

BUDGE BUDGE COMPANY LIMITED



38th
ANNUAL REPORT
2010 - 2011

BUDGE BUDGE COMPANY LIMITED

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BOARD OF DIRECTORS

A. K. PODDAR (*Chairman*)
MANISH PODDAR (*Mg. Director*)
BIJAY KRISHNA DATTA (*Director*)
SUSHIL KUMAR CHHAWCHHARIA (*Director*)

COMPANY SECRETARY

D. V. SINGHI

AUDITORS

JAIN & CO.
Chartered Accountants

BANKERS

Allahabad Bank
IDBI Bank

REGISTERED OFFICE

16A, Brabourne Road
9th Floor
Kolkata - 700 001

WORKS

Budge Budge Jute Mills
64, Moulana Azad Road
Budge Budge

BUDGE BUDGE COMPANY LIMITED

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of BUDGE BUDGE COMPANY LTD. will be held on Saturday, the 24th day of September, 2011 at 10.30 a.m. at HOTEL NEERANAND, P-34, India Exchange Place, Shah House (Near Tea Board), 2nd Floor, Kolkata - 700 001 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Kumar Poddar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

M/s. Jain & Company, Chartered Accountants are the retiring Auditors.

SPECIAL BUSINESS :

4. To appoint Shri Sushil Kumar Chhawchharia as a Director liable to retire by rotation and in this regard to consider and if though fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Sushil Kumar Chhawchharia, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.

Registered Office :
16A, Brabourne Road
Kolkata - 700 001
August 13, 2011

By Order of the Board
Sd/-
D. V. SINGHI
Company Secretary

BUDGE BUDGE COMPANY LIMITED

NOTES :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No.4 is annexed herewith.
 2. A member entitled to attend and vote at this Annual General Meeting may appoint a Proxy to attend and vote on a poll on his behalf and such Proxy need not be a member of the Company. Proxies in order to be effected, must be received at the Registered Office of the Company not less than 48 hours before this Annual General Meeting.
 3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2011 to 24.09.2011 (both days inclusive)
 4. Members are requested to bring their copies of the Report and Accounts to the Meeting.
-

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Board of Directors of the Company (the "Board"), at its meeting held on 30.10.2010 appointed Shri Sushil Kumar Chhawchharia as an additional director effective 30.10.2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act').

In terms of the provisions of Section 260 of the Act, Shri Sushil Kumar Chhawchharia would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidate of the Shri Sushil Kumar Chhawchharia for the office of Director of the Company under the provisions of Section 257 of the Act.

Shri Sushil Kumar Chhawchharia is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Sushil Kumar Chhawchharia, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956 Rules, 2003, confirming his eligibility for such appointment.

Registered Office
16A, Brabourne Road
Kolkata - 700 001
August 13, 2011

By Order of the Board
Sd/-
D. V. SINGHI
Company Secretary

BUDGE BUDGE COMPANY LIMITED

(Annexure to Notice dated August 13, 2011)

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Mr. Ashok Kumar Poddar
Date of Birth	28.06.1944
Date of Appointment on the Board	17.01.1981
Qualifications	B.Com.
Expertise	Vast experience of Jute Industry and Jute Mill Management
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	Bengal Investments Ltd. Ripon Estates Limited Vasavi Infrastructure Projects Ltd.
Memberships/Chairmanships of committees across all companies	Nil
Shareholding of Non-Executive Directors	820 Shares
Relationships between directors inter-se	Nil

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Mr. Sushil Kumar Chhawcharia
Date of Birth	17.10.1944
Date of Appointment on the Board	30.10.2010
Qualifications	B.Com., L.L.B., FCA
Expertise	Practicing Chartered Accountant
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	Hari Machines Ltd. Carbo Industrial Holdings Ltd. Ceeta Industries Ltd.
Memberships/Chairmanships of committees across all companies	Chairman, Audit Committee, Hari Machines Ltd. Member, Audit Committee, Ceeta Industries Ltd.
Shareholding of Non-Executive Directors	Nil
Relationships between directors inter-se	N.A.

