

BRD SECURITIES LIMITED

**24th ANNUAL REPORT
2016-17**

BRD SECURITIES LIMITED

U67120KL1993PLC007022

AUDITORS

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

REGISTERED OFFICE

Bethany Complex, Kunnamkulam
Thrissur - 680 503.
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BRD SECURITIES LIMITED

DIRECTORS' REPORT

The Members,

Your directors have pleasure in presenting their 24th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS:

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

Rs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Revenue	51,09,89,086	56,30,18,493
Expense	46,07,98,075	47,58,71,309
Profit/(Loss) before taxation	5,01,91,011	8,71,47,183
Less : Tax Expense	1,28,77,170	3,59,16,860
Profit/(Loss) after tax	3, 73,13,841	5,12,30,323

State of the Company's Affairs and Future Outlook:

The Company is NBFC primarily engaged in Hire Purchase Finance in the state of Kerala.

The financial year 2016-2017 was a very challenging for the Indian industry due to demonetisation. In spite of this entanglement, we achieved a profit of ₹ 5,01,91,011/- (before tax). Revenue from the operations & other income of the company was decreased from ₹ 56.30' crores to ₹ 51.09' crores and expenses were also reduced from ₹ 47.58 crores to ₹ 46.07 crores including provision for revenue recognition norms required under the relevant rules and regulations.

Change in nature of business, if any:

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

Dividend:

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

Amounts Transferred to Reserves:

The Board has not proposed to transfer any amount to its General reserves. The company has transferred ₹ 74,62,768 towards its Statutory reserve as per the RBI norms, the balance as on 31st March 2017 stands at ₹ 8,00,83,993. The

total reserve and surplus as on 31st March 2017 stands at ₹ 331217401/-

Changes in Share Capital, if any:

During the Financial Year 2016-17, 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, 2017 is annexed hereto as Annexure 1 and forms part of this report.

Composition of the Board:

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

Sl No	Name of Director	Designation	Date of Appointment	No. of Board Meetings attended
1	C C William Varghese	Managing Director	09.03.1993	08
2	Mary Williams	Director	09.03.1993	02
3	Appumon C K	Director	06.10.2001	05
4	Gigy Verghese P	Director	09.03.1993	08
5	Antony P D	Director	06.10.2001	07
6	Prasad Punnoose	Director	14.12.1996	03
7	Jojo NJ	Director	23.06.2016	07
8	Surendran T K	Director	23.03.2006	08
9	Surendran C G	Director	09.03.1993	06

Number of Board Meetings:

During the Financial Year 2016-17, Eight (08) 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	23.06.2016	9	4
2	18.08.2016	9	6
3	20.09.2016	9	6
4	04.11.2016	9	8
5	09.12.2016	9	7
6	02.01.2017	9	9
7	10.02.2017	9	7
8	24.03.2017	9	7

Particulars of Loan, Guarantees and Investments under Section 186

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

Being a NBFC Company provisions of section 186 of the Companies act 2013 in connection loan not applicable to the Company.

Particulars of Contract or Arrangements with Related Parties:

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended 31st March, 2017 is annexed hereto as Annexure 2 in prescribed Form AOC-2 and forms part of this report.

Explanation to Auditor's Remarks:

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

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

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Specified Bank Notes (SBN) held and transacted during the period 08th November 2016 to 30th December 2016 by the Company are given below:

Particulars	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	2346000	35775914.98	38121914.98
(+) Permitted receipts	-	114463843	114463843
(-) Permitted Payments	-	2371870	2371870
(-) Amount deposited in banks	-	110774964	110774964
Closing cash in hand as on 30.12.2016	-	39438923.98	39438923.98

Material Changes Affecting the Financial Position of the Company

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

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

A. Conservation of Energy:

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 Policy:

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

Details of Directors and Key Managerial Personnel:

The company has appointed Mr. JOJO NJ as an additional director in the board meeting held on 23.06.2016 and the same is regularized by the AGM held on 30.11.2016.

Our deepest condolence on the departure of our beloved director Mr. AN Vishnu Bhattathirippad.

And The present directors of the company, Shri. Prasad Punnoose, Shri. Antony PD and Shri. Gigy Varghese P are retiring by rotation in the ensuing annual general meeting and being eligible seeks re-appointment.

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

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

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

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

Deposits:

Deposits accepted during the year (Renewal)	Nil		
Deposits remained unpaid or unclaimed as at the end of the year	Nil		
Default in repayment of deposits or payment of interest thereon during the year, if any (indicate no. of cases)	Amount		
	At the beginning of the year	Maximum during the year	At the end of the year
	Nil	Nil	Nil
Deposits which are not in compliance with the requirements of Chapter V of the Act	Nil		

Commission: (for public companies only)

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

Secretarial Audit Report:

The provisions of the Companies Act, 2013 and the rules framed there under relating secretarial audit report are not applicable to the company.

Corporate Social Responsibility (CSR) Policy:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR Activities during the year are set out in Annexure III of this report in the format prescribed in the Companies (CSR Policy) Rules 2014.

