

***BRD MOTORS LIMITED***

*22<sup>nd</sup> ANNUAL REPORT  
2020-2021*

## **CORPORATE INFORMATION**

### **Board of Directors**

<i>WILLIAM VARGHESE CHUNGATH CHERU</i>	<i>Chairman</i>
<i>CHUNGATH CHERU SIMON</i>	<i>Managing Director</i>
<i>KOLLANNOOR CHUMMAR SAMU</i>	<i>Director</i>
<i>BAHULEYAN RAMAN NALUPURAKKAL</i>	<i>Independent Director</i>
<i>SUNNY MATHEW</i>	<i>Independent Director</i>
<i>MATHEW JOSE</i>	<i>Independent Director</i>

### **Registered Office**

*TKM Complex Kokkalai , Thrissur, Kerala – 680 021 India  
Ph: 048-2358217, E- mail: brdmotors@brdgroup.net website: www. brdgroup.net*

*Chief Financial officer: Santhosh VN  
Company Secretary : Saranya Shanker*

### **Statutory Auditors:**

*CA Damodaran P Namboodiri  
Membership No: 221178*

### **Bankers to the Company**

*HDFC Bank Limited  
South Indian Bank Limited  
SBI Limited  
Indian overseas Bank*

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## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2020-2021

**To  
Dear Members**

Your directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March,2021.

### Company Overview

BRD Motors Limited is a Public Limited Company incorporated on 09 th March 1999 with main objects of purchase, sell and deal in all types of motor vehicles including by way agency, dealership and distribution and its accessories. Presently, Company resolved to discontinue Piaggio Vehicles dealership and about to start a new line of business of Pre-owned luxury cars all over Kerala . The demand for used vehicles is expected to expand in coming time as customers searching for customized mobility in a safer condition would request so. Show room modifications for the operations of proposed business is going on and looking forward for a high growth in future time .

### Financial Highlights:

A Summary of company's Standalone Financial results for the Financial Year 2020-21 is as under:  
Rs

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2021</b>	<b>Year ended 31<sup>st</sup> March 2020</b>
Revenue from operation	7,67,930	10,31,41,764
Other income	1,85,085	1,16,69,116
Expense	3,39,75,802	21,29,21,278
Profit/(Loss) before taxation	(3,30,22,787)	(9,81,10,398)
<i>Less : Tax Expense</i>		-----
Current Tax		
Income tax prior period		33,70,318
Deferred Tax	(13,73,000)	(1,10,567)
<b>Profit/(Loss) after tax</b>	<b>(3,16,49,787)</b>	<b>(10,13,70,150)</b>

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

During the financial year, Company's profit/ loss before taxation is (3,30,22,787). Revenue from the operations & other income of the company has decreased from Rs.11,48,10,880 to Rs. 9,53,015 and expenses were decreased from Rs. 21,29,21,278 to Rs. 3,39,75,802

**Change in nature of business, if any:**

The Company has decided to discontinue the dealership with " Piaggio" and operations for start –up of new business of pre- owned Luxury cars is on move at Konikkara , Thrissur. Management is evaluating other proposals also to continue the business.

**Dividend:**

The Board of Directors do not recommend any final dividend for the financial year 2020-21 .

**Amounts Transferred to Reserves:**

The Board has not proposed to transfer any amount to its General reserves. The total reserves and surplus as on 31<sup>st</sup> March 2021 stands at Rs.(6,94,94,318)/-.

**Changes in Share Capital, if any:**

During the Financial Year 2020-21, There were no changes in the Authorised share capital ,subscribed, issued and paid up capital of the Company.

**a. Disclosure regarding Issue of Equity Shares with Differential Rights:**

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

**b. Disclosure regarding issue of Employee Stock Options:**

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

**c. Disclosure regarding issue of Sweat Equity Shares:**

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

**Extract of Annual Return:**

The extract of Annual Return in form no.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2021 is annexed hereto as Annexure 1and forms part of this report.

**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 7 Directors as on 31st March 2021.The name, designation, date of appointment and the number of Board meetings attended by each of them in the FY 2020-21 are given below-

Sl No	Name of Director	Designation	Date of Appointment	No.of Board Meetings attended
1	William Varghese ChungathCheru	Director	09.03.1999	7

2	Chungath Cheru Simon	Managing Director	23.03.2006	8
3	Kollannoor ChummarSamu	Director	31.03.1999	7
4	Kochu Mathew Chowailoor Joseph	Director	10.10.2013	5
5	Bahuleyan Raman Nalupurakkal	Independent Director	16.05.2018	8
6	Mathew Jose	Independent Director	11.03.2019	8
7	Sunny Mathew	Independent Director	11.03.2019	7

### Number of Board Meetings:

During the Financial Year 2020-21, Eight 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	28/05/2020	8	6
2	19/08/2020	8	6
3	24/11/2020	8	7
4	07/12/2020	8	6
5	12/02/2021	7	6
6	22/02/2021	7	7
7	10/03/2021	7	7
8	22/03/2021	7	5

### Particulars of Loan, Guarantees and Investments under Section 186

The company has complied with the provisions of section 186 of Companies Act 2013 in relation to Loans , Investments , Guarantees and security given by the company .

### 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 31 st March 2021 is annexed here to 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.

### *Basis for qualified opinion*

*The company has long-term investments in subsidiaries, associates and group entities aggregating to 14.94 Crores as at 31 March 2021. The company records its long-term investments at cost. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17 ; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realising the carrying value of its investments. Accordingly we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.*

### Response of Board of Directors

*Stock of shares whereof unquoted securities and its actual expenditure was accounted. As per Board's opinion, the value adopted was reasonable and fair. Company has appointed Registered valuer and share valuation expect to complete during this financial year.*

## **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:**

Your Board of Directors are concerned about the risk management functions of the Company. Your company has taken measures to address risks associated with business and has a dedicated team to overlook the risks involved in operations of the Company.

### **Details of Directors and Key Managerial Personnel:**

Pursuant to Section 203 of the Companies Act 2013 and rules framed thereunder, Sri Santhosh VN appointed as Chief financial officer of the Company with effect from 19 th August 2020 .

Mr. Kochumathew Chowailoor Joseph (DIN: 02685057), who was liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013, did not seek re-election in the 22 nd AGM held on 30 th September 2021 not re-appointed as Director of the Company.

Mr. Kollannoor Chummar Samu (DIN: 00570605), who was liable to retire by rotation in terms of Section 152(6) of Companies Act, 2013 re-appointed as director of the Company at the Annual General meeting of the Company held on 30 th September 2021.

### **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:**

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.

## 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. During the Financial Year 2020-21, 2 meetings of the Audit Committee were held on 07.12.2020 and 03.03.2021 respectively. Committee members and their attendance details as follows.

Name of Director	No. of meetings attended
William Varghese ChungathCheru	2
KochumathewChowalloor Joseph	2
Sunny Mathew	2
Bahuleyan Raman Nalupurakkal	2
Mathew Jose	2

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



### **Nomination & Remuneration Committee:**

The 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. During the Financial Year 2020-21, Committee meeting held on 19 th August 2020. Committee members and their attendance details as follows.

Name of Director	No. of meetings attended
William Varghese ChungathCheru	1
Samu KC	1
Simon Cheru C	1
Sunny Mathew	1
NR Bahuleyan	1
Mathew Jose	1

### **Stakeholders Relationship Committee:**

The committee look into the matters of Shareholders / Investors grievances relating to transfer of shares ,issue of duplicate shares, split certificates and related matters . During the Financial Year 2020-21, meetings of the Stakeholder Relationship Committee held on 10 th March 2021 Committee members and their attendance details as follows.

Name of Director	No. of meetings attended
William Varghese ChungathCheru	1
Simon Cheru C	1
Samu KC	1
Mathew Jose	1
Sunny Mathew	1
NR Bahuleyan	1

**Annual Evaluation:**

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

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

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

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

The company is not required to constitute a vigil mechanism pursuant to the provision of the Companies Act, 2013 and the rules framed there under.

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

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

**Disclosure u/s 143(12):**

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

**Statutory Auditors:**

The Company 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.

**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, 2021, 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, 2021 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 expectations are based on reasonable assumptions, actual results might differ.

### **Acknowledgment:**

Your Directors wish to place on record their appreciation, for the contribution, hardwork and support of the employees of your Company. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

**For and on behalf of the Board of Directors**

Sd/-  
William Varghese ChungathCheru  
Chairman( DIN:00074708)

Place: Kunnakulam  
Date : 05.11.2021

**ANNEXURE-1****Form No. MGT-9****EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2021**

[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:**

CIN	U50101KL1999PLC012864
Registration Date	09/03/1999
Name of the Company	BRD Motors LTD
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	TKM Complex, Kokkalai, Thrissur, Kerala – 680021 E mail: brdmotors@brdgroup.net Phone: 0487-2358217
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. Consultants Limited " Surya ",35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028  Email- info@skdc-consultants.com

**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 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, 2 <sup>nd</sup> Floor, Bethany Complex, Thrissur Road, Kunnampulam, Kerala - 680503	U45200KL2010PLC026202	Associate	48.78%	2(6)
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#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i). Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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	15134	3088301	3103435	12.72%	15134	3088301	3103435	12.72%	Nil	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	
j) Bodies Corp.	-	-	-	-	-	-	-	-	-	
k) Banks/FI	-	-	-	-	-	-	-	-	-	
l) Any Other.....	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(1):-</b>	15134	3088301	3103435	12.72%	15134	3088301	3103435	12.72%	Nil	
<b>(2). Foreign</b>										
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	-	
e) Any other.....	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2):-</b>	-	-	-	-	-	-	-	-	-	
<b>Total shareholding of Promoter(A) = (A)(1) + (A)(2)</b>	15134	3088301	3103435	12.72%	15134	3088301	3103435	12.72%	Nil	
<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) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1547524	529090	2076614	8.51%	1547524	529090	2076614	8.51%	Nil
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	77193	7418393	7495586	30.7%	77193	7418393	7495586	30.7%	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	82202	11633012	11715214	48.03%	82202	11633012	11715214	48.03%	Nil
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	159395	19051405	19210800	87.2%	159395	19051405	19210800	87.2%	Nil
<b>Total Public Shareholding (B) = (B)(1) +</b>	1706919	19580495	21287414	87.2%	1706919	19580495	21287414	87.2%	Nil

<b>(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1722053</b>	<b>22668796</b>	<b>24390849</b>	<b>100%</b>	<b>1722053</b>	<b>22668796</b>	<b>24390849</b>	<b>100%</b>	<b>Nil</b>

**ii). Shareholding of Promoters**

Sl. 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	3103435	12.72%	-	3103435	12.72%	-	Nil
	Total	3103435	12.72%	-	3103435	12.72%	-	Nil