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT

To the Shareholders,

Your directors are pleased to submit the Annual Report and Profit & Loss Account for the year ended 31st March, 2011.

FINANCIAL RESULTS

(Amount in Rs. Lakhs)

	Year ended March 31, 2011	Year ended March 31, 2010
Profit before interest, depreciation & taxation	366.68	253.83
Less : Interest	144.63	123.38
Depreciation	61.88	47.68
Net Profit before Tax	160.17	82.77
Less : Provision for Minimum Alternate Tax	31.80	12.61
Add : Mat Credit entitlement	31.80	12.61
Net Profit after tax	160.17	82.77
Less : Transfer to Capital Redemption Reserve	6.00	—
Balance brought forward from previous year	466.66	383.89
Balance to be carried forward	620.83	466.66

DIVIDEND :

In view of insufficient profits and with the intention of conserving funds, your directors do not propose to recommend any dividend on equity & preference shares.

OPERATIONS :

Production, sales, profitability and earning from share show under noted position during the current year as compared to previous year :

	Current year	Previous year
Production (M.Tonnes)	26642	20543
Total Sales (Rs. In lakhs)	14632.46	8674.29
Profit before taxation (Rs. In lakhs)	160.17	82.77
Profit after taxation (Rs. In lakhs)	160.17	82.77
Earning per share of F.V.Rs 10/- (Rs.)	2.50	1.29

Production during the year was 26642 M/T and sales during the year was 27489 M/T. Although production during the year is higher but the same was still hampered due to shortage of workers. All efforts are being taken to ensure that production is not affected due to shortage of workers.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Development :

Government of India had in the last year extended the validity of the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 upto 30th June, 2011 under which the

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

Government had directed that 100% Food Grains and Sugar should be packed in jute bags. Industry has again demanded for the extension of the JPMA Act. During the year, demand for Jute goods specially Sacking bags for packing Food Grains by Procurement Agencies, remained good, however Industry faced problems in procurement of Raw Jute during the whole year due to shortage of higher grade Jute. Quality of Raw Jute was very poor and this affected the production as well.

Opportunities and threats/Risk and concerns :

Opportunities :

- i) Jute being a natural bio-degradable fibre is environment friendly and use of Jute goods in the markets, which are environment conscious, can be developed .
- ii) Govt. of India has extended Scheme for modernization of the Mills under the Jute Technology Mission scheme.

Threats :

- i) Industry is facing fierce competition from Bangladesh in International Market due to their low cost of production and Government Subsidy. Moreover increase in production capacity in Bangladesh is going to pose new problems for the Industry.
- ii) Duty free Import of Jute goods from Bangladesh is also a threat to the Industry.
- iii) Use of HDPE/PP bags in violation of JPMA by the Sugar industry is also a threat to the Industry.

b) Segment wise or product wise performance :

The company is mainly engaged in the business of Manufacturing of Jute Goods and hence segment wise performance is not required to be disclosed.

The following disclosure under Geographical segment has, however, been considered on the basis of sales for the Jute goods:

- Within India - Rs.14632.46 lac (previous year Rs.8668.82 lac)
- Outside India - Rs. NIL (previous year Rs.5.47 lac)

c) Outlook :

Prospects for the current year totally depend upon easy availability of Raw Jute at remunerative price. Due to satisfactory monsoon rains it is expected the Raw Jute crop should be significantly higher than last year and the prices should come down from record levels. Although demand for packing of Food Grains and Sugar will be substantial in view of estimates of Food Crop but higher cost remains a point of concern. All input costs are increasing continuously and the prices for Jute Goods does not increase correspondingly. In view of the above the outlook for the Industry appears difficult and profitability will remain under pressure.

d) Internal control systems and their adequacy :

Your company has an adequate system of internal control, which provides reasonable assurance with regard to safeguarding the company's assets, promoting operational efficiency and ensuring compliance with various statutory provisions. The Reports of the Internal Auditors are reviewed by the senior management at regular intervals. Necessary steps are being taken in evaluating productivity and efficiencies in operations and strengthen internal control system.