Audit Committee:

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

1. Shri. C K Appumon
2. Shri. Gigy Verghese P
3. Shri. Antony P D

During the Financial Year 2016-17, three (3) meetings of the Audit Committee were held on 23.6.2016, 20.09.2016 and 02.01.2017 respectively. The details of attendance of the members are as given below:

Name of Director	No. of meetings attended
C K Appumon	3
Gigy Verghese P	3
Antony P D	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 company has constituted a Nomination and Remuneration Committee comprising of the following members:

1. Sri. C C William varghese
2. Sri. Gigy Verghese P
3. Sri. T K Surendran

During the financial year two meeting of the committee was held on 23.06.2016 and 20.09.2016 respectively. The details of attendance of the members are as given below:

Name of Director	No. of meetings attended
C C William varghese	2
Gigy Verghese P	2
T K Surendran	2

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

Stakeholders Relationship Committee:

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

1. Shri. C C William Verghese
2. Shri. Antony P D
3. Shri. Surendran T K

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During the Financial Year 2016-17, two (2) meetings of the Stakeholders Relationship Committee were held on 23.06.2016 and 09.12.2016 respectively. The details of attendance of the members are as given below:

Name of Director	No. of meetings attended
C C William Verghese	2
Antony P D	2
Surendran T K	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:

The company has established a vigil mechanism for directors and employees to report genuine concerns.

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

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

Disclosure u/s 143(12):

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

Statutory Auditors:

The present statutory auditors of the company, M/s Balan & Co, Chartered Accountants, Alwaye, who were appointed to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2016-17, are not eligible to continue the office, hence the board recommended to appoint Mr. Damodaran P, ACA (Membership No. 221178), Paravattathu Mana, Karthika, Urakam PO, Thrissur, Kerala-680562, as the Statutory Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-22 on such remuneration as may be determined by the Board

of Directors, They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified.

Cost Auditors:

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

Directors Responsibility Statement:

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

- in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment:

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

For and on behalf of the Board of Directors

Thrissur
18.08.2017

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

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67120KL1993PLC007022
ii)	Registration Date	09.03.1993
iii)	Name of the Company	BRD SECURITIES LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	Door No. XIII/436, A2, 1st Floor, Bethany Complex, Thrissur Road, Kunnamkulam, Thrissur, Kerala- 680503 Phone: E mail: :
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hire Purchase Finance	65921	95.82%

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.	Nil	Nil	Nil	Nil	Nil

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	882049	882049	2.82%	Nil	1412654	1412654	4.52%	1.70%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	-	882049	882049	2.82%	Nil	1412654	1412654	4.52%	1.70%
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any othe	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter									
(A) = (A)(1)+(A)(2)	-	882049	882049	2.82%	Nil	1412654	1412654	4.52%	1.70%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	2569294	2569294	8.23%	Nil	3025044	3025044	9.68%	1.45%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
l) Individual share holders holding nominal share capital upto Rs. 1 lakh	-	8141820	8141820	26.08%	Nil	7705632	7705632	24.68%	1.4%
ll) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	19629085	19629085	62.87%	Nil	19078918	19078918	61.59%	1.28%
c) Others Specify									
Sub-total (B)(2):-	-	30340199	30340199	97.18%	Nil	29809594	29809594	95.48%	1.70
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	30340199	30340199	97.18%	Nil	29809594	29809594	95.48%	1.70
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		31222248	31222248	100%	Nil	31222248	31222248	100%	

ii) Shareholding of Promoter-

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	CC William Varghese	882049	2.82%	Nil	1412654	4.52%	-	4.52%

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	At the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	C C William Varghese	882049	2.82%	882049	2.82%	Purchase-28.07.2016 526603 04.11.16-4002	1412654	4.52%

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

S. No.	For each of Top 10 Name	Shareholding at the beginning of the year		Cumulative Share holding during the year		Increase/Decrease in Shareholding during the year specifying the date and reasons for increase/ decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	BRD Finance LTD	2569294	8.23%	2623911	8.23%	Nil
2	Zarine M Punnoose	458856	1.47%	498236	1.59%	Purchase-10.02.2016-39380
3	Sunitha A C	434129	1.39%	434129	1.39%	Nil
4	Geogy John Ukken	377797	1.21%	298542	0.96%	Sale- 28.07.2016-79255
5	George N V	422498	1.35%	303433	0.97%	Sale- 28.07.2016-119065
6	Mohan T V	305796	0.98%	305796	0.98%	Sale-23.06.16-24, 28.07.16-3000, 28.07.16-79255
7	Baby Skaria	307520	0.98%	307520	0.98%	Nil
8	Simon Cheru C	259600	0.83%	259600	0.83%	Nil
9	Griger Cherry Williams	283266	0.91%	283266	0.91%	Nil
10	SML FINANCE LIMITED			401133	1.28%	Purchase-04.11.2016-49845, 24.03.2017-351288

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year		Increase/Decrease in Shareholding during the year specifying the date and reasons for increase/decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	C C William Varghese	882049	2.82%	1412654	4.52%	Purchase-28.07.2016-526603, 04.11.16-4002
2	Gigy Verghese P	94779	0.30%	94779	0.30%	Nil
3	Surendran T K	109129	0.35%	109129	0.35%	Nil
4	Surendran C G	246916	0.79%	246916	0.79%	Nil
5	Antony P D	147811	0.47%	147811	0.47%	Nil
6	Prasad Punnoose	612952	1.96%	612952	1.96%	Nil
7	A N Vishnu Bhattathirippad	371502	1.19%	371502	1.19%	Nil
8	Appumon C K	257288	0.82%	258309	0.83%	Purchase-04.11..2016-1021
9	Mary Willimas	156089	0.50%	156089	0.50%	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	1147610351	479301000	79,000	1626990351
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	49323342	72959998	9506	122292846
Total (i+ii+iii)	1196933693	552260998	88506	-
Change in Indebtedness during the financial year				
Addition	39726996	500000	-	-
Reduction	-	82497000	79000	-
Net Change	39726996	81997000	(79000)	-
Indebtedness at the end of the financial year				
i) Principal Amount	1187337347	397304000	-	1584641347
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38832904	76342173	-	115175077
Total (i+ii+iii)	1226170251	473646173	-	1699816424