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

Sl. No.	Shareholder's name	Shareholding at the beginning of the year		Cumulative Shareholding 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
<b>1</b>	C C William Varghese	3103435	12.72%	Nil	Nil	Nil	3103435	12.72%

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

Sl. No.	For each of the Top 10 Shareholders	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	1547524	6.34%	1547524	6.34%	Nil
2	Sreedevi Vishnu	830332	3.40%	830332	3.40%	Nil
3	Zarine M Punnoose	560335	2.29%	560335	2.29%	Nil
4	SML Finance Limited	529090	2.17%	529090	2.17%	Nil
5	Prasad Punnoose	487773	1.99%	487773	1.99%	Nil
6	Geogy John Ukken	472389	1.9%	472389	1.9%	Nil
7	Sunitha A C	385512	1.58%	385512	1.58%	Nil
8	Mohan T V	346466	1.42%	346466	1.42%	Nil
9	John Mathai	339789	1.39%	339789	1.39%	Nil
10	Appumon C K	257708	1.05%	257708	1.05%	Nil

**V)Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding 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	3103435	12.72%	3103435	12.72%	Nil
2	Simon Cheru C	272024	1.11%	272024	1.11%	Nil
3	Kochu Mathew C J	374669	1.54%	374669	1.54%	Nil
4	Samu K C	29894	0.12%	29894	0.12%	Nil
5	BahuleyanRaman Nalupurakkal	Nil	Nil	Nil	Nil	Nil
6	Mathew Jose	3481	0.014%	3481	0.014%	Nil
7	Sunny Mathew	17709	0.07%	17709	0.07%	Nil

**v). INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,88,36,303	3,44,119	-	7,91,80,422
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued	-	-	-	-



but not due				
<b>Total (i+ii+iii)</b>	<b>7,88,36,303</b>	<b>3,44,119</b>	<b>-</b>	<b>7,91,80,422</b>
Change in indebtedness during the financial year				
Addition	9,10,00,000	-	-	9,10,00,000
Reduction	7,07,30,396	3,44,119	-	7,10,74,515
<b>Net Change</b>	<b>2,02,69,604</b>	<b>-3,44,119</b>	<b>-</b>	<b>1,99,25,485</b>
Indebtedness at the end of the financial year				
i. Principal Amount	--	--	-	--
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,91,05,907</b>	<b>NIL</b>	<b>NIL</b>	<b>9,91,05,907</b>

**vi). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. 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) of the 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, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	-	-	-
	Ceiling as per the Act			

*B. Remuneration to other directors:*

Name of Directors	Particulars of Remuneration			
	Fee for attending board/ committee meetings	Remuneration	Others, please specify- Allowance	Total
<b>(1) Independent Directors</b>				
N R Bahuleyan	15000	-	-	15000
P M Jose	15000	-	-	15000
Sunny Mathew	13750			13750
Total (1)	43750	-	-	43750
<b>(2) Other Non-Executive Directors</b>				
<b>Total (2)</b>	-	-	-	-
<b>Total (B) = (1) +(2)</b>	-	-	-	-
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act				

*C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,39,333	2,78,399	5,17,732
	(b) value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	2,39,333	2,78,399	5,17,732

**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)
<b>A.COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place: Kunnankulam  
Date : 05.11.2021

For and on behalf of the Board of Directors

Sd/-  
**William Varghese ChungathCheru**  
Chairman( DIN: 00074708)

**BRD MOTORS LIMITED****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	
a.	Name(s) of the related party and nature of relationship	BRD Finance Limited
b.	Nature of contracts/ arrangements/ transactions	ICD Received Interest on ICD Interest on Bills Payable
c.	Duration of the contracts / arrangements/ transactions	Subject to decision of Board.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e.	Date(s) of approval by the Board, if any:	
f.	Amount paid as advances, if any:	

Place: Kunnampkulam

Date : 05.11.2021

**For and on behalf of the Board of Directors**

Sd/-

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

## Independent Auditor's Report

To the Members  
BRD Motors Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the Standalone financial statements of BRD Motors Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements 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 31st, 2021 and profit/loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We draw attention to Note 12 Of the Standalone financial statements of the company. The company has long-term investments in subsidiaries, associates and group entities aggregating to 14.94 Crores as at 31 March 2021. The company records its long-term investments at cost. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17 ; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realising the carrying value of its investments. Accordingly we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.

Our audit report for the previous year ended March 31, 2019 and 2020 had also qualified in respect of the above matter.

We conducted our audit of the Standalone financial statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

## **Emphasis on Matter**

### **Related to Going Concern**

Refer to Note No. 2.o of the Standalone financial statements. The company has discontinued the dealership with “Piaggio”. The Management is evaluating various options, including starting a new line of business. The proposal to start High value preowned car shop is materialized and showroom modification activities is going on. The management is also evaluating other proposals to diversify the business. The Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the financial statement for the year ended 31 March 2021 has been prepared on going concern basis.

We draw attention to Note 2.u of the Standalone financial statements which deal with various matters including the ongoing proceedings with National Company law Tribunal. The Minority Shareholders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. The hearing of the same is in progress and further proceedings are subject to NCLT order. As also explained in the said note the management believes that it has a strong case on merits and as per the current position of the case the liability if any arising out of this contingency cannot be determined at this stage and at present no adjustment is required in the financial statements.

Our opinion is not modified in respect of the said matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Litigations and claims provisions and contingent liabilities**

As disclosed in Note 32 [Capital Commitments and Contingent Liabilities] to the financial statements, the Company is involved in direct and other tax litigations that are pending with various tax authorities.

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A “ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 Standalone 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.

Except As-15 Employee Benefit \*Refer to Note no 2.i.a. of the financial statement

(e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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**” attached herewith.

(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 has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 32 and 37 to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place : Aluva  
Date : 05.11.2021

Sd/-  
**Damodaran P Namboodiri FCA**  
Chartered Accountant  
Membership No.221178  
UDIN : 21221178AAAADE7374

## **“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, 2021:

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) According to the information and explanations given by the Management, the title deeds of immovable properties are held in the name of the company\*

\* Documents related to the additions in immovable property and infrastructure facilities in the books of accounts consequent to the search and Honorable settlement commission order is not available for verification. Since the matter is concluded by the Honorable settlement commission, we accepted the management representation related to the additions.

2) The company has discontinued the dealership with “Piaggio” and not holding any inventory on the balance sheet date. According to the information and explanations given to us the management has conducted physical verification of inventory at reasonable intervals during the year and 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, 2021 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 sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. The particulars of dues of income tax and other tax matters as at 31st March, 2021 which have not been fully deposited on account of dispute, are as follows:

<b>Nature of the Statute</b>	<b>Nature of Dues</b>	<b>Amount</b>	<b>Period</b>	<b>Forum where pending</b>
Income Tax Act	IT matters under dispute	33.60 Lakhs	2012-13	CIT ( Appeals)
Income Tax Act	IT matters under dispute	7.74 Lakhs	2013-14	CIT ( Appeals)
Building Tax	Building tax under Dispute	22.54 Lakhs	Various years	High Court, Kerala
VAT	VAT Matter under Dispute	108.53 Lakhs	2015-16	High Court, Kerala

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.

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) Based upon the audit procedures performed and the information and explanations given by the management, 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.

Sd/-

**Damodaran P Namboodiri FCA**

Chartered Accountant

Membership No.221178

Place : Aluva

Date : 05.11.2021

## **“Annexure B” to the Independent Auditor’s**

### **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, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

Place : Aluva  
Date : 05.11.2021

Sd/-  
**Damodaran P Namboodiri FCA**  
Chartered Accountant  
Membership No.221178

**BALANCE SHEET AS ON MARCH 31,2021**

Particulars	Note No.	31.03.2021 Rs.	31.03.2020 Rs.
<b>EQUITY AND LIABILITIES:</b>			
<b>1 Shareholders' Funds:</b>			
Share Capital	3	24,39,08,490	24,39,08,490
Reserves and Surplus	4	(6,94,94,318)	(3,78,44,531)
<b>2 Non-Current Liabilities:</b>			
Long Term Borrowings	5	9,91,05,907	7,88,36,303
Deferred Tax Liability (net )	6	-	10,53,800
Other Long Term Liabilities		-	-
Long Term Provisions		-	-
<b>3 Current Liabilities:</b>			
Short Term Borrowings	7	-	3,44,119
Trade Payables	8	3,00,111	3,595
Other Current Liabilities	9	12,16,46,159	12,26,19,384
Short Term Provisions	10	13,87,100	16,75,380
<b>Total</b>		<b>39,68,53,448</b>	<b>41,05,96,540</b>
<b>ASSETS</b>			
<b>1 Non-Current Assets:</b>			
Property, Plant & Equipments	11	10,07,90,536	10,32,40,009
Intangible Assets		-	-
Capital WIP		5,92,046	-
Non-Current Investments	12	27,26,36,919	27,26,74,484
Deferred Tax Asset ( net )	6	3,19,200	-
Long Term Loans and Advances	13	54,20,173	54,61,657
Other Non Current Assets		-	-
<b>2 Current Assets:</b>			
Current Investments		-	-
Inventories	14	-	72,33,174
Trade Receivables	15	13,60,744	13,60,744
Cash and Cash Equivalents	16	68,66,173	79,24,259
Short Term Loans and Advances	17	85,01,429	1,24,86,385
Other Current Assets	18	3,66,227	2,15,829
<b>Total</b>		<b>39,68,53,448</b>	<b>41,05,96,540</b>

*Notes are an integral part of the financial statements*

As per our report of even date

For and on behalf of the Board

Sd/-  
**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-  
**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

Sd/-  
**Damodaran P Namboodiri , FCA**  
Chartered Accountant  
Membership No.221178

