

# BRD FINANCE LIMITED

U65910KL1995PLC009430

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## REGISTERED OFFICE

Bethany Complex, Kunnamkulam  
Thrissur - 680 503.

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### Contents

Directors' Report	2
Auditors' Report	22
Balance Sheet	32
Statement of Profit and Loss	33
Cash Flow Statement	34
Notes to Financial Statements	36
Consolidated Auditors Report	55
Consolidated Balance Sheet	64
Consolidated Statement of Profit and Loss	65
Consolidated Cash Flow Statement	66
Consolidated Notes to Financial Statements	68

**DIRECTORS' REPORT**

Dear Members,

Your directors have great pleasure in presenting their 25th Annual Report of the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March 2020.

**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.

**Financial Highlights:**

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

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from operations	7,47,30,000	7,47,50,443
Other Income	7,44,87,449	4,19,50,963
Total Revenue	14,92,17,449	11,67,01,406
Expenses	18,08,20,399	11,10,57,539
Profit/(Loss) before taxation	60,82,448	56,43,867
Less : Tax Expense	39,69,427	18,59,795
<b>Profit/(Loss) after tax</b>	<b>21,13,021</b>	<b>37,84,072</b>

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

The early part of FY 2019-20 witnessed a slight slowing down of the economy with the actual growth rate falling well below the expectations, with the GDP being weighed down by subdued demand in the key sectors. During H2 of the year, there were indications of the GDP looking up again, buoyed by commendable policy interventions on the part of the Government. The outbreak of the Covid-19 pandemic in March however meant that the revival evident during the early part of Q4 would be difficult to sustain.

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

In FY 2019-20 , we achieved a profit of Rs.

60,82,448/- (before tax). Revenue from the operations & other income increased from Rs. 11,67,01,406 (2018-19) to Rs.14,92,17,449 (2019-20). Expenses increased from Rs. 11,10,57,539 to RS. 18,08,20,399. Though there were unfavorable 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 this report, there was no change in the nature of business of the company.

**Dividend:**

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

**Amounts Transferred to Reserves:**

The Company has transferred Rs. 4,22,604/-

## BRD FINANCE LIMITED

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to general reserves. The total reserve and surplus as on 31st March 2020 stands at Rs. 30,11,75,331/-.

### **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.

### **Share capital**

The paid up equity share capital as at March 31, 2020 stood at Rs.

149,619,240. During the Financial Year 2019-20, there were no changes in the Authorized share capital and subscribed, issued and paid up capital of the company.

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

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

### **Disclosure regarding issue of Employee Stock Options:**

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

### **Disclosure regarding issue of Sweat Equity Shares:**

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

### **Extract of Annual Return:**

The extract of Annual Return in Form no.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2020 is annexed hereto as Annexure I and forms part of this report.

### **Board of Directors**

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 08 Directors as on 31st March 2020.

During the financial year 2019-20, Shri. Sudheesh M M resigned from office on 16.08.2019. The Board places on record its deep appreciation for the services rendered by Shri. Sudheesh M M during his tenure as Director of the Company. Shri. William Varghese Chungath Cheru , Director is retiring by rotation in the Annual General Meeting and being eligible seeks re-appointment. The resolutions for regularization and appointment/reappointment of Directors are set out in the notice calling AGM.

The name, designation, date of appointment and the number of Board meetings attended by Board of Directors in the FY 2019-20 are given below-

## BRD FINANCE LIMITED

Sl No	Name of Director	Designation	Date of Appointment	No. of Board Meetings attended
1	William Varghese Chungath Cheru	Director	19/09/1995	9
2	Cheruvathoor Kuriappan Appumon	Managing Director	19/09/1995	9
3	Porathur Antony Devassy	Whole -time Director	16/05/2018	9
4	Roshini Simon	Director	27/09/2017	9
5	Arimboor Cherukutty Sunitha	Director	27/09/2017	9
6	Sudheesh Meleppattu Madhavapanicker	Director	27/09/2017	0
7	Bahuleyan Raman Nalupurakkal	Independent Director	25/01/2018	8
8	Mathew Jose	Independent Director	16/05/2018	7
9	Sunny Mathew	Independent Director	11/03/2019	9

### Board Meetings:

During the Financial Year 2019-20, 09 meetings of the Board of Directors of the company were held. The Board meetings dates and the attendance of directors are given below:

Sl. No.	Date of Meeting	Board Strength	No of Directors Present
1.	29.04.2019	9	7
2.	12.06.2019	9	7
3.	20.08.2019	8	8
4.	17.10.2019	8	8
5	25.11.2019	8	8
6	27.12.2019	8	8
7	24.01.2020	8	8
8	18.02.2020	8	7
9	16.03.2020	8	8

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

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

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

The company has not entered into any contract or arrangement with related parties during the financial year 2019-20.

### 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. Note No.15 to the accompanying standalone financial statements regarding the stock of shares held as inventories as at 31st March 2020. The Company has not provided the latest valuation report of stock of shares held as stock in trade. According to information available and explanations obtained in respect of the shares held as inventory in group companies ("the parties") it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a decline in

the carrying amount of these stocks which is other than temporary. 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.

The Board of Directors expects better performance of the Group companies in the near future and corresponding increase in the value of shares of Group Companies. Steps are being taken to appoint a Registered Valuer for valuation of the stock of shares.

- ii. Note No.17 to the accompanying standalone financial statements regarding Other Loans and Advance, Chitty advance and Pronote and interest receivable thereon as at 31st March, 2020 given to various parties and outstanding as at 31st March, 2020, 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 -

The Company continues to take legal measures for the recovery of loans and advances and other dues. Consequent to the continuous legal steps and actions taken, all the possible due amounts are being recovered.

- iii. Note No. 24 to the accompanying standalone financial statements - A sum of Rs. 155.91 Lakhs pertaining to the bad debts has been written off till 31.03.2019 and Rs 684.50 Lakhs- in the Current Financial Year by the Company, in respect of Loan and advance to various parties. As informed by the management is that the company has

initiated legal action to recover the debts before providing long outstanding doubtful debts. We have accepted the management representation regarding the quantum of write off and provision in respect of Loans and advances. Since the company has not provided any third-party confirmation or reconciliation against the Other Loans and Advance, Chitty advance and Pronote we are not in a position to comment upon the Bad debts written off in the financials.

Response of your Board of Directors -

The company has taken legal actions to recover the debts. Based upon the continuous follow up and legal steps, the amounts not yet recovered were considered as bad debts.

### **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 2020) 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 had appointed CS Syril Joy as Company Secretary of the company with effect from 01st April, 2019 and resigned with effect from 21st October, 2019. On 03rd December, 2019 CS Resmi J was appointed as Company Secretary and resigned with effect from 13th February, 2020. Further CS Afsal P H has been appointed as Company Secretary with effect from 16th March, 2020.

**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):**

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 2019-20 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 compliance with laws. Good corporate governance helps to balance the interests of management and interests of all stakeholders and ensure the achievement

## BRD FINANCE LIMITED

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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 Committee comprises the following Members as on 31st March 2020:

Mathew Jose, William Verghese Chungath Cheru, P D Antony, N R Bahuleyan and Sunny Mathew.

The Committee met 3 times during the year under review. These meetings were held on 07.06.2019, 20.08.2019 and 26.12.2019 with the requisite quorum. The attendance details of these meetings are as follows:

Name of Director	No. of meetings attended
C C William Verghese	3
Mathew Jose	3
P D Antony	3
N R Bahuleyan	3
Sunny Mathew	3

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 Committee comprises the following Members as on 31st March 2020:

Bahuleyan Raman Nalupurakkal, William Verghese Chungath Cheru, Cheruvathoor Kuriappan Appumon, Mathew Jose, Sunny Mathew and Roshini Simon.

The Committee met 2 times during the year under review. These meetings were held on 23.11.2019, and 10.03.2020, with the requisite quorum. The attendance details of these meetings are as follows:

Name of Director	No. of meetings attended
C K Appumon	2
C C William Verghese	2
Bahuleyan Raman N	2
Mathew Jose	2
Sunny Mathew	2
Roshini Simon	2

**Stakeholders Relationship Committee:**

The Company had constituted Stakeholders Relationship Committee comprising of the following members as on 31.03.2020:

Sunny Mathew, Bahuleyan Raman Nalupurakkal, William Verghese Chungath Cheru, Mathew Jose, Roshini Simon, Sunitha A C and P D Antony.

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 one meeting of the committee was held on 07.06.2019, which was attended by all the members.

**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 Company had constituted Corporate Social Responsibility Committee comprising of the following members as on 31.03.2020:

William Verghese Chungath Cheru, Sunny Mathew, Bahuleyan Raman Nalupurakkal, Mathew Jose, Roshini Simon and P D Antony.

The Committee met 2 times during the year under review. These meetings were held on 23.11.2019 and 10.03.2020 respectively with the requisite quorum. The attendance details of these meetings are as follows:

<b>Name of Director</b>	<b>No. of meetings attended</b>
C C William Verghese	2
Sunny Mathew	2
Bahuleyan Raman N	2
Mathew Jose	2
Roshini simon	2
P D Antony	2

**Annual Evaluation:**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs

on various aspects of governance. The main aspects of evaluation included the contribution to governance, participation in planning and fulfillment of obligations and responsibilities.

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

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

**Statutory Auditors:**

The Company 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



## BRD FINANCE LIMITED

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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 and rules framed thereunder.