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vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

B. Remuneration to Other Directors

Amount in ₹

Name of Directors	Particulars of Remuneration			
	Fee for attending board/committee meetings	Remuneration	Others, please specify- Allowance	Total
(1) Independent Directors	-	-	-	-
Total (1)	-	-	-	-
(2) Other Non-Executive Directors				
Antony P D	2800	6,14,000	-	6,16,800
Surendran T K	3200	6,02,000	-	6,05,200
Gigy Verghese P	3200	6,14,000	-	6,17,200
Appumon C K	2000	-	-	2000
Prasad Punnoose	1200	-	-	1200
Jojo N J	2800	-	-	2800
Mary Williams	800	-	-	800
Surendran C G	2400	-	-	2400
Total (2)	18400	18,30,000		18,48,400
Total (B) = (1) +(2)				
Total Managerial Remuneration	18,48,400			
Overall Ceiling as per the Act	56,35,335			

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		CEO	CS	CFO	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	- NOT APPLICABLE -			
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify Total				

viii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

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

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Annexure II

Form No. AOC-2

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

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

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

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

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

Sl. No.	Particulars	Details		
a.	Name(s) of the related party and nature of relationship	Gigy Verghese P (Director)	Antony P D (Director)	Surendran T K (Director)
b.	Nature of contracts/ arrangements/ transactions	Remuneration to directors appointed in office or place of profit		
c.	Duration of the contracts / arrangements/ transactions	Subject to decision of the Board		
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	6,14,000	6,14,000	6,02,000
e.	Date(s) of approval by the Board			
g.	Amount paid as advances, if any:	Nil	Nil	Nil

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

Thrissur
18.08.2017

C C William Varghese
Chairman & Managing Director
(DIN:00074708)

ANNUAL REPORT ON CSR ACTIVITIES

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

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

Our CSR policy is aimed at demonstrating care for the community through its focus on education & Skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective to support to the marginalized cross section of the society by providing opportunities to improve their quality of life. Also company is planning to contribute to Prime Ministers national Relief Fund

The Corporate Social Responsibility Committee was constituted by way of a Board resolution dated October 23rd 2014. The Committee met 4 times during the year to discuss about the implementation of Company's CSR programs.

- 2. The Composition of the CSR Committee:** The Company has a CSR committee of directors comprising of Mr. C C Willaim Varghese, Mr. Gigy Verghese and Mr. Surendran T k
- 3. Average net profit of the Company for last three financial years:- Rs. 9,80,70,579/**
- 4. 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):- Rs. 19,61,412/-**
- 5. Details of CSR spent during the financial year:**
- a. Total amount spent for the financial year: Rs. 16,24,000/-
 - b. Amount unspent, if any; Rs. 3,37,412/-
 - 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 expenditure under this head can be incurred only after the discussions are finalized with certain Non-Governmental organizations specialized in the field of social welfare activities. The company has spend the entire amount during the financial year 2016-17 in line with policy adopted by the Company.
- 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 SECURITIES 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 upto to the reporting period	Amount spent: Direct or through implementing Agency
1	Contribution to trust	Various sectors covered by Schedule VII of C.A 2013	Kunnamkulam-Thrissur	500000/-	365500/-	365500/-	Through Trust
2	Contribution to Prime minister's national relief	Various sectors covered by Schedule VII of C.A 2013		10,00,000/- -	10,00,000/-	10,00,000/-	Through Thrissur Collector
3	Support for Medical treatment	Health Care	Kunnamkulam-Thrissur	500000/-	203500/-	203500/-	Direct
4	Contribution to pain and paliative care society	Health Care	Kunnamkulam-Thrissur	50000/-	55,000/-	55,000/-	Through Pain and paliative care
	Total				16,24,000/-	16,24,000/-	

For and on behalf of the Board of Directors

Thrissur
18.08.2017

Sd/-
C C William Varghese
Chairman & Managing Director
(DIN:00074708)

INDEPENDENT AUDITORS' REPORT

To
The Members of BRD Securities Limited

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

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

OPINION

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

BRD SECURITIES LIMITED

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Sd/-
P Mohandas FCA
Partner (M. No. 21262)

Aluva,
18.08.2017.