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

e) Discussion on operation performance :

Sales of Jute goods during the year are Rs.14632.46 lac as compared to Rs. 8674.29 lac during previous year. Operating profit for the year is Rs.160.17 lac as compared to Rs. 82.77 lac in the previous year. Interest expenses during the year are higher at Rs. 144.63 lac as against Rs. 123.38 lac in the previous year due to higher working capital requirement. The company has invested Rs. 314.10 lac in Fixed Assets to modernize the existing machineries.

f) Material developments in Human Resources/Industrial Relations :

Employment of workers at new pay scale and training programmes for the workers continued. Steps have been taken to provide quarters within the mill compound for outside workers. The company is making all efforts to train the workers and increase their skills by way of continuous training but shortage of workers in the industry and specially for our mill, **is a matter of concern**. The relations with the unions were cordial during the year.

g) Cautionary statement :

Statement made in this section of the report is based on the prevailing position in the Jute industry and market conditions. Actual results could however differ materially from those expressed or implied with regard to Company's Outlook and Performance.

CORPORATE GOVERNANCE :

A report on the matters specified in the code of Corporate Governance vide clause 49 of the listing agreement with the Stock Exchanges, along with a Certificate from Company's Auditors confirming compliance, is annexed and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement of section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that :

- i) In the preparation of the annual accounts, the applicable standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have made judgments and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the Company as on 31.03.2011 and its profits for the year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

DIRECTORS :

Sri Ashok Kumar Poddar, Director of the company, retires from the Board by rotation and being eligible offers himself for re-appointment at the ensuing Annual General meeting.

During the year Sri Sushil Kumar Chhawchharia was appointed as additional Director with effect from 30th October, 2010 in accordance with the provisions of Section 260 of Companies Act, 1956. Additional directors so appointed shall hold office only upto the date of the ensuing Annual General meeting. Individual notice proposing candidature of Sri Sushil Kumar Chhawchharia for the office of Director

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

has been received from member(s) of the company in accordance with provisions of Section 257 of the Companies Act 1956.

The Notice convening the ensuing Annual General Meeting includes proposals for appointment/re-appointment of aforesaid Directors

None of the Directors are disqualified for appointment/re-appointment under section 274(1)(g) of the Companies Act, 1956.

AUDITORS REPORT / AUDITORS :

M/s. Jain & Co. Chartered Accountants, Statutory Auditors of your company retires at the conclusion of the ensuing Annual General meeting. Your Directors request you to appoint Auditors for the current financial year and fix their remuneration. A certificate from M/s. Jain & Co., to the effect that their appointment if made will be within the prescribed limit u/s 224(1B) of the Companies Act, 1956 has been received.

Observations made in the Auditor's Report and Notes on Accounts annexed to Balance Sheet are self explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS & OUTGO :

The Company has an outgo of Rs. 24.57 lac and income of Rs. 37.28 lac (FOB value of exports) from Foreign Exchange during the year.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

Power & Fuel Consumption :

	<u>Electricity</u>	<u>Current Year</u>	<u>Previous Year</u>
a)	Purchased Unit	13207680	10187856
	Total Amount	Rs. 612.16 lac	Rs. 399.76 lac
	Rate/Unit	Rs. 4.63	Rs. 3.92
b)	Own Generation Units	39033	180681
	Total Amount	Rs. 5.10 lac	Rs. 20.40 lac
	Rate/Unit	Rs. 13.06	Rs. 11.29

PARTICULARS OF EMPLOYEES :

Since there is no employee drawing remuneration above Rs. 1,00,000/- p.m. particulars under Section 217 (2A) are not given.

ACKNOWLEDGEMENT :

Your directors place on record appreciation for the contributions made by the suppliers and employees/workers in keeping the unit running inspite of numerous constraints.