Sd/-  
**Santhosh**  
Chief Financial Officer

Sd/-  
**Saranya**  
Company Secretary

Aluva  
05.11.2021

Thrissur  
05.11.2021

**Profit and Loss Account for the year ended 31st March 2021**

Particulars	Note No.	2020-21 Rs.	2019-20 Rs.
<b>1 INCOME:</b>			
Revenue From Operations	19	7,67,930	10,31,41,764
Other Income	20	1,85,085	1,16,69,116
<b>Total</b>		<b>9,53,015</b>	<b>11,48,10,880</b>
<b>2 EXPENSES:</b>			
Purchase of stock-in-trade	21	-	7,72,54,880
Changes in inventories of stock-in-trade	22	72,33,174	2,92,26,835
Employee benefit expense	23	11,94,789	2,43,72,765
Finance cost	24	1,78,16,828	2,17,01,019
Depreciation and amortization Expenses	25	32,24,473	19,15,725
Other expense	26	45,06,539	1,71,43,883
<b>Total</b>		<b>3,39,75,802</b>	<b>17,16,15,107</b>
<b>3 Profit before Exceptoal Items (1-2)</b>		<b>(3,30,22,787)</b>	<b>(5,68,04,227)</b>
Exceptioanl Items- Refer Note 27	27	-	(4,13,06,172)
<b>Profit before Tax</b>		<b>(3,30,22,787)</b>	<b>(9,81,10,398)</b>
<b>Tax Expense</b>	26.B		
Current tax		-	-
Short/ (Excess) tax provision for earlier years		-	33,70,318
Deferred Tax		(13,73,000)	(1,10,567)
<b>Total</b>		<b>(13,73,000)</b>	<b>32,59,751</b>
<b>4 Profit/(-) Loss after Tax</b>		<b>(3,16,49,787)</b>	<b>(10,13,70,150)</b>
Earnings per equity share ( Basic and Diluted ) (Face Value 10)	29	(1.30)	(4.16)

*Notes are an integral part of the financial statements*

As per our report of even date

For and on behalf of the Board

Sd/-  
**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-  
**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

Sd/-  
Chartered Accountant  
**Damodaran P Namboodiri , FCA**  
Membership No.221178

Sd/-  
**Santhosh**  
Chief Financial Officer

Sd/-  
**Saranya**  
Company Secretary

Aluva  
05.11.2021

Thrissur  
05.11.2021

**Cash Flow Statement for the year ended 31st March 2021**

**In terms of AS - 3 on Cash Flow Statement under Indirect Method**

<b>PARTICULARS</b>	<b>2020-21 RS</b>	<b>2019-20 RS</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Cash Flow from Operating activities		
<i>Net profit Before Taxation and Exceptional items</i>	(3,30,22,787)	(5,68,04,227)
<i>Adjustment for:</i>		
Exceptional item	-	(4,13,06,172)
Provision for Depreciation	32,24,473	19,15,725
Interest on Borrowings	1,78,16,828	2,17,01,019
Provision for gratuity	-	(1,39,978)
Interest income	(87,622)	(1,07,922)
Loss/(Profit) on sale of Fixed Assets	-	(26,97,253)
Share of profit from partnership firms	37,564	6,51,786
Operating profit before working capital changes	<b>(1,20,31,545)</b>	<b>(7,67,87,022)</b>
(Increase)/Decrease in Trade receivable	-	1,38,06,732
(Increase)/Decrease in Inventories	72,33,174	2,92,26,835
(Increase)/Decrease in Other Current Assets	(1,50,398)	63,69,560
(Increase)/Decrease in Long term loans and advances	4,05,250	(17,52,182)
(Increase)/Decrease in Short term loans and advances	36,27,199	4,31,13,177
Increase/(Decrease) in Trade payables	2,96,516	(5,87,480)
Increase/(Decrease) in Other current liabilities and Provisions	(12,61,506)	4,71,96,191
Cash from operations	<b>(18,81,311)</b>	<b>6,05,85,812</b>
Income tax paid	(6,008)	(33,70,318)
Net cash from operating activities	<b>(18,87,319)</b>	<b>5,72,15,494</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Tangible Assets	(7,75,000)	(8,11,67,215)
Work In Progress	(5,92,046)	-
Proceedings from the disposal of Fixed Assets	-	1,77,86,000
Interest Income	87,622	1,07,922
Net cash from Investing activities	<b>(12,79,424)</b>	<b>(6,32,73,293)</b>
<b>C Cash flow from Financing activities</b>		
Increase/(Decrease) Long Term Borrowings	2,02,69,604	7,88,36,303
Increase/(Decrease) Short Term borrowings	(3,44,119)	(4,46,36,760)
Interest on borrowings	(1,78,16,828)	(2,17,01,019)
Net Cash flow from Financing Activities	<b>21,08,657</b>	<b>1,24,98,524</b>
Net Increase/Decrease in Cash & Cash Equivalents	(10,58,086)	64,40,725
Cash and cash equivalents at the beginning of the year	79,24,259	14,83,535
Cash and cash equivalents at the end of the year	<b>68,66,173</b>	<b>79,24,259</b>

As per our report of even date

For and on behalf of the Board

Sd/-

**Damodaran P Namboodiri , FCA**

Chartered Accountant

Membership No.221178

Aluva

05.11.2021

Sd/-

**C. C. William Verghese**

Chairman

(DIN:00074708)

Sd/-

**Santhosh**

Chief Financial Officer

Thrissur

05.11.2021

Sd/-

**Simon Cheru C.**

Managing Director

(DIN: 00074163)

Sd/-

**Saranya**

Company Secretary



## Notes to the financial statements for the year ended March 31, 2021

### 1) Company Overview

B R D Motors Limited ('the company') is a public limited company incorporated in the year 1999.

### 2) Significant accounting policies

#### a. 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.

#### b. 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.

#### c. 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.

#### d. 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 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.

### e. 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.

### f. 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.

### g. 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.

### h. Impairment

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

### i. 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)

Other long term employee benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave

### a. 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.

## Notes to the financial statements for the year ended March 31, 2021

The company has discontinued its dealership with Piaggio. Major part of Employees has left the company and the employee count reduced considerably hence company has not determined the Liabilities with regard to the Gratuity Plan as determined by actuarial valuation, performed by an independent actuary using the projected unit credit method.

### **b. 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..

### **j. 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.

### **k. 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.

### **l. 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

## Notes to the financial statements for the year ended March 31, 2021

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.

### **m. Trade receivables and Loans and advances**

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

### **n. 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.

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.

### **o. Discontinuing Operations**

The company has discontinued the dealership with "Piaggio". The Management is evaluating various options, including starting a new line of business. The proposal to start High value preowned car shop is materialized and showroom modification activities is going on. The management is also evaluating other proposals to diversify the business. The Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the financial statement for the year ended 31 March 2021 has been prepared on going concern basis.

### **p. Segment Reporting**

The Company has discontinued its operations; hence there is no separate reportable business or geographical segments as per AS- 17 "Segment Reporting".

### **q. 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.

### **r. 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.

### **s. Lease**

#### **Where the company is lessee**

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

### **Where the company is the lessor**

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.

### **t. Exceptional Item**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **u. NCLT Proceedings against the Petition filed by the Minority Share Holders of the Company**

Minority Shareholders BRD Motors Ltd ("the Company") have filed a petition before Hon NCLT Cochin Bench under Section 241 and 242 of the Companies Act, 2013 for seeking appropriate order/direction against the Company on 2019. The Company has filed an adequate reply and NCLT has passed an Interim Order dated 04th November 2019 to maintain status quo as regards to the shareholding pattern of the Company as well as not to resort to alienation, transfer, lien, lease etc. of the movable/immovable properties of the Company till further Orders.

Subsequently, the company has filed an IA under Rule 11 of the NCLT Rules, 2016 praying to partially modify the Interim Order passed by the Tribunal on 04th November 2019. In the light of the averments of our Senior Legal Counsel, Hon Tribunal after perusing the records, has modified the earlier Interim Order dated 04th November 2019 and directed the Company to maintain status quo regarding the shareholding pattern of the Company and the movable/immovable properties of the Company shall be used only for the benefit and business purposes of the Company to enable it to carry on the day to day business in a smooth manner.

The Opponents have filed a rejoinder before Hon Tribunal on 05th November 2020 Company has filed a Sur rejoinder before NCLT Cochin bench for quashing the rejoinder Petition and on 25th August 2021, the Opponents filed an Interlocutory Application (IA) before the Hon NCLT Cochin Bench and prayed for an Order to investigate the affairs of the Company under Section 213 of the Companies Act, 2013. The company is in the process of filing its reply to the allegations raised by the Opponents in their IA, but it is delayed due to the reconstitution of NCLT Benches across the Country. The matter is under the consideration of NCLT and the hearing of the same is in progress and further proceedings are subject to NCLT order.

The management believes that it has a strong case on merits and as per the current position of the case the liability if any arising out of this contingency cannot be determined at this stage. Accordingly, at present no adjustment is required in the financial statements.

### **v. Provisions and Contingent liabilities**

Provisions are recognized 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.

## Notes on Financial Statements for the year ended 31st March 2021

**Note-3****Share Capital**

The Authorised, issued, subscribed and paid-up share capital comprises of equity shares having a par value of Rs.10 each as follows:

Particulars	March 31,2021		March 31,2020	
	No: of shares	Amount	No: of shares	Amount
Authorised Share Capital				
Equity Shares of Rs.10 each	30000000	30,00,00,000	30000000	30,00,00,000
Issued, Subscribed and Paid Up				
Equity Shares of Rs.10 each	24390849	24,39,08,490	24390849	24,39,08,490
<b>Total</b>	<b>24390849</b>	<b>24,39,08,490</b>	<b>2,43,90,849</b>	<b>24,39,08,490</b>

**i. Terms / rights attached to equity shares**

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

**ii. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	March 31,2021	March 31,2020
Shares outstanding at the beginning of the year	2,43,90,849	2,43,90,849
Add: Fresh Issue	-	-
Less: Shares bought back	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,43,90,849</b>	<b>2,43,90,849</b>

(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)

**iii. List of shareholders holding more than 5% of Share Capital**

Name	March 31,2021		March 31,2020	
	No: of shares	% of Holdings	No: of shares	% of Holdings
C.C.William Varghese	30,88,301	12.66%	30,88,301	12.66%
BRD Finance LTD	15,47,324	6.34%	15,47,324	6.34%

**Note-4****Reserves And Surplus**

Particulars	March 31,2021	March 31,2020
<b>General Reserve</b>		
Opening Balance	32,92,765	32,92,765
(+) Additions/ transfers during the Year	-	-
Closing Balance	32,92,765	32,92,765
<b>Securities Premium Account:</b>		
Opening balance	5,88,81,480	5,88,81,480
Additions during the year	-	-
Closing Balance	5,88,81,480	5,88,81,480
<b>Surplus</b>		
Opening Balance	(10,00,18,776)	13,51,374
Balance from Statement of Profit and Loss	(3,16,49,787)	(10,13,70,150)
Closing Balance	(13,16,68,563)	(10,00,18,776)
<b>Total</b>	<b>(6,94,94,318)</b>	<b>(3,78,44,531)</b>

## Notes on Financial Statements for the year ended 31st March 2021

**General Reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. After the introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

**Securities Premium Account:**

This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

This reserve represents the cumulative profits of the Company.

