRD MOTORS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR 31<sup>ST</sup> MARCH 2018.

Particulars	31.03.2018	31.03.2017
	Rs.	Rs.
<b>A. Cash Flow from Operating activities</b>		
Net profit Before Taxation	45,517,430	85,652,724
Adjustment for:		
Provision for Depreciation	2,169,920	2,675,892
Interest on Borrowings	1,876,586	1,806,154
Income Tax	1,631,732	2,529,531
Provision for gratuity	(135,365)	954,729
Interest income	(511,983)	(1,033,272)
Dividend income	(5,934,109)	(1,738,429)
Profit on sale of Fixed Assets	(587,927)	(62,074,129)
Share of profit from partnership firms	(370,877)	(50,915)
Sundry balances written off	-	(394,859)
	(1,862,023)	(57,325,296)
Operating profit before working capital changes	43,655,407	28,327,428
(Increase)/Decrease in Trade receivable	1,068,827	(5,078,405)
(Increase)/Decrease in Inventories	(2,092,198)	3,417,271
(Increase)/Decrease in Other Current Assets	11,445,646	(26,537,687)
(Increase)/Decrease in Long term loans and advances	(170,000)	(38,450)
(Increase)/Decrease in Short term loans and advances	6,318,493	(7,746,402)
Increase/(Decrease) in Trade payables	4,785,389	(175,062)
Increase/(Decrease) in Other current liabilities	5,265,878	807,755
	27,272,035	(35,350,980)
Cash from operations	70,927,442	(7,023,552)
Income tax paid	(28,761,800)	(6,653,539)
Net cash from operating activities	42,165,641	(13,677,090)
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed assets	(445,776)	(695,124)
Sale of Fixed assets	650,000	69,375,000
Interest Income	511,983	1,033,272
Dividend received	5,934,109	1,738,429
Purchase of investments	-	-
Net cash from Investing activities	6,650,317	71,451,577
<b>C. Cash flow from Financing activities</b>		
Repayment of Long term Borrowings	-	(12,000,000)
Increase in Short term Borrowings	5,917,945	2,679,604
Dividend paid	(43,903,528)	(43,903,528)
Dividend Tax paid	(8,937,726)	(8,937,726)
Interest on borrowings	(1,876,586)	(1,806,154)
Net Cash flow from Financing Activities	(48,799,895)	(63,967,804)
Net Increase/Decrease in Cash & Cash Equivalents	16,063	(6,193,317)
Cash and cash equivalents at the beginning of the year	1,752,736	7,946,054
Cash and cash equivalents at the end of the year	1,768,799	1,752,736

“As per our report of even date”

Sd/-  
**DAMODARAN P NAMBOODIRI, ACA**  
Chartered Accountant  
M.No. 221178  
Aluva  
12.09.2018

Sd/-  
**P. SUDHEER**  
Chief Financial Officer

Sd/-  
**C.C. WILLIAM VARGHESE**  
Chairman  
(DIN: 00074708)  
Sd/-  
**C. SIMON CHERU**  
Managing Director  
(DIN:00074163)  
Thrissur  
12.09.2018



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