Kolkata

Dated : 13th August, 2011

By Order of the Board
ASHOK KUMAR PODDAR
MANISH PODDAR
Directors

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges]

1. Company's philosophy on code of Governance

Your Company has implemented and continuously strives to improve the corporate governance practices for the benefit of all the stakeholders. Transparency in day to day affairs, full disclosure, long term approach and growth in absolute terms had been the essence of the management of the Company since its inception and the formal adoption of corporate governance code nearly confirms the same.

2. Board of Directors

a) Composition

The Board of Directors comprises of four directors of whom two are promoter directors and other two are independent non-executive directors of whom Mr. Sushil Kumar Chhawchharia was appointed on 30.10.2010 for which Form No. 32 was duly filed on 20.11.2010 vide SRN No. A98624638. The Chairman's position is non-executive and non-managerial in character. The SEBI code requires that in case of non-executive chairman, at least one third of the board should comprise of independent directors. Out of four directors our board had two independent director. Mr. Ashok Kumar Poddar is the Chairman and Mr. Manish Poddar is Managing Director.

b) Attendance of each Director at the Board meetings and the last Annual general meeting (AGM) and also number of other directorships/membership of Board meetings.

Name of Directors	Category	Attendance Particulars		No. of other directorship & other committee memberships / chairmanships held		
		Board Meetings	Last AGM 25.09.10	Directorship	Committee Memberships	Committee Chairmanships
Mr. Ashok Kumar Poddar	Promoter Non-executive	5	Present	3	Nil	Nil
Mr. Manish Poddar	Managing Director	5	Present	6	Nil	Nil
Mr. Bijay Krishna Dutta	Independent Non-executive	4	Present	2	Nil	Nil
Mr. Sushil Kumar Chhawchharia	Independent	2	Not Applicable	5	1	1

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

c) Number of Board meetings held and dates on which held

Five Board meetings were held during the year ended 31st March, 2011, viz. on 30th April, 2010, 30th July, 2010, 19th August, 2010, 30th October, 2010 and 14th February, 2011.

3. Audit Committee

The terms of reference of audit committee includes all stipulations of SEBI Code and the Companies Act, 1956, including interalia regarding review of audit procedure, financial reporting system, internal control systems and procedures besides compliance with regulatory guidelines.

No meeting of the Committee was held during the year due to want of quorum. The Company has inducted one Independent Director on the Board to reform the Committee.

4. Remuneration Committee

The company has not constituted a remuneration committee. The Board of Directors fixes the remuneration of the Managing Director, which is approved by the shareholders. The non-executive directors are paid sitting fees for every meeting of the board attended by them.

Non-Executive Directors

Name	Sitting Fees for attending Committee and Board Meeting
Mr. Ashok Kumar Poddar	Rs. 50,000/-
Mr. Bijay Kumar Dutta	Rs. 40,000/-
Mr. Sushil Kumar Chhawchharia	Rs. 20,000/-

Managing Director

Name	Salary and Perquisites	Contribution to PF/ Superannuation Fund	Total
Mr. Manish Poddar	Rs. 10,56,135/-	Rs. 84,000	Rs. 11,40,135/-

5. Shareholders/Investors Grievance Committee

At present, Mr. Manish Poddar is the only member of the committee.

Mr. D. V. Singhi, the secretary of the company, is designated as the compliance officer.

The Company is in the process of inducting more Independent Directors on the Board and to reform the Committee.

BUDGE BUDGE COMPANY LIMITED

The committee oversees the disposal status of all complains/grievances of shareholders. No Share transfer application was pending for registration as on 31st March, 2011.

No Complain from the investors was pending at close.

6. General Body Meetings :

a) Date, Time and Location where last three Annual General Meetings held :

Nature of the General Meeting	Date & Time	Venue	If Special Resolution(s) passed
Annual General Meeting	25th September, 2010 10.30 AM	16A, Brabourne Road Kolkata-700 001	Yes *
Annual General Meeting	19th September, 2009 10.30 AM	16A, Brabourne Road Kolkata-700 001	No
Annual General Meeting	10th September, 2008 10.30 AM	16A, Brabourne Road Kolkata-700 001	No

* Special Resolutions Passed

- 1) "Resolved that the consent of the members of the company be and is herewith accorded for substituting the existing clause V of the Memorandum of Association of the company by the following :-

The authorised Share Capital of the company is Rs. 6,65,00,000/- divided into 64,00,000 equity shares of Rs. 10/- each and 10,000 11% redeemable cumulative preference shares of Rs. 100/- each and 50,000 11% redeemable cumulative preference shares of Rs. 30/- each."