**Note-5****Long Term Borrowings**

Particulars	March 31,2021	March 31,2020
<b>Secured</b>		
<b>Unsecures</b>		
ICD From Group Entities	9,91,05,907	7,88,36,303
<b>Total</b>	<b>9,91,05,907</b>	<b>7,88,36,303</b>

**Note-6****Deferred Tax Liability / (Assets) ( Net):**

Particulars	March 31,2021	March 31,2020
<b>Tax effect of items constituting deferred tax liability :</b>		
On difference between book balance and tax balance of fixed assets	20,56,200	14,75,500
<b>Deferred Tax Assets</b>		
Provision for post retirement benefits and other employee benefits	(3,49,100)	(4,21,700)
Carried Forward Depreciation Loss	(20,26,300)	-
<b>Total</b>	<b>(3,19,200)</b>	<b>10,53,800</b>

**Note-7****Short Term Borrowings**

Particulars	March 31,2021	March 31,2020
Loans repayable on demand	-	-
Other loans and advances		
Unsecured		
Advance From Customers	-	3,44,119
<b>Total</b>	<b>-</b>	<b>3,44,119</b>

**Note-8****Trade Payables**

Particulars	March 31,2021	March 31,2020
<b>Trade payables</b>		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	3,00,111	3,595
<b>Total</b>	<b>3,00,111</b>	<b>3,595</b>

## Notes on Financial Statements for the year ended 31st March 2021

**Note-9****Other Current Liabilities**

Particulars	March 31,2021	March 31,2020
(a) Current maturities of long-term debt	-	-
(b) Other payables		
Statutory remittances	1,85,932	3,53,301
Expenses Payable	49,67,522	1,26,31,935
Advance	16,00,000	16,00,000
Other Payables	11,48,92,706	10,80,34,148
<b>Total</b>	<b>12,16,46,159</b>	<b>12,26,19,384</b>

**Note-10****Short Term Provisions**

Particulars	March 31,2021	March 31,2020
Provision for employee benefits		
(i) Provision for gratuity	13,87,100	16,75,380
Provision - Others:		
(i) Provision for Income Tax	-	-
<b>Total</b>	<b>13,87,100</b>	<b>16,75,380</b>

**Note-12****Non-Current Investments**

Particulars	March 31,2021	March 31,2020
Non-Trade Investments - Unquoted		
Investment in shares of		
BRD Car World -70,45,000 shares @ 10 each	7,04,50,000	7,04,50,000
Kairali TV- 5000 shares @ 100 each	50,000	50,000
BRD Developers & Builders -1000000 shares @ 10 each	1,00,00,000	1,00,00,000
BRD Finance Ltd - Total number of shares 961494	6,89,49,920	6,89,49,920
Investment in partnership firms	12,31,86,999	12,32,24,564
<b>Total</b>	<b>27,26,36,919</b>	<b>27,26,74,484</b>

**Note-13****Long Term Loans And Advances**

Particulars	March 31,2021	March 31,2020
Security deposits		
Unsecured, considered good	30,64,395	34,69,645
Balances with government authorities		
Income Tax Receivables	23,55,778	19,92,012
<b>Total</b>	<b>54,20,173</b>	<b>54,61,657</b>



## Notes on Financial Statements for the year ended 31st March 2021

**Note-14****Inventories**

Particulars	March 31,2021	March 31,2020
Vehicles	-	1,24,167
Used Vehicle	-	2,51,750
Fabricated Structures	-	48,120
Spares	-	68,09,136
<b>Total</b>	<b>-</b>	<b>72,33,174</b>

**Note-15****Trade Receivables**

Particulars	March 31,2021	March 31,2020
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured considered good	13,60,744	13,60,744
Doubtful		
Less: Provision for doubtful trade receivables		
<b>Other Trade receivables</b>		
Secured, considered good		
Unsecured considered good	-	-
Doubtful		
Less: Provision for doubtful trade receivables		
<b>Total</b>	<b>13,60,744</b>	<b>13,60,744</b>

**Note-16****Cash And Cash Equivalents**

Particulars	March 31,2021	March 31,2020
Cash in hand	1,00,982	1,63,341
Balance with banks		
In Current Accounts	67,65,191	77,60,918
In Deposit Accounts	-	-
<b>Total</b>	<b>68,66,173</b>	<b>79,24,259</b>

**Note-17****Short Term Loans And Advances**

Particulars	March 31,2021	March 31,2020
Loans & Advances to Related Parties		
Balances with government authorities		
Unsecured, considered good		
GST Receivable	17,211	-
Income Tax	6,008	3,63,766
Others (Unsecured, considered good)		
Loans and advances to employees	-	-
Advance to suppliers	18,78,021	5,22,930
Other Advances	66,00,189	1,15,99,689
<b>Total</b>	<b>85,01,428</b>	<b>1,24,86,385</b>

## Notes on Financial Statements for the year ended 31st March 2021

**Note-18****Other Current Assets**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Accruals		
Interest accrued on deposits	2,31,559	1,92,550
Others		
Other Receivables	1,34,668	23,279
<b>Total</b>	<b>3,66,227</b>	<b>2,15,829</b>

**Note-19****Revenue From Operations**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Sale of products	7,67,930	10,31,41,764
<b>Total</b>	<b>7,67,930</b>	<b>10,31,41,764</b>

**Note-20****Other Income**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Interest on Deposits	87,622	1,07,922
Other non-operating income (Net of expenses directly attributable to such income)		
Share of Profit/(Loss) from partnership firms	(37,564)	(6,51,786)
Documentation Charges Received	-	11,69,972
Insurance Commission Received	110	49,824
Labour Charges	-	22,73,624
Patch Work	-	37,26,046
Rent/ Infrastructure Income Received	-	64,566
Other miscellaneous income	1,34,066	17,14,277
Discount & incentives received	851	5,17,418
Profit on Sale of Fixed Asset	-	26,97,253
<b>Total</b>	<b>1,85,085</b>	<b>1,16,69,116</b>

**Note-21****Purchase Of Stock-In-Trade**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
<b>Purchases</b>		
Vehicles	-	6,99,87,787
Fabrication	-	8,05,035
Spares	-	64,62,058
<b>Total</b>	<b>-</b>	<b>7,72,54,880</b>

## Notes on Financial Statements for the year ended 31st March 2021

**Note-22****Changes In Inventories Of Stock-In-Trade**

Particulars	March 31,2021	March 31,2020
<b>Inventories at the end of the year:</b>		
Vehicles	-	1,24,167
Fabrication	-	48,120
Spares	-	68,09,136
	<b>-</b>	<b>69,81,424</b>
<b>Inventories at the beginning of the year:</b>		
Vehicles	1,24,167	1,53,66,156
Fabrication	48,120	48,120
Spares	68,09,136	2,07,93,983
	<b>69,81,424</b>	<b>3,62,08,259</b>
Used Vehicle disposed	<b>2,51,750</b>	-
Net (increase) / decrease	<b>72,33,174</b>	<b>2,92,26,835</b>

**Note-23****Employee Benefit Expenses**

Particulars	March 31,2021	March 31,2020
Salaries & Wages	10,72,354	1,79,71,679
Contributions to provident and other funds	1,22,435	64,01,087
Total	<b>11,94,789</b>	<b>2,43,72,765</b>

**Note-24****Finance Cost**

Particulars	March 31,2021	March 31,2020
Interest expense on :		
Borrowings	-	2,91,789
Other Loans	1,78,16,828	2,14,09,230
Total	<b>1,78,16,828</b>	<b>2,17,01,019</b>

**Note-25****Depreciation and Amortisation**

Particulars	March 31,2021	March 31,2020
Depreciation	32,24,473	19,15,725
Amortisation	-	-
Total	<b>32,24,473</b>	<b>19,15,725</b>

## Notes on Financial Statements for the year ended 31st March 2021

## Note-26

## Other Expenses

Particulars	March 31,2021	March 31,2020
Advertisement Expenses	2,27,995	96,823
Annual General Meeting exp	5,900	4,28,093
Audit Fee	1,65,000	1,65,000
Bank Charges	2,907	41,903
Discount paid	2,671	59,076
Donation	-	4,060
Electricity Charges & fuel expenses	7,24,217	14,10,334
Filing Fee	7,800	1,87,800
Freight and Cooly	-	30,242
Generator Diesel Expenses	-	2,950
Gratuity Risk Premium	-	15,573
Insurance	19,610	1,19,204
Interest on TDS	235	750
Intrest Paid On GST	-	46,914
Advances/Accounts written off	4,99,225	56,51,276
Legal Charges	1,10,815	3,76,470
Miscellaneous Expenses	18,100	13,635
MCA Expenses	15,85,000	-
Newspaper & Periodicals	769	11,525
Office Expenses	21,438	3,91,869
Patch Work & Upholestery Expenses	136	16,56,037
PDI Expenses	-	9,34,723
Postage & Telephone	47,357	1,59,657
Printing & Stationary	43,337	2,88,261
Professional fee	3,97,250	1,52,500
Rates & Taxes	2,81,119	4,38,121
Refreshment Expenses	5,012	3,11,722
Rent	-	4,74,300
Repair & Maintenance	94,977	1,90,922
Round Off	6	(1,353)
Sitting Fees	43,750	12,500
Software Expenses	18,957	38,954
Spare Parts Expenses	13,149	2,10,303
Trade Discount & Selling Promotion Expense	79,175	21,68,453
Training Programme Expenses	-	3,014
Transportation Charges	11,100	29,716
Travelling Expenses	79,532	4,32,779
VAT-Paid	-	85,107
Vehicle Demo Expenses	-	1,90,054
Workshop Expenses	-	3,14,616
<b>Total</b>	<b>45,06,539</b>	<b>1,71,43,883</b>

## A. Payment to the auditors comprises :

Particulars	March 31,2021	March 31,2020
As auditors - statutory audit	1,10,000	1,10,000
For taxation matters	33,000	33,000
For other services	22,000	22,000
<b>TOTAL</b>	<b>1,65,000</b>	<b>1,65,000</b>

## Notes on Financial Statements for the year ended 31st March 2021

## B. Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Current tax	-	-
Tax relating to prior years paid on settlement	-	33,70,318
Deffered Tax	(13,73,000)	(1,10,567)
Income tax expense reported in statement of profit and loss	<b>(13,73,000)</b>	<b>32,59,751</b>

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, tax expense for the year comprising current and deferred tax as per Accounting Standards -22 Income Taxes have been recognised using the reduced tax rates applicable.

**Note-27**

The components of exceptional item for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Net Amount declared before Settlement Commission	-	(91,86,473)
Interest on Amount Payable to Group Entities	-	(3,21,19,698)
TOTAL	-	<b>(4,13,06,172)</b>

A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the Company and certain group Companies in the previous year ended 31st March, 2017. The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 24.06.2020. The order giving effect to the ITSC order have also been passed and it's effects are appropriately provided in books of account. The Company has deposited 20.02 Lakhs as tax and ` 13.68 as interest towards the proposed settlement which has been shown as a part of income tax for prior years expenses under the head "Tax Expense" in the books of accounts as on 31st March, 2020. The matter is concluded with the Hon'ble ITSC.