"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, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) In our opinion and according to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories.
- 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) With regard to deposits accepted from the public, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under where ever applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of 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, 2017 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	5,21,73,710	01-04-2011 to 31-03-2012	CIT (Appeals)

BRD SECURITIES LIMITED

- 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.
- 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, there are no incidents of fraud during the year.
- 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) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

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

Sd/-
P. Mohandas FCA
Partner (M. No. 21262)

Aluva,
18.08.2017

"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 Securities Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial

statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

BRD SECURITIES LIMITED

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

Opinion

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

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

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

Aluva,
18.08.2017

Sd/-
P. Mohandas FCA
Partner (M. No. 21262)

BRD SECURITIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	312,222,480	312,222,480
(b) Reserves & Surplus	4	331,217,401	361,544,614
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
-			
(3) Non-Current Liabilities			
(a) Long term borrowings	5	1,483,882,000	1,540,329,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities	6	115,175,077	122,292,846
(d) Long term provisions	7	129,749,387	62,333,534
(4) Current Liabilities			
(a) Short term bank borrowings	8	98,759,347	59,032,351
(b) Other current liabilities	9	115,521,689	136,058,618
(c) Short-term provisions	10	<u>55,103,904</u>	<u>52,596,372</u>
TOTAL		<u>2,641,631,285</u>	<u>2,646,409,814</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	65,525,911	60,780,130
(ii) Intangible assets		754,811	1,629,666
(iii) Capital work-in-progress		19,727,348	38,092,836
(iv) Intangible assets under development		372,695	200,000
(b) Non-current investments	12	2,022,800	2,022,800
(c) Deferred tax assets (net)	13	48,365,300	16,745,700
(d) Long term loans and advances (Financing activities)	14	931,233,548	1,079,540,981
(e) Long term loans and advances	15	8,115,246	8,111,944
(f) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	16	83,854,955	126,391,592
(e) Short term loans and advances (Financing activities)	14	983,233,200	817,107,138
(f) Short-term loans and advances	17	163,879,029	184,120,530
(g) Other current assets	18	<u>334,546,440</u>	<u>311,666,497</u>
TOTAL		<u>2,641,631,285</u>	<u>2,646,409,814</u>

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

"As per our report of even date"

For **Balan & Co.**

Chartered Accountants,

FRN 000340S

Sd/-

P. MOHANDAS, FCA

Partner

(M.No.21262)

Aluva

18.08.2017

Sd/-

P.D. ANTONY

Director

Sd/-

C.C. WILLIAM VARGHESE

Managing Director

Sd/-

P. GIGY VERGHESE

Director

Kunnamkulam

18.08.2017

BRD SECURITIES LIMITED

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

Particulars	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
REVENUE			
Revenue from Operations	19	390,443,731	431,155,337
Other income	20	120,545,355	131,863,155
TOTAL REVENUE		510,989,086	563,018,493
EXPENSES			
Employee benefit expense	21	62,123,330	47,576,823
Finance cost	22	191,468,029	224,452,598
Depreciation and amortization Expenses	23	8,445,380	8,427,283
Other expense	24	198,761,336	195,414,606
TOTAL EXPENSES		460,798,075	475,871,309
Profit before Tax		50,191,011	87,147,183
Tax Expense			
(a) Current tax		44,496,770	46,393,760
(b) Deferred tax		(31,619,600)	(10,476,900)
(c) Wealth Tax		-	-
		12,877,170	35,916,860
Profit (Loss) for the period		37,313,841	51,230,323
Earnings Per Equity Share Basic and Diluted (Face value of Rs.10 each)		1.20	1.64
Adjusted earnings per share (Face value of Rs.10 each)		1.20	1.64

“As per our report of even date”

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

Sd/-
P. MOHANDAS, FCA
Partner
(M.No.21262)
Aluva
18.08.2017

Sd/-
P.D. ANTONY
Director

Sd/-
C.C. WILLIAM VARGHESE
Managing Director

Sd/-
P. GIGY VERGHESE
Director

Kunnamkulam
18.08.2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS****1) Company Overview**

The Company is a systemically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration A.16 00040 on 28th November, 1998, enabling the Company to carry on business as Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as mortgage loan, gold loan, loan against securities.

2) Significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Prudential norms: The Company Complies all the material aspect, with the prudential norms relating to the income recognition, asset classification and provisioning for bad and doubtful debts and other matters ,specified in the direction issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007) ,as applicable to the company.

2.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

General: Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measurable.

Income from loans:

Interest income from loan transactions is accounted for by applying the interest rate implicit in such contracts.

Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

Delayed payment charges, fee based income and interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

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

Income on business assets classified as Non-performing Assets, is recognized strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies.

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.

Income from investments: Profit earned from sale of securities recognised on trade date basis. The cost of securities is computed on weighted average basis

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

2.4 Tangible assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

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.

Depreciation is provided on a pro-rata basis on the Written down Value method at the rates prescribed under Schedule II to the Companies Act, 2013.

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 tangible fixed assets is provided using the Written down value Method based on the useful life of the asset and is charged to the Statement of Profit and Loss in the manner prescribed in Schedule II to the Companies Act, 2013.

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

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

may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

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

2.8. Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments 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. Repossessed Asset.

Asset repossessed against the settlement of loans are carried in the balance sheet at outstanding loan amount. The classification and provisioning is based on the underlying days past due (DPD) of these loans

2.10. Repossessed Asset.

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)

Post-employment benefits:

1. **Defined contribution plans:** Defined contribution plans are employee state insurance scheme and employee pension scheme all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.
2. **Defined benefit plans:** Eligible Employees receives benefit from the provided fund, which is a defined benefit plan. Both the employee and company make monthly contribution to provided fund plan equal to a specified percentage of covered employee's salary.

The Company makes specified monthly contributions towards to the government administrated pension fund.

The Company has no obligation other than the contribution payable to provident fund authorities.

3. **Gratuity scheme:** The Company operates a defined benefit gratuity plan for employees. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation and is on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Other long term employee benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.11. 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.

2.12. Income taxes

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.13. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**2.14. 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.

2.15. 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 SECURITIES LIMITED

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

3 SHARE CAPITAL	31.03.2017	31.03.2016
	Rs.	Rs.
Share Capital		
Authorized :		
3,50,00,000 (31 Mar 2016 : 3,50,00,000) Equity shares of ₹ 10/- each	350,000,000	350,000,000
Issued, Subscribed and Paid-up		
3,12,22,248 (31 Mar 2016 : 3,12,22,248) Equity shares of ₹10/- each	312,222,480	312,222,480
Total	312,222,480	312,222,480

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

Equity Shares	31.03.2017		31.03.2016	
	Number	Value	Number	Value
No. of shares at the beginning of the year	31,222,248	312,222,480	26,460,197	264,601,970
Add: Issued During the year	-	-	-	-
Add: Bonus Issue During the year	-	-	4,762,051	47,620,510
Outstanding at the end of the year	31,222,248	312,222,480	31,222,248	312,222,480

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.

	31.03.2017	31.03.2016
	Rs.	Rs.
4 RESERVES AND SURPLUS		
Statutory Reserve - u/s 45IC of the RBI Act.		
Amount as per Last Balance Sheet	72,621,225	62,375,160
(+) Additions/ transfers during the Year	7,462,768	10,246,065
Closing Balance	80,083,993	72,621,225
General Reserve		
Amount as per Last Balance Sheet	-	-
(+) Additions/ transfers during the Year	2,798,540	-
Closing Balance	2,798,540	-
Surplus		
Balance as per last financial statements	103,111,339	109,747,591
(+) Net profit/(net loss) for the current year	37,313,841	51,230,323
(-) Transfer to Statutory Reserve - u/s 45IC of the RBI Act.	7,462,768	10,246,065
(-) Allotment of Bonus Shares	-	47,620,510
(-) Transfer to General Reserve	2,798,540	-
(-) Interim Divident on Equity Shares	56,200,046	-
(-) Dividend Distribution Tax	11,441,008	-
Balance as at the end of the year	62,522,818	103,111,339
Share Premium Account:		
As Per last balance sheet	185,812,050	185,812,050
(+) Additions during the year	-	-
	185,812,050	185,812,050
TOTAL	331,217,401	361,544,614

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

	31.03.2017	31.03.2016
	Rs	Rs
5 LONG TERM BORROWINGS :		
Secured		
Non Convertible Debentures	1,088,578,000	1,088,578,000
UNSECURED		
Bond - Non Current	395,304,000	451,751,000
TOTAL	1,483,882,000	1,540,329,000
1. Nature of Security		
Non Convertible Debentures are secured by way of first charge on the hire purchase/hypothecation assets along with all the receivables of the Company, except Kottakkal, Parempadam, Kannur, Muringoor and Tirur branches of the Company, claims which are now due and owing to the Company in the course of business or which at any time hereinafter become due.		
6 OTHER LONG TERM LIABILITIES		
(i) Other than Acceptances		
Interest accrued but not due on borrowings	115,175,077	122,292,846
TOTAL	115,175,077	122,292,846
7 LONG TERM PROVISIONS		
Contingent Provision against Standard Assets	5,690,933	5,303,813
Contingent Provision for NPA on Gold Loan & Personal Loan	7,382,972	14,587,673
Contingent Provision for NPA on Hire Purchase	116,675,482	42,442,048
TOTAL	129,749,387	62,333,534
8 SHORT TERM BORROWINGS :		
Loans repayable on demand		
From Banks		
Cash credit (secured) [refer note (i) below		
South Indian Bank Ltd., Main Branch, Thrissur	23,344,696	31,294,699
Dhanalaxmi Bank, Kunnamkulam	75,414,651	27,737,653
TOTAL	98,759,347	59,032,351

Nature of Security

(a) Loans repayable on demand from Banks

Particulars	Particulars	Collateral	Gurantors
Dhanalaxmi Bank	Exclusive Charge on receivables of Kannur, Tirur and Parempadam at 25% margin	EM of Landed properties	" Personal : C C William Verghese "Corporate : BRD Finance Ltd "
South Indian Bank	Exclusive first charge buy way of hypothecation of specific receivables at Kottakkal Branch of the Compnay covered under hire purchase/vehicle loan agreement which are not overdue ass per RBI guidlines with 25% Margin	EM of Landed properties	" C C William Verghese "C K Appumon "Mary William "Best Fabricators (Corporate Guarantee) "

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

BRD SECURITIES LIMITED

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

	31.03.2017 Rs	31.03.2016 Rs
9 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Deposits and ICD	2,000,000	27,629,000
(b) Other payables		
(i) HP Outstanding liabilities	20,551,608	22,609,538
(ii) Statutory remittances (Refer note(i) below)	3,167,809	1,887,090
(iii) Salaries and Wages Payable	102,464	30,886
(iv) Expenses Payable	7,004,274	7,325,040
(v) Interest Accrued on Others	569,244	2,653,394
(vi) Other Advances	27,297,085	13,493,585
(vii) Chitty Liability	54,829,205	60,430,085
TOTAL	115,521,689	136,058,618
(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable		
10 SHORT TERM PROVISIONS :		
(a) Provision for employee benefits:		
(i) Provision for compensated absences	-	-
(ii) Provision for gratuity	1,773,803	1,128,496
(b) Provision - Others:		
(i) Provision for Income Tax (Refer note(i) below)	44,496,770	46,393,760
(ii) Wealth Tax Provisions	-	-
(iii) Contingent Provision for Suit Filed Loans	8,833,331	5,074,116
TOTAL	55,103,904	52,596,372

11. FIXED ASSETS

Rs.