### **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, 2020, 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, 2020 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:**

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

For and on behalf of the Board of Directors

Sd/-

**William Varghese Chungath Cheru**

(DIN: 00074708)

Chairman

Place: Kunnamkulam

Date: 07/12/2020

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U65910KL1995PLC009430
Registration Date	19.09.1995
Name of the Company	BRD FINANCE LTD
Category / Sub-Category of the Company	Company Limited by Shares/Non-Government Company
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
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. Consultants Limited PB No. 2016, "Kanapathy Towers", 3rd Floor, 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	50.08%
2	Finance	6592	49.92%

# BRD FINANCE LIMITED

## 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	<b>BRD Chits LTD</b> Uttam Complex, 2nd floor, 9-12, Rajaji Road, Ram Nagar, Gandhipuram, Coimbatore, Tamil Nadu- 641009	U65942TZ2012PLC018717	Subsidiary	92.31%	2(87)
2	<b>BRD Kuries (INDIA) LTD</b> 534/A, BRD Complex, Calicut Road, Parempadam, Kunnamkulam, Thrissur- 680519	U65992KL2014PLC036468	Subsidiary	96.67%	2(87)
3	<b>BRD Developers and Builders LTD</b> DOOR NO.XIII/436, A 1, 2nd Floor, Bethany Complex, Thrissur Road, Kunnamkulam Thrissur-680503	U45200KL2010PLC026202	Associate	48.78	2(6)

## 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1). Indian									
a) Individual/HUF	-	1140195	1140195	7.62%	5751	1140195	1145946	7.66%	+0.04%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	-	-	-	-	-	-	-	-
k) Banks/FI	-	-	-	-	-	-	-	-	-
l) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	-	1140195	1140195	7.62%	5751	1140195	1145946	7.66%	+0.04%

# BRD FINANCE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2). Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A) = (A)(1) + (A)(2)	-	1140195	1140195	7.62%	5751	1140195	1145946	7.66%	+0.04%
B. Public Shareholding									
(1). Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

## BRD FINANCE LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1092877	1092877	7.30%	-	1092877	1092877	7.30%	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	-	5476950	5476950	36.61%	81682	5369854	5451536	36.44	-0.17%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	7251902	7251902	48.47%	30414	7241151	7271565	48.60	+0.13%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	13821729	13821729	92.38	112096	13703882	13815978	92.34	-0.04%
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	13821729	13821729	92.38	112096	13703882	13815978	92.34	-0.04%
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	14961924	14961924	100%	117847	14844077	14961924	100%	Nil

### ii) Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	
1	C C William Varghese	1140195	7.62%	-	1145946	7.66%	-	+0.04%

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

Sl. No.	Shareholder's name	Shareholding at the beginning of the year		Shareholding at the End of the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):
1	C C William Varghese	1140195	7.62%	1145946	7.66%	Purchase -06.09.2019 540 shares Purchase -20.09.2019 5211 shares

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of 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	961494	6.43%	961494	6.43%	Nil
2	John Mathai	647496	4.33%	647496	4.33%	Nil
3	Sreedevi Vishnu M	521641	3.49%	521641	3.49%	Nil
4	Prasad Punnoose	375839	2.51%	375839	2.51%	Nil
5	George N V	316704	2.11%	316704	2.11%	Nil
6	Annie Mathew	281468	1.88%	281468	1.88%	Nil
7	Baby Skaria	273546	1.83%	273546	1.83%	Nil
8	Zarine M Punnoose	266510	1.78%	266510	1.78%	Nil
9	Mohan T V	197098	1.32%	197098	1.32%	Nil
10	Simon Cheru C	133725	0.89%	133725	0.89%	Nil

## BRD FINANCE LIMITED

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		shareholding at the end of the year		Increase/ decrease in Shareholding during the year specifying the date and reasons for increase/ decrease (Refer Annexure 1A)
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	C C William Varghese	1140195	7.62%	1145946	7.66%	+0.04% Purchase -06.09.2019 540 shares Purchase -20.09.2019 5211 shares
2	Appumon C K	101979	0.68%	101979	0.68%	Nil
3	Roshini Simon	33804	0.22%	33804	0.22%	Nil
4	Arimboor Cherukutty Sunitha	245222	1.64%	245222	1.64%	Nil
5	Bahuleyan Raman Nalupurakkal	-	-	-	-	Nil
6	Porathur Antony Devassy	52659	.35%	52659	0.35%	Nil
7	Mathew Jose	-	-	-	-	Nil
8	Sunny Mathew	9465	.063%	9465	.063%	Nil
9	Jolly Louis K	1274	0.008%	1274	.008%	Nil

### vi) INDEBTEDNESS:

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in indebtedness during the financial year				
Addition	-	35019596	-	35019596
Reduction	-	12500000	-	12500000
Net Change	-	22519596	-	22519596
Indebtedness at the end of the financial year				
i. Principal Amount	-	22519596	-	22519596
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	22519596	-	22519596

**vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Porathur Antony Devassy	Appumon C K	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,40,000	-	8,40,000
	(b) value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	8,40,000	-	8,40,000
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Name of Directors	Particulars of Remuneration			
	Fee for attending board/ committee meetings	Remuneration	Others, please specify-Allowance	Total
<b>(1) Independent Directors</b>				
N R Bahuleyan	1,750	-	-	1,750
P M Jose	1,500	-	-	1,500
Sunny Mathew	1,750	-	-	1,750
Total (1)	5,000	-	-	5,000
<b>(2) Other Non-Executive Directors</b>				
Total (2)	-	-	-	-
Total (B) = (1) +(2)	5,000	-	-	5,000
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act				



# BRD FINANCE LIMITED

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,91,237	5,31,250	9,22,487
	(b) value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	3,91,237	5,31,250	9,22,487

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

For and on behalf of the Board of Directors

Sd/-

**William Varghese Chungath Cheru**

(DIN: 00074708)

Chairman

Place: Kunnamkulam

Date: 07/12/2020

**BRD Finance Limited****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	2019-20	2019-20
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	1,29,20,957	67,99,505
6.	Total assets	2,00,37,797	2,71,95,851
7.	Total Liabilities	2,00,37,797	2,71,95,851
8.	Investments	-	-
9.	Turnover	19,94,212	34,82,572
10.	Profit/(Loss) before taxation	16,83,793	26,52,054
11.	Provision for taxation	4,24,180	6,69,254
12.	Profit after taxation	12,59,613	19,82,800
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**

(DIN: 00074708)

Chairman

# BRD FINANCE LIMITED

## 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	31.03.2020
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	N A
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	3,83,97,854
6. Profit / Loss for the year	
i. Considered in Consolidation	1,20,97,022
i. Not Considered in Consolidation	1,27,01,873

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**

(DIN: 00074708)

Chairman

Place: Kunnamkulam

Date: 07/12/2020

**Annual Report on CSR Activities****For the Financial Year Ended 31st March, 2020**

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 William Varghese-Chairman, Ms. Roshini Simon, Mr. N R Bahuleyan, Mr. Mathew Jose, Mr. Sunny Mathew, Mr. P D Antony as Members as on 31st March 2020
3. **Average net profit of the Company for last three financial years:-** Rs.3,65,95,196
4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):-** Rs. 7,31,904/-
5. **Details of CSR spent during the financial year: -**
  - a. Total amount spent for the financial year : NIL
  - b. Amount unspent, if any; Rs. 7,31,904/-
  - 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 had total unspent CSR amount of Rs.81,24,714 from Financial Year 2014-15 onwards. Out of Rs.81,24,714 the company has spent Rs.61,87,000 during the Financial Year 2019-20. The company has taken adequate measures to spend the balance amount of Rs.19,37,714 on or before 31st March 2021. The company is in the process of finding viable project for the same.

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.

## BRD FINANCE LIMITED

### 5(c) Manner in which amount spent during the financial year is detailed below

1	2	3	4	5	6	7	8
Sl No	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs	Amount spent on the projects or programs Sub-head: 1. Direct Expenditure On projects Or Programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
1	Support for Medical treatment	Health Care	Kunnamkulam-Thrissur	3500000/-	3050000/-	3050000/-	Direct
2	Assistance for setting up homes	Social welfare	Kunnamkulam-Thrissur	2000000/-	1560000/-	1560000/-	Direct
3	Contribution for welfare of socially & economically backward classes	Social welfare	Kunnamkulam-Thrissur	2000000/-	1550000/-	1550000/-	Direct
4	Promotion of education	Education	Kunnamkulam-Thrissur	100000/-	15000/-	15000/-	Through Trust
5	Promotion of education	Education	Kunnamkulam-Thrissur	100000/-	12000/-	12000/-	Direct
	Total			7700000/-	6187000/-	6187000/-	

For and on behalf of the Board of Directors

Sd/-

**William Varghese Chungath Cheru**

(DIN: 00074708)

Chairman

Place: Kunnamkulam

Date: 07/12/2020

**INDEPENDENT AUDITOR'S REPORT**

To the Members of BRD Finance Limited

**Report on the Audit of the Standalone Financial Statements****Qualified Opinion**

We have audited the standalone financial statements of BRD Finance Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2020 and Profit/loss and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We draw your attention to the following matters:

- i. Refer Note No.15 to the accompanying standalone financial statements regarding the stock of shares held as inventories as at 31st March 2020. The Company has not provided the latest valuation report of stock of shares held as stock in trade. According to information available and explanations obtained in respect of the shares held as inventory in group companies ("the parties") it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a

decline in the carrying amount of these stocks which is other than temporary. 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. Refer Note No.17 to the accompanying standalone financial statements regarding Other Loans and Advance, Chitty advance and Pronote and interest receivable thereon as at 31st March, 2020 given to various parties and outstanding as at 31st March, 2020, 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.
- iii. Refer Note No. 24 to the accompanying standalone financial statements - A sum of Rs. 155.91 Lakhs pertaining to the bad debts has been written off till 31.03.2019 and Rs 684.50 Lakhs- in the Current Financial Year by the Company, in respect of Loan and advance to various parties. As informed by the management is that the company has initiated legal action to recover the debts before providing long outstanding doubtful debts. We have accepted the management representation regarding the quantum of write off and provision in respect of Loans and advances. Since the company has not provided any third-party confirmation or reconciliation against the Other Loans and Advance, Chitty advance and Pronote we are not in a position to comment upon the Bad debts written off in the financials.

Regarding non availability of confirmations in respect of debit and/or credit balances of loans, advances, deposits, trade payable and lenders In the absence of such confirmations, any provision to be made for the adverse variation in carrying of amounts of these balances, cannot be quantified, as well as the quantum of adjustment if any,

required to be made remains unascertained.

Our audit report for the previous year ended March 31 2018 and March 31, 2019 had also qualified in respect of the matter i & ii above.

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

### **Emphasis of Matter**

We draw your attention to the following matters:

Note 18 to the accompanying standalone financial statements regarding amount recoverable from group concern amounting to Rs. 10.34 Crores relates to earlier years and interest thereon, which is outstanding as at the reporting date. The management is confident of recovery of the amount in due course and no provision is considered necessary for any possible losses that may arise in this behalf. Management has provided simple interest at the rate higher than the government securities against the amount recoverable from the Group concern.

We draw your attention to Note 2.18. of the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic.

Our opinion is not qualified in respect of the above matter.

The Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting customers. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulters for settlement as well as its other receivables. The Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the accounts for the year ended 31 March 2020 are prepared on going concern basis. We have relied on the above-mentioned explanations and information given by the Management.

### **Key audit matters**

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

<b>Honourable Settlement commission order</b>	
<p>As disclosed in Note 25 to the standalone financial statements, related to the final Order of Settlement Commission.</p> <p>The Hon'ble Settlement Commission vide order dated 24/06/2020 has passed the Final Order admitting the Income disclosed and Tax and Interest paid thereon</p> <p>The overall result of Net income disclosed in the settlement application has been disclosed as an exceptional item in the standalone financial statements</p> <p>The Company has voluntarily deposited 37.24 lakhs as tax and interest towards the settlement commission application which has been shown as a part of income tax for prior years' expenses under the head "Tax Expense"</p> <p>Considering the significance of the amount and the complexities involved this was considered as a key audit matter of the standalone financial statements.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained and evaluated the Settlement Commission order passed by the Honourable Settlement Commission on</li> <li>• Evaluated the impact of the Settlement Commission order on financial statements of the company</li> <li>• Obtained an understanding of the management's Rationale for recognizing the tax amount along with interest writing off as Tax Expenses.</li> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards.</li> </ul>
<b>Litigations and claims provisions and contingent liabilities</b>	
<p>As disclosed in Note 30 [Capital Commitments and Contingent Liabilities] to the standalone financial statements, the Company is involved in direct and indirect tax litigations amounting to ` 11.30 lakhs that are pending with various tax authorities.</p> <p>Whether a liability is recognized or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgments in respect to these demands against the Company.</p> <p>Determining the amount, if any, to be recognized or disclosed in the standalone financial statements, is inherently subjective.</p> <p>The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the standalone financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts</li> <li>• Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.</li> <li>• Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents in similar cases;</li> </ul>



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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143

## BRD FINANCE LIMITED

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of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the 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 the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement. Refer Note 30 & 35 of the Standalone Financial Statements.

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

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

Aluva  
07.12.2020

Sd/-  
**Damodaran P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178  
UDIN: 20221178AAAABQ4692

**“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, 2020:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets; The record is not updated related to the additions made consequent to the Honorable Settlement Commission Order

(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.

Refer to the Note no 10 The company had accounted 124.79 Lakhs towards immovable property and infrastructure facilities in the books of accounts consequent to the search and Honorable settlement commission order. Documents related to the additions in immovable property and infrastructure facilities is not available for verification. Since the matter is concluded by the Honorable settlement commission, we accepted the management representation related to the additions.

2) The management has kept stock of shares as inventories and according to the information and explanations given to us the management

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, 2020 for a period of more than six months from the date on when they become payable.

## BRD FINANCE LIMITED

- 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. The particulars of dues of income tax as at 31st March, 2020 which have not been disputed on dispute, are as follows:

Nature of the Statute	Nature of Dues	Amount	Period	Forum where pending
Income Tax	IT matters under dispute	3.63 Lakhs	01-04-2011 to 31-03-2012	CIT ( Appeals)
Income Tax	IT matters under dispute	7.67 Lakhs	01-04-2012 to 31-03-2013	CIT ( Appeals)

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions, or debenture holders. The company does not have any borrowing by way of debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) 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  
07.12.2020

Sd/-  
**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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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  
07.12.2020

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

# BRD FINANCE LIMITED

## BALANCE SHEET AS ON MARCH 31,2020

PARTICULARS	Note no:	31.03.2020 Rs.	31.03.2019 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holders' Funds:</b>			
Share Capital	3	14,96,19,240	14,96,19,240
Reserves & Surplus	4	30,11,75,331	29,90,62,310
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
Long term borrowings	5	1,50,19,596	
Deferred tax liabilities (Net)	6	1,27,470	1,32,870
Other long term liabilities			
Long term provisions			
<b>(4) Current Liabilities</b>			
Short term borrowings	7	75,00,000	-
Trade payables		-	-
Other current liabilities	8	72,25,68,959	62,71,96,709
Short-term provisions	9	16,266	6,46,334
<b>TOTAL</b>		<b>1,19,60,26,862</b>	<b>1,07,66,57,463</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
Property , Plant & Equipments	10	2,37,58,846	1,15,96,064
Intangible assets			
Capital work-in-progress			
Intangible assets under development			
Non-current investments	11	3,44,95,000	8,13,77,000
Deferred tax assets (net)			
Long term loans and advances	12	2,15,04,892	44,24,799
Other non-current assets	13	10,50,00,000	32,00,00,000
<b>(2) Current assets</b>			
Current investments	14	12,00,00,000	-
Inventories	15	29,97,46,890	29,97,46,890
Trade receivables			
Cash and bank balances	16	3,40,01,215	4,95,46,906
Short-term loans and advances	17	40,98,08,099	20,39,17,350
Other current assets	18	14,77,11,920	10,60,48,453
<b>TOTAL</b>		<b>1,19,60,26,862</b>	<b>1,07,66,57,463</b>

Notes are an integral part of the financial statements

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

Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

For and on behalf of the Board of Directors

Sd/- Sd/-  
**C C William Verghese** **C K Appumon**  
 Chairman Managing Director

Sd/- Sd/-  
**P D Antony** **Jolly Louis K**  
 Whole Time Director Chief Financial Officer



# BRD FINANCE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

PARTICULARS	Note no:	31.03.2020 Rs.	31.03.2019 Rs.
<b>INCOME</b>			
Revenue from Operations	19	7,47,30,000	7,47,50,443
Other income	20	7,44,87,449	4,19,50,963
<b>TOTAL REVENUE</b>		<b>14,92,17,449</b>	<b>11,67,01,406</b>
<b>EXPENSES</b>			
Employee benefit expense	21	70,51,605	80,69,146
Finance cost	22	9,18,52,759	7,37,63,440
Depreciation and amortization Expenses	23	3,81,658	4,93,109
Other expense	24	8,15,34,378	2,87,31,844
<b>TOTAL EXPENSES</b>		<b>18,08,20,399</b>	<b>11,10,57,539</b>
<b>Profit before exceptional item and tax</b>		<b>(3,16,02,950)</b>	<b>56,43,867</b>
<b>Exceptional items - Refer Note 25</b>		<b>3,76,85,398</b>	<b>-</b>
		<b>60,82,448</b>	<b>56,43,867</b>
<b>Tax Expense</b>			
(a) Current tax		2,50,000	19,27,565
(b) Income Tax for prior years- Ref Note 25 & 24.C		37,24,827	-
(c) Deferred tax		(5,400)	(67,770)
		<b>39,69,427</b>	<b>18,59,795</b>
<b>Profit (Loss) for the period</b>		<b>21,13,021</b>	<b>37,84,072</b>
Earnings Per Equity Share Basic and Diluted (Face value of Rs.10 each)	27	0.14	0.25
Adjusted earnings per share (Face value of Rs.10 each)		0.14	0.25

Notes are an integral part of the financial statements

Sd/-  
**Damodaran P Namboodiri**  
 Chartered Accountant  
 Membership No.221178  
 Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

For and on behalf of the Board of Directors

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer

**Cash Flow Statement for the year ended 31st March 2020**
**In terms of AS - 3 on Cash Flow Statement under Indirect Method**

	2019-20 Rs.		2018-19 Rs.	
<b>Cash Flow from Operating activities</b>				
<b>Net profit Before Taxation and Exceptional items</b>		(3,16,02,950)		56,43,867
Adjustment for:				
Exceptional Item	3,76,85,398			
Provision for Depreciation	3,81,658		4,93,109	
Interest on Borrowings	9,18,52,759		7,37,63,440	
Interest Income	(7,44,87,449)		(3,88,73,325)	
Bad Debts w/off	-		-	
Interest on Income Tax	-		-	
(Profit)/Loss on sale of Fixed Assets	-		-	
Dividend Received	-	5,54,32,366	-	3,53,83,224
		2,38,29,415		4,10,27,091
Operating profit before working capital changes				
Increase/(Decrease) in Short term Borrowings	75,00,000		(1,50,00,000)	
(Increase)/Decrease in Inventories	-		-	
(Increase)/Decrease in Short term Advances & Other Assets	(24,21,45,481)		1,98,80,720	
Increase/(Decrease) in Sundry Creditors & Other liabilities	9,47,42,182	(13,99,03,299)	9,15,44,469	9,64,25,189
<b>Cash from operations</b>		(11,60,73,884)		13,74,52,280
<b>Income tax paid</b>		(93,83,562)		(1,45,72,429)
<b>Net cash from operating activities</b>		(12,54,57,446)		12,28,79,851
<b>Cash flow from Investing Activities</b>				
Purchase of Fixed assets	(1,25,44,439)		-	
Capital Work-in-Progress				
Sale of Fixed assets				
Interest Income	7,44,87,449		3,88,73,325	
Net Decrease/ (Increase) in Non-current Investments	4,68,82,000		(5,60,74,000)	
Increase in Current Investments	(12,00,00,000)			
Net Decrease/ (Increase) in Bank Deposits	21,50,00,000		-	
Dividend Received	-			
<b>Net cash from Investing activities</b>		20,38,25,010		(1,72,00,675)

## BRD FINANCE LIMITED

	2019-20 Rs.		2018-19 Rs.	
<b>Cash flow from Financing activities</b>				
Long term Loans	1,50,19,596		-	
Long term Advance	(1,70,80,093)		-	
Interest on borrowings	(9,18,52,759)		(7,37,63,440)	
<b>Net Cash flow from Financing Activities</b>		(9,39,13,256)		(7,37,63,440)
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>		(1,55,45,692)		3,19,15,736
Opening Cash & Cash Equivalents		4,95,46,906		1,76,31,170
Closing Cash & Cash Equivalents		3,40,01,215		4,95,46,906

Notes are an integral part of the financial statements

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

Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

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

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****1. COMPANY INFORMATION**

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.

# BRD FINANCE LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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

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

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

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

### 2.5.Intangible assets

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

### 2.6.Depreciation and 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****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 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

# BRD FINANCE LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****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.Exceptional Item**

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

**2.16.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.

**2.17.Segment Reporting**

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable. Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

**2.18.Impact Of Covid-19**

The COVID-19 outbreak is on-going and the actual extent of its impact on the economy globally in general and in India, in particular remains uncertain. The outbreak has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial asset as at March 31, 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

**2.19.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 2020

Particulars	31st March 2020	31st March 2019
<b>Note - 3</b>		
<b>SHARE CAPITAL</b>		
(a) Authorised		
20000000(Previous Year:200000000) Equity shares of Rs. 10 each	20,00,00,000	20,00,00,000
(b) Issued, Subscribed & Fully Paid Up		
14961924 (Previous Year 14961924) Equity Shares of Rs. 10 each	14,96,19,240	14,96,19,240
<b>TOTAL</b>	<b>14,96,19,240</b>	<b>14,96,19,240</b>

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

Equity Shares	31st March 2020		31st March 2019	
	No .	Value	No .	Value
No: of shares at the beginning of the year	1,49,61,924	14,96,19,240	1,49,61,924	14,96,19,240
Add: Issued During the year	-	-	-	-
Add: Bonus Issue During the year	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	1,49,61,924	14,96,19,240	1,49,61,924	14,96,19,240

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

Particulars	31st March 2020		31st March 2019	
	No .of shares	% of Holding	No .of shares	% of Holding
C C William Verghese	<b>1145946</b>	<b>7.66%</b>	1140195	7.62%
BRD Motors Ltd	<b>961494</b>	<b>6.43%</b>	961494	6.43%
		<b>31st March 2020</b>	<b>31st March 2019</b>	

**Note - 4**

## RESERVES & SURPLUS

### General Reserve

Amount as per Last Balance Sheet	8,74,65,419	8,67,08,605
(+) Additions/ transfers during the Year	4,22,604	7,56,814
<b>Closing Balance</b>	<b>8,78,88,024</b>	<b>8,74,65,419</b>

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Surplus</b>		
Balance as per last financial statements	21,15,96,891	20,85,69,633
(+) Net profit/(net loss) for the current year	21,13,021	37,84,072
(-) Transfer to Reserve	4,22,604	7,56,814
	21,32,87,307	21,15,96,891
<b>TOTAL</b>	<b>30,11,75,331</b>	<b>29,90,62,310</b>

### Nature and purpose of Reserves

#### General reserve

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

#### Retained earnings

This reserve represents the cumulative profits of the Company.

#### Note - 5

#### LONG TERM BORROWINGS

##### Secured

##### Unsecured

##### From Others

ICD from group entities*	1,50,19,596	-
<b>TOTAL</b>	<b>1,50,19,596</b>	<b>-</b>

\* From Subsidiray Company , Associate Company and Group Entities

#### Note - 6

#### DEFERRED TAX LIABILITY / (ASSET) :

##### Deferred Tax Liability

Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,27,470	1,32,870
<b>Net Deffered Tax Liability / (Asset)</b>	<b>1,27,470</b>	<b>1,32,870</b>

#### Note - 7

#### SHORT TERM BORROWINGS

##### Secured

##### Unsecured

##### From Others

ICD from group entities*	75,00,000	-
<b>TOTAL</b>	<b>75,00,000</b>	<b>-</b>

\* From Subsidiray Company , Associate Company and Group Entities

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note - 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	-	-
(b) Other payables		
(i) Kuri Accounts Payable	71,41,76,607	62,40,95,776
(ii) Statutory remittances (Refer note(i) below)	13,71,073	8,10,298
(iii) Expenses Payable	4,33,700	2,91,500
(iv) Interest Payable	65,87,579	19,99,135
<b>TOTAL</b>	<b>72,25,68,959</b>	<b>62,71,96,709</b>
(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable		
<b>Note - 9</b>		
<b>SHORT TERM PROVISIONS :</b>		
(a) Provision for employee benefits:	16,266	6,46,334
(b) Provision - Others:		
(i) Provision for Income Tax	-	-
<b>TOTAL</b>	<b>16,266</b>	<b>6,46,334</b>
<b>Note - 11</b>		
<b>NON-CURRENT INVESTMENT</b>		
<b>Non-trade investments (valued at cost unless stated otherwise):</b>		
<b>Investment in equity instruments (unQuoted)</b>		
(i) of subsidiaries		
BRD Kuries India Limited (1450000 shares @ 10 each)	1,45,00,000	1,45,00,000
BRD Chits Limited (600000 shares @ 10 each)	60,00,000	60,00,000
(ii) of associates		
BRD Developers & Builders Limited (1000000 shares @ 10 each)	1,00,00,000	1,00,00,000
<b>Investment in Debentures</b>		
Non Convertible Debentures	39,95,000	5,08,77,000
<b>TOTAL</b>	<b>3,44,95,000</b>	<b>8,13,77,000</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

## Note - 10

Particulars	Gross Block			Depreciation			Net Block	
	01.04.2019	Additions	Deletions	31.03.2020	01.04.2019	Additions	Deletions	31.03.2020
Property, Plant and Equipments								
Land	77,28,381	67,81,326	-	1,45,09,707	-	-	-	1,45,09,707
Building	50,37,563	56,98,063	-	1,07,35,626	19,56,438	1,57,342	-	86,21,846
Electrical Fittings	1,46,259	-	-	1,46,259	1,38,707	125	-	7,428
Furniture & Fittings	26,07,647	-	-	26,07,647	23,50,107	74,754	-	1,82,786
Computer & UPS	13,27,610	28,750	-	13,56,360	12,49,268	28,042	-	79,050
Motor Vehicle	6,91,671	-	-	6,91,671	5,27,406	53,208	-	1,11,057
Office Equipments	2,87,972	36,300	-	3,24,272	2,33,465	38,573	-	52,235
Room	3,51,195	-	-	3,51,195	2,13,980	6,822	-	1,30,394
Water Cooler	18,999	-	-	18,999	18,049	-	-	950
Electrical Equipments	5,76,573	-	-	5,76,573	4,90,386	22,793	-	63,394
Total	1,87,73,870	1,25,44,439	-	3,13,18,309	71,77,806	3,81,658	-	2,37,58,846
Intangible Assets								
Computer Software	6,96,571	-	-	6,96,571	6,96,570	-	-	-
Total	1,94,70,441	1,25,44,439	-	3,20,14,880	78,74,376	3,81,658	-	2,37,58,846

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019		
<b>Note - 12</b>				
<b>LONG TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
Loans and advances to related parties	81,05,907	-		
Security Deposits	5,92,500	5,92,500		
Blance with Government Authorities				
Income tax Receivables	1,28,06,485	38,32,299		
<b>TOTAL</b>	<b>2,15,04,892</b>	<b>44,24,799</b>		
<b>Note - 13</b>				
<b>Other Non current assets</b>				
Term deposits with banks with maturity greater than 12 months	10,50,00,000	32,00,00,000		
Others				
<b>TOTAL</b>	<b>10,50,00,000</b>	<b>32,00,00,000</b>		
<b>Note - 14</b>				
<b>NON-CURRENT INVESTMENT</b>				
Investment in Mutual Funds	2,00,00,000	-		
Investment in Debentures				
Non Convertible Debentures	10,00,00,000	-		
<b>TOTAL</b>	<b>12,00,00,000</b>	<b>-</b>		
Market Value of Mutual Funds - 23,150,262				
<b>Note - 15</b>				
<b>INVENTORIES</b>				
Stock in Trade	29,97,46,890	29,97,46,890		
<b>TOTAL</b>	<b>29,97,46,890</b>	<b>29,97,46,890</b>		
<b>Note: Details of Stock of Shares held</b>				
<b>Name of the Company</b>	<b>No of Shares</b>	<b>Avg. Rate</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
BRD Securities Ltd	26,23,911	71.60	18,78,78,508	18,78,78,508
BRD Motors Ltd	15,47,524	72.29	11,18,68,382	11,18,68,382
<b>Note - 16</b>				
<b>CASH AND BANK BALANCES :</b>				
<b>Cash and Cash Equivalents</b>				
(a) Cash in hand			3,64,800	1,74,315
(b) Balance with banks				
(i) In Current Accounts			3,36,36,415	4,93,72,592
<b>TOTAL</b>			<b>3,40,01,215</b>	<b>4,95,46,907</b>
<b>Notes - 17</b>				

## BRD FINANCE LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>SHORT TERM LOANS AND ADVANCES :</b>		
Loans and advances to related Parties	25,00,00,000	
Balances with government authorities		
Unsecured, considered good		
Advance Tax & TDS Receivables *	54,08,735	1,26,44,864
GST Receivable	-	9,10,874
Others		
Kuri Advances and Pronotes Loans	14,91,27,011	18,53,35,137
Other Advances	52,72,353	50,26,476
<b>TOTAL</b>	<b>40,98,08,099</b>	<b>20,39,17,350</b>

\* Income Tax & TDS of previous year Includes regular tax amount of Rs. 79,32,183 /- of which the assessments proceedings are pending with settlement commission. The matter is concluded in ITSC. Refer no 24C & 25

Advances recoverable in cash or in kind or for value to be received

#### Note - 18

#### OTHER CURRENT ASSETS :

(a) Accruals		
Interest accrued on Deposits/Securities	3,50,96,411	3,84,54,753
(b) Others		
Other Income Receivable	51,86,495	3,53,240
Receivable from BRD Motors	10,74,29,014	6,72,40,460
<b>TOTAL</b>	<b>14,77,11,920</b>	<b>10,60,48,453</b>

#### Note - 19

#### REVENUE FROM OPERATIONS :

Foreman's Commission	7,47,30,000	7,47,50,443
<b>TOTAL</b>	<b>7,47,30,000</b>	<b>7,47,50,443</b>

#### Note - 20

#### OTHER INCOME :

(a) Interest Income		
Interest received from IC Deposits	4,51,75,336	72,38,327
Interest on Kuri Advance & Loans	52,67,240	25,51,889
Interest on others	1,60,08,196	2,50,40,797
Interest on Fixed Deposits	17,27,671	40,42,312
(b) Other non-operating income (net of expenses directly attributable to such income)		

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
Late fee and Discount Profit	31,03,107	29,26,849
Commission on Money Transfer	7,683	6,223
Other Miscellaneous Income	29,98,216	1,44,566
Bad Debts Reccoverd	2,00,000	-
<b>TOTAL</b>	<b>7,44,87,449</b>	<b>4,19,50,963</b>
<b>Note - 21</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	59,16,140	63,21,638
Contributions to provident and other funds	11,28,715	17,39,368
Staff welfare expenses	6,750	8,140
<b>TOTAL</b>	<b>70,51,605</b>	<b>80,69,146</b>
<b>Note-22</b>		
<b>FINANCE COST :</b>		
(a) Interest expense on :		
(i) Borrowings		
Interest on Kuri Security Deposits and Advances	8,76,80,482	7,29,55,088
Interest on IC Deposit	41,72,277	8,08,352
(ii) Others		
Interest on delayed payment of income tax	-	-
<b>TOTAL</b>	<b>9,18,52,759</b>	<b>7,37,63,440</b>
<b>Note-23</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation.	3,81,658	3,81,658
Amortisation	-	1,11,451
<b>TOTAL</b>	<b>3,81,658</b>	<b>4,93,109</b>
<b>Note-24</b>		
<b>OTHER EXPENSES :</b>		
Advertisement charges	54,656	85,827
AGM Expense	2,53,547	2,59,922
Audit fees	3,50,000	3,44,000
Audit Expense	-	9,686
Bank Charges	10,065	7,379
Computer Expenses	37,033	52,756
Filing fee	40,500	4,69,975
Gratuity Premium Paid	13,543	61,274
Corporate social responsibility	61,87,000	31,250

## BRD FINANCE LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
Donation	31,000	11,54,300
Directors remuneration	8,40,000	4,90,000
KML Registration Fee	6,000	6,000
Kuri Bonus	18,45,000	19,45,000
Kuri commission	11,95,814	12,02,451
Legal charges	1,02,396	1,26,021
Miscellaneous expenses	502	569
Office Expense	1,37,855	1,36,392
Postage & Telegram	1,26,000	2,00,553
Printing & Stationery	1,77,188	3,58,312
Rates and Taxes	1,08,779	83,296
Professional charges	3,80,000	55,500
Refreshment expenses	86,883	85,135
Rent	4,32,707	3,58,822
Rent - (Faridabad)	8,400	6,000
Rent - BRD Motors Ltd	-	50,00,000
Repairs and Maintenance	89,438	59,462
Service Tax Paid	63,900	56,859
Software Expense	1,27,700	1,06,500
Telephone charge	13,960	18,158
Travelling expenses	1,99,458	2,59,961
Vehicle Maintenance	90,603	75,538
Company secretary fee	69,000	33,000
Bad Debts W/off	6,84,50,451	1,55,91,946
Sitting Fee	5,000	-
<b>TOTAL</b>	<b>8,15,34,378</b>	<b>2,87,31,844</b>

#### A. Details of CSR expenditure

Particulars	31st March 2020	31st March 2019
(a) Gross amount required to be spend by the company during the year	7,31,904	13,81,396

Amount spent during the year:	Spent during the year	Yet to be spend	Total
(i) Construction/acquisition of any asset			-
(ii) On purposes other than (i) above	61,87,000	19,37,714	81,24,714

#### B. Payment to the auditors comprises :

As auditors - statutory audit	2,20,000	2,00,000
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# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
For taxation matters	65,000	60,000
For other services	65,000	60,000
<b>TOTAL</b>	<b>3,50,000</b>	<b>3,20,000</b>

### C. Income Tax

The components of income tax expense for the year ended March 31, 2020 and year ended March 31, 2019 are:

Current tax	2,50,000	19,27,565
Tax relating to prior years paid on settlement	37,24,827	-
Deffered Tax	-5,400	-67,770
Income tax expense reported in statement of profit and loss	39,69,427	18,59,795

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards -12 Income Taxes have been recognised using the reduced tax rates applicable.

### Note 25

The components of income tax expense for the year ended March 31, 2020 and year ended March 31, 2019 are:

Income declaredd before Settlement Commission	55,65,700	-
Interest on Amount Receivable from Group Entities	3,21,19,698	-
<b>TOTAL</b>	<b>3,76,85,398</b>	<b>-</b>

A search and seizure proceedings was initiated by the Income Tax Department under Section 132 of the Income-Tax Act, 1961 on 14.07.2016 in the business premises of the Company and other group Companies. Simultaneously, search was also conducted in the residential premises of the Directors. Further, a survey under section 133A of the Income Tax Act, 1961 was also conducted in the business premises of the branches of the Company. Pursuant to search and survey conducted by the competent authorities under the Income tax Act in F.Y:2016-17, the Assessing Officer had issued notice u/s 153A of the Income tax Act for earlier years. Consequently, in order to avoid protracted tax litigation, the Company has filed application under Section 245C(1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') and declaring additional income of ` 55.66 Lakhs for A.Y. 2011-12 to A.Y. 2017-18. The Company has deposited ` 18.91 Lakhs as tax and ` 18.33 Lakhs as interest towards the proposed settlement which has been shown as a part of Income Tax for Prior years expenses under the head "Tax Expense" in the books of accounts. The application were allowed to be proceeded with by the ITSC vide its consolidated order u/s 245D(1) on 19.12.2018 and the same were held as not invalid vide a consolidated order u/s 245D (2C) dated 05.02.2019. Further, The Commission, vide its order under section 245(D)4 of the Income Tax Act, 1961, dated 24.06.2020 settled the income for the assessment years which were subject matter of settlement.

The Board of Directors of the company has decided to charge interest on outstanding amount recoverable from the group entities. The company has applied interest higher than the prevailing interest rate of government securities. The company has applied interest from the date of amount became receivable from the entities and the interest related to the prior period comes to R 321.19 Lakhs.

### Note -26

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

Particulars	31st March 2020	31st March 2019
Details of Employee Benefits : Disclosures required under Accounting Standard 15 - Employee Benefits ( Revised 2005)		
<b>a. Defined Contribution Plans :</b>		
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	5,29,666	6,12,108
Employers Contribution to Employee's State Insurance	1,56,021	2,44,523
<b>b. Defined benefit Plans- Gratuity:</b>		
i. Components of employer expense		
Current service cost	2,24,097	2,01,915
Interest cost	1,22,148	98,765
Expected return on plan assets	(68,638)	(70,719)
Past service costs	-	5,86,961
Actuarial losses/(gains)	1,12,275	45,268
Total expense recognised in the Statement of Profit and Loss	3,89,882	8,62,190
ii. Actual contribution and benefit payments for year		
Actual benefit payments	1,50,140	34,172
Actual contributions	10,19,950	1,39,647
iii. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(19,37,030)	(16,28,650)
Fair value of plan assets	19,20,764	9,82,316
Funded status [Surplus / (Deficit)]	(16,266)	(6,46,334)
Net asset / (liability) recognised in the Balance Sheet	(16,266)	(6,46,334)
iv. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	16,28,650	6,73,793
Unrecognised past service costs	-	6,43,081
Current service cost	2,24,097	2,01,915
Interest cost	1,22,148	98,765
Actuarial (gains) / losses	1,12,275	45,268
Benefits paid	(1,50,140)	(34,172)
Present value of DBO at the end of the year	19,37,030	16,28,650
v. Change in fair value of assets during the year		
Plan assets at beginning of the year	9,82,316	8,50,923
Acquisition adjustment		(44,801)
Expected return on plan assets	68,638	70,719
Actual company contributions	10,19,950	1,39,647

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
Actuarial gain / (loss)	-	-
Benefits paid	(1,50,140)	(34,172)
Plan assets at the end of the year	19,20,764	9,82,316
vi. Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	19,20,764	9,82,316
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.

### Note-27

#### EARNINGS PER SHARE (BASIC & DILUTED) :

Profit after tax	21,13,021	37,84,072
Weighted average number of shares	1,49,61,924	1,49,61,924
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	0.14	0.25
Adjusted earnings per share (Face value of Rs.10 each)	0.14	0.25

### Note-28

#### Related party disclosures

Names of Related Parties

#### (A) Subsidiaries

BRD Kuries India Limited

BRD Chits Limited

#### (B) Associates

BRD Developers & Builders Limited

#### (C) Key Management Personnel

Designation

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

C C William Verghese	Chairman
Appumon C K	Managing Director
Antony P D	Whole-time Director
Jolly Louis K	Chief Financial Officer
Afsal P H	Company Secretary

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

BRD Securities Ltd  
BRD Motors Ltd  
BRD Carworld Ltd  
Vanchinad Finance Private Limited

### (E) Relatives of Key Management Personnel

#### Relation

Griger Chery Williams	Son of Chairman
Bindhu Appumon	Spouse of Managing Director
Kochuthressia M M	Spouse of Whole-time Director

### Related Party transactions during the year:

Particulars	KMP		Relatives of KMP	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Interest Paid	1,70,399	1,99,943	1,70,399	1,83,287
Commission Paid	12,668	27,124.00	-	-
Salary and allowances	17,62,487	9,21,201.00	-	-
Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Intercompany Deposit Accepted	2,00,00,000	-	1,50,19,596	-
Intercompany Deposit Made	-	-	50,79,66,150	19,05,00,000
Intercompany Deposit Re-paid	1,25,00,000	1,50,00,000	-	-
Intercompany Deposit received	-	-	24,98,60,243	19,05,00,000
Intercompany Investments Made	-	-	2,01,00,000	-
Intercompany Investments Closed	-	-	6,68,82,000	-
Interest Received	-	-	8,97,52,545	3,22,79,124
Interest Paid	17,97,123	8,08,352	23,75,154	-
Deposits in Kuries	-	-	-	-
Commission Paid	-	-	-	-
Salary and allowances	-	-	-	-
Remuneration paid	-	-	-	-
Service Rendered	-	-	-	-
Rent Paid	-	-	-	50,00,000
Professional consulting fees	-	-	-	-
Sitting Fees	-	-	-	-
<b>Balance outstanding as at the year end: Asset/ (Liability)</b>				

# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Investment in Subsidiary Company	2,05,00,000	2,05,00,000	-	-
NCD - Private Placed	-	-	39,95,000	5,08,77,000
Other receivables	-	-	10,74,29,014	6,72,40,460

### Note:

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

### Note-29

#### Transaction with non executive director

Name of Non-Executive Director	31st March 2020	31st March 2019
N R Bahuleyan	1,750	-
P M Jose	1,500	-
Sunny Mathew	1,750	-

### Note-30

#### Contingent liabilities and capital commitments

	31st March 2020	31st March 2019
--	-----------------	-----------------

#### 1. Contingent Liabilities: -

##### a. Claim not acknowledge as debt by the company

In respect of Income tax demands where the Company has filed appeal before various authorities	11.30 Lakh	11.30 Lakh
--	------------	------------

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

### Note-31

#### Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2020 is Nil. (as on March 31, 2019 is Nil). Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

### Note-32

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****Value of imports calculated on CIF Balance**

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2019-20. (2018-19 - Nil)

**Note-33****Expenditure in Foreign Currency**

The company does not have any expenditure in Foreign Currency during the year 2019-20 (2018-19 - Nil).

**Note-34****Earning in Foreign Currency**

The company does not have any earnings in Foreign Currency during the year 2019-20 (2018-19 - Nil).

**Note-35****Miscellaneous**

- a. The Minority Share holders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. The hearing of the same is in progress and further proceedings are subject to NCLT order.
- b. The company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.
- c. Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Sd/-  
**Damodaran P Namboodiri**  
Chartered Accountant  
Membership No.221178  
  
Aluva  
07/12/2020

Sd/-  
**Afsal P H**  
Company Secretary

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

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer

# BRD FINANCE LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### INDEPENDENT AUDITOR'S REPORT

To the Members of BRD Finance Limited

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

##### Qualified Opinion

We have audited the consolidated financial statements of BRD Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit/loss, and its consolidated cash flows for the year then ended.

##### Basis for Qualified Opinion

We draw your attention to the following matters:

- i. Refer Note No.14 to the accompanying standalone financial statements regarding the stock of shares held as inventories as at 31st March 2020. The Company has not provided the latest valuation report of stock of shares held as stock in trade. According to information available and explanations obtained in respect of the shares held as inventory in group companies ("the parties") it has been observed from the perusal of the

financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a decline in the carrying amount of these stocks which is other than temporary. 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. Refer Note No.16 to the accompanying standalone financial statements regarding Other Loans and Advance, Chitty advance and Pronote and interest receivable thereon as at 31st March, 2020 given to various parties and outstanding as at 31st March, 2020, 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.
- iii. Refer Note No. 23 to the accompanying standalone financial statements - A sum of Rs. 155.91 Lakhs pertaining to the bad debts has been written off till 31.03.2019 and Rs 684.50 Lakhs- in the Current Financial Year by the Company, in respect of Loan and advance to various parties. As informed by the management is that the company has initiated legal action to recover the debts before providing long outstanding doubtful debts. We have accepted the management representation regarding the quantum of write off and provision in respect of Loans and advances. Since the company has not provided any third-party confirmation or reconciliation against the Other Loans and Advance, Chitty advance and Pronote we are not in a position to comment upon the Bad debts written off in the financials.

Regarding non availability of confirmations

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

in respect of debit and/or credit balances of loans, advances, deposits, trade payable and lenders. In the absence of such confirmations, any provision to be made for the adverse variation in carrying of amounts of these balances, cannot be quantified, as well as the quantum of adjustment if any, required to be made remains unascertained.

Our audit report for the previous year ended March 31 2018 and March 31, 2019 had also qualified in respect of the matter i & ii above.

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

**Emphasis of Matter**

We draw your attention to the following matters:

Note 17 to the accompanying consolidated financial statements regarding amount recoverable from group concern amounting to Rs. 10.34 Crores relates to earlier years and interest thereon, which is outstanding as at the reporting date. The management is confident of recovery of the amount in due course and no provision is considered necessary for any possible losses that may arise in this behalf. Management has provided simple interest at

the rate higher than the government securities against the amount recoverable from the Group concern.

We draw your attention to Note 2.17. of the consolidated Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic.

Our opinion is not qualified in respect of the above matter.

The Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting customers. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulters for settlement as well as its other receivables. The Company has continuing support from its group concerns and on the basis of such support, business plans of the future & other factors, the accounts for the year ended 31 March 2020 are prepared on going concern basis. We have relied on the above-mentioned explanations and information given by the Management.

**Key audit matters**

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



# BRD FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

<b>Honourable Settlement commission order</b>	
<p>As disclosed in Note 24 to the consolidated financial statements, related to the final Order of Settlement Commission.</p> <p>The Hon'ble Settlement Commission vide order dated 24/06/2020 has passed the Final Order admitting the Income disclosed and Tax and Interest paid thereon</p> <p>The overall result of Net income disclosed in the settlement application has been disclosed as an exceptional item in the standalone financial statements</p> <p>The Company has voluntarily deposited 37.24 lakhs as tax and interest towards the settlement commission application which has been shown as a part of income tax for prior years' expenses under the head "Tax Expense"</p> <p>Considering the significance of the amount and the complexities involved this was considered as a key audit matter of the standalone financial statements.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained and evaluated the Settlement Commission order passed by the Honourable Settlement Commission on</li> <li>• Evaluated the impact of the Settlement Commission order on financial statements of the company</li> <li>• Obtained an understanding of the management's Rationale for recognizing the tax amount along with interest writing off as Tax Expenses.</li> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards.</li> </ul>
<b>Litigations and claims provisions and contingent liabilities</b>	
<p>As disclosed in Note 29 [Capital Commitments and Contingent Liabilities] to the consolidated financial statements, the Company is involved in direct and indirect tax litigations amounting to ` 11.30 lakhs that are pending with various tax authorities.</p> <p>Whether a liability is recognized or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgments in respect to these demands against the Company.</p> <p>Determining the amount, if any, to be recognized or disclosed in the standalone financial statements, is inherently subjective.</p> <p>The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the standalone financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts</li> <li>• Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.</li> <li>• Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents in similar cases;</li> </ul>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and entities 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the ability of the Group and its associates and entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

**Other Matter**

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. 473.19 Lacks as at March 31, 2020, total revenues of Rs. 55.64 Lacks, and net expenditure amounting to Rs 11.14 Lacks 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. 120.97 Lacs for the year ended 31st March, 2020, 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, 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, associates, is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

Report on Other Legal and Regulatory Requirements As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

# BRD FINANCE LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure I”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the group
  - ii. The Group, its associates entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India

Aluva  
07/12/2020

Sd/-  
**Damodaran P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178  
UDIN: 20221178AAAABT4781

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**“Annexure I” 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, 2020, 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 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

# BRD FINANCE LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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  
07/12/2020

Sd/-  
**Damodaran P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178  
UDIN: 20221178AAAABT4781

# BRD FINANCE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

PARTICULARS	Note no:	31.03.2020 Rs.	31.03.2019 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holders' Funds:</b>			
(a) Share Capital	3	14,96,19,240	14,96,19,240
(b) Reserves & Surplus	4	35,04,83,606	33,31,06,703
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Minority Interest</b>		22,21,334	20,58,098
<b>(4) Non-Current Liabilities</b>			
(a) Long term borrowings	5	1,50,19,596	-
(b) Deferred tax liabilities (Net)	6	1,06,860	1,16,390
(c) Other long term liabilities			
(d) Long term provisions			
<b>(5) Current Liabilities</b>			
(a) Short term bank borrowings		-	-
(a) Trade payables		-	-
(b) Other current liabilities	7	72,74,58,541	63,09,81,851
(c) Short-term provisions	8	11,38,831	11,79,614
<b>TOTAL</b>		<b>1,24,60,48,008</b>	<b>1,11,70,61,896</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Property, Plant & Equipments	9	2,37,86,488	1,16,35,512
(ii) Intangible assets		68,090	1,16,180
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	10	4,47,16,464	7,95,01,442
(c) Deferred tax assets (net)			
(d) Long term loans and advances	11	2,15,04,892	44,24,800
(e) Other non-current assets	12	10,50,00,000	32,00,00,000
<b>(2) Current assets</b>			
(a) Current investments	13	12,00,00,000	-
(b) Inventories	14	29,97,46,890	29,97,46,890
(c) Trade receivables		-	-
(d) Cash and bank balances	15	6,82,03,203	8,34,08,582
(e) Short-term loans and advances	16	41,04,52,430	20,50,47,922
(f) Other current assets	17	15,25,69,551	11,31,80,568
<b>TOTAL</b>		<b>1,24,60,48,008</b>	<b>1,11,70,61,896</b>

Notes are an integral part of the financial statements

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

Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

For and on behalf of the Board of Directors

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer



# BRD FINANCE LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Note no:	31.03.2020 Rs.	31.03.2019 Rs.
<b>INCOME</b>			
Revenue from Operations	18	7,67,55,000	7,74,65,443
Other income	19	7,62,28,754	4,29,56,698
<b>TOTAL REVENUE</b>		<b>15,29,83,754</b>	<b>12,04,22,141</b>
<b>EXPENSES</b>			
Employee benefit expense	20	72,70,605	83,01,146
Finance cost	21	9,00,55,636	7,30,55,526
Depreciation and amortization Expenses	22	4,41,553	5,53,005
Other expense	23	8,23,70,379	3,08,80,082
<b>TOTAL EXPENSES</b>		<b>18,01,38,173</b>	<b>11,27,89,760</b>
<b>Profit before Tax</b>		<b>-2,71,54,419</b>	<b>76,32,381</b>
<b>Exceptional items - Refer Note 24</b>		<b>3,76,85,398</b>	
		<b>1,05,30,979</b>	
<b>Tax Expense</b>			
(a) Current tax		13,72,564	24,60,844
(b) Income Tax for prior years- Ref Note 24 & 23		37,24,827	
(c) Deferred tax		-9,530	-41,900
		<b>50,87,861</b>	<b>24,18,944</b>
<b>Profit (Loss) for the year ( before adjustment for minority interest)</b>		<b>54,43,117</b>	<b>52,13,437</b>
Share of Profit/(Loss) of Associate (Net)		1,20,97,022	4,71,137
Share of (Profit)/Loss transferred to Minority Interest		-1,63,235	-40,434
<b>Profit (Loss) for the year ( after adjustment for minority interest)</b>		<b>1,73,76,904</b>	<b>56,44,140</b>
<b>Earnings Per Equity Share of face value of Rs. 10 each</b>			
Earnings Per Equity Share ( Basic and Diluted )	26	0.36	0.35
Adjusted earnings per share		0.36	0.35

Notes are an integral part of the financial statements

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

Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

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

Sd/- Sd/-  
**C C William Verghese** **C K Appumon**  
 Chairman Managing Director

Sd/- Sd/-  
**P D Antony** **Jolly Louis K**  
 Whole Time Director Chief Financial Officer

**Cash Flow Statement for the year ended 31st March 2020**

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

	2019-20 Rs.		2018-19 Rs.	
<b>Cash Flow from Operating activities</b>				
<b>Net profit Before Taxation</b>		(2,71,54,419)		76,32,381
Adjustment for:				
Exceptional Items	3,76,85,398		5,53,005	
Provision for Depreciation	4,41,553		7,30,55,526	
Interest on Borrowings	9,00,55,636		(3,98,75,655)	
Interest Income	(6,91,30,773)		-	
Interest on income tax	-		-	
(Profit)/Loss on sale of Fixed Assets	-	5,90,51,814	-	3,37,32,876
		3,18,97,395		4,13,65,258
Operating profit before working capital changes				
(Increase)/Decrease in Advances & Other Assets	(1,70,80,093)		(2,870)	
(Increase)/Decrease in Short term Advances & Other Assets	(23,87,60,815)		1,51,58,559	
Increase/(Decrease) in Sundry Creditors & Other liabilities	9,58,46,624	(15,99,94,285)	9,30,15,907	10,81,71,596
<b>Cash from operations</b>		(12,80,96,891)		14,95,36,853
<b>Income tax paid</b>		(1,05,40,782)		(1,53,04,722)
<b>Net cash from operating activities</b>		13,86,37,673		13,42,32,131
<b>Cash flow from Investing Activities</b>				
Purchase of Fixed assets	(1,25,44,439)		-	
Capital Work-in-Progress				
Sale of Fixed assets	-		-	
Interest Income	6,91,30,773		3,98,75,655	
Decrease/(Increase) in Investments	4,68,82,000		(5,60,74,000)	
Net Decrease/ (Increase) in Current Investments	(12,00,00,000)		-	
Net Decrease/ (Increase) in Bank Deposits	21,50,00,000		-	
<b>Net cash from Investing activities</b>		19,84,68,334		(1,61,98,345)

## BRD FINANCE LIMITED

	2019-20 Rs.		2018-19 Rs.	
<b>Cash flow from Financing activities</b>				
Increase in Long Term Borrowings	<b>1,50,19,596</b>			
Interest on borrowings	<b>9,00,55,636</b>		(7,30,55,526)	
Increase/ (Decrease)in Short Term Borrowings	-		(1,00,00,000)	
Interim Dividend Paid	-		-	
<b>Net Cash flow from Financing Activities</b>		(7,50,36,040)		(8,30,55,526)
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>		(1,52,05,379)		3,49,78,261
Cash & Cash Equivalents Opening Balance		8,34,08,582		4,84,30,320
Cash & Cash Equivalents Closing Balance		6,82,03,203		8,34,08,581

Notes are an integral part of the financial statements

Sd/-  
**Damodaran P Namboodiri**  
 Chartered Accountant  
 Membership No.221178  
 Aluva  
 07/12/2020

Sd/-  
**Afsal P H**  
 Company Secretary

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

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****1. COMPANY INFORMATION**

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.

# BRD FINANCE LIMITED

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## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### 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 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.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****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 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.

# BRD FINANCE LIMITED

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## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### 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.

### 2.11. Receivables and Loans and advances

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

### 2.12. 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.

### 2.13. 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.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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.

**2.14. 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.

**2.15. 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.

**2.16. 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.



### **2.17.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

### **2.18.Impact Of Covid-19**

The COVID-19 outbreak is on-going and the actual extent of its impact on the economy globally in general and in India, in particular remains uncertain. The outbreak has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial asset as at March 31, 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note - 3</b>		
<b>SHARE CAPITAL</b>		
(a) Authorised		
20000000(Previous Year:20000000) Equity shares of Rs. 10 each	20,00,00,000	20,00,00,000
(b) Issued, Subscribed & Fully Paid Up		
14961924 (Previous Year 14961924) Equity Shares of Rs. 10 each	14,96,19,240	14,96,19,240
<b>TOTAL</b>	<b>14,96,19,240</b>	<b>14,96,19,240</b>

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

Equity Shares	31st March 2020		31st March 2019	
	No .	Value	No .	Value
No: of shares at the beginning of the year	1,49,61,924	14,96,19,240	1,49,61,924	14,96,19,240
Add: Issued During the year	-	-	-	-
Add: Bonus Issue During the year	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	1,49,61,924	14,96,19,240	1,49,61,924	14,96,19,240

### 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.

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

Particulars	31st March 2020		31st March 2019	
	No .of shares	% of Holding	No .of shares	% of Holding
C C William Verghese	11,45,946	7.66	11,40,195.00	7.62
BRD Motors Ltd	9,61,494.00	6.43	9,61,494.00	6.43

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note - 4</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Amount as per Last Balance Sheet	9,00,68,488	8,91,52,194
(+) Additions/ transfers during the Year	8,63,306	9,16,295
Closing Balance	9,09,31,794	9,00,68,488
<b>Surplus</b>		
Balance as per last financial statements	24,30,38,214	23,83,10,369
(+) Net profit/(net loss) for the current year	1,73,76,904	56,44,140
(-) Transfer to General Reserves	8,63,306	9,16,295
(-) Interim divd declared	-	-
(-) Dividend distribution tax	-	-
Balance as at the end of the year	25,95,51,813	24,30,38,214
<b>TOTAL</b>	<b>35,04,83,606</b>	<b>33,31,06,703</b>
<b>Note-5</b>		
<b>Short Term Borrowings</b>		
From Others		
ICD- BRD Securities Ltd	1,50,19,596	-
<b>TOTAL</b>	<b>1,50,19,596</b>	<b>-</b>
<b>Note-6</b>		
Deferred Tax Liability / (Asset) :		
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,06,860	1,16,390
Others	-	-
Net Deffered Tax Liability / (Asset)	1,06,680	1,16,390

## BRD FINANCE LIMITED

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note-7</b>		
<b>Other Current Liabilities</b>		
(a) Current maturities of long-term debt	-	-
(b) Other payables		
(i) Kuri Accounts Payable	71,87,44,619	62,76,26,418
(ii) Statutory remittances (Refer note(i) below)	13,82,093	8,33,518
(iii) Expenses Payable	7,44,250	5,22,780
(v) KSD Interest Payable	65,87,579	19,99,135
(vi) Chitty Liabilities	-	-
(vii) Others	-	-
<b>TOTAL</b>	<b>72,74,58,541</b>	<b>63,09,81,851</b>
(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable		
<b>Note - 8</b>		
<b>Short Term Provisions :</b>		
(a) Provision for employee benefits:	16,266	6,46,334
(b) Provision - Others:		
(i) Provision for Income Tax	11,22,564	5,33,279
<b>TOTAL</b>	<b>11,38,830</b>	<b>11,79,614</b>
(i) Net of Advance Tax Rs. 20,00,000 & TDS Rs.19,476, P.Y Advance Tax Rs.65,00,000 & TDS Rs.17,517)		
<b>Note - 10</b>		
<b>Non-Current Investment</b>		
<b>Non-trade investments (valued at cost unless stated otherwise):</b>		
<b>Investment in equity instruments (unQuoted)</b>		
(ii) of associates		
BRD Developers & Builders Limited (1000000 shares @ 10 each)	4,07,21,464	2,86,24,442
<b>Investment in Debentures</b>		
BRD Securities Ltd - Non Convertible Debentures	39,95,000	5,08,77,000
<b>TOTAL</b>	<b>4,47,16,464</b>	<b>7,95,01,442</b>

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### Note - 9

Particulars	Gross Block			Depreciation			Net Block	
	01.04.2019	Additions	Deletions	31.03.2020	Additions	Deletions	31.03.2019	31.03.2020
Property, Plant and Equipments								
Land	77,28,381	67,81,326	-	1,45,09,707	-	-	77,28,381	1,45,09,707
Building	50,37,563	56,98,063	-	1,07,35,626	1,57,342	-	30,81,125	86,21,846
Electrical Fittings & Equipments	7,78,732	-	-	7,78,732	25,875	-	1,01,792	75,917
Furniture & Fittings	27,54,111	-	-	27,54,111	83,602	-	2,82,204	1,98,601
Computer & UPS	14,20,660	28,750	-	14,49,410	28,042	-	82,995	83,702
Motor Vehicle	6,91,671	-	-	6,91,671	53,208	-	1,64,265	1,11,057
Office Equipments	3,29,537	36,300	-	3,65,837	38,573	-	56,586	54,313
Room	3,51,195	-	-	3,51,195	6,822	-	1,37,215	1,30,394
Water Cooler	18,999	-	-	18,999	-	-	950	950
Total	1,91,10,849	1,25,44,439	-	3,16,55,288	3,93,463	-	1,16,35,512	2,37,86,488
Intangible Assets								
Computer Software	9,37,021	-	-	9,37,021	48,090	-	1,16,180	68,090
Total	2,00,47,870	1,25,44,439	-	3,25,92,309	4,41,553	-	1,17,51,692	2,38,54,578
Previous Year	2,00,47,870	-	-	2,00,47,870	5,53,005	-	1,23,04,697	1,17,51,692

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019		
<b>Note-11</b>				
<b>Long Term Loans And Advances</b>				
Unsecured, considered good				
Loans and advances to related parties	81,05,907	-		
Security Deposits	5,92,500	5,92,500		
Blance with Government Authorities				
Income tax Receivables	1,28,06,485	38,32,300		
<b>TOTAL</b>	<b>2,15,04,892</b>	<b>44,24,800</b>		
<b>Note-12</b>				
<b>Other Non -Current Assets</b>				
Term deposits with banks with maturity greater than 12 months	10,50,00,000	32,00,00,000		
<b>TOTAL</b>	<b>10,50,00,000</b>	<b>32,00,00,000</b>		
<b>Note-13</b>				
<b>Current Investment</b>				
Investment in Mutual Funds	2,00,00,000	-		
Investment in Debentures				
Non Convertible Debentures	10,00,00,000	-		
<b>TOTAL</b>	<b>12,00,00,000</b>	<b>-</b>		
Market Value of Mutual Fund - 2,31,50,262				
<b>Note-14</b>				
<b>Inventories</b>				
Stock in Trade	29,97,46,890	29,97,46,890		
<b>TOTAL</b>	<b>29,97,46,890</b>	<b>29,97,46,890</b>		
<b>Note: Details of Stock of Shares held</b>				
<b>Name of the Company</b>	<b>No of Shares</b>	<b>Avg. Rate</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
BRD Securities Ltd	26,23,911	71.60	18,78,78,508	18,78,78,508
BRD Motors Ltd	15,47,524	72.29	11,18,68,382	11,18,68,382
<b>Note-15</b>				
<b>CASH AND BANK BALANCES :</b>				
Cash and Cash Equivalents				
(a) Cash in hand			5,02,439	2,63,053
(b) Balance with banks				
(i) In Current Accounts			4,67,00,764	5,78,45,529

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
Other Bank Balances		
(i) In Deposit Accounts	1,50,00,000	1,75,00,000
(ii) In Earmarked Accounts	60,00,000	78,00,000
	2,10,00,000	2,53,00,000
<b>TOTAL</b>	<b>6,82,03,203</b>	<b>8,34,08,582</b>

### Note-16

#### Short Term Loans And Advances :

(a) Loans and advances to related parties	25,00,00,000	-
(b) Balances with government authorities		
Unsecured, considered good		
Income tax Receivable	60,32,676	1,37,75,435
GST Receivable	20,390	9,10,874
(c) Others		
Kuri Advances and Pronotes Loans	14,91,27,011	18,53,35,137
Other Advancees	52,72,353	50,26,476
<b>TOTAL</b>	<b>41,04,52,430</b>	<b>20,50,47,922</b>

\* Advance tax & TDS Receivable Includes an amount of Rs. 79,32,183 for settlement application for which the assessment proceedings were pending with settlement commission. The matter is concluded refer note 24c and 25

Advances recoverable in cash or in kind or for value to be received

### Note-17

#### Other Current Assets :

(a) Accruals		
Interest accrued on deposits/Securities	3,61,91,952	3,99,92,825
(b) Others		
Other Income Receivable	51,86,495	3,53,240
Receivable from BRD Motors	10,74,29,014	6,72,40,460
Kuri Arrears	31,40,000	19,17,500
Other Receivables	1,28,551	-
Investment in Chitties	4,93,539	36,76,544
<b>TOTAL</b>	<b>15,25,69,551</b>	<b>11,31,80,568</b>

### Note-18

#### Revenue From Operations :

Foreman's Commission	7,67,55,000	7,74,65,443
<b>TOTAL</b>	<b>7,67,55,000</b>	<b>7,74,65,443</b>

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note-19</b>		
<b>Other Income :</b>		
(a) Interest Income		
Interest received from IC Deposits	4,51,75,336	72,38,327
Interest received from Deposits	53,41,356	28,14,339
Interest on Kuri Advance & Loans	1,60,08,196	2,50,40,797
Interest on others	26,05,885	47,82,192
(b) Other non-operating income (net of expenses directly attributable to such income)		
Late fee and Discount Profit	31,03,107	29,26,849
Commission on Money Transfer	7,683	6,223
Bad Debts Recovered	2,00,000	-
Profit from Chitty	7,19,584	-
Other Miscellaneous Income	30,67,607	1,47,971
<b>TOTAL</b>	<b>7,62,28,754</b>	<b>4,29,56,698</b>
<b>Note-20</b>		
<b>Employee Benefit Expenses</b>		
Salaries & Wages	61,35,140	65,53,638
Contributions to provident and other funds	11,28,715	17,39,368
Staff welfare expenses	6,750	8,140
<b>TOTAL</b>	<b>72,70,605</b>	<b>83,01,146</b>
<b>Note-21</b>		
<b>Finance Cost :</b>		
(a) Interest expense on :		
(i) Borrowings		
Interest on Kuri Deposits	8,76,80,482	7,29,55,088
Interest received from IC Deposits	23,75,154	1,00,438
Interest on FD loan	-	-
(ii) Others		
Interest on delayed payment of income tax	-	-
<b>TOTAL</b>	<b>9,00,55,636</b>	<b>7,30,55,526</b>
<b>Note-22</b>		
<b>Depreciation And Amortisation Expenses</b>		
Depreciation.	4,13,463	5,53,005
Amortisation	-	-
<b>TOTAL</b>	<b>4,13,463</b>	<b>5,53,005</b>



# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note-23</b>		
<b>Other Expenses :</b>		
Advertisement charges	54,656	85,827
AGM Expense	2,53,547	2,59,922
Audit Expense	-	9,686
Audit fees	6,27,240	5,71,350
Tds paid	-	-
Bank Charges	15,469	9,573
Company Secretary Fee	88,500	75,300
Computer Expenses	37,033	52,756
Corporate social responsibility	61,87,000	31,250
Directors remuneration	8,40,000	4,90,000
Discount allowed	-	-
Documentation Charges	-	-
Business Promotion Expense	-	-
Donation	31,000	11,54,300
Electricity Charges	-	-
Filing fee	65,400	5,00,815
Gratuity Premium Paid	13,543	61,274
Income tax paid	21,966	-
Loss on sale of asset	-	-
Internal Audit Expense	-	-
KML Registration Fee	6,000	6,000
Kuri Bonus	18,45,000	19,45,000
Kuri commission	15,88,814	13,47,951
Land advance write off	-	-
Legal charges	1,03,396	1,28,021
Loss on termination of chitties	-	16,47,232
Miscellaneous expenses	502	569
Office Expense	1,40,151	1,43,991
Postage & Telegram	1,27,325	2,02,598
Printing & Stationery	1,80,796	3,79,026
Professional charges	3,80,000	55,500
Rates and Taxes	1,27,154	86,973
Staff welfare expenses	-	-
Refreshment expenses	1,22,443	87,610

## BRD FINANCE LIMITED

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
Rent	4,44,707	3,70,822
Rent - (Faridabad)	8,400	6,000
Diminision in value of investments	-	-
Rent - BRD Motors Ltd	-	50,00,000
Repairs and Maintenance	89,438	59,462
Service Tax Paid	63,900	56,859
Sitting Fee	5,000	-
Software Expense	1,27,700	1,06,500
Telephone charge	13,960	18,158
Travelling expenses	2,19,285	2,62,274
Vehicle Maintanance	90,603	75,538
Bad Debts w/off	6,84,50,451	1,55,91,946
<b>TOTAL</b>	<b>8,23,70,379</b>	<b>3,08,80,082</b>

#### A. Details of CSR expenditure

Particulars	31st March 2020	31st March 2019
(a) Gross amount required to be spend by the company during the year	7,31,904	13,81,396

Amount spent during the year:	Spent during the year	Yet to be spend	Total
(i) Construction/acquisition of any asset			-
(ii) On purposes other than (i) above	61,87,000	19,37,714	81,24,714

#### B. Payment to the auditors comprises :

As auditors - statutory audit	4,76,000	4,49,280
For taxation matters	65,000	60,000
For other services	65,000	60,000
<b>TOTAL</b>	<b>6,06,000</b>	<b>5,69,280</b>

#### C. Income Tax

The components of income tax expense for the year ended March 31, 2020 and year ended March 31, 2019 are:

Current tax	13,72,564	24,60,844
Tax relating to prior years paid on settlement	37,24,827	-
Deffered Tax	-9,530	-41,900
Income tax expense reported in statement of profit and loss	50,87,861	24,18,944

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards -12 Income Taxes have been recognised using the reduced tax rates applicable.

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note 24</b>		
The components of Exceptional Items for the year ended March 31, 2020 and year ended March 31, 2019 are:		
Income declared before Settlement Commission	55,65,700	-
Interest on Amount Receivable from Group Entities	3,21,19,698	-
<b>TOTAL</b>	<b>3,76,85,398</b>	<b>-</b>

A search and seizure proceedings was initiated by the Income Tax Department under Section 132 of the Income-Tax Act, 1961 on 14.07.2016 in the business premises of the Company and other group Companies. Simultaneously, search was also conducted in the residential premises of the Directors. Further, a survey under section 133A of the Income Tax Act, 1961 was also conducted in the business premises of the branches of the Company. Pursuant to search and survey conducted by the competent authorities under the Income tax Act in F.Y:2016-17, the Assessing Officer had issued notice u/s 153A of the Income tax Act for earlier years. Consequently, in order to avoid protracted tax litigation, the Company has filed application under Section 245C(1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') and declaring additional income of ` 55.66 Lakhs for A.Y. 2011-12 to A.Y. 2017-18. The Company has deposited ` 18.91 Lakhs as tax and ` 18.66 Lakhs as interest towards the proposed settlement which has been shown as a part of Income Tax for Prior years expenses under the head "Tax Expense" in the books of accounts.. The Settlement Commission through its order dated 19.12.2018 allowed the settlement application of the Company. Further, The Commission, vide its order under section 245(D)4 of the Income Tax Act, 1961, dated 24.06.2020 settled the income for the assessment years which were subject matter of settlement.

The Board of Directors of the company has decided to charge interest on outstanding amount recoverable from the group entities. The company has applied interest higher than the prevailing interest rate of government securities. The company has applied interest from the date of amount became receivable from the entities and the interest related to the prior period comes to R 321.19 Lakhs

### Note -25

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

#### a. Defined Contribution Plans :

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

Employers Contribution to Provident Fund	5,29,666	6,12,108
Employers Contribution to Employee's State Insurance	1,56,021	2,44,523

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

##### i. Components of employer expense

Current service cost	16,28,650	6,73,793
Interest cost	-	6,43,081
Expected return on plan assets	2,24,097	2,01,915
Past service costs	1,22,148	98,765
Actuarial losses/(gains)	1,12,275	45,268
Total expense recognised in the Statement of Profit and Loss	(1,50,140)	(34,172)

## BRD FINANCE LIMITED

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
ii. Actual contribution and benefit payments for year		
Actual benefit payments	1,50,140	34,172
Actual contributions	10,19,950	1,39,647
iii. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(19,37,030)	(16,28,650)
Fair value of plan assets	19,20,764	9,82,316
Funded status [Surplus / (Deficit)]	(16,266)	(6,46,334)
Net asset / (liability) recognised in the Balance Sheet	(16,266)	(6,46,334)
iv. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	16,28,650	6,73,793
Unrecognised past service costs	-	6,43,081
Current service cost	2,24,097	2,01,915
Interest cost	1,22,148	98,765
Actuarial (gains) / losses	1,12,275	45,268
Benefits paid	(1,50,140)	(34,172)
Present value of DBO at the end of the year	19,37,030	16,28,650
v. Change in fair value of assets during the year		
Plan assets at beginning of the year	9,82,316	8,50,923
Acquisition adjustment		(44,801)
Expected return on plan assets.	68,638	70,719
Actual company contributions	10,19,950	1,39,647
Actuarial gain / (loss)	-	-
Benefits paid	(1,50,140)	(34,172)
Plan assets at the end of the year	19,20,764	9,82,316
vi. Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	19,20,764	9,82,316
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.

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31st March 2020	31st March 2019
<b>Note-26</b>		
<b>Earnings Per Share (Basic &amp; Diluted) :</b>		
Profit after tax	54,43,117	52,13,437
Weighted average number of shares	1,49,61,924	1,49,61,924
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	0.36	0.35
Adjusted earnings per share (Face value of Rs.10 each)	0.36	0.35
<b>Note-27</b>		
<b>Related party disclosures</b>		
Names of Related Parties		
<b>(A) Subsidiaries</b>		
BRD Kuries India Limited		
BRD Chits Limited		
<b>(B) Associates</b>		
BRD Developers & Builders Limited		
<b>(C) Key Management Personnel</b>		
	<b>Designation</b>	
C C William Verghese	Chairman	
Appumon C K	Managing Director	
Antony P D	Whole-time Director	
Jolly Louis K	Chief Financial Officer	
Afsal P H	Company Secretary	
<b>(D) Entities in which KMP / Relatives of KMP can exercise significant influence</b>		
BRD Securities Ltd		
BRD Motors Ltd		
BRD Carworld Ltd		
Vanchinad Finance Private Limited		
<b>(E) Relatives of Key Management Personnel</b>		
	<b>Relation</b>	
Griger Chery Williams	Son of Chairman	
Bindhu Appumon	Spouse of Managing Director	
Kochuthressia M M	Spouse of Whole-timeDirector	

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### Related Party transactions during the year:

Particulars	KMP		Relatives of KMP	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Interest Paid	1,70,399	1,99,943	1,70,399	1,83,287
Commission Paid	12,668	27,124.00	-	-
Salary and allowances	17,62,487	9,21,201.00	-	-
Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Intercompany Deposit Accepted	-	-	1,50,19,596	-
Intercompany Deposit Made	-	-	50,79,66,150	15,00,00,000
Intercompany Deposit Re-paid	-	-	-	-
Intercompany Deposit received	-	-	24,98,60,243	15,00,00,000
Interest Received	-	-	8,97,52,545	3,22,79,124
Interest Paid	-	-	23,75,154	-
Rent Paid	-	-	-	50,00,000
<b>Balance outstanding as at the year end: Asset/ (Liability)</b>				
Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
NCD Private placement	-	-	-	-
Other Receivable	-	-	10,74,29,014	6,72,40,460
	-	-	39,95,000	5,08,77,000

### Note:

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

### Note-28

#### Transaction with non executive director

Name of Non-Executive Director	31st March 2020	31st March 2019
N R Bahuleyan	1,750	-
P M Jose	1,500	-
Sunny Mathew	1,750	-

# BRD FINANCE LIMITED

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### Note-29

#### Contingent liabilities and capital commitments

	31st March 2020	31st March 2019
1. Contingent Liabilities: -		
a. Claim not acknowledge as debt by the company		
In respect of Income tax demands where the Company has filed appeal before various authorities	11.30 Lakh	11.30 Lakh

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

### Note-30

#### Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2020 is Nil. (as on March 31, 2019 is Nil). Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

### Note-31

#### Value of imports calculated on CIF Balance

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2019-20. (2018-19 - Nil)

### Note-32

#### Expenditure in Foreign Currency

The company does not have any expenditure in Foreign Currency during the year 2019-20 (2018-19 - Nil).

### Note-33

#### Earning in Foreign Currency

The company does not have any earnings in Foreign Currency during the year 2019-20 (2018-19 - Nil).

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****Note-34****Miscellaneous**

The Minority Share holders has filed a petition against the Company and the same has been accepted by the Hon'ble NCLT. The hearing of the same is in progress and further proceedings are subject to NCLT order.

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

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

Sd/-  
**Damodaran P Namboodiri**  
Chartered Accountant  
Membership No.221178  
  
Aluva  
07/12/2020

Sd/-  
**Afsal P H**  
Company Secretary

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

Sd/-	Sd/-
<b>C C William Verghese</b>	<b>C K Appumon</b>
Chairman	Managing Director
Sd/-	Sd/-
<b>P D Antony</b>	<b>Jolly Louis K</b>
Whole Time Director	Chief Financial Officer