The Board of Directors of the Group Companies has decided to charge interest on outstanding amount Payable to the Related entities. The Group Entity had applied interest from the date of amount became receivable from the related entities and the interest related to the prior period comes to R 321.19 Lakhs

**Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)****Note-28****a. Defined Contribution Plans :**

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

Particulars	March 31, 2021	March 31, 2020
Employers Contribution to Provident Fund	27,926	14,83,390
Employers Contribution to Employee's State Insurance	6,669	4,25,423

**b. Defined benefit Plans- Gratuity:**

## i. Actuarial Assumptions:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	-	8.00%
Rate of increase in compensation level	-	7.00%
Rate of Return on Plan Assets	-	7.00%

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

Particulars	March 31, 2021	March 31, 2020
Present value of obligations at the beginning of the period	36,43,881	35,17,025
Interest Cost	-	2,63,777
Current Service Cost	-	3,09,319
Benefits paid	(18,56,306)	(26,41,282)
Actuarial (Gain)/Loss	-	21,95,042
Present value of obligations at the end of the period	<b>17,87,575</b>	<b>36,43,881</b>

## Notes on Financial Statements for the year ended 31st March 2021

## iii. Assets

Particulars	March 31,2021	March 31,2020
Fair value of Plant Assets at the beginning of the year	19,68,501	27,38,820
Expected return of Assets	28,280	1,35,682
Contributions	2,60,000	17,35,280
Benefits paid	(18,56,306)	(26,41,282)
Actuarial (Gain)/Loss	-	-
Fair value of Plant Assets at the end of the year	4,00,475	19,68,501

## iv. Net Asset/Liability to be recognised in the Balance Sheet

Particulars	March 31,2021	March 31,2020
Present value of obligations at the end of the period	17,87,575	36,43,881
Fair value of Plan Assets at the end of the period	4,00,475	19,68,501
Funded Status	(13,87,100)	(16,75,380)
Net Asst/Liability to be recognised in Balance Sheet	(13,87,100)	(16,75,380)

## v. Expenses recognized in the Profit and Loss Account

Particulars	March 31,2021	March 31,2020
Current Service Cost	-	3,09,319
Interest Cost	-	2,63,777
Expected Return on Plan Assets	(28,280)	(1,35,682)
Net Actuarial (Gain)/Loss recognised in the period	-	21,95,042
Expenses recognised in the statement of Profit and Loss Account	(28,280)	26,32,456

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.

## Note-29

## Earnings Per Share (Basic &amp; Diluted) :

Particulars	March 31,2021	March 31,2020
Profit after tax	(3,16,49,787)	(10,13,70,150)
Weighted average number of shares	2,43,90,849	2,43,90,849
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	(1.30)	(4.16)

## Note-30

## Related party disclosures

Names of Related Parties

## (A) Subsidiaries

Nil

## (B) Associate

BRD Developers &amp; Builders Limited

## (B) Key Management Personnel

## Designation

Chungath Cheru Simon

Managing Director

Santhosh

Chief Financial Officer

Saranya Shanker

Company Secretary

## (C) Entities in which KMP / Relatives of KMP can exercise significant influence

B R D Finance Limited

B R D Car World Limited

BRD Securities Limited

## (D) Relatives of Key Management Personnel

C C William Verghese (Prop SML Motors )

Brother of Managing Director

Mini C Cherian

Spouse of Managing Director

## Notes on Financial Statements for the year ended 31st March 2021

## Related Party transactions during the year:

Particulars	KMP		Relatives of KMP	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Remuneration paid	5,17,732	6,58,515		-

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31,2021	March 31,2020	March 31,2021	March 31,2021
Intercorporate Deposit Accepted	-	-	10,56,36,035	10,16,96,546
Intercorporate Deposit Re-paid	-	-	8,53,66,431	4,28,60,243
Interest Paid	-	-	1,78,16,828	5,35,28,929

## Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Trade Receivables	-	-	13,60,744	13,60,744
Interest Payable	-	-	(48,01,674)	(1,24,66,936)
Intercorporate Deposit	-	-	(9,91,05,907)	(7,88,36,303)
Other Payables BRD Finance Limited	-	-	(11,48,92,706)	(10,74,29,014)

## Note:

Related parties have been identified on the basis of the declaration received by the management and other records available and the same has been relied upon by the auditors.

## Note-31

## Transaction with non executive director

Name of Non-Executive Director	Nature of Transaction	March 31,2021	March 31,2020
N R Bahuleyan	Sitting Fee	15,000	4,250
P M Jose	Sitting Fee	15,000	4,000
Sunny Mathew	Sitting Fee	13,750	4,250

## Note-32

## Contingent liabilities and capital commitments

Particulars	March 31,2021	March 31,2020
1. Contingent Liabilities: -		
a. Claim not acknowledge as debt by the company		
In respect of Building Tax where the Company has filed appeal before High Court of Kerala	22.54 Lakhs	22.54 Lakhs
In respect of Income Tax where the Company has filed appeal before various authorities	41.34 Lakhs	41.34 Lakhs
In respect of VAT where the Company has filed appeal before High Court of Kerala	108.53 Lakhs	-

Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations

## Notes on Financial Statements for the year ended 31st March 2021

**Note-33****Disclosure with regard to dues to Micro Enterprises and Small Enterprises**

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2021 is Nil. (as on March 31, 2020 is Nil). Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished.

**Note-34****Value of imports calculated on CIF Balance**

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2020-21. (2019-20 – Nil)

**Note-35****Expenditure in Foreign Currency**

The company does not have any expenditure in Foreign Currency during the year 2020-21. (2019-20 – Nil)

**Note-36****Earning in Foreign Currency**

The company does not have any earnings in Foreign Currency during the year 2020-21. (2019-20 – Nil)

**Note-37****Miscellaneous**

The Minority Share holders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. Refer Note.2.u

The company has a single reportable segment i.e. Trading which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.

Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

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As per our report of even date

For and on behalf of the Board

Sd/-

**Damodaran P Namboodiri , FCA**  
Chartered Accountant  
Membership No.221178

Aluva  
05.11.2021

Sd/-

**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-

**Santhosh**  
Chief Financial Officer

Thrissur  
05.11.2021

Sd/-

**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

**Saranya**  
Company Secretary



## Note - 11

## Property Plant and Equipments

Particulars	Land	Building	Computer & Accessories	Electrical Fittings & Equipments	Furniture & Fittings	Office Equipments	Tools & Equipments	Vehicles	Total
<b>Cost:</b>									
As at April 1, 2020	4,37,24,705	8,00,53,304	56,34,133	53,33,975	53,97,213	16,17,519	45,38,235	36,89,839	14,99,88,923
Additions	-	-	-	7,75,000	-	-	-	-	7,75,000
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	4,37,24,705	8,00,53,304	56,34,133	61,08,975	53,97,213	16,17,519	45,38,235	36,89,839	15,07,63,923
<b>Depreciation and impairment:</b>									
As at April 1, 2020	-	2,28,52,623	52,71,814	48,67,647	50,54,442	15,15,833	39,09,619	32,76,935	4,67,48,914
Additions	-	27,94,677	63,281	1,09,023	41,391	20,505	1,08,381	87,216	32,24,473
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	2,56,47,300	53,35,095	49,76,670	50,95,834	15,36,338	40,18,000	33,64,150	4,99,73,387
<b>Net book value:</b>									
As at April 1, 2020	4,37,24,705	5,72,00,681	3,62,319	4,66,328	3,42,771	1,01,685	6,28,616	4,12,904	10,32,40,009
As at March 31, 2021	4,37,24,705	5,44,06,004	2,99,038	11,32,305	3,01,380	81,181	5,20,235	3,25,688	10,07,90,536

# Independent Auditor's Report

To the Members  
BRD Motors Limited

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the consolidated financial statements of BRD Motors Limited (hereinafter referred to as the "Holding Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit/loss, and its consolidated cash flows for the year then ended.

### Basis for Qualified Opinion

We draw attention to Note 12 Of the financial statements of the company. The company has long-term investments in associates and group entities aggregating to 14.94 Crores as at 31 March 2021. The company records its long-term investments at cost. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17 ; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realising the carrying value of its investments. Accordingly, we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.

Our audit report for the previous year ended March 31, 2019 and March 31,2020 had also qualified in respect of the above matter.

We conducted our audit of the financial statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

### Emphasis on Matter

#### Related to Going Concern

Refer to Note No. 2. p The company has discontinued the dealership with "Piaggio". The Management is evaluating various options, including starting a new line of business. The proposal to start High value preowned car shop is materialized and showroom modification activities is going on. The management is also evaluating other proposals to diversify the business. The Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the financial statement for the year ended 31 March 2021 has been prepared on going concern basis.

We draw attention to Note 2.v of the financial statements which deal with various matters including the ongoing proceedings with National Company law Tribunal. The Minority Shareholders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. The hearing of the same is in progress and further proceedings are subject to NCLT order. As also explained in the said note the management believes that it has a strong case on merits and as per the current position of the case the liability if any arising out of this contingency cannot be determined at this stage and at present no adjustment is required in the financial statements.

Our opinion is not modified in respect of the said matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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As disclosed in Note 32 [Capital Commitments and Contingent Liabilities] to the financial statements, the Company is involved in direct and other tax litigations that are pending with various tax authorities.

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

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We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associates entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Company and of its associates entities are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Company and of its associates entities are responsible for assessing the ability of the Company and of its associates and entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Company and of its associates entities are responsible for overseeing the financial reporting process of the Company and of its associates entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associates entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The consolidated financial statements also include the Group's share of net profit/loss of Rs. 0.85 Crores for the year ended 31st March 2021, as considered in the consolidated financial statements, in respect of associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by Management.

### **Report on Other Legal and Regulatory Requirements**

Report on Other Legal and Regulatory Requirements As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

Except As-15 Employee Benefit \*Refer to Note no 2.j.a. of the financial statement

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of associate companies incorporated in India, none of the directors of the company and, its associate companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure I".

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Company - Refer Note 32 and 37 to the financial statements.
- ii. The Company and its associates' entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Holding Company, and associate companies incorporated in India

Place :Aluva  
Date :05.11.2021

Sd/-  
**Damodaran P Namboodiri FCA**  
Chartered Accountant  
Membership No.221178  
UDIN: 21221178AAAADG5970

## **“Annexure I” to the Independent Auditor’s Report.**

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

In conjunction with our audit of the consolidated financial statements of BRD Motors Limited (“the Holding Company”) as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and associates, incorporated in India as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

Place :Aluva  
Date :05.11.2021

Sd/-  
**Damodaran P Namboodiri FCA**  
Chartered Accountant  
Membership No.221178



**Consolidated Balance Sheet As On March 31,2021**

Particulars	Note No.	31.03.2021	31.03.2020
		Rs.	Rs.
<b>EQUITY AND LIABILITIES:</b>			
<b>1 Shareholders' Funds:</b>			
Share Capital	3	24,39,08,490	24,39,08,490
Reserves and Surplus	4	(78,89,081)	1,52,20,744
<b>2 Non-Current Liabilities:</b>			
Long Term Borrowings	5	9,91,05,907	7,88,36,303
Deferred Tax Liability (net )	6	-	10,53,800
Other Long Term Liabilities		-	-
Long Term Provisions		-	-
<b>3 Current Liabilities:</b>			
Short Term Borrowings	7	-	3,44,119
Trade Payables	8	3,00,111	3,595
Other Current Liabilities	9	12,16,46,159	12,26,19,384
Short Term Provisions	10	13,87,100	16,75,380
<b>Total</b>		<b>45,84,58,684</b>	<b>46,36,61,814</b>
<b>ASSETS</b>			
<b>1 Non-Current Assets:</b>			
Property, Plant & Equipments	11	10,07,90,536	10,32,40,009
Intangible Assets		-	-
Capital WIP		5,92,046	-
Non-Current Investments	12	33,42,42,155	32,57,39,758
Deferred Tax Asset ( net )	6	3,19,200	-
Long Term Loans and Advances	13	54,20,173	54,61,657
Other Non Current Assets		-	-
<b>2 Current Assets:</b>			
Current Investments		-	-
Inventories	14	-	72,33,174
Trade Receivables	15	13,60,744	13,60,744
Cash and Cash Equivalents	16	68,66,173	79,24,259
Short Term Loans and Advances	17	85,01,428	1,24,86,385
Other Current Assets	18	3,66,227	2,15,829
<b>Total</b>		<b>45,84,58,684</b>	<b>46,36,61,814</b>

*Notes are an integral part of the financial statements*

In terms of our report attached.

For and on behalf of the Board

Sd/-  
**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-  
**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

Sd/-  
**Damodaran P Namboodiri , FCA**  
Chartered Accountant  
Membership No.221178

Sd/-  
**Santhosh**  
Chief Financial Officer

Sd/-  
**Saranya**  
Company Secretary

Aluva  
05.11.2021

Thrissur  
05.11.2021

**Consolidated Profit and Loss Account for the year ended 31st March 2021**

Particulars	Note No.	2020-21 Rs.	2019-20 Rs.
<b>1 INCOME:</b>			
Revenue From Operations	19	7,67,930	10,31,41,764
Other Income	20	1,85,085	1,16,69,116
<b>Total</b>		<b>9,53,015</b>	<b>11,48,10,880</b>
<b>2 EXPENSES:</b>			
Purchase of stock-in-trade	21	-	7,72,54,880
Changes in inventories of stock-in-trade	22	72,33,174	2,92,26,835
Employee benefit expense	23	11,94,789	2,43,72,765
Finance cost	24	1,78,16,828	2,17,01,019
Depreciation and amortization Expenses	25	32,24,473	19,15,725
Other expense	26	45,06,539	1,71,43,883
<b>Total</b>		<b>3,39,75,802</b>	<b>17,16,15,107</b>
<b>3 Profit before Exceptoal Items (1-2)</b>		<b>(3,30,22,787)</b>	<b>(5,68,04,227)</b>
Exceptioanl Items- Refer Note 27	27	-	(4,13,06,172)
<b>Profit before Tax</b>		<b>(3,30,22,787)</b>	<b>(9,81,10,398)</b>
<b>Tax Expense</b>	26.B		
Current tax		-	-
Short/ (Excess) tax provision for earlier years		-	33,70,318
Deferred Tax		(13,73,000)	(1,10,567)
<b>Total</b>		<b>(13,73,000)</b>	<b>32,59,751</b>
<b>4 Profit (Loss) for the year ( before adjustment for minority interest)</b>		<b>(3,16,49,787)</b>	<b>(10,13,70,150)</b>
Share of Profit/(Loss) of Associate (Net)		85,39,962	1,18,81,518
Profit (Loss) for the year ( after adjustment for minority interest)		<b>(2,31,09,825)</b>	<b>(8,94,88,632)</b>
Earnings per equity share ( Basic and Diluted ) (Face Value 10)	29	<b>(0.95)</b>	<b>(3.67)</b>

*Notes are an integral part of the financial statements*

In terms of our report attached.

For and on behalf of the Board

Sd/-  
**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-  
**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

Sd/-  
**Damodaran P Namboodiri , FCA**  
Chartered Accountant  
Membership No.221178

Sd/-  
**Santhosh**  
Chief Financial Officer

Sd/-  
**Saranya**  
Company Secretary

Aluva  
05.11.2021

Thrissur  
05.11.2021

**Consolidated Cash Flow Statement for the year ended 31st March 2021**

**In terms of AS - 3 on Cash Flow Statement under Indirect Method**

<b>PARTICULARS</b>	<b>2020-21 RS</b>	<b>2019-20 RS</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Cash Flow from Operating activities		
<i>Net profit Before Taxation and Exceptional items</i>	(3,30,22,787)	(5,68,04,227)
<i>Adjustment for:</i>		
Exceptional item	-	(4,13,06,172)
Provision for Depreciation	32,24,473	19,15,725
Interest on Borrowings	1,78,16,828	2,17,01,019
Provision for gratuity	-	(1,39,978)
Interest income	(87,622)	(1,07,922)
Loss/(Profit) on sale of Fixed Assets	-	(26,97,253)
Share of profit from partnership firms	37,564	6,51,786
Operating profit before working capital changes	<b>(1,20,31,545)</b>	<b>(7,67,87,022)</b>
(Increase)/Decrease in Trade receivable	-	1,38,06,732
(Increase)/Decrease in Inventories	72,33,174	2,92,26,835
(Increase)/Decrease in Other Current Assets	(1,50,398)	63,69,560
(Increase)/Decrease in Long term loans and advances	4,05,250	(17,52,182)
(Increase)/Decrease in Short term loans and advances	36,27,199	4,31,13,177
Increase/(Decrease) in Trade payables	2,96,516	(5,87,480)
Increase/(Decrease) in Other current liabilities and Provisions	(12,61,506)	4,71,96,191
Cash from operations	<b>(18,81,311)</b>	<b>6,05,85,812</b>
Income tax paid	(6,008)	(33,70,318)
Net cash from operating activities	<b>(18,87,319)</b>	<b>5,72,15,494</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Tangible Assets	(7,75,000)	(8,11,67,215)
Work In Progress	(5,92,046)	-
Proceedings from the disposal of Fixed Assets	-	1,77,86,000
Interest Income	87,622	1,07,922
<b>Net cash from Investing activities</b>	<b>(12,79,424)</b>	<b>(6,32,73,293)</b>
<b>C Cash flow from Financing activities</b>		
Increase/(Decrease) Long Term Borrowings	2,02,69,604	7,88,36,303
Increase/(Decrease) Short Term borrowings	(3,44,119)	(4,46,36,760)
Interest on borrowings	(1,78,16,828)	(2,17,01,019)
<b>Net Cash flow from Financing Activities</b>	<b>21,08,657</b>	<b>1,24,98,524</b>
Net Increase/Decrease in Cash & Cash Equivalents	(10,58,087)	64,40,725
Cash and cash equivalents at the beginning of the year	79,24,259	14,83,535
Cash and cash equivalents at the end of the year	<b>68,66,173</b>	<b>79,24,259</b>

In terms of our report attached.

For and on behalf of the Board

Sd/-  
**C. C. William Verghese**  
Chairman  
(DIN:00074708)

Sd/-  
**Simon Cheru C.**  
Managing Director  
(DIN: 00074163)

Sd/-  
**Damodaran P Namboodiri , FCA**  
Chartered Accountant  
Membership No.221178

Sd/-  
**Santhosh**  
Chief Financial Officer

Sd/-  
**Saranya**  
Company Secretary

Aluva  
05.11.2021

Thrissur  
05.11.2021

## Notes to the financial statements for the year ended March 31, 2021

### 1) Company Overview

B R D Motors Limited ('the company') is a public limited company incorporated in the year 1999.

### 2) Significant accounting policies

#### a. 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.

#### b. Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii) The share of profit / loss of associate companies is accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.

iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.

v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### c. 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.

### **d. 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.

### **e. 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 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.

### **f. 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.

### **g. 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.

### **h. 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

## Notes to the financial statements for the year ended March 31, 2021

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.

### **i. Impairment**

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

### **j. 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)

**Other long term employee benefits:** Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave

#### **a. 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.

The company has discontinued its dealership with Piaggio. Major part of Employees has left the company and the employee count reduced considerably hence company has not determined the Liabilities with regard to the Gratuity Plan as determined by actuarial valuation, performed by an independent actuary using the projected unit credit method.

#### **b. 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.

### **k. 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.

### **l. 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.

### **m. 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.

### **n. Trade receivables and Loans and advances**

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

### **o. 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.

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.

### **p. Discontinuing Operations**

The company has discontinued the dealership with "Piaggio". The Management is evaluating various options, including starting a new line of business. The proposal to start High value preowned car shop is materialized and showroom modification activities is going on. The management is also evaluating other proposals to diversify the business. The

## Notes to the financial statements for the year ended March 31, 2021

Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the financial statement for the year ended 31 March 2021 has been prepared on going concern basis.

### q. Segment Reporting

The Company has discontinued its operations; hence there is no separate reportable business or geographical segments as per AS- 17 "Segment Reporting".

### r. 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.

### s. 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.

### t. Lease

#### Where the company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

#### Where the company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.

### u. Exceptional Item

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### v. NCLT Proceedings against the Petition filed by the Minority Share Holders of the Company

Minority Shareholders BRD Motors Ltd ("the Company") have filed a petition before Hon NCLT Cochin Bench under Section 241 and 242 of the Companies Act, 2013 for seeking appropriate order/direction against the Company on 2019. The Company has filed an adequate reply and NCLT has passed an Interim Order dated 04th November 2019 to maintain status quo as regards to the shareholding pattern of the Company as well as not to resort to alienation, transfer, lien, lease etc. of the movable/immovable properties of the Company till further Orders.

Subsequently, the company has filed an IA under Rule 11 of the NCLT Rules, 2016 praying to partially modify the Interim Order passed by the Tribunal on 04th November 2019. In the light of the averments of our Senior Legal Counsel, Hon Tribunal after perusing the records, has modified the earlier Interim Order dated 04th November 2019 and directed the Company to maintain status quo regarding the shareholding pattern of the Company and the movable/immovable



## Notes to the financial statements for the year ended March 31, 2021

properties of the Company shall be used only for the benefit and business purposes of the Company to enable it to carry on the day to day business in a smooth manner.

The Opponents have filed a rejoinder before Hon Tribunal on 05th November 2020 Company has filed a Sur rejoinder before NCLT Cochin bench for quashing the rejoinder Petition and on 25th August 2021, the Opponents filed an Interlocutory Application (IA) before the Hon NCLT Cochin Bench and prayed for an Order to investigate the affairs of the Company under Section 213 of the Companies Act, 2013. The company is in the process of filing its reply to the allegations raised by the Opponents in their IA, but it is delayed due to the reconstitution of NCLT Benches across the Country. The matter is under the consideration of NCLT and the hearing of the same is in progress and further proceedings are subject to NCLT order.

The management believes that it has a strong case on merits and as per the current position of the case the liability if any arising out of this contingency cannot be determined at this stage. Accordingly, at present no adjustment is required in the financial statements.

### **w. 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.

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-3****Share Capital**

The Authorised, issued, subscribed and paid-up share capital comprises of equity shares having a par value of Rs.10 each

Particulars	March 31, 2021		March 31, 2020	
	No: of shares	Amount	No: of shares	Amount
Authorised Share Capital				
Equity Shares of Rs.10 each	30000000	30,00,00,000	30000000	30,00,00,000
Issued, Subscribed and Paid Up				
Equity Shares of Rs.10 each	24390849	24,39,08,490	24390849	24,39,08,490
<b>Total</b>	<b>24390849</b>	<b>24,39,08,490</b>	<b>2,43,90,849</b>	<b>24,39,08,490</b>

**i. Terms / rights attached to equity shares**

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

**ii. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	March 31, 2021	March 31, 2020
Shares outstanding at the beginning of the year	2,43,90,849	2,43,90,849
Add: Fresh Issue	-	-
Less: Shares bought back	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,43,90,849</b>	<b>2,43,90,849</b>

(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)

**iii. List of shareholders holding more than 5% of Share Capital**

Name	March 31, 2021		March 31, 2020	
	No: of shares	% of Holdings	No: of shares	% of Holdings
C.C.William Varghese	30,88,301	12.66%	30,88,301	12.66%
BRD Finance LTD	15,47,324	6.34%	15,47,324	6.34%

**Note-4****Reserves And Surplus**

Particulars	March 31, 2021	March 31, 2020
<b>General Reserve</b>		
Opening Balance	32,92,765	32,92,765
(+) Additions/ transfers during the Year	-	-
Closing Balance	32,92,765	32,92,765
<b>Securities Premium Account:</b>		
Opening balance	5,88,81,480	5,88,81,480
Additions during the year	-	-
Closing Balance	5,88,81,480	5,88,81,480
<b>Surplus</b>		
Opening Balance	(4,69,53,501)	4,25,35,131
Balance from Statement of Profit and Loss	(2,31,09,825)	(8,94,88,632)
Closing Balance	(7,00,63,326)	(4,69,53,501)
<b>Total</b>	<b>(78,89,081)</b>	<b>1,52,20,744</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**General Reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. After the introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

**Securities Premium Account:**

This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

This reserve represents the cumulative profits of the Company.

**Note-5****Long Term Borrowings**

Particulars	March 31,2021	March 31,2020
<b>Secured</b>		
<b>Unsecures</b>		
ICD From Group Entities	9,91,05,907	7,88,36,303
<b>Total</b>	<b>9,91,05,907</b>	<b>7,88,36,303</b>

**Note-6****Deferred Tax Liability / (Assets) ( Net):**

Particulars	March 31,2021	March 31,2020
<b>Tax effect of items constituting deferred tax liability :</b>		
On difference between book balance and tax balance of fixed assets	20,56,200	14,75,500
<b>Deferred Tax Assets</b>		
Provision for post retirement benefits and other employee benefits	(3,49,100)	(4,21,700)
Carried Forward Depreciation Loss	(20,26,300)	-
<b>Total</b>	<b>(3,19,200)</b>	<b>10,53,800</b>

**Note-7****Short Term Borrowings**

Particulars	March 31,2021	March 31,2020
Loans repayable on demand	-	-
Other loans and advances		
Unsecured		
Advance From Customers	-	3,44,119
<b>Total</b>	<b>-</b>	<b>3,44,119</b>

**Note-8****Trade Payables**

Particulars	March 31,2021	March 31,2020
<b>Trade payables</b>		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	3,00,111	3,595
<b>Total</b>	<b>3,00,111</b>	<b>3,595</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-9****Other Current Liabilities**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
(a) Current maturities of long-term debt	-	-
(b) Other payables		
Statutory remittances	1,85,932	3,53,301
Expenses Payable	49,67,522	1,26,31,935
Advance	16,00,000	16,00,000
Other Payables	11,48,92,706	10,80,34,148
<b>Total</b>	<b>12,16,46,159</b>	<b>12,26,19,384</b>

**Note-10****Short Term Provisions**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Provision for employee benefits		
(i) Provision for gratuity	13,87,100	16,75,380
Provision - Others:		
(i) Provision for Income Tax	-	-
<b>Total</b>	<b>13,87,100</b>	<b>16,75,380</b>

**Note-12****Non-Current Investments**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Non-Trade Investments - Unquoted		
Investment in shares of Associates		
BRD Car World Limited	10,02,69,942	9,27,93,809
BRD Developers & Builders Limited	4,17,85,294	4,07,21,465
Investment in shares		
Kairali TV- 5000 shares @ 100 each	50,000	50,000
BRD Finance Ltd - Total number of shares 961494	6,89,49,920	6,89,49,920
Investment in partnership firms	12,31,86,999	12,32,24,564
<b>Total</b>	<b>33,42,42,155</b>	<b>32,57,39,758</b>

**Note-13****Long Term Loans And Advances**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Security deposits		
Unsecured, considered good	30,64,395	34,69,645
Balances with government authorities		
Income Tax Receivables	23,55,778	19,92,012
<b>Total</b>	<b>54,20,173</b>	<b>54,61,657</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-14****Inventories**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Vehicles	-	1,24,167
Used Vehicle	-	2,51,750
Fabricated Structures	-	48,120
Spares	-	68,09,136
<b>Total</b>	<b>-</b>	<b>72,33,174</b>

**Note-15****Trade Receivables**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured considered good	13,60,744	13,60,744
Doubtful		
Less: Provision for doubtful trade receivables		
<b>Other Trade receivables</b>		
Secured, considered good		
Unsecured considered good	-	-
Doubtful		
Less: Provision for doubtful trade receivables		
<b>Total</b>	<b>13,60,744</b>	<b>13,60,744</b>

**Note-16****Cash And Cash Equivalents**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Cash in hand	1,00,982	1,63,341
Balance with banks		
In Current Accounts	67,65,191	77,60,918
In Deposit Accounts	-	-
<b>Total</b>	<b>68,66,173</b>	<b>79,24,259</b>

**Note-17****Short Term Loans And Advances**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Loans & Advances to Related Parties		
Balances with government authorities		
Unsecured, considered good		
GST Receivable	17,211	-
Income Tax	6,008	3,63,766
Others (Unsecured, considered good)		
Loans and advances to employees	-	-
Advance to suppliers	18,78,021	5,22,930
Other Advances	66,00,189	1,15,99,689
<b>Total</b>	<b>85,01,428</b>	<b>1,24,86,385</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-18****Other Current Assets**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Accruals		
Interest accrued on deposits	2,31,559	1,92,550
Others		
Other Receivables	1,34,668	23,279
<b>Total</b>	<b>3,66,227</b>	<b>2,15,829</b>

**Note-19****Revenue From Operations**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Sale of products	7,67,930	10,31,41,764
<b>Total</b>	<b>7,67,930</b>	<b>10,31,41,764</b>

**Note-20****Other Income**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Interest on Deposits	87,622	1,07,922
Other non-operating income (Net of expenses directly attributable to such income)		
Share of Profit/(Loss) from partnership firms	(37,564)	(6,51,786)
Documentation Charges Received	-	11,69,972
Insurance Commission Received	110	49,824
Labour Charges	-	22,73,624
Patch Work	-	37,26,046
Rent/ Infrastructure Income Received	-	64,566
Other miscellaneous income	1,34,066	17,14,277
Discount & incentives received	851	5,17,418
Profit on Sale of Fixed Asset	-	26,97,253
<b>Total</b>	<b>1,85,085</b>	<b>1,16,69,116</b>

**Note-21****Purchase Of Stock-In-Trade**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
<b>Purchases</b>		
Vehicles	-	6,99,87,787
Fabrication	-	8,05,035
Spares	-	64,62,058
<b>Total</b>	<b>-</b>	<b>7,72,54,880</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-22****Changes In Inventories Of Stock-In-Trade**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
<b>Inventories at the end of the year:</b>		
Vehicles	-	1,24,167
Fabrication	-	48,120
Spares	-	68,09,136
	<b>-</b>	<b>69,81,424</b>
<b>Inventories at the beginning of the year:</b>		
Vehicles	1,24,167	1,53,66,156
Fabrication	48,120	48,120
Spares	68,09,136	2,07,93,983
	<b>69,81,424</b>	<b>3,62,08,259</b>
Used Vehicle disposed	<b>2,51,750</b>	-
<b>Net (increase) / decrease</b>	<b>72,33,174</b>	<b>2,92,26,835</b>

**Note-23****Employee Benefit Expenses**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Salaries & Wages	10,72,354	1,79,71,679
Contributions to provident and other funds	1,22,435	64,01,087
<b>Total</b>	<b>11,94,789</b>	<b>2,43,72,765</b>

**Note-24****Finance Cost**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Interest expense on :		
Borrowings	-	2,91,789
Other Loans	1,78,16,828	2,14,09,230
<b>Total</b>	<b>1,78,16,828</b>	<b>2,17,01,019</b>

**Note-25****Depreciation and Amortisation**

<b>Particulars</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Depreciation	32,24,473	19,15,725
Amortisation	-	-
<b>Total</b>	<b>32,24,473</b>	<b>19,15,725</b>