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	1.4.2016	Additions	Deletions	31.3.2017	1.4.2016	Additions	Deletion	31.3.2017	31.3.2017
Land	35,853,365	31,013,444	20,708,332	46,658,477	-	-	-	-	46,658,477
Building	2,793,793	189,075		2,982,868	334,660	120,693		455,354	2,527,514
Furniture & Fittings	24,841,039	172,166		25,013,205	10,989,487	3,617,319		14,606,807	10,406,398
Tools & Equipments	336,452			336,452	319,630	-		319,630	16,823
Electrical fittings	5,042,027	188,138		5,230,165	2,356,625	747,856		3,104,481	2,125,684
Computer and Accessories	12,475,054	749,310		13,224,364	10,038,875	1,550,885		11,589,760	1,634,604
Inverter	515,092			515,092	406,890	55,580		462,470	52,622
Office Equipments	6,581,672	62,265		6,643,937	4,249,920	1,048,183		5,298,103	1,345,834
Air-Conditioner	377,107	44,283		421,390	309,049	34,191		343,240	78,150
Motor Vehicle	1,083,412		39,600	1,043,812	520,414	143,053	31,558	631,910	411,902
Motor Vehicle (Bolero)	1,715,738			1,715,738	1,440,751	92,294		1,533,045	182,693
Motor Vehicle (Innova)	1,037,428			1,037,428	910,473	45,805		956,278	81,150
Photostat Machine	69,000			69,000	64,275	665		64,940	4,060
Total	82,080,710	32,418,681	20,747,932	104,891,928	24,570,616	7,456,526	31,558	39,366,017	65,525,911
Intangible Assets									
Computer Software	5,421,567	114,000		5,535,567	3,791,901	988,855	-	4,780,756	754,811
Total	86,396,258	32,532,681	20,747,932	110,427,495	27,396,463	8,445,380	31,558	44,146,772	66,280,722
Work in Progress				-	-	-		-	19,727,348

BRD SECURITIES LIMITED

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

	31.03.2017 Rs	31.03.2016 Rs
12 NON-CURRENT INVESTMENTS		
Non-trade investments (valued at cost unless stated otherwise):		
Investment in equity instruments (unQuoted)		
(i) of other entities	-	-
In Government Securities-Quoted and Fully paid up		
20000 units of 7.50% GOI Stock (Face value 2000000)	2,022,800	2,022,800
TOTAL	<u>2,022,800</u>	<u>2,022,800</u>
13 DEFERRED TAX (LIABILITY)/ ASSET :		
Deferred Tax Liability		
Fixed assets: Impact of difference between tax depreciation		
and depreciation / amortisation charged for the financial reporting	3,461,600	1,892,100
Others	44,903,700	14,853,600
Net Deffered Tax (Liability) / Asset	<u>48,365,300</u>	<u>16,745,700</u>
14 LONG TERM LOANS AND ADVANCES- FINANCING ACTIVITIES		
Non-Current		
Secured, considered good		
Stock on Hire	931,233,548	1,079,540,981
Current		
Secured, considered good		
Stock on Hire	983,233,200	817,107,138
TOTAL	<u>1,914,466,748</u>	<u>1,896,648,119</u>
15 LONG TERM LOANS AND ADVANCES		
Security Deposits	8,115,246	8,111,944
TOTAL	<u>8,115,246</u>	<u>8,111,944</u>
16 CASH AND BANK BALANCES :		
Cash and Cash Equivalents		
(a) Cash in hand	6,758,885	61,995,164
(b) Balance with banks		
(i) In Current Accounts	77,096,071	64,396,428
	<u>83,854,955</u>	<u>126,391,592</u>
Other Bank Balances		
(i) In Deposit Accounts	-	-
(ii) In Earmarked Accounts	-	-
TOTAL	<u>83,854,955</u>	<u>126,391,592</u>

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

	31.03.2017	31.03.2016
	Rs	Rs
17 SHORT TERM LOANS AND ADVANCES :		
(a) Loans and advances		
Demand Loan	104,713,125	105,431,727
ICD Loans	-	-
(b) Balances with government authorities		
Unsecured, considered good		
(i) Income Tax Receivable	-	
Advance tax / Regular Assessment Receivable	51,304,252	44,879,587
(c) Others (Unsecured, considered good)		
Vehicle Booking Advances	7,861,652	12,049,216
Land Advances	-	21,760,000
TOTAL	163,879,029	184,120,530
Advances recoverable in cash or in kind or for value to be received		
18 OTHER CURRENT ASSETS :		
(a) Accruals		
Interest accrued on deposits/Securities	203,192	193,665
(b) Others		
Stock of Stationery	4,641	244,052
Repossed Vehicles	61,873,627	63,917,890
Other Income Receivable	314,193	280,541
Interest Receivable	47,884,172	60,777,922
HP and other Receivables	224,266,616	186,252,427
TOTAL	334,546,440	311,666,497
19 REVENUE FROM OPERATIONS :		
Finance Charges	374,130,757	414,772,541
Pronote Loan interest	16,312,974	16,382,796
TOTAL	390,443,731	431,155,337
20 OTHER INCOME :		
(a) Interest Income		
Interest on Govt. Securities and Bonds	150,416	150,000
Interest received from IC Deposits	0	1,105,534
Interest received from Deposits	791,293	396,976
Interest on HP overdue	54,433,460	68,523,936
Interest on Others	216,815	323,898
(b) Other non-operating income (net of expenses directly attributable to such income)		
Rental income from investment properties	12,000	12,000
Profit on Sale of Fixed Assets	4,589,626	93,963
Bad trade and other receivables recovered	4,269,150	4,811,386
HP Other Income	54,314,158	53,286,809
Insurance Commission	1,498,308	2,431,857
Other Miscellaneous Income	270,130	726,796
TOTAL	120,545,355	131,863,155

BRD SECURITIES LIMITED

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

	31.03.2017	31.03.2016
	Rs	Rs
21 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	55,684,444	43,519,854
Contributions to provident and other funds	6,438,886	4,056,969
Staff welfare expenses	-	-
TOTAL	62,123,330	47,576,823

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	3,407,217	2,530,949
Employers Contribution to Employee's State Insurance	1,099,045	853,069

b. Defined benefit Plans- Gratuity:

i. Components of employer expense

Current service cost	1,038,700	747,121
Interest cost	246,288	198,968
Expected return on plan assets	213,489	121,030
Actuarial losses/(gains)	795,438	(329,188)
Total expense recognised in the Statement of Profit and Loss	1,866,937	495,871

ii. Actual contribution and benefit payments for year

Actual benefit payments	270,327	25,384
Actual contributions	1,221,629	543,828

iii. Net asset / (liability) recognised in the Balance Sheet

Present value of defined benefit obligation	(4,888,708)	(3,078,609)
Fair value of plan assets	3,114,905	1,950,113
Funded status [Surplus / (Deficit)]	(1,773,803)	(1,128,496)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,773,803)	(1,128,496)

iv. Change in defined benefit obligations (DBO) during the year

Present value of DBO at beginning of the year	3,078,609	2,487,092
Current service cost	1,038,700	747,121
Interest cost	246,288	198,968
Actuarial (gains) / losses	795,438	(329,188)
Benefits paid	(270,327)	(25,384)
Present value of DBO at the end of the year	4,888,708	3,078,609

v. Change in fair value of assets during the year

Plan assets at beginning of the year	1,950,113	1,310,639
Acquisition adjustment		
Expected return on plan assets	213,489	121,030
Actual company contributions	1,221,629	543,828
Benefits paid	(270,327)	(25,384)
Plan assets at the end of the year	3,114,905	1,950,113

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

	31.03.2017	31.03.2016
	Rs	Rs
vi. Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	3,114,905	1,950,113
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.

22 FINANCE COST

(a) Interest expense on :

(i) Borrowings

Interest on Deposits	175,519	287,913
Interest on Debentures	116,455,378	126,716,303
Interest on Debenture application	-	7,109
Interest on Subordinate Debt	62,881,845	62,054,168
Interest on Inter corporate Deposit	1,169,219	32,784,247
Interest Over Draft	8,876,974	1,578,198

(ii) Others

Interest on delayed payment of income tax	1,909,094	1,024,660
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TOTAL

	191,468,029	224,452,598
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23 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation.	7,456,526	7,461,228
Amortisation	988,855	966,055
TOTAL	8,445,380	8,427,283

24 OTHER EXPENSES :

Rent	10,943,595	10,179,060
Printing & Stationery	2,132,033	1,889,706
Insurance	181,836	118,724
Travelling expenses	2,185,656	2,079,840
Postage & Telegram	320,739	282,828
Telephone charges	3,170,179	3,147,165
Electricity charges	1,390,164	1,497,305
Repairs & maintenance	1,805,732	2,604,355

BRD SECURITIES LIMITED

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

	31.03.2017 Rs	31.03.2016 Rs
Rates & Taxes	237,372	2,264,904
News paper & Periodicals	23,899	21,462
Legal charges	905,777	988,918
Filing fee	18,700	9,000
Audit fee	283,200	221,050
Commission	40,328,995	30,017,743
Incentives paid	12,099,010	15,080,008
Sales Retainer Expense	6,499,735	3,761,700
Collection Retainer Expense	13,150,233	8,999,777
Business Promotion	7,350,880	9,275,085
Advertisement	637,775	218,453
Bank charges	1,773,219	2,073,216
Professional charges	3,572,887	9,052,015
Sitting fee	14,400	56,800
Loss on sale of Repossessed Vehicles	-	5,966,995
Bad debts written off	5,011,670	30,973,963
Miscellaneous expenses	7,026,181	8,129,577
Provision for NPA - HP	74,233,434	29,108,310
Provision for NPA-Demand Loan	-7,204,701	8,910,717
Provision for Standard Assets	387,120	-173,488
Provision for Suit Filed Loans	3,759,215	5,074,116
Accruedd Loss on Chitty	4,826,040	3,372,900
Swachh Bharath Cess Payable	72,363	35,523
Corporate Social Responsibility Expense	1,624,000	176,880
TOTAL	198,761,336	195,414,606
24.1 Payment to the auditors comprises :		
As auditors - statutory audit	177,000	132,250
For taxation matters	59,000	40,250
For other services	47,200	28,750
TOTAL	283,200	201,250
22 EARNINGS PER SHARE (BASIC & DILUTED) :		
Profit after tax	66,398,779	71,113,502
Profit after tax	37,313,841	51,230,323
Weighted average number of shares	31222248	31222248
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	1.20	1.64
Adjusted Earnings per Share(Rs.)	1.20	1.64

BRD SECURITIES LIMITED

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

		31.03.2017	31.03.2016
		Rs	Rs
23 RELATED PARTY TRANSACTIONS			
Details of Related Parties:			
Description of Relationship	Names of Related Parties		
Associates	BRD Fianance Limited	BRD Car World Limited	
	BRD Motors Limited	BRD Developers & Builders Limited	
	BRD Chits Limited		
	BRD Kuries (India) Limited		
Key Management Personnel	C.C.William Varghese	Mary Williams	
	Gigy Varghese P	C.K.Appumon	
	Vishnu Bhattathiripad	Prasad Punnoose	
	Surendran T K	Surendran C G	
Relatives of KMP	P D Antony		
	Jimson P A	Sheeja P V	
	Kathreena	Sreedevi Vishnu	
	Kochuthressia M M	Zarine Punnoose	
	Torison P A	Shobhana Surendran	
	Seema Vishnu		
Entities in which KMP / Relatives of KMP can exercise significant influence			
Details of Related Party Transactions :			
Nature of Transaction	KMP	Relative of KMP	Entities in which KMP / relatives of KMP have significant influence
			Total
Debentures transfer/Bonds Issued During The Year	CY	116,951,000	224,507,000
	PY	<i>1,620,000</i>	<i>5,315,000</i>
Interest Paid	CY	3,110,854	3,476,431
	PY	<i>413,785</i>	<i>207,185</i>
Interest Received	CY	-	-
	PY	-	-
Inter Corporate Deposits Accepted	CY		226,700,000
	PY		458,000,000
Inter Corporate Deposits Repaid	CY		252,750,000
	PY		238,000,000
Remuneration Paid	CY		1,788,000
	PY		1,622,000
Rent Received	CY		12,000
	PY		12,000

Note: Figures in italics relates to the previous year

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

"As per our report of even date"

For **Balan & Co.**

Chartered Accountants,
FRN 000340S

Sd/-
P. MOHANDAS, FCA
Partner
(M.No.21262)

Sd/-
P.D. ANTONY
Director

Sd/-
C.C. WILLIAM VARGHESE
Managing Director

Sd/-
P. GIGY VERGHESE
Director

Kunnamkulam
18.08.2017

BRD SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH 2017.

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

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
A. Cash Flow from Operating activities		
Net profit Before Taxation	50,191,011	87,147,183
Adjustment for:		
Provision for Depreciation	8,445,380	8,427,283
Interest on Borrowings	191,468,029	224,452,598
Provision for standard assets	387,120	(173,488)
Provision for NPA	67,028,733	38,019,027
Provision for Suit Filed Loans	3,759,215	5,074,116
Interest Income	(941,709)	(546,976)
Bad Debts w/off	5,011,670	30,973,963
Loss on Sale of repossessed vehicles	-	5,966,995
Profit on sale of Fixed Assets	(4,589,626)	(93,963)
	<u>270,568,812</u>	<u>312,099,555</u>
	<u>320,759,824</u>	<u>399,246,738</u>
Operating profit before working capital changes		
(Increase)/Decrease in Loans & Advances	(22,830,299)	285,343,404
(Increase)/Decrease in Deposits	3,782,921	(35,088,850)
Increase/(Decrease) in Sundry Creditors & Other liabilities	38,346,605	(44,779,673)
	<u>19,299,228</u>	<u>205,474,881</u>
Cash from operations	<u>340,059,051</u>	<u>604,721,619</u>
Income tax paid	<u>(52,818,425)</u>	<u>(52,832,493)</u>
Net cash from operating activities	<u>287,240,626</u>	<u>551,889,126</u>
B. Cash flow from Investing Activities		
Purchase of Fixed assets	(32,532,681)	(15,185,322)
Capital Work-in-Progress	18,192,793	6,787,801
Sale of Fixed assets	24,806,000	3,442,000
Interest Income	941,709	546,976
Net cash from Investing activities	<u>11,407,821</u>	<u>(4,408,545)</u>
C. Cash flow from Financing activities		
Proceeds from Long term Borrowings	-	5,360,000
Repayment of Long term Borrowings	(82,076,000)	(282,101,000)
Interest on borrowings	(191,468,029)	(224,452,598)
Interim Dividend	(56,200,046)	-
Tax on Distributed Profit	(11,441,008)	-
Net Cash flow from Financing Activities	<u>(341,185,083)</u>	<u>(501,193,598)</u>
Net Increase/Decrease in Cash & Cash Equivalents	<u>(42,536,637)</u>	<u>46,286,983</u>
Cash & Cash Equivalents at the beginning of the year	126,391,592	80,104,609
Cash & Cash Equivalents at the end of the year	<u>83,854,955</u>	<u>126,391,592</u>

"As per our report of even date"

For **Balan & Co.**

Chartered Accountants,
FRN 000340S

Sd/-
P. MOHANDAS, FCA
Partner
(M.No.21262)

Aluva
18.08.2017

Sd/-
P.D. ANTONY
Director

Sd/-
C.C. WILLIAM VARGHESE
Managing Director

Sd/-
P. GIGY VERGHESE
Director

Kunnamkulam
18.08.2017

BOOK POST

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Thrissur - 680 503.

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Web site : www.brdgroup.net