

**BRD FINANCE LIMITED**

**23rd ANNUAL REPORT  
2017-18**

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

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



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

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



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

# **BRD FINANCE LIMITED**

U65910KL1995PLC009430

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## **REGISTERED OFFICE**

Bethany Complex, Kunnankulam

Thrissur - 680 503.

Phone : 04885-228565

E mail : brdfinance@brdgroup.net

Web site : www.brdgroup.net

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## BRD FINANCE LIMITED

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### DIRECTORS' REPORT

Dear Members,

Your directors have great pleasure in presenting their 23rd Annual Report of the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March 2018.

### FINANCIAL HIGHLIGHTS:

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

Particulars	Rs	
	Year ended 31.03.2018	Year ended 31.03.2017
Revenue	7,47,36,886	7,68,34,751
Other Income	6,08,81,391	5,83,14,170
Total Revenue	13,56,18,277	13,51,48,921
Expenses	9,23,88,012	6,47,91,387
Profit/(Loss) before taxation	4,32,30,264	7,03,57,534
Less : Tax Expense	1,10,20,840	2,19,43,193
Profit/(Loss) after tax	3,22,09,425	4,84,14,341

### Company Overview:

BRD Finance Limited concentrates mainly on chit promotion business. The management team of BRD Finance believes that service with quality is the essence of success in winning customer confidence.

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

State of the Company's Affairs and Future Outlook:

In FY 2017-18, we achieved a profit of Rs.43,230,264/- (before tax). Revenue from the operations & other income increased from Rs. 13.51 crores (2016-17) to Rs. 13.56 crores (2017-18). Expenses increased from Rs.64.79 to 92.38. Though there were unfavourable market conditions, your Company was able to maintain its revenue from operations. We place on record our appreciation for the contributions made by our employees at all levels.

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

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

### Dividend:

The Company had declared and paid an interim dividend at 18% to its members in December, 2017. However, the Board of Directors does not recommend any final dividend for the financial year 2017-18 with a view to conserve resources of the Company.

### Amounts Transferred to Reserves:

The Company has transferred Rs. 6,441,885/- to general reserves. The total reserve and surplus as on 31st March 2018 stands at Rs. 295,278,238.

### Deposits:

During the year under review, your Company neither accepted nor renewed any deposits within the meaning of provisions of Chapter V - Acceptance of Deposits by Companies of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### Changes in Share Capital, if any:

The paid up equity share capital as at March 31, 2018 stood at Rs. 149,619,240. During the Financial Year 2017-18, there were no changes in the Authorized share capital and subscribed, issued and paid up capital of the company.

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### Disclosure regarding Issue of Equity Shares with Differential Rights:

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

### Disclosure regarding issue of Employee Stock Options:

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

### Disclosure regarding issue of Sweat Equity Shares:

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

### Extract of Annual Return:

The extract of Annual Return in Form no.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2018 is annexed hereto as Annexure 1 and 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 9 Directors as on 31st March 2018.

During the financial year 2017-18, Shri.

Vellanikkaran Antony James and CS. Bahuleyan Raman Nalupurakkal were appointed as Independent Directors. Their appointment as Independent Directors (Additional Directors) has to be regularized in this AGM and resolution for the same is set out in the notice calling AGM. Shri. William Varghese Chungath Cheru and Shri. Kochumathew Chowalloor Joseph, Directors are retiring by rotation in the Annual General Meeting and being eligible seeks re-appointment. Shri. Porathur Devassy Antony was appointed by the Board w.e.f 05.06.2018 and the Board subsequently as Whole time Director, subject to the approval of members in ensuing AGM. Now, the board recommend regularization of his appointment as Director and his appointment as Whole Time Director, to the members of the Company. The resolutions for regularization and appointment/reappointment of Directors are set out in the notice calling AGM.

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

The name, designation, date of appointment and the number of Board meetings attended by Board of Directors in the FY 2017-18 are given below-attended by each of them are given below:

Sl No	Name of Director	Designation	Date of Appointment	No.of Board Meetings attended
1	C C William Varghese	Director	19.09.1995	9
2	Simon K C	Director	23.03.2006	4
3	Appumon C K	Managing Director	19.09.1995	9
4	Kochumathew C J	Director	30.11.2016	9
5	Roshini Simon	Director	27.09.2017	6
6	Sunitha A C	Director	27.09.2017	4
7	Sudheesh M M	Director	27.09.2017	6
8	Bahuleyan Raman N	Independent Director	25.01.2018	2
9	Antony James V	Independent Director	25.01.2018	2

## BRD FINANCE LIMITED

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### Number of Board Meetings:

During the Financial Year 2017-18, Nine (09) meetings of the Board of Directors of the company were held. The Board meetings were held on the following dates:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	28.04.2017	7	5
2	08.06.2017	7	5
3	18.08.2017	7	6
4	31.10.2017	8	6
5	04.11.2017	8	6
6	11.12.2017	7	6
7	18.12.2017	7	6
8	25.01.2018	9	8
9	26.03.2018	9	7

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

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

However, the Company has invested in Debentures of BRD Securities Limited during the financial year 2017-18, the value of which amounts to Rs. 4,78,50,000/-

### Particulars of Contract or Arrangements with Related Parties:

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

### Explanation to Auditor's Remarks:

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

i. The Company has not provided the latest valuation report of stock of shares held as stock in trade. Due to the absence of the valuation report and other supportive audit evidence, we are unable to comment upon the value of shares held as stock in trade and also we are unable to comment upon its recoverability in cash or kind, if any.

Response of your 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.

ii. Regarding other Loans and Advance and interest receivable thereon as at 31st March, 2018 given to various parties and outstanding as at 31st March, 2018, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its recoverability in cash or kind, if any.

Response of your Board of Directors -

Legal action has been initiated to recover all loans that are due and are in default and the Board is hopeful that the aforesaid loans will be recovered in due course of time.

### 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 (31st March 2018) and the date of the report.

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

#### A) CONSERVATION OF ENERGY:

The Company is engaged in the financial services sector and therefore conservation of energy, technology absorption etc. have a limited application. However, the Company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets

in its operations.

### **B) Technology Absorption :**

During the period under review there was no major technology absorption undertaken by the Company.

### **C) 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:**

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. Your Company has appointed Shri. Jolly as Chief Financial Officer of the Company on 25th January 2018. Shri. Vellanikaran Antony James and CS. Bahuleyan Raman Nalupurakkal were appointed as Independent Directors on 25th January 2018.

### **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.

### **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.

### **Corporate Social Responsibility (CSR) Policy:**

The Company has a CSR Committee which will be considering CSR proposals and will be recommending long term sustainable projects having positive impact in the society. A brief outline of the CSR policy of the Company and the CSR initiatives undertaken by the Company for the financial year 2017-18 are set out in Annexure III to this report in the format prescribed in the Companies (CSR Policy) Rules 2014.

### **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. The Board has taken measures to improve the quality and effectiveness of operations accounting and internal audit procedures within the Company and ensure timely action on major concerns without fail. The Board of Directors are hopeful that the efficiency of operations of the Company will improve in days to come.

### **Corporate Governance:**

The Company has taken certain measures to ensure good corporate governance envisaged under the Companies Act 2013. The Board of Directors embrace the concept of Corporate Governance which ensure that a Company is governed in the best interests of all stakeholders. Corporate Governance is all about promoting fairness, transparency, accountability and

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compliance with laws. Good corporate governance helps to balance the interests of management and interests of all stakeholders and ensure the achievement corporate objectives without compromising on the relationship with stakeholders. The Company has in place audit committee, nomination and remuneration committee, CSR Committee and stakeholder relationship committee as per Companies Act 2013. These committees will benefit the Company and the stakeholders of the Company.

### Committees of the Board:

As on date, the Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee

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

### Audit Committee:

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

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

Name of Director	No. of meetings attended
C K Appumon	2
C C William Verghese	2
Kochumathew C J	2

The Company had inducted independent Directors to Audit Committee during the period under review. On 26th March 2018, the Audit

Committee was reconstituted in the following manner

1. Shri. William Varghese C C
2. Shri. Appumon C K
3. Shri. Antony James V
4. Shri. Bahuleyan Raman Nalupurakkal

No meetings of the committee was held after reconstitution.

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

### Nomination & Remuneration Committee:

The committee mainly deals with matters relating to the size and composition of the Board, succession plans, evaluation of performance, Board diversity and remuneration framework and policies thereon. The committee is in the process of improving detailed criteria relating to the determination of qualifications, positive attributes and independence of directors and recommendation of candidates to the Board as well as a policy relating to remuneration of directors, key managerial personnel and other employees.

The NRC had following Directors as its members

Name of Director	No. of meetings attended
C K Appumon	2
C C William Verghese	2
Kochumathew C J	2

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

1. Shri. C C William varghese
2. Shri. Appumon C K
3. Shri. Kochumathew C J
4. Shri. Bahuleyan Raman Nalupurakkal

No meetings of the committee was held after



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reconstitution.

### Stakeholders Relationship Committee:

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

Name of Director	No. of meetings attended
C K Appumon	2
C C William Verghese	2
Kochumathew C J	2

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

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

1. Shri. William Varghese C C
2. Shri. Appumon C K
3. Shri. Antony James V
4. Shri. Sudheesh M M

### Corporate Social Responsibility Committee:

The CSR Committee mainly deal with CSR policy and provide guidance on various CSR activities to be undertaken by the Company and monitor process of their implementation.

The Committee had following members

Name of Director	No. of meetings attended
C K Appumon	2
C C William Verghese	2
Kochumathew C J	2

During the Financial Year 2017-18, 3 meetings of the CSR Committee were held on 18.08.2017 and 28.10.2017 respectively. The Company had inducted independent Directors to CSR committee during the period under review. On 26th March 2018, the Committee was reconstituted in the following manner-

1. Shri. William Varghese C C
2. Shri. Antony James V
3. Shri. Roshini Simon
4. Shri. Bahuleyan Raman Nalapurakkal

No meetings of the committee was held after reconstitution.

### Annual Evaluation:

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

### 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 in place an Anti-Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year under review, the Company has not received any complaints with allegations of sexual harassment..

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

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

### Dematerialisation of securities:

The Ministry of Corporate Affairs (MCA) has made it mandatory for unlisted public Companies to allot its securities and to provide facility for transfer of securities in demat mode w.e.f 02nd October 2018. Allotment and transfer of securities in physical mode is not allowed w.e.f 02nd October

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2018. In order to comply with the MCA direction, the Company has taken measures to dematerialize the shares and Non-convertible Debentures (NCDs) with National Securities Depository Limited and Central Depository Services Limited .

### **Statutory Auditors:**

The Company had appointed Shri. Damodaran P, ACA (Membership No. 221178), Paravattathu Mana, Karthika, Urakam PO, Thrissur, Kerala-680562, as the Statutory Auditor of the Company to hold office from the conclusion of the Annual General Meeting for the financial year 2016-17, held on 27.09.2017 until the conclusion of the Annual General Meeting to be held for the financial year 2021-22.

Earlier, Section 139(1) of the Companies Act 2013 had a proviso which prescribed ratification of appointment of Statutory Auditors in every consecutive Annual General Meetings. However, vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been included in notice of Annual General Meeting.

### **Cost Auditors:**

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

### **Directors Responsibility Statement:**

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

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been

followed along with proper explanation relating to material departures;

- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit /loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Cautionary Statement:**

Statements in this Boards report describing the Company's objectives, projections, estimates and expectations may be forward looking, within the meaning of the applicable laws, and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### **Acknowledgment:**

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

For and on behalf of the Board of Directors

Place: Kunnankulam

Date: 09/10/2018

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

# BRD FINANCE LIMITED

ANNEXURE-1

FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

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

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U65910KL1995PLC009430
ii)	Registration Date	19.09.1995
iii)	Name of the Company	BRD FINANCE LTD
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Non-Government Company
v)	Address of the Registered office and contact details	XIII/436, A3, 1st Floor, Bethany Complex, Thrissur Road, Kunnamkulam, Thrissur, Kerala- 680503 Phone: 04885-228565 E mail: : brdfinance@brdgroup.net
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. Consultants Limited PB No. 2016, "Kanapathy Towers", 1391/A1, Sathy Road, Ganapathy Post, Coimbatore - 641006, Ph: +91 422 4958995, 2539835/ 836

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Kuri Business	65992	75%
2	Finance	6592	25%

### 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 Chits LTD Uttam Complex, 2nd floor 9-12 Rajaji Road, Ram Nagar Gandhi puram, Coimbatore, Tamil Nadu- 641 009	U65942TZ2012PLC018717	Subsidiary	92.31%	2(87)
2.	BRD Kuries (INDIA) LTD 534/A, BRD Complex, Calicut Road, Parempadam, Kunnamkulam, Thrissur-68 0519	U65992KL2014PLC036468	Subsidiary	96.67%	2(87)
3.	BRD Developers and Builders LTD Door No. XIII/436, A 1, 2nd Floor, Bethany Complex, Thrissur Road, Kunnmakulam Thrissur - 680 503	U45200KL2010PLC026202	Associate	48.78	2(6)

## BRD FINANCE LIMITED

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	2319513	2319513	15.50%	Nil	1173795	1173795	7.83%	49.39%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A)(1)</b>	-	2319513	2319513	15.50%	Nil	1173795	1173795	7.83%	49.39%
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any othe	-	-	-	-	-	-	-	-	-
<b>Sub- Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	-	2319513	2319513	15.50%	Nil	1173795	1173795	7.83%	49.39%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	963694	963694	6.44%	Nil	1092877	1092877	7.30%	0.35%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual share holders holding nominal share capital upto Rs. 1 lakh	-	4523549	4523549	30.12%	Nil	5523809	5523809	36.94%	
II) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	7254094	7254094	48.49%		7171443	7171443	47.93%	20.67%
c) Others Specify									
<b>Sub-total (B)(2):-</b>	-	12642411	12642411	84.50%	-	13788129	13788129	92.17%	9.07%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	12642411	12642411	84.50%	-	13788129	13788129	92.17%	9.07%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		14961924	14961924	100%	Nil	14961924	14961924	100%	Nil

#### ii) Shareholding of Promoter-

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	C C William Varghese	2319513	15.50%	-	1173795	7.83%	-	-49.39%

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	At the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	C C William Varghese	2319513	15.50%	-	-	Annexure	1173795	-49.39%

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

S. No.	For each of Top 10 Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Increase/Decrease in Shareholding during the year specifying the date and reasons for increase/ decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	BRD Motors Limited	963694	6.44%	961494	6.43%	Nil
2	John Mathai	332496	2.22%	647496	4.33%	2.11%
3	Sreedevi Vishnu M	99410	0.66%	522641	3.49%	425%
4	Prasad Punnoose	375839	2.51%	375839	2.51%	Nil
5	George N V	316704	2.12%	316704	2.12%	
6	Annie Mathew	281468	1.88%	281468	1.88%	Nil
7	Baby Skaria	273546	1.82%	273546	1.83%	Nil
8	Zarine M Punnoose	266510	1.78%	266510	1.78%	Nil
9	Mohan T V	206340	1.38%	197098	1.32%	4.48%
10	Simon Cheru C	162765	1.09%	133725	0.89%	17.84%

## BRD FINANCE LIMITED

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

S. No.	For each of Directotrs 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	2319513	15.50%	1173795	7.83%	Refer Annexure 1A
2	Simon K C	69925	0.47%	69925	0.47%	
3	Appumon C K	203356	1.36%	101979	0.68%	
4	Roshini Simon	51838	0.35%	32886	0.22%	
5	Arimboor Cherukutty Sunitha	244326	1.63%	244326	1.63%	
6	Sudheesh Meleppattu Madhavapanicker	73105	0.48%	48105	0.32%	
7	Kochumathew C J	10351	0.07%	10351	0.07%	
8	Bahuleyan Raman Nalupurakkal					
9	Vellanikkaran Antony James					

### vi) INDEBTEDNESS -

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	41000000	-	-	41000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	41000000	-	-	41000000
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	26000000	-	-	26000000
<b>Net Change</b>	26000000	-	-	26000000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15000000	-	-	15000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	15000000	-	-	15000000

## BRD FINANCE LIMITED

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### vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		.....	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax 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	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-



## BRD FINANCE LIMITED

### vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

#### B. Remuneration to Other Directors

Amount in ₹

Name of Directors	Particulars of Remuneration			
	Fee for attending board/committee meetings	Remuneration	Others, please specify- Allowance	Total
(1) Independent Directors	-	-	-	-
Total (1)	-	-	-	-
(2) Other Non-Executive Directors				
Total (B) = (1) +(2)	-	-	-	-
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			79,134	79,134
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify	-	-	-	-
	Total			79,134	79,134

## BRD FINANCE LIMITED

### viii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Thrissur  
09.10.2018

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

*Annexure I (a)*

S No:	Directors Name	Date of Purchase	Purchase No. of Sharesof	Date of Sale	Sale No. Shares
1	C C William Varghese	18-08-2017	89313	06-08-2017	594526
		09-01-2017	128292	18-08-2017	626494
		12-11-2017	2854	09-01-2017	59506
		25-01-2018	34800	12-11-2017	1220000
2	Appumon C K			06-08-2017	81000
				18-08-2017	18000
				09-01-2017	2500
3	Roshini Simon			06-08-2017	18952
				06-08-2017	21000
4	Sudheesh M M			18-08-2018	4000

## BRD FINANCE LIMITED

Annexure II

### Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	BRD Chits LTD	BRD Kuries (INDIA) LTD
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2017-18	2017-18
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
4.	Share capital(Paid Up)	65,00,000	1,50,00,000
5.	Reserves & surplus	11826774	3221909
6.	Total assets	20583461	19032174
7.	Total Liabilities	20583461	19032174
8.	Investments	-	-
9.	Turnover	2252554	1455000
10.	Profit/(Loss) before taxation	1958373	1768279
11.	Provision for taxation		
12.	Profit after taxation	1450392	1298843
13.	Proposed Dividend	-	-
14.	% of shareholding	92.31%	96.67%

1. Names of subsidiaries which are yet to commence operations :

2. Names of subsidiaries which have been liquidated or sold during the year :

For and on behalf of the Board of Directors

Sd/-

William Varghese Chungath Cheru

Chairman

( DIN:00074708)

## BRD FINANCE LIMITED

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### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures		BRD Developers and Builders LTD
1.	Latest audited Balance Sheet Date	31.03.2018
2.	Shares of Associate held by the company on the year end	
	No.	1000000
	Amount of Investment in Associates	1,00,00,000
	Extend of Holding %	48.78
3.	Description of how there is significant influence	" Control of 20% above Total Share Capital"
4.	Reason why the associate/ joint venture is not consolidated	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	18153305
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations :

2. Names of associates or joint ventures which have been liquidated or sold during the year :

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

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

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

Thrissur  
09.10.2018

## BRD FINANCE LIMITED

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

Name of Director	Vellanikkaran Antony James	Bahuleyan Raman Nalapurakkal	Mathew Jose
<b>Category &amp; proposed Designation</b>	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
<b>Age</b>	63	70	71
<b>Date of first appointment on Board</b>	21/07/2018 as Additional Director (Independent Non-Executive Director)	25/01/2018 as Additional Director (Independent Non-Executive Director)	25/01/2018 as Additional Director (Independent Non-Executive Director)
<b>Qualifications</b>	PhD, MBA, CAIIB, PGDGC, DCM	B.com (Hons), FCS	B.Sc
<b>Experience</b>	<ul style="list-style-type: none"> <li>•Banking industry 30 years in managerial roles.</li> <li>•Global HR head in a MNC, Dubai – 3 years.</li> <li>•Visiting Faculty in leading management institute in Kerala</li> </ul>	<ul style="list-style-type: none"> <li>•More than 30 years experience in top management /senior management positions in premier public sector/private sector Companies.</li> <li>•Company Secretary in leading public sector undertaking</li> </ul>	<ul style="list-style-type: none"> <li>•Banking industry 31 years in managerial roles</li> <li>•Banking -Overseas exposures in Hongkong as Chief Executive &amp; Executive Director</li> </ul>
<b>Shareholding in the Company</b>	9720	Nil	2950
<b>Number of meeting of the Board attended during the Financial period 2017-18/ Board meetings held during his tenure</b>	0/0	3/3	3/3

## BRD FINANCE LIMITED

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

## BRD FINANCE LIMITED

Name of Director	Cheruvathoor Kuriappan Appumon	Porathur Antony Devassy
<b>Category &amp; proposed Designation</b>	Managing Director	Whole Time Director
<b>Age</b>	47	63
<b>Date of first appointment on Board</b>	19.09.1995	16.05.2018
<b>Qualifications</b>	Undergraduate	Undergraduate
<b>Experience</b>	Around 28 years experience in NBFC financial services	Around 28 years experience in NBFC financial services
<b>Shareholding in the Company</b>	103528	51552
<b>Number of meeting of the Board attended during the Financial period 2017-18/ Board meetings held during his tenure</b>	9/9	0/0
<b>Directorships in other Companies.</b>	<ul style="list-style-type: none"> <li>•B R D Car World Limited</li> <li>•BRD Developers and Builders Limited</li> <li>•BRD Chits Limited</li> <li>•BRD Kuries (India) Limited</li> <li>•Sangeeth Nidhi Limited</li> <li>•Rajputana Investment &amp; Finance Limited</li> <li>•SML Finance Limited</li> <li>BRD Securities Limited</li> </ul>	<ul style="list-style-type: none"> <li>•B R D Car World Limited</li> <li>•BRD Developers and Builders Limited</li> <li>•BRD Chits Limited</li> <li>•BRD Kuries (India) Limited</li> <li>•BRD Securities Limited</li> </ul>
<b>Relationship with other Directors / KMP of the Company.</b>	Nil	Nil
<b>Terms and Conditions of appointment / reappointment</b>	<ul style="list-style-type: none"> <li>•Tenure- 5 years</li> <li>•Not liable to retire by rotation</li> <li>•Sitting fee and reimbursement for expenses incurred during the course of duty.</li> </ul>	<ul style="list-style-type: none"> <li>•Tenure- 5 years</li> <li>•Not liable to retire by rotation</li> <li>•Sitting fee and reimbursement for expenses incurred during the course of duty.</li> </ul>
<b>Remuneration sought to be paid.</b>	Nil	Rs.70000/- Per Month
<b>Remuneration during Financial period 2017-18.</b>	N.A	N.A

## BRD FINANCE LIMITED

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*Annexure IV*

### ANNUAL REPORT ON CSR ACTIVITIES

1. **A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs:**

The Company has adopted the Corporate Social Responsibility Policy outlining the various activities defined in Schedule VII of the Companies act 2013. The policy envisages the formulations of the CSR Committee which will recommend the amount of expenditure to be incurred on the activities referred to in the Policy to the Board and monitor the project/programs from time to time with reporting of the progress on such project/programs to the board. The execution of the projects/programs is either by way of partnering through the implementation agencies or directly by the Company.

The Corporate Social Responsibility Committee was constituted by way of a Board resolution dated October 23rd 2014. The Committee met 2 times during the year to discuss about the implementation of Company's CSR programs.

2. **The Composition of the CSR Committee:** The Company has a CSR committee of directors comprising of Mr. C C Willaim Varghese, Mr. Antony James V, Ms. Roshini Simon and Mr. Nalupurakkal Raman Bahuleyan
3. **Average net profit of the Company for last three financial years:-** Rs.94399847/-
4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):-** Rs. 1887997/-
5. **Details of CSR spent during the financial year:**
- a. Total amount spent for the financial year: NIL
  - b. Amount unspent, if any; Rs. - 1887997/-
  - c. Manner in which the amount spent during the financial year: Attached.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for Not spending the amount in its Board report:-**

The Company was not able to find viable projects during the period under review. However, the CSR Committee is working to find viable projects that will well serve the needs of the society.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:-**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

5(c) manner in which amount spent during the financial year is Nil.

For and on behalf of the Board of Directors

Sd/-

**William Varghese Chungath Cheru**

Chairman

( DIN:00074708)

Thrissur  
09.10.2017



### INDEPENDENT AUDITORS' REPORT

To  
The Members of BRD Finance Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of M/s BRD Finance Limited, Thrissur ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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.

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

### BASIS FOR QUALIFIED OPINION

- i. The Company has not provided the latest valuation report of stock of shares held as stock in trade. Due to the absence of the valuation report and other supportive audit evidence, we are unable to comment upon the value of shares held as stock in trade and also we are unable to comment upon its recoverability in cash or kind, if any.

## BRD FINANCE LIMITED

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ii. Regarding other Loans and Advance and interest receivable thereon as at 31st March, 2018 given to various parties and outstanding as at 31st March, 2018, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its recoverability in cash or kind, if any.

### QUALIFIED OPINION

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 paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss and its cash flows for the year ended on that date

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. . As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Aluva,  
12.09.2018.

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

### "Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the rules framed there under.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders. The company does not have any borrowing by way of debentures.
- 9) Based upon the audit procedures performed and the information and explanations given

## BRD FINANCE LIMITED

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

Aluva,  
12.09.2018.

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

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

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

We have audited the internal financial controls over financial reporting of BRD Finance Limited ("the Company") as of March 31, 2018 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.

## **BRD FINANCE LIMITED**

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### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Aluva,  
12.09.2018.

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

## BRD FINANCE LIMITED

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

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	149,619,240	149,619,240
(b) Reserves & Surplus	4	295,278,238	295,482,888
<b>(2) Share application money pending allotment</b>			
-			
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings			
(b) Deferred tax liabilities (Net)	5	200,640	217,980
(c) Other long term liabilities			
(d) Long term provisions			
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	6	15,000,000	50,000,000
(a) Trade payables			
(b) Other current liabilities	7	536,475,704	475,271,485
(c) Short-term provisions	8	-	282,912
<b>TOTAL</b>		<b>996,573,822</b>	<b>970,874,505</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	9		
(i) Property , Plant & Equipments		12,089,174	12,468,389
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	10	345,303,000	297,453,000
(c) Deferred tax assets (net)			
(e) Long term loans and advances	11	412,500	418,500
(f) Other non-current assets	12	177,130	10,221,517
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	299,746,890	299,746,890
(c) Trade receivables			
(d) Cash and bank balances	14	17,631,169	21,070,109
(f) Short-term loans and advances	15	207,293,841	215,231,465
(g) Other current assets	16	113,920,118	114,264,635
<b>TOTAL</b>		<b>996,573,822</b>	<b>970,874,505</b>

Notes are an integral part of the financial statements

	Sd/- For and on behalf of the Board of Directors	Sd/-
	<b>PORATHUR ANTONY DEVASSY</b>	<b>C.C. WILLIAM VARGHESE</b>
	Whole-time Director	Chairman
Damodaran P Namboodiri , ACA Chartered Accountant Membership No.221178	Sd/- <b>JOLLY LOUIS K</b> Chief Financial Officer	Sd/- <b>APPUMON C.K</b> Managing Director
Aluva 12.09.2018		Kunnankulam 12.09.2018

## BRD FINANCE LIMITED

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

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>REVENUE</b>			
Revenue from Operations	17	74,736,886	76,834,751
Other income	18	60,881,391	58,314,170
<b>TOTAL REVENUE</b>		<b>135,618,277</b>	<b>135,148,921</b>
<b>EXPENSES</b>			
Employee benefit expense	19	6,864,599	6,530,369
Finance cost	20	62,483,773	48,799,316
Depreciation and amortization Expenses	21	539,083	537,196
Other expense	22	22,500,557	8,924,506
<b>TOTAL EXPENSES</b>		<b>92,388,012</b>	<b>64,791,387</b>
Profit before Tax		43,230,264	70,357,534
Tax Expense			
(a) Current tax		11,038,180	21,961,483
(b) Deferred tax		(17,340)	(18,290)
		<b>11,020,840</b>	<b>21,943,193</b>
Profit (Loss) for the period		<b>32,209,425</b>	<b>48,414,341</b>
Earnings Per Equity Share Basic and Diluted (Face value of Rs.10 each)	23	2.15	3.24
Adjusted earnings per share (Face value of Rs.10 each)		2.15	3.24

Notes are an integral part of the financial statements

	For and on behalf of the Board of Directors	
	Sd/- <b>PORATHUR ANTONY DEVASSY</b> Whole-time Director	Sd/- <b>C.C. WILLIAM VARGHESE</b> Chairman
Damodaran P Namboodiri , ACA Chartered Accountant Membership No.221178	Sd/- <b>JOLLY LOUIS K</b> Chief Financial Officer	Sd/- <b>APPUMON C.K</b> Managing Director
Aluva 12.09.2018		Kunnamkulam 12.09.2018



### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

#### SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS

##### 1) Company Overview

BRD Finance Limited ('the company') is a public limited company incorporated in the year 1995. The company concentrates mainly on chit promotion business. With professionalism and aggressive approach towards achieving continual improvement in the sphere of professional excellence, saw this small chit fund growing to become one of the top most chit Fund Companies of the Country today with many a distinctions.

##### 2. SIGNIFICANT ACCOUNTING POLICIES

###### 2.1. Basis of preparation

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.

###### 2.2. Uses of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provision for impairment.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise

###### 2.3. Revenue recognition

- (i) Foreman's Commission: Foreman's commission is accounted when the amount is due for payment as per the Kuri Rules and Regulations between the foreman and subscriber.
- (ii) Dividend income: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is recognised when the right to receive payment is established.
- (iii) Income from investments: Profit earned from sale of securities recognised on trade date basis .The cost of securities is computed on weighted average basis
- (iv) Other Income: Other income includes late fee collected, discount profit collected etc., are accounted only when they are actually collected.

###### 2.4. Property Plant & Equipments

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

## BRD FINANCE LIMITED

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

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

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

#### 2.5. Intangible assets

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

#### 2.6. Depreciation and Amortisation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of additions or extensions forming an integral part of existing assets, depreciation is provided as aforesaid over the residual life of the respective assets.

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

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

#### 2.7. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

#### 2.8. Investments

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

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 stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments

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

are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated 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.

#### 2.9. Inventories

(i) Securities/Shares acquired with the intention of short-term holding and trading positions are considered as stock - in - trade and disclosed as current assets.

(ii) Securities /Shares held as stock - in - trade are valued at lower of cost and market value.

#### 2.10. Receivables and Loans and advances

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

#### 2.11. Employee Benefits

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

##### i. Gratuity

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

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

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

##### ii. Provident Fund

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

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

#### 2.12. 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.

## **BRD FINANCE LIMITED**

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

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

#### **2.13. Income taxes**

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

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

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

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

#### **2.14. Cash and Cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **2.15. Earnings per share**

The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **2.16. Provisions and Contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions .These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements

## BRD FINANCE LIMITED

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

<b>3 SHARE CAPITAL</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	Rs.	Rs.

#### Share Capital

##### Authorized :

1,50,00,000 (31 Mar 2017 : 1,50,00,000) Equity shares of ₹ 10/- each 150,000,000 150,000,000

##### Issued, Subscribed and Paid-up

1,49,61,924 (31 Mar 2015 : 1,49,61,924) Equity shares of ₹10/- each 149,619,240 149,619,240

Total 149,619,240 149,619,240

#### i. Reconciliation of the shares at the beginning and at the end of the reporting period:

Equity Shares	31.03.2018		31.03.2017	
	Number	Value	Number	Value
No. of shares at the beginning of the year	14,961,924	149,619,240	14,961,924	149,619,240
Add: Issued During the year	-	-	-	-
Add: Bonus Issue During the year	-	-	-	-
Less : Shares bought back	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>14,961,924</b>	<b>149,619,240</b>	<b>14,961,924</b>	<b>149,619,240</b>

#### ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	31.03.2018		31.03.2017	
	No. of shares held	% of Share holding	No. of shares held	% of Share holding
C C William Verghese	1173795	7.85%	2059288	13.76%
Outstanding at the end of the year	1173795	7.85%	2059288	13.76%
			<b>31.03.2018</b>	<b>31.03.2017</b>
			Rs.	Rs.

#### 4 RESERVES AND SURPLUS

##### General Reserve

Amount as per Last Balance Sheet 80,266,720 70,963,310

(+) Additions/ transfers during the Year 6,441,885 9,303,410

**Closing Balance** **86,708,605** **80,266,720**

##### Surplus

Balance as per last financial statements 215,216,168 208,519,312

(+) Net profit/(net loss) for the current year 32,209,425 48,414,341

(-) Transfer to Reserve 6,441,885 9,303,410

(-) Interim dividend declared 26,931,463 26,931,463

(-) Dividend distribution tax 5,482,612 5,482,612

**TOTAL** **208,569,633** **215,216,168**

**TOTAL** **295,278,238** **295,482,888**

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>5 DEFERRED TAX LIABILITY / (ASSET) :</b>		
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	200,640	217,980
Others -	-	-
Net Deffered Tax Liability / (Asset)	<u>200,640</u>	<u>217,980</u>
<b>6 SHORT TERM BORROWINGS</b>		
From ank		
Loan Against FD	-	9,000,000
From Others		
ICD- BRD Developers Limited	10,000,000	41,000,000
ICD- BRD CHITS Ltd	<u>5,000,000</u>	-
TOTAL	<u>15,000,000</u>	<u>50,000,000</u>
* From Subsidiary Company and Associate Company		
<b>7 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	-	-
(b) Other payables		
(i) Kuri Accounts Payable	533,243,083	470,266,112
(ii) Statutory remittances (Refer note(i) below)	796,798	950,077
(iii) Expenses Payable	346,900	276,000
(iv) Interest Accrued on Others	-	383,111
(v) KSD Interest Payable	<u>2,088,923</u>	3,396,185
TOTAL	<u>536,475,704</u>	<u>475,271,485</u>
(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable.		
<b>8 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits:		
(b) Provision - Others:		
(i) Provision for Income Tax	-	282,912
TOTAL	<u>-</u>	<u>282,912</u>

Rs.

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	1.4.2017	Additions	Deletions	31.3.2018	1.4.2017	Additions	Deletion	31.3.2018	1.4.2017	31.3.2018
Land	7,728,381	-	-	7,728,381	-	-	-	-	7,728,381	7,728,381
Building	5,037,563	-	-	5,037,563	1,633,719	165,377	-	1,799,096	3,403,844	3,238,467
Electrical Fittings	146,259	-	-	146,259	138,411	171	-	138,582	7,848	7,676
Furniture & Fittings	2,607,647	-	-	2,607,647	2,171,558	103,795	-	2,275,353	436,089	332,294
Computer & UPS	1,281,760	45,850	-	1,327,610	1,195,480	25,746	-	1,221,226	86,280	106,384
Motor Vehicle	691,671	-	-	691,671	401,593	72,606	-	474,199	290,078	217,472
Office Equipments	193,954	94,018	-	287,972	170,742	24,150	-	194,892	23,212	93,080
Room	351,195	-	-	351,195	199,989	7,169	-	207,158	151,206	144,037
Water Cooler	18,999	-	-	18,999	18,049	-	-	18,049	950	950
Electrical Equipments	556,573	20,000	-	576,573	438,976	28,617	-	467,593	117,597	108,980
Total	18,614,002	159,868	-	18,773,870	6,368,517	427,631	-	6,796,148	12,245,486	11,977,722
<b>Intangible Assets</b>										
Computer Software	696,571	-	-	696,571	473,668	111,451	-	585,119	222,903	111,451
Total	19,310,573	159,868	-	19,470,441	6,842,185	539,083	-	7,381,267	12,468,389	12,089,174

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>10 NON-CURRENT INVESTMENTS</b>		
Non-trade investments (valued at cost unless stated otherwise):		
Investment in equity instruments (unQuoted)		
(i) of subsidiaries		
BRD Kuries India Limited (1450000 shares @ 10 each)	14,500,000	14,500,000
BRD Chits Limited (600000 shares @ 10 each)	6,000,000	6,000,000
(ii) of associates		
BRD Developers & Builders Limited (1000000 shares @ 10 each)	10,000,000	10,000,000
Investment in Debentures		
BRD Securities Ltd - Non Convertible Debentures	314,803,000	266,953,000
TOTAL	<u>345,303,000</u>	<u>297,453,000</u>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
(a) Fixed Deposits		
Unsecured, considered good	112,500	112,500
KML Deposit	300,000	306,000
TOTAL	<u>412,500</u>	<u>418,500</u>
<b>12 OTHER NON-CURRENT ASSETS</b>		
Others		
Gratuity fund	177,130	221,517
Deposit with bank	-	10,000,000
TOTAL	<u>177,130</u>	<u>10,221,517</u>
<b>13 INVENTORIES</b>		
Stock in Trade	299,746,890	299,746,890
TOTAL	<u>299,746,890</u>	<u>299,746,890</u>

Note: Details of Stock of Shares held

Name of the Company	No of Shares	Avg. Rate	31.03.2018	31.03.2017
BRD Securities Ltd	2,623,911.00	71.60	187,878,508	187,878,508
BRD Motors Ltd	1,547,524.00	72.29	111,868,382	111,868,382

#### 14 CASH AND BANK BALANCES :

Cash and Cash Equivalent		
(a) Cash in hand	63,398	127,812
(b) Balance with banks		
(i) In Current Accounts	17,567,772	20,942,297
TOTAL	<u>17,631,169</u>	<u>21,070,109</u>



## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>15 SHORT TERM LOANS AND ADVANCES :</b>		
Loans and advances to related Parties		
Balances with government authorities		
Unsecured, considered good		
Income Tax Receivable	1,213,315	1,213,315
Advance Tax & TDS Receivables	2,618,984	-
Others		
Chitty Advances and Pronotes Loans	198,399,896	196,801,127
Other Advancees	5,061,646	2,717,023
Land Advances	-	14,500,000
<b>TOTAL</b>	<b><u>207,293,841</u></b>	<b><u>215,231,465</u></b>
Advances recoverable in cash or in kind or for value to be received		
<b>16 OTHER CURRENT ASSETS :</b>		
(a) Accruals		
Interest accrued on deposits/Securities	45,211,881	44,166,175
(b) Others		
Stock of Stationery	-	100,000
Other Income Receivable	1,467,777	8,000
Receivable from BRD Motors	67,240,460	67,240,460
Other Advances & Receivables	-	2,750,000
<b>TOTAL</b>	<b><u>113,920,118</u></b>	<b><u>114,264,635</u></b>
<b>17 REVENUE FROM OPERATIONS :</b>		
Foreman's Commission	74,736,886	76,834,751
<b>TOTAL</b>	<b><u>74,736,886</u></b>	<b><u>76,834,751</u></b>
<b>18 OTHER INCOME :</b>		
(a) Interest Income		
Interest received from IC Deposits	-	-
Interest on Kuri Advance & Loans	9,619,487	17,451,252
Interest on others	33,467,550	21,554,219
Interest on Fixed Deposits	145,288	8,161,584
(b) Other non-operating income (net of expenses directly attributable to such income)		
Dividend Received	11,708,583	7,508,583
Late fee and Discount Profit	5,249,703	3,504,885
Commission on Money Transfer	8,809	13,266
Other Miscellaneous Income	681,971	120,381
<b>TOTAL</b>	<b><u>60,881,391</u></b>	<b><u>58,314,170</u></b>

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>19 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	5,862,585	5,743,410
Contributions to provident and other funds	1,001,939	777,679
Staff welfare expenses	75	9,280
<b>TOTAL</b>	<b>6,864,599</b>	<b>6,530,369</b>
<b>Details of Employee Benefits : Disclosures required under Accounting Standard 15 - Employee Benefits ( Revised 2005)</b>		
a. Defined Contribution Plans :		
During the Year, the following amounts have been recognised in the Profit and Loss account on account of defined contribution plan		
Employers Contribution to Provident Fund	612,108	402,386
Employers Contribution to Employee's State Insurance	244,523	169,610
b. Defined benefit Plans- Gratuity:		
i. Components of employer expense		
Current service cost	62,461	70,010
Interest cost	41,991	36,672
Expected return on plan assets	54,467	61,606
Actuarial losses/(gains)	95,323	50,104
Total expense recognised in the Statement of Profit and Loss	145,308	95,180
ii. Actual contribution and benefit payments for year		
Actual benefit payments	50,870	90,298
Actual contributions	100,921	6,447
iii. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(673,793)	(524,888)
Fair value of plan assets	850,923	746,405
Funded status [Surplus / (Deficit)]	177,130	221,517
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	177,130	221,517
iv. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	524,888	458,400
Current service cost	62,461	70,010
Interest cost	41,991	36,672
Actuarial (gains) / losses	95,323	50,104
Benefits paid	(50,870)	(90,298)
Present value of DBO at the end of the year	673,793	524,888
v. Change in fair value of assets during the year		
Plan assets at beginning of the year	746,405	768,650
Acquisition adjustment	-	-
Expected return on plan assets	54,467	61,606
Actual company contributions *	100,921	6,447
Actuarial gain / (loss)	-	-
Benefits paid	(50,870)	(90,298)
Plan assets at the end of the year	850,923	746,405

## BRD FINANCE LIMITED

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

	31.03.2018	31.03.2017
	Rs	Rs
vi. Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	850,923	746,405
vii. Actuarial assumptions		
Discount rate	8%	8%
Rate of return on plan assets	9%	9%
Salary escalation	7%	7%
<p>The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.</p> <p>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.</p>		
<b>20 FINANCE COST</b>		
(a) Interest expense on :		
(i) Borrowings		
Interest on Kuri Deposits	57,391,418	44,306,735
Interest on IC Deposit	4,708,889	3,047,181
Interest on FD loan	110,908	361,709
(ii) Others		
Interest on delayed payment of income tax	272,558	1,083,691
TOTAL	<u>62,483,773</u>	<u>48,799,316</u>
<b>21 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	236,687	425,745
Amortisation	11,145	111,451
TOTAL	<u>247,833</u>	<u>537,196</u>
<b>22 OTHER EXPENSES :</b>		
Advertisement charges	43,800	34,130
AGM Expense	194,444	254,112
Audit fees	285,000	304,750
Bank Charges	15,952	11,297
Discount allowed	19,118	-
Computer Expenses	54,198	41,570
Electricity Charges	-	101,935
Filing fee	15,655	47,900
Donation	29,500	52,140
Documentation charges	2,825	7,930
Corporate social responsibility	-	1,535,000
KML Registration Fee	6,000	6,000
Kuri Bonus	2,310,000	2,351,286
Gratuity Premium Paid	10,739	10,000

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
Kuri commission	1,494,068	1,270,742
Legal charges	130,108	128,959
Miscellaneous expenses	39,206	19,668
Office Expense	144,124	33,935
Postage & Telegram	133,286	190,650
Printing & Stationery	201,281	328,265
Rates and Taxes	44,494	15,638
Audit Expense	13,395	20,774
Refreshment expenses	75,605	126,634
Rent	464,293	346,009
Rent - (Jammu)	-	23,600
Repairs and Maintenance	60,494	95,237
Service Tax Paid	4,652	13,471
Sitting Fee	-	6,800
Software Expense	103,807	196,614
Telephone charge	62,331	96,073
Travelling expenses	278,842	394,344
Vehicle Maintenance	22,272	62,217
Company secretary fee	85,900	20,000
Income tax paid	-	776,826
Bad Debts W/off	1,655,168	-
Land advance write off	14,500,000	-
<b>TOTAL</b>	<b>2,25,00,557</b>	<b>89,24,506</b>
<b>22.1 Payment to the auditors comprises :</b>		
As auditors - statutory audit	165,000	162,250
For taxation matters	50,000	50,150
For other services	35,000	35,400
Income Tax Representation Fee	35,000	35,400
<b>TOTAL</b>	<b>285,000</b>	<b>283,200</b>
<b>23 EARNINGS PER SHARE (BASIC &amp; DILUTED) :</b>		
Profit after tax	32,209,425	48,414,340
Weighted average number of shares	14,961,924	14,961,924
Nominal value of shares ( ` )	10	10
Basic and diluted earnings per share ( ` )	2.15	3.24
Adjusted earnings per share (Face value of `10 each)	2.15	3.24
<b>23 RELATED PARTY TRANSACTIONS</b>		
Details of Related Parties:		
Description of Relationship	Names of Related Parties	
Subsidiaries	BRD Chits Limited	BRD Kuries (India) Limited
Associates	BRD Builders and Developers Limited	
Key Management Personnel	C C William Verghese	Appumon.C.K
	Antony P D	Sunitha A C
	Roshni Simon	Jolly Louis K (CFO)

## BRD FINANCE LIMITED

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

	31.03.2018	31.03.2017
	Rs	Rs
Relatives of KMP	Griger Chery Williams Bindhu Appumon	Kochuthressia M M Mary Jeema
Entities in which KMP / Relatives of KMP can exercise significant influence	BRD Securities Limited SML Finance Limited	BRD Motors Limited BRD Car World Limited

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the Auditors.

#### Details of Related Party Transactions :

Nature of Transaction	KMP	Relative of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Intercompany Deposit Accepted P Y	-	-	108,041,464	108,041,464
Intercompany Deposit Made P Y	-	-	41,000,000	41,000,000
Intercompany Deposit Re-paid P Y	-	-	7,500,000	7,500,000
Intercompany Deposit received P Y	-	-	134,041,464	134,041,464
Intercompany Investments P Y	-	-	7,500,000	7,500,000
Interest Received P Y	-	-	47,850,000	47,850,000
Interest Paid P Y	186,243	394,910	209,856,000	209,856,000
Commission Paid P Y	28,102	-	92,061	92,061
Salary and allowances P Y	15,837	38,799	-	-
	79,134	-	-	79,134
	-	-	-	-

*Note: Figures in italics relates to the previous year*

\* Previous years figures have been regrouped, wherever necessary, to conform to this year's classification / Presentation.

	Sd/-	For and on behalf of the Board of Directors	Sd/-
	<b>PORATHUR ANTONY DEVASSY</b>	<b>C.C. WILLIAM VARGHESE</b>	<b>C.C. WILLIAM VARGHESE</b>
	Whole-time Director (DIN : 00075226)	Chairman (DIN : 00074708)	Chairman (DIN : 00074708)
<b>Damodaran P Namboodiri, ACA</b> Chartered Accountant Membership No.221178 Aluva 12.09.2018	Sd/- <b>JOLLY LOUIS K</b> Chief Financial Officer	Sd/- <b>APPUMON C.K</b> Managing Director (DIN : 00135500 ) Kunnankulam 12.09.2018	

## BRD FINANCE LIMITED

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

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

Particulars	31.03.2018 Rs.	31.03.2017 Rs.
<b>A. Cash Flow from Operating activities</b>		
Net profit Before Taxation	43,230,264	70,357,534
Adjustment for:		
Provision for Depreciation	539,083	537,196
Interest on Borrowings	62,483,773	47,353,916
Interest Income	(43,232,325)	(47,167,055)
Interest on Income Tax	-	1,083,691
Dividend Received	(11,708,583)	(7,508,583)
	<u>8,081,947</u>	<u>(5,700,835)</u>
	<u>51,312,212</u>	<u>64,656,699</u>
Operating profit before working capital changes		
Increase/(Decrease) in Short term Borrowings	(35,000,000)	40,000,000
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Short term Advances & Other Assets	20,951,512	280,301,306
Increase/(Decrease) in Sundry Creditors & Other liabilities	61,204,219	(178,843,767)
	<u>47,155,732</u>	<u>141,457,539</u>
<b>Cash from operations</b>	<u>98,467,944</u>	<u>206,114,238</u>
<b>Income tax paid</b>	<u>(13,940,075)</u>	<u>(31,383,321)</u>
<b>Net cash from operating activities</b>	<u>84,527,868</u>	<u>174,730,917</u>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed assets	(159,868)	(268,850)
Interest Income	43,232,325	47,167,055
Increase in Investments	(47,850,000)	(209,856,000)
Dividend Received	11,708,583	7,508,583
<b>Net cash from Investing activities</b>	<u>6,931,040</u>	<u>(155,449,212)</u>
<b>C. Cash flow from Financing activities</b>		
Interim Dividend Paid	(32,414,075)	(32,414,075)
Interest on borrowings	(62,483,773)	(47,353,916)
<b>Net Cash flow from Financing Activities</b>	<u>(94,897,848)</u>	<u>(79,767,991)</u>
Net Increase/Decrease in Cash & Cash Equivalents	(3,438,939)	(60,486,286)
Opening Cash & Cash Equivalents	21,070,110	81,556,396
Closing Cash & Cash Equivalents	17,631,170	21,070,110

Sd/- For and on behalf of the Board of Directors Sd/-  
**PORATHUR ANTONY DEVASSY** **C.C. WILLIAM VARGHESE**  
 Whole-time Director Chairman  
 (DIN : 00075226) (DIN : 00074708)

Damodaran P Namboodiri , ACA  
 Chartered Accountant  
 Membership No.221178

Sd/-  
**JOLLY LOUIS K**  
 Chief Financial Officer

Sd/-  
**APPUMON C.K**  
 Managing Director  
 (DIN : 00135500 )  
 Kunnamkulam  
 12.09.2018

Aluva  
 12.09.2018

### INDEPENDENT AUDITORS' REPORT

To  
The Members of BRD Finance Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of M/s BRD Finance Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates 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 (particularly Accounting Standard 21 and Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

## BRD FINANCE LIMITED

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

### **BASIS FOR QUALIFIED OPINION**

i. The Company has not provided the latest valuation report of stock of shares held as stock in trade. Due to the absence of the valuation report and other supportive audit evidence, we are unable to comment upon the value of shares held as stock in trade and also we are unable to comment upon its recoverability in cash or kind, if any.

ii. Regarding other Loans and Advance and interest receivable thereon as at 31st March, 2018 given to various parties and outstanding as at 31st March, 2018, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its recoverability in cash or kind, if any.

### **QUALIFIED OPINION**

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 paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss and its cash flows for the year ended on that date

### **OTHER MATTERS**

We did not audit the financial statements of the two Subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 396.16 Lacs as at March 31, 2018, total revenues of Rs. 45.97 Lacs, and net expenditure amounting to Rs 8.70 Lacs respectively for the year then ended as considered in the consolidated financial statements. There financial statements have been audited by other

auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of other auditors

The consolidated financial statements also include the Group's share of net profit/loss of Rs. 10.43 Lacs for the year ended 31st March, 2018, 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 subsidiaries, jointly controlled entities and 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 subsidiaries, jointly controlled entities and 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**

1. 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 purpose 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



## BRD FINANCE LIMITED

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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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors of the Group companies and its associate is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and the operating effectiveness of the internal

financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in Annexure 1 to this report;

- 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 Holding Company, its subsidiary company and its associates does not have any pending litigations which would impact its financial position.
  - ii. The Holding Company, its subsidiary company and its associates 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 Holding Company, its subsidiary company and its associates.

Aluva,  
12.09.2018.

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

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### "Annexure 1" to the Independent Auditor's Report of even date on the Financial Statements of BRD Finance Limited.

#### **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 Finance Limited ("the Holding Company") as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies 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

## BRD FINANCE LIMITED

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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

## BRD FINANCE LIMITED

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to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Aluva,  
12.09.2018.

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

## BRD FINANCE LIMITED

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

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	149,619,240	149,619,240
(b) Reserves & Surplus	4	327,462,563	328,228,952
(2) Share application money pending allotment		-	-
(3) Minority Interest		2,017,664	1,862,800
<b>(4) Non-Current Liabilities</b>			
(a) Long term borrowings			
(b) Deferred tax liabilities (Net)	5	158,290	128,590
(c) Other long term liabilities			
(d) Long term provisions			
<b>(5) Current Liabilities</b>			
(a) Short term bank borrowings	6	10,000,000	50,000,000
(a) Trade payables		-	-
(b) Other current liabilities	7	538,612,278	476,405,352
(c) Short-term provisions	8	930,377	1,861,020
<b>TOTAL</b>		<b>1,028,800,412</b>	<b>1,008,105,954</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Property, Plant & Equipments	9	12,028,976	12,313,924
(ii) Intangible assets		275,721	335,263
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	10	342,956,305	298,262,417
(c) Deferred tax assets (net)			
(e) Long term loans and advances	11	412,500	418,500
(f) Other non-current assets	12	177,130	10,221,517
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	13	299,746,890	299,746,890
(c) Trade receivables		-	-
(d) Cash and bank balances	14	48,430,321	48,877,478
(f) Short-term loans and advances	15	208,690,562	217,076,217
(g) Other current assets	16	116,082,007	120,853,748
<b>TOTAL</b>		<b>1,028,800,412</b>	<b>1,008,105,954</b>

Notes are an integral part of the financial statements

In terms of our report attached.

Sd/- For and on behalf of the Board of Directors Sd/-  
**PORATHUR ANTONY DEVASSY** C.C. WILLIAM VARGHESE  
 Whole-time Director Chairman

Damodaran P Namboodiri , ACA  
 Chartered Accountant  
 Membership No.221178

Sd/-  
**JOLLY LOUIS K**  
 Chief Financial Officer

Sd/-  
**APPUMON C.K**  
 Managing Director

Aluva  
 12.09.2018

Kunnamkulam  
 12.09.2018

## BRD FINANCE LIMITED

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

Particulars	Note No.	31.03.2018 Rs.	31.03.2017 Rs.
<b>REVENUE</b>			
Revenue from Operations	17	77,451,886	81,674,751
Other income	18	57,762,689	59,986,655
<b>TOTAL REVENUE</b>		<u>135,214,575</u>	<u>141,661,406</u>
<b>EXPENSES</b>			
Employee benefit expense	19	7,204,782	7,031,105
Finance cost	20	61,689,867	48,948,711
Depreciation and amortization Expenses	21	604,358	590,417
Other expense	22	22,958,651	9,487,297
<b>TOTAL EXPENSES</b>		<u>92,457,658</u>	<u>66,057,530</u>
Profit before Tax		<u>42,756,917</u>	<u>75,603,876</u>
Tax Expense			
(a) Current tax		11,968,557	23,539,591
(b) Deferred tax		<u>29,700</u>	<u>12,530</u>
		<u>11,998,257</u>	<u>23,552,121</u>
Profit (Loss) for the year (before adjustment for minority interest)		30,758,660	52,051,755
Share of Profit/(Loss) of Associate (Net)		1,043,889	18,353,381
Share of (Profit)/Loss transferred to Minority Interest		<u>-154,863</u>	<u>-226,733</u>
Profit (Loss) for the year (after adjustment for minority interest)		<u>31,647,686</u>	<u>70,178,403</u>
Earnings Per Equity Share of face value of Rs. 10 each			
Earnings Per Equity Share ( Basic and Diluted )	23	2.06	3.48
Adjusted earnings per share		2.06	3.48

Notes are an integral part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

<p style="text-align: right;">Sd/- <b>PORATHUR ANTONY DEVASSY</b> Whole-time Director</p>	<p style="text-align: right;">Sd/- <b>C.C. WILLIAM VARGHESE</b> Chairman</p>
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Damodaran P Namboodiri , ACA  
Chartered Accountant  
Membership No.221178

Sd/-  
**JOLLY LOUIS K**  
Chief Financial Officer

Sd/-  
**APPUMON C.K**  
Managing Director

Aluva  
12.09.2018

Kunnamkulam  
12.09.2018

# BRD FINANCE LIMITED

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

## SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS

### 1) Company Overview

BRD Finance Limited ('BRD Fin' or 'the Company') and its subsidiaries (collectively referred to as "the Group") engaged in the chit Business. BRD Finance Limited ('the company') is a public limited company incorporated in the year 1995. With professionalism and aggressive approach towards achieving continual improvement in the sphere of professional excellence, saw this small chit fund growing to become one of the top most chit Fund Companies of the Country today with many a distinctions.

### 2) Significant accounting policies

#### 2.1 Basis of preparation

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.

#### 2.2. 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.

#### 2.3. Uses of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and

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

disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provision for impairment.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise

#### 2.4. Revenue recognition

- (i) Foreman's Commission: Foreman's commission is accounted when the amount is due for payment as per the Kuri Rules and Regulations between the foreman and subscriber.
- (ii) Dividend income: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is recognised when the right to receive payment is established.
- (iii) Income from investments: Profit earned from sale of securities recognised on trade date basis .The cost of securities is computed on weighted average basis
- (iv) Other Income: Other income includes late fee collected, discount profit collected etc., are accounted only when they are actually collected.

#### 2.5. 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.

#### 2.6. Intangible assets

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

#### 2.7. Depreciation and Amortisation

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

## BRD FINANCE LIMITED

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

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

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

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

#### 2.8. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

#### 2.9. Investments

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

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 stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated 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.

#### 2.10. Inventories

- (i) Securities/Shares acquired with the intention of short-term holding and trading positions are considered as stock - in - trade and disclosed as current assets.
- (ii) Securities /Shares held as stock - in - trade are valued at lower of cost and market value.



**2.10. Receivables and Loans and advances**

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

**2.11. Employee Benefits**

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

i . Gratuity

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

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

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

ii. Provident Fund

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

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

**2.12. Borrowing Cost**

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

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

**2.13. 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

## BRD FINANCE LIMITED

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in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

### **2.14. Cash and Cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

### **2.15. Earnings per share**

The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **2.16. Provisions and Contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions .These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements

## BRD FINANCE LIMITED

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

#### NOTE 3 SHARE CAPITAL 31.03.2018      31.03.2017

	31.03.2018	31.03.2017
	Rs.	Rs.
<b>Share Capital</b>		
<b>Authorized :</b>		
1,50,00,000 (31 Mar 2017 : 2,10,00,000) Equity shares of ₹ 10/- each	210,000,000	210,000,000
<b>Issued, Subscribed and Paid-up</b>		
1,49,61,924 (31 Mar 2017 : 1,49,61,924) Equity shares of ₹10/- each	149,619,240	149,619,240
<b>Total</b>	<b>149,619,240</b>	<b>149,619,240</b>

#### i. Reconciliation of the shares at the beginning and at the end of the reporting period:

Equity Shares	31.03.2018		31.03.2017	
	Number	Value	Number	Value
No. of shares at the beginning of the year	14961924	149,619,240	14961924	149,619,240
Add: Issued During the year	-	-	-	-
Add: Bonus Issue During the year	-	-	-	-
Less : Shares bought back	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>14961924</b>	<b>149,619,240</b>	<b>14961924</b>	<b>149,619,240</b>

#### ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### iii. Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

8020567 Shares out of the issued, subscribed and paid up share capital were allotted as fully paid Bonus Shares, by way of capitalisation of accumulated profits.

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

Name of Shareholder	31.03.2018		31.03.2016	
	No. of shares held	% of Share holding	No. of shares held	% of Share holding
C C William Verghese	1175344	7.86%	2060837	13.77%
<b>Outstanding at the end of the year</b>	<b>1175344</b>	<b>7.86%</b>	<b>2060837</b>	<b>13.77%</b>
			<b>31.03.2018</b>	<b>31.03.2017</b>
			<b>Rs.</b>	<b>Rs.</b>

#### NOTE 4 RESERVES AND SURPLUS

##### General Reserve

Amount as per Last Balance Sheet	82,241,227	72,507,055
(+) Additions/ transfers during the Year	6,910,967	9,734,172
<b>Closing Balance</b>	<b>89,152,193</b>	<b>82,241,227</b>

##### Surplus

Balance as per last financial statements	245,987,725	217,957,569
(+) Net profit/(net loss) for the current year	31,647,686	70,178,403
(-) Transfer to General Reserves	6,910,967	9,734,172
(-) Interim divd declared	26,931,463	26,931,463
(-) Dividend distribution tax	5,482,612	5,482,612
<b>Balance as at the end of the year</b>	<b>238,310,369</b>	<b>245,987,725</b>
<b>TOTAL</b>	<b>327,462,563</b>	<b>328,228,952</b>

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>NOTE 5 DEFERRED TAX LIABILITY / (ASSET) :</b>		
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	202,000	215,880
Others	(43,710)	(87,290)
Net Deffered Tax Liability / (Asset)	<u>158,290</u>	<u>128,590</u>
<b>NOTE 6 SHORT TERM BORROWINGS</b>		
From ank		
Loan Against FD	-	9,000,000
From Others		
ICD- BRD Developers & builders Ltd	10,000,000	41,000,000
	<u>10,000,000</u>	<u>50,000,000</u>
<b>NOTE 7 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	-	-
(b) Other payables		
(i) Kuri Accounts Payable	534,949,236	471,202,704
(ii) Statutory remittances (Refer note(i) below)	823,618	973,703
(iii) Expenses Payable	596,980	449,650
(iv) Interest Accrued on Others	-	383,111
(v) KSD Payable	2,088,922	3,396,184
(vi) Chitty Liabilities	118,522	-
(vii) Others	35,000	-
TOTAL	<u>538,612,278</u>	<u>476,405,352</u>
(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable		
<b>NOTE 8 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits:		
(b) Provision - Others:		
(i) Provision for Income Tax	930,377	1,861,020
TOTAL	<u>930,377</u>	<u>1,861,020</u>

Rs.

**NOTE 9. FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	1.4.2017	Additions	Deletions	31.3.2018	1.4.2017	Additions	Deletion	31.3.2018	1.4.2017	31.3.2018
Land	7,728,381			7,728,381	-			-	7,728,381	7,728,381
Building	5,037,563			5,037,563	1,633,719	165,377		1,799,096	3,238,467	3,403,844
Electrical Fittings	202,159			202,159	173,729	171		173,900	28,259	28,430
Furniture & Fittings	2,754,111			2,754,111	2,272,487	115,818		2,388,305	365,806	481,624
Computer & UPS	1,374,810	45,850		1,420,660	1,283,877	25,746		1,309,623	111,037	90,933
Motor Vehicle	691,671	-		691,671	401,593	72,606		474,199	217,472	290,078
Office Equipments	235,519	94,018		329,537	209,110	25,269		234,379	95,158	26,409
Room	351,195	-		351,195	199,989	7,169		207,158	144,037	151,206
Water Cooler	18,999	-		18,999	18,049	-		18,049	950	950
Electrical Equipments	556,573	20,000		576,573	444,504	32,661		477,165	99,408	112,069
Total	18,950,981	159,868	-	19,110,849	6,186,182	444,816	-	7,081,874	12,028,976	12,313,924
<b>Intangible Assets</b>										
Computer Software	837,021	100,000		937,021	501,758	159,541		661,299	275,721	335,263
Total	19,788,002	259,868	-	20,047,870	6,687,940	604,358	-	7,743,173	12,304,697	12,649,187

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>NOTE 10 NON-CURRENT INVESTMENTS</b>		
Non-trade investments (valued at cost unless stated otherwise):		
Investment in equity instruments (unQuoted)		
(i) of associates		
BRD Developers & Builders Limited (1000000 shares @ 10 each)	28,153,305	31,309,416
(iii) of other entities		
BRD Securities Ltd - Non Convertible Debentures	314,803,000	266,953,000
<b>TOTAL</b>	<b><u>342,956,305</u></b>	<b><u>298,262,416</u></b>
<b>NOTE 11 LONG TERM LOANS AND ADVANCES</b>		
(a) Security Deposits		
Unsecured, considered good	112,500	112,500
KML Deposit	300,000	306,000
<b>TOTAL</b>	<b><u>412,500</u></b>	<b><u>418,500</u></b>
<b>NOTE 12 OTHER NON-CURRENT ASSETS</b>		
Gratuity Fund	177,130	221,517
Deposit With Bank	-	10,000,000
<b>TOTAL</b>	<b><u>177,130</u></b>	<b><u>10,221,517</u></b>
<b>NOTE 13 INVENTORIES</b>		
Stock in Trade	299,746,890	299,746,890
<b>TOTAL</b>	<b><u>299,746,890</u></b>	<b><u>299,746,890</u></b>
<b>NOTE 14 CASH AND BANK BALANCES :</b>		
Cash and Cash Equivalent		
(a) Cash in hand	237,883	383,302
(b) Balance with banks		
(i) In Current Accounts	27,192,439	30,439,176
	<u>27,430,321</u>	<u>30,822,478</u>
Other Bank Balances		
(i) In Deposit Accounts	7,500,000	7,500,000
(ii) In Earmarked Accounts	13,500,000	10,555,000
	<u>21,000,000</u>	<u>18,055,000</u>
<b>TOTAL</b>	<b><u>48,430,321</u></b>	<b><u>48,877,478</u></b>

## BRD FINANCE LIMITED

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

	31.03.2018	31.03.2017
	Rs	Rs
<b>NOTE 15 SHORT TERM LOANS AND ADVANCES :</b>		
Loans and advances		
Balances with government authorities		
Unsecured, considered good		
Income Tax Receivable	5,229,020	2,958,067
Others		
Chitty Advances	198,399,896	196,801,127
Other Advancees	5,061,646	2,817,023
Land Advances	-	14,500,000
<b>TOTAL</b>	<b><u>208,690,562</u></b>	<b><u>217,076,217</u></b>
Advances recoverable in cash or in kind or for value to be received		
<b>NOTE 16 OTHER CURRENT ASSETS :</b>		
(a) Accruals		
Interest accrued on deposits/Securities	46,798,984	47,933,192
(b) Others		
Stock of Stationery	-	100,000
Other Income Receivable	1,467,777	8,000
Receivable from BRD Motors	67,240,460	67,240,460
Kuri Arrears	550,000	1,468,142
Other Receivables	-	2,750,000
Investment in Chitties	24,786	1,353,954
<b>TOTAL</b>	<b><u>116,082,007</u></b>	<b><u>120,853,748</u></b>
<b>NOTE 17 REVENUE FROM OPERATIONS :</b>		
Foreman's Commission	77,451,886	81,674,751
<b>TOTAL</b>	<b><u>77,451,886</u></b>	<b><u>81,674,751</u></b>
<b>NOTE 18 OTHER INCOME :</b>		
(a) Interest Income		
Interest received from Deposits	10,144,179	18,215,563
Interest on Kuri Advance & Loans	33,467,550	21,575,187
Interest on others	485,271	9,048,790
(b) Other non-operating income (net of expenses directly attributable to such income)		
Dividend Received	7,508,583	7,508,583
Late fee and Discount Profit	5,249,703	3,504,885
Commission on Money Transfer	8,809	13,266
Other Miscellaneous Income	898,594	120,381
<b>TOTAL</b>	<b><u>57,762,689</u></b>	<b><u>59,986,655</u></b>
<b>NOTE 19 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	6,202,768	6,244,146
Contributions to provident and other funds	1,001,939	777,679
Staff welfare expenses	75	9,280