- 2) "Resolved that the consent of the members of the company be and is hereby accorded for substituting the existing clause 3 of the Articles of Association of the company by the following :-

The authorized Share Capital of the company is Rs. 6,65,00,000/- divided into 64,00,000 equity shares of Rs. 10/- each and 10,000 11% redeemable cumulative preference shares of Rs. 100/- each and 50,000 11% redeemable cumulative preference shares of Rs. 30/- each."

b) Postal Ballot :

No postal ballots were used for voting in the previous 3 AGMs. At the ensuing AGM, there is no item on the agenda that needs consent of the members under postal ballot.

7. Disclosures :

There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives etc. that have potential conflict with company's interest at

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

large. Transactions with the related parties are disclosed in note no. 16 of schedule 'N' to the accounts for the year ended 31st March, 2011.

No penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets in last three years.

8. Means of Communication :

The financial results of the Company are sent to the Stock Exchange and published in newspapers as required under clause 49 of the listing agreement. Half-yearly report is not sent to household of shareholders.

- ★ Quarterly financial results are normally published in Financial Express. (in English).
- ★ The Company is not having any website.
- ★ The Company has not made any presentation to institutional investors or to the analysts.
- ★ Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information :

Annual General Meeting - Date & Time Venue	24th September, 2011 at 10.30 A.M. HOTEL NEERANAND, P-34, India Exchange Place Shah House (Near Tea Board), 2nd Floor Kolkata - 700 001
Financial Calendar for F.Y. 20011-12 (From 1.4.2011 to 31.3.2012)	a) First Quarterly Result - on or before 15.08.11 b) Second Quarterly and Half Yearly Result - on or before 15.11.11 c) Third Quarterly Result - on or before 15.02.2012 d) Fourth Quarterly and Yearly Result - on or before 15.05.12
Date of Book Closure	21st September, 2011 to 24th September, 2011
Dividend Payment	Board of Directors at their meeting held on 13.08.11 decided not to recommend any dividend on the equity shares of the Company to conserve resources.
Listing on Stock Exchanges	The Calcutta Stock Exchange Association Ltd. (CSEA), 7, Lyons Range, Kolkata-700 001 Listing Fees for the 2011-12 has been paid to the above stock exchange

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

9. General Shareholder Information :

Stock Code	CSEA - 10012589
Demat ISIN No. for NSDL and CDSL	INE 948C 01018
Market Price data : High, Low during each month in last financial year	There was no trading of Shares of the company during the Period and the last quoted price is Rs. 1.60 per share.
Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001
Company's Registered Office	16A, Brabourne Road, 9th Floor Kolkata-700 001
Plant Location	64, Moulana Azad Road, P.O. Budge Budge Dist. 24 Prgns (S), Pin-743 319, West Bengal
Address for correspondence	16A, Brabourne Road, 9th Floor Kolkata-700 001
Contact Person for clarification on Financial Statements	Mr. Danveer Singhi 16A, Brabourne Road, 9th Floor, Kolkata-700 001

Share Transfer System :

M/s. Maheshwari Datamatics Pvt. Ltd. is the registrar and share transfer agent of the Company for both physical and electronic shares. Share transfers are approved in accordance with the powers delegated by the Board of Directors to the Managing Director and Secretary of the Company. After transfers are approved, the registrar and share transfer agent process the same. Practicing Company Secretary checks the system and certificate to that effect is filed with stock exchange.