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

## Note-26

## Other Expenses

Particulars	March 31,2021	March 31,2020
Advertisement Expenses	2,27,995	96,823
Annual General Meeting exp	5,900	4,28,093
Audit Fee	1,65,000	1,65,000
Bank Charges	2,907	41,903
Discount paid	2,671	59,076
Donation	-	4,060
Electricity Charges & fuel expenses	7,24,217	14,10,334
Filing Fee	7,800	1,87,800
Freight and Cooly	-	30,242
Generator Diesel Expenses	-	2,950
Gratuity Risk Premium	-	15,573
Insurance	19,610	1,19,204
Interest on TDS	235	750
Intrest Paid On GST	-	46,914
Advances/Accounts written off	4,99,225	56,51,276
Legal Charges	1,10,815	3,76,470
Miscellaneous Expenses	18,100	13,635
MCA Expenses	15,85,000	-
Newspaper & Periodicals	769	11,525
Office Expenses	21,438	3,91,869
Patch Work & Upholestery Expenses	136	16,56,037
PDI Expenses	-	9,34,723
Postage & Telephone	47,357	1,59,657
Printing & Stationary	43,337	2,88,261
Professional fee	3,97,250	1,52,500
Rates & Taxes	2,81,119	4,38,121
Refreshment Expenses	5,012	3,11,722
Rent	-	4,74,300
Repair & Maintenance	94,977	1,90,922
Round Off	6	(1,353)
Sitting Fees	43,750	12,500
Software Expenses	18,957	38,954
Spare Parts Expenses	13,149	2,10,303
Trade Discount & Selling Promotion Expense	79,175	21,68,453
Training Programme Expenses	-	3,014
Transportation Charges	11,100	29,716
Travelling Expenses	79,532	4,32,779
VAT-Paid	-	85,107
Vehicle Demo Expenses	-	1,90,054
Workshop Expenses	-	3,14,616
<b>Total</b>	<b>45,06,539</b>	<b>1,71,43,883</b>

## A. Payment to the auditors comprises :

Particulars	March 31,2021	March 31,2020
As auditors - statutory audit	1,10,000	1,10,000
For taxation matters	33,000	33,000
For other services	22,000	22,000
<b>TOTAL</b>	<b>1,65,000</b>	<b>1,65,000</b>



## Consolidated Notes on Financial Statements for the year ended 31st March 2021

## B. Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Current tax	-	-
Tax relating to prior years paid on settlement	-	33,70,318
Deffered Tax	(13,73,000)	(1,10,567)
Income tax expense reported in statement of profit and loss	<b>(13,73,000)</b>	<b>32,59,751</b>

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, tax expense for the year comprising current and deferred tax as per Accounting Standards -22 Income Taxes have been recognised using the reduced tax rates applicable.

**Note-27**

The components of exceptional item for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Net Amount declared before Settlement Commission	-	(91,86,473)
Interest on Amount Payable to Group Entities	-	(3,21,19,698)
TOTAL	-	<b>(4,13,06,172)</b>

A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the Company and certain group Companies in the previous year ended 31st March, 2017. The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 24.06.2020. The order giving effect to the ITSC order have also been passed and its effects are appropriately provided in books of account. The Company has deposited 20.02 Lakhs as tax and ` 13.68 as interest towards the proposed settlement which has been shown as a part of income tax for prior years expenses under the head "Tax Expense" in the books of accounts as on 31st March, 2020. The matter is concluded with the Hon'ble ITSC.

The Board of Directors of the Group Companies has decided to charge interest on outstanding amount Payable to the Related entities. The Group Entity had applied interest from the date of amount became receivable from the related entities and the interest related to the prior period comes to R 321.19 Lakhs

**Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2008)**

**a. Defined Contribution Plans :**

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

Particulars	March 31, 2021	March 31, 2020
Employers Contribution to Provident Fund	27,926	14,83,390
Employers Contribution to Employee's State Insurance	6,669	4,25,423

**b. Defined benefit Plans- Gratuity:**

## i. Actuarial Assumptions:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	-	8.00%
Rate of increase in compensation level	-	7.00%
Rate of Return on Plan Assets	-	7.00%

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

Particulars	March 31, 2021	March 31, 2020
Present value of obligations at the beginning of the period	36,43,881	35,17,025
Interest Cost	-	2,63,777
Current Service Cost	-	3,09,319
Benefits paid	(18,56,306)	(26,41,282)
Actuarial (Gain)/Loss	-	21,95,042
Present value of obligations at the end of the period	17,87,575	36,43,881

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

## iii. Assets

Particulars	March 31,2021	March 31,2020
Fair value of Plant Assets at the beginning of the year	19,68,501	27,38,820
Expected return of Assets	28,280	1,35,682
Contributions	2,60,000	17,35,280
Benefits paid	(18,56,306)	(26,41,282)
Actuarial (Gain)/Loss	-	-
Fair value of Plant Assets at the end of the year	4,00,475	19,68,501

## iv. Net Asset/Liability to be recognised in the Balance Sheet

Particulars	March 31,2021	March 31,2020
Present value of obligations at the end of the period	17,87,575	36,43,881
Fair value of Plan Assets at the end of the period	4,00,475	19,68,501
Funded Status	(13,87,100)	(16,75,380)
Net Asst/Liability to be recognised in Balance Sheet	(13,87,100)	(16,75,380)

## v. Expenses recognized in the Profit and Loss Account

Particulars	March 31,2021	March 31,2020
Current Service Cost	-	3,09,319
Interest Cost	-	2,63,777
Expected Return on Plan Assets	(28,280)	(1,35,682)
Net Actuarial (Gain)/Loss recognised in the period	-	21,95,042
Expenses recognised in the statement of Profit and Loss Account	(28,280)	26,32,456

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.

## Note-29

## Earnings Per Share (Basic &amp; Diluted) :

Particulars	March 31,2021	March 31,2020
Profit after tax	(2,31,09,825)	(8,94,88,632)
Weighted average number of shares	2,43,90,849	2,43,90,849
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	(0.95)	(3.67)

## Note-30

## Related party disclosures

Names of Related Parties

## (A) Subsidiaries

Nil

## (B) Associate

BRD Developers &amp; Builders Limited

## (B) Key Management Personnel

## Designation

Chungath Cheru Simon

Managing Director

Santhosh

Chief Financial Officer

Saranya Shanker

Company Secretary

## (C) Entities in which KMP / Relatives of KMP can exercise significant influence

B R D Finance Limited

B R D Car World Limited

BRD Securities Limited

## (D) Relatives of Key Management Personnel

C C William Verghese (Prop SML Motors )

Brother of Managing Director

Mini C Cherian

Spouse of Managing Director

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

## Related Party transactions during the year:

Particulars	KMP		Relatives of KMP	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Remuneration paid	5,17,732	6,58,515		-

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31,2021	March 31,2020	March 31,2021	March 31,2021
Intercorporate Deposit Accepted	-	-	10,56,36,035	10,16,96,546
Intercorporate Deposit Re-paid	-	-	8,53,66,431	4,28,60,243
Interest Paid	-	-	1,78,16,828	5,35,28,929

## Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Trade Receivables	-	-	13,60,744	13,60,744
Interest Payable	-	-	(48,01,674)	(1,24,66,936)
Intercorporate Deposit	-	-	(9,91,05,907)	(7,88,36,303)
Other Payables BRD Finance Limited	-	-	(11,48,92,706)	(10,74,29,014)

## Note:

Related parties have been identified on the basis of the declaration received by the management and other records available and the same has been relied upon by the auditors.

## Note-31

## Transaction with non executive director

Name of Non-Executive Director	Nature of Transaction	March 31,2021	March 31,2020
N R Bahuleyan	Sitting Fee	15,000	4,250
P M Jose	Sitting Fee	15,000	4,000
Sunny Mathew	Sitting Fee	13,750	4,250

## Note-32

## Contingent liabilities and capital commitments

	March 31,2021	March 31,2020
1. Contingent Liabilities: -		
a. Claim not acknowledge as debt by the company		
In respect of Building Tax where the Company has filed appeal before Hight Court of Kera	22.54 Lakhs	22.54 Lakhs
In respect of Income Tax where the Company has filed appeal before various authorities	41.34 Lakhs	41.34 Lakhs
In respect of VAT where the Company has filed appeal before Hight Court of Kerala	108.53 Lakhs	-

Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations

## Consolidated Notes on Financial Statements for the year ended 31st March 2021

**Note-33****Disclosure with regard to dues to Micro Enterprises and Small Enterprises**

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2021 is Nil. (as on March 31, 2020 is Nil). Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished.

**Note-34****Value of imports calculated on CIF Balance**

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2020-21. (2019-20 – Nil)

**Note-35****Expenditure in Foreign Currency**

The company does not have any expenditure in Foreign Currency during the year 2020-21. (2019-20 – Nil)

**Note-36****Earning in Foreign Currency**

The company does not have any earnings in Foreign Currency during the year 2020-21. (2019-20 – Nil)

**Note-37****Miscellaneous**

The Minority Share holders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. Refer Note.2.v

The company has a single reportable segment i.e. Trading which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.

Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

In terms of our report attached.	For and on behalf of the Board	
	Sd/- <b>C. C. William Verghese</b> Chairman (DIN:00074708)	Sd/- <b>Simon Cheru C.</b> Managing Director (DIN: 00074163)
Sd/- <b>Damodaran P Namboodiri , FCA</b> Chartered Accountant Membership No.221178	Sd/- <b>Santhosh</b> Chief Financial Officer	Sd/- <b>Saranya</b> Company Secretary
Aluva 05.11.2021	Thrissur 05.11.2021	

## Note - 11

## Property Plant and Equipments

Particulars	Land	Building	Computer & Accessories	Electrical Fittings & Equipments	Furniture & Fittings	Office Equipments	Tools & Equipments	Vehicles	Total
<b>Cost:</b>									
As at April 1, 2020	4,37,24,705	8,00,53,304	56,34,133	53,33,975	53,97,213	16,17,519	45,38,235	36,89,839	14,99,88,923
Additions	-	-	-	7,75,000	-	-	-	-	7,75,000
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	4,37,24,705	8,00,53,304	56,34,133	61,08,975	53,97,213	16,17,519	45,38,235	36,89,839	15,07,63,923
<b>Depreciation and impairment:</b>									
As at April 1, 2020	-	2,28,52,623	52,71,814	48,67,647	50,54,442	15,15,833	39,09,619	32,76,935	4,67,48,914
Additions	-	27,94,677	63,281	1,09,023	41,391	20,505	1,08,381	87,216	32,24,473
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	2,56,47,300	53,35,095	49,76,670	50,95,834	15,36,338	40,18,000	33,64,150	4,99,73,387
<b>Net book value:</b>									
As at April 1, 2020	4,37,24,705	5,72,00,681	3,62,319	4,66,328	3,42,771	1,01,685	6,28,616	4,12,904	10,32,40,009
As at March 31, 2021	4,37,24,705	5,44,06,004	2,99,038	11,32,305	3,01,380	81,181	5,20,235	3,25,688	10,07,90,536