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
<b>TOTAL</b>	<b>7,204,782</b>	<b>7,031,105</b>
<b>Details of Employee Benefits : Disclosures required under Accounting Standard 15 - Employee Benefits (Revised 2005)</b>		
a. Defined Contribution Plans :		
During the Year, the following amounts have been recognised in the Profit and Loss account on account of defined contribution plan		
Employers Contribution to Provident Fund	612,108	509,862
Employers Contribution to Employee's State Insurance	244,523	204,235
b. Defined benefit Plans- Gratuity:		
i. Components of employer expense		
Current service cost	62,461	70,010
Interest cost	41,991	36,672
Expected return on plan assets	54,467	61,606
Actuarial losses/(gains)	95,323	50,104
Total expense recognised in the Statement of Profit and Loss	145,308	95,180
ii. Actual contribution and benefit payments for year		
Actual benefit payments	50,870	90,298
Actual contributions	100,921	6,447
iii. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	-673,793	-524,888
Fair value of plan assets	850,923	746,405
Funded status [Surplus / (Deficit)]	177,130	221,517
Unrecognised past service costs	0	0
Net asset / (liability) recognised in the Balance Sheet	177,130	221,517
iv. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	524,888	458,400
Current service cost	62,461	70,010
Interest cost	41,991	36,672
Actuarial (gains) / losses	95,323	50,104
Benefits paid	-50,870	-90,298
Present value of DBO at the end of the year	673,793	524,888
v. Change in fair value of assets during the year		
Plan assets at beginning of the year	746,405	768,650
Acquisition adjustment	0	0
Expected return on plan assets	54,467	61,606
Actual company contributions	100,921	6,447
Actuarial gain / (loss)	0	0
Benefits paid	-50,870	-90,298
Plan assets at the end of the year	850,923	746,405
vi. Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-



## BRD FINANCE LIMITED

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

	31.03.2018	31.03.2017
	Rs	Rs
Insurer Managed Funds	850,923	746,405
vii. Actuarial assumptions		
Discount rate	8%	8%
Rate of return on plan assets	9%	9%
Salary escalation	7%	7%
The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.		
The estimates of future Salary increases, considered in the actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors , such as supply and demand in the employment market.		
<b>NOTE 20 FINANCE COST</b>		
(a) Interest expense on :		
(i) Borrowings		
Interest on Kuri Deposits	57,391,418	44,456,130
Interest received from IC Deposits	3,908,442	3,047,181
Interest on FD loan	110,908	361,709
(ii) Others		
Interest on delayed payment of income tax	279,099	1,083,691
TOTAL	<u>61,689,867</u>	<u>48,948,711</u>
<b>NOTE 20 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation.	444,816	478,965
Amortisation	159,541	111,451
TOTAL	<u>604,358</u>	<u>590,417</u>
<b>NOTE 21 OTHER EXPENSES :</b>		
Advertisement charges	43,800	34,130
AGM Expense	194,444	254,112
Audit fees	538,080	507,150
Bank Charges	16,873	11,970
Company Secretary Fee	106,900	30,000
Computer Expenses	54,198	41,570
Corporate social responsibility	0	1,535,000
Discount Allowed (Kuri)	19,118	0
Donation	29,500	52,140
Electricity Charges	4,487	136,494
Filing fee	33,524	188,208
Income tax	1,549	789,720
KML Registration Fee	6,000	6,000
Kuri Bonus	2,310,000	2,351,286
Gratuity Premium Paid	10,739	10,000
Kuri commission	1,494,760	1,273,742
Legal charges	130,108	128,959

## BRD FINANCE LIMITED

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

	31.03.2018 Rs	31.03.2017 Rs
Miscellaneous expenses	42,510	56,385
Office Expense	144,124	33,935
Postage & Telegram	134,405	191,426
Printing & Stationery	226,836	343,354
Rates and Taxes	46,044	15,638
Audit Expense	13,395	20,774
Refreshment expenses	76,637	142,146
Rent	476,743	359,799
Rent - (Jammu)	0	23,600
Repairs and Maintenance	60,494	95,237
Service Tax Paid	4,652	13,531
Sitting Fee	0	6,800
Software Expense	173,869	197,649
Telephone charge	66,981	138,702
Travelling expenses	283,066	404,309
Vehicle Maintenance	22,272	62,217
Internal Audit Expense	31,050	5,310
Documentation Charges	6,325	26,005
Bad Debts w/off	1,655,168	0
Land advance write off	14,500,000	0
<b>TOTAL</b>	<b>22,958,651</b>	<b>9,487,297</b>
<b>21.1 Payment to the auditors comprises :</b>		
As auditors - statutory audit	300,800	271,950
For taxation matters	106,240	100,300
For other services	91,240	84,600
<b>TOTAL</b>	<b>498,280</b>	<b>456,850</b>
<b>NOTE 22 EARNINGS PER SHARE (BASIC &amp; DILUTED) :</b>		
Profit after tax	30,758,660	52,051,755
Weighted average number of shares	14961924	14961924
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	2.06	3.48
Adjusted Earnings per Share(Rs.)	2.06	3.48
<b>NOTE 23 RELATED PARTY TRANSACTIONS</b>		
Details of Related Parties:		
Description of Relationship	Names of Related Parties	
Subsidiaries	BRD Chits Limited	BRD Kuries (India) Limited
Associates	BRD Builders and Developers Limited	
Key Management Personnel	C C William Verghese	Appumon.C.K
	Antony P D	Sunitha A C
	Roshni Simon	Jolly Louis K ( CFO)
Relatives of KMP	Griger Chery Williams	Kochuthressia M M
	Bindhu Appumon	Mary Jeema
Entities in which KMP / Relatives of	BRD Securities Limited	BRD Motors Limited

## BRD FINANCE LIMITED

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

	<b>31.03.2018</b>	<b>31.03.2017</b>
	Rs	Rs

KMP can exercise significant influence SML Finance Limited BRD Car World Limited  
 The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the Auditors.

#### Details of Related Party Transactions :

Nature of Transaction	KMP	Relative of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Intercorporate Investments	-	-	47,850,000	47,850,000
<i>P Y</i>	-	-	<i>209,856,000</i>	<i>209,856,000</i>
Interest Received	-	-	92,061	92,061
<i>P Y</i>	-	-	-	-
Interest Paid	186,243	394,910	4,800,950	5,382,103
<i>P Y</i>	<i>690,309</i>	<i>544,296</i>	<i>1,799,391</i>	<i>3,033,996</i>
Deposits in Kuries	-	-	-	-
<i>P Y</i>	-	-	-	-
Commission Paid	28,102	-	-	28,102
<i>P Y</i>	<i>15,837</i>	<i>38,799</i>	-	<i>54,636</i>
Salary and allowances	79,134	-	-	79,134
<i>P Y</i>	-	-	-	-

*Note: Figures in italics relates to the previous year*

27 Previous year figures have been regrouped or rearranged wherever necessary.

In terms of our report attached.

For and on behalf of the Board of Directors

Sd/- <b>PORATHUR ANTONY DEVASSY</b> Whole-time Director	Sd/- <b>C.C. WILLIAM VARGHESE</b> Chairman
---	--

Damodaran P Namboodiri , ACA  
 Chartered Accountant  
 Membership No.221178

Sd/- <b>JOLLY LOUIS K</b> Chief Financial Officer	Sd/- <b>APPUMON C.K</b> Managing Director
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Aluva  
 12.09.2018

Kunnamkulam  
 12.09.2018

## BRD FINANCE LIMITED

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

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

Particulars	31.03.2018 Rs.	31.03.2017 Rs.
<b>A. Cash Flow from Operating activities</b>		
Net profit Before Taxation	42,756,917	75,603,876
Adjustment for:		
Provision for Depreciation	604,358	590,417
Interest on Borrowings	61,410,768	47,865,020
Interest Income	(44,097,000)	(48,839,540)
Interest on income tax	279,099	1,083,691
(Profit)/Loss on sale of Fixed Assets	-	-
	<u>18,197,224</u>	<u>699,588</u>
	<u>60,954,141</u>	<u>76,303,464</u>
Operating profit before working capital changes		
(Increase)/Decrease in Long ter, Advances & Other Assets	10,050,387	280,082,733
(Increase)/Decrease in Short term Advances & Other Assets	15,499,190	(952,869)
Increase/(Decrease) in Sundry Creditors & Other liabilities	62,206,926	87,756,504
	<u>87,756,504</u>	<u>(182,590,038)</u>
<b>Cash from operations</b>	<u>148,710,645</u>	<u>172,843,290</u>
<b>Income tax paid</b>	<u>(15,520,092)</u>	<u>(33,382,575)</u>
<b>Net cash from operating activities</b>	<u>133,190,553</u>	<u>139,460,715</u>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed assets	(259,868)	(409,300)
Sale of Fixed assets	-	-
Interest Income	44,097,000	48,839,540
Increase in Investments	(43,650,000)	(209,856,000)
<b>Net cash from Investing activities</b>	<u>187,133</u>	<u>(161,425,760)</u>
<b>C. Cash flow from Financing activities</b>		
Interest on borrowings	(61,410,768)	(47,865,020)
Increase/ (Decrease)in Short Term Borrowings	(40,000,000)	50,000,000
Interim Dividend Paid	(32,414,075)	(32,414,075)
<b>Net Cash flow from Financing Activities</b>	<u>(133,824,843)</u>	<u>(30,279,095)</u>
Net Increase/Decrease in Cash & Cash Equivalents	(447,158)	(52,244,140)
Cash & Cash Equivalents Opening Balance	48,877,478	101,121,618
Cash & Cash Equivalents Closing Balance	48,430,320	48,877,478

In terms of our report attached.

For and on behalf of the Board of Directors

Sd/-

**PORATHUR ANTONY DEVASSY**  
Whole-time Director

Sd/-

**C.C. WILLIAM VARGHESE**  
Chairman

Damodaran P Namboodiri , ACA  
Chartered Accountant  
Membership No.221178

Sd/-

**JOLLY LOUIS K**  
Chief Financial Officer

Sd/-

**APPUMON C.K**  
Managing Director

Aluva  
12.09.2018

Kunnamkulam  
12.09.2018



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Bethany Complex, Kunnamkulam

Thrissur - 680 503

Phone : 04885-228565

E mail : [brdfinance@brdgroup.net](mailto:brdfinance@brdgroup.net)

Web site : [www.brdgroup.net](http://www.brdgroup.net)