The Distribution of Shareholding as on 31st March, 2011 :

No. of Ordinary Share held	No. of shares	%	No. of share-holders/Follos	%
Up to 500	33751	0.54	275	82.83
501 to 1,000	5847	0.09	9	2.71
1,001 to 2,000	8422	0.13	5	1.51
2,001 to 3,000	18186	0.28	7	2.11
3,001 to 4,000	14107	0.22	4	1.20
4,001 to 5,000	Nil	Nil	Nil	Nil
5,001 to 10,000	63759	1.00	8	2.41
10,001 and above	6238079	97.74	24	7.23
Total	6382151	100.00	332	100.00
Physical Mode	4752229	74.46	269	81.02
Demat Mode	1629922	25.54	63	18.98

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

Shareholding pattern as on 31st March, 2011 :

Category	No. of Shares	%
Promoters	6115804	95.83
Mutual Fund/UTI	36348	0.57
Banks/Financial Institutions/Insurance		
Companies/Govt. Company	17600	0.28
Private Corporate Bodies	112336	1.76
NRIs/foreign Shareholders	2743	0.04
Public/Others	97320	1.52
Total	6382151	100.00

Shareholdings of non- executive Director

<u>Name</u>	<u>No. of Shares held</u>
Mr. Ashok Kumar Poddar	820

10. Mandatory / Non-mandatory provisions of Corporate Governance :

We have adopted all the mandatory requirements (except where not relevant or applicable) of the corporate governance. At present there are four directors in the board of the Company of which two are non-executive. Two are independent directors of whom Mr. Sushil Kumar Chhawchharia was appointed on 30.10.2010. Shareholders/ Investors grievance committee has not been setup by the Company. Code of Conduct for Board Members and defined framework for risk management and its control are under implementation. The Company has not adopted the non-mandatory suggestions relating to a postal ballot system (except where compulsory under the Companies Act, 1956), sending yearly information to each household of shareholders and to have a Remuneration Committee.

MANISH PODDAR

Mg. Director

ASHOK KUMAR PODDAR

Director

D. V. SINGHI

Secretary

Place : Kolkata

Dated the 13th day of August, 2011

BUDGE BUDGE COMPANY LIMITED

- CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF BUDGE BUDGE COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by **BUDGE BUDGE COMPANY LIMITED ("the Company")** for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except following :-

- i). The minimum number of non-executive directors being members of the audit committee ("the committee"), has not been complied with since the committee consists of only one non-executive director against the required minimum number of three.
- ii). The quorum of the audit committee meeting having two members and two independent directors, was not complied with.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P-21/22, Radha Bazar Street
Kolkata - 700 001

Dated the 13th day of August, 2011

For JAIN & CO.
Chartered Accountants
Registration No. 302023E
M. K. JAIN
Partner
Membership No. 55048

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT

To Members of Budge Budge Company Limited

We have audited the attached Balance Sheet of **Budge Budge Company Limited** as at 31st March, 2011, and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended 31st March, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standard generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company

Further to our comments in the Annexure referred to above, we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief where 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 appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account;
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement of the Company comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act, to the extent applicable except note no. 6 of Significant Accounting Policies regarding Gratuity and Earned Leave.
- e) On the basis of written representations received from directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Act;

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read in conjunction with the Schedules A to N give the information as required by the Act, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :-
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st, March, 2011;
 - ii) in the cases of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

P-21/22, Radha Bazar Street
Kolkata - 700 001
Dated the 13th day of August, 2011

For JAIN & CO.
Chartered Accountants
Registration No. 302023E
M. K. JAIN
Partner
Membership No. 55048

ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph 1 of our Report of even date

- 1)
 - a) The company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
 - b) According to the information and explanation given to us, in our opinion, during the year, physical verification of fixed assets have been carried out at reasonable intervals and no material discrepancies have been noticed on such verification.
 - c) As per records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
- 2)
 - a) Inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable
 - b) According to information and explanation given to us, in our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- c) The company is maintaining proper records of inventories. As explained to us, discrepancies noticed on the physical verification of inventories, to the extent carried out, as compared to the book records were not material.
- 3) The company has not accepted /granted any loans during the year from/to the parties covered in the register maintained under section 301 of the Act.
- 4) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit no major weakness in the internal control had come to our notice.
- 5) a) According to the information and explanations given to us, contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Act have been so entered.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The company has not accepted any deposits from public covered under section 58A, 58AA or any order relevant provision of that Act and rules framed thereunder.
- 7) The company has an adequate internal audit system commensurate with the size of the Company and nature of its business and has appointed a firm of chartered accountants as its internal auditor.
- 8) On the basis of records produced, we are of the opinion that, prima-facie, the cost records and accounts prescribed by the Central Government under section 209(1)(d) of the Act, have been maintained by the Company. However we have not carried out detailed examination of such accounts and records.
- 9) a) According to the information and explanations provided to us and records of the Company examined by us, particulars of the undisputed amount payable in respect of statutory dues as aforesaid, outstanding as at 31st March, 2011, for the period of six months from the date they become payable are annexed in Annexure-I to the Audit Report.
- b) According to the information and explanations provided to us and records of the company examined by us, particulars of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, if any, which have not been deposited on account of any dispute are annexed in Annexure -II to the Audit Report.
- 10) The company has not incurred cash loss in the current year and in the immediately preceding financial year and there are no accumulated losses in the balance sheet as on 31st March, 2011.
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BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- 11) In our opinion and on the basis of information and explanations provided by the management, for Unsecured Loans as reflected in Schedule D, the amounts in respect of sales tax loans of Rs. 2,47,63,975/- remains unpaid since 31st December, 1997, against various stipulated installments payable quarterly as per agreed payment schedule and Rs. 25,00,000/- towards incentive loans payable in the year 2002-03, to West Bengal Industrial Development Corporation Limited. The company has not issued any debentures.
- 12) According to the information and explanation provided to us and based on the document and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledged of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a *nidhi mutual* benefit fund/society. Therefore, the provisions of clause 4(xiii) of the order not applicable to the company.
- 14) Based on our examination of documents and records and evaluation of the related internal controls, in respect of dealing/trading in securities, in our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made in those records.
- 15) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) According to the information and explanations received, the term loans were applied for the purpose for which the loans were obtained.
- 17) Based on our examinations of the records and according to the information and explanations received, the Company has not applied short term borrowings for long term use.
- 18) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) To the best of our knowledge and belief, and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

For JAIN & CO.
Chartered Accountants
Registration No. 302023E

P-21/22, Radha Bazar Street
Kolkata - 700 001

M. K. JAIN
Partner

Dated the 13th day of August, 2011

Membership No. 55048

BUDGE BUDGE COMPANY LIMITED

ANNEXURE - I

List of Undisputed Statutory Dues as on 31-03-2011

Name of the Statute	Nature of Dues	Relating to year	Amount Outstanding	Total Amount Outstanding
West Bengal Sales Tax Act, 1954	Sales Tax	1994-99	14487	
		2001-02	170468	184955
Central Sales Tax Act, 1956	Sales tax	1996-97		10000
West Bengal Sales Tax Act, 1994	Raw Jute Tax	1995-96	5878154	
		2002-03	299995	
		2003-04	514	6178663
				6373618

* Refer Note No. 8 of Notes on Accounts of Schedule N

BUDGE BUDGE COMPANY LIMITED

ANNEXURE - II

Disputed Statutory Dues as on 31-03-2011

Name of the Statute	Nature of Dues	Period to which the amount relate	Forum where dispute is pending	Amount In Rs.	Amount in Rs.
B.F.(S.T.) Act '41	Assessment Dues	1995-96	Sr. Jt. Commissioner	751499	
B.F.(S.T.) Act '41	DO	1994-95	W.B.C.T.A & R Board	586397	1337896
C.S.T. Act '56	DO	1982-83, 1997-98 1995-96 to 1997-98, 2001-02 2003-04 to 2004-05 2002-03	Jt. Commissioner W.B.C.T.A & R Board Addl. Commissioner High Court, Kolkata	9022103 28179696 2191838	39393637
W.B.S.T. Act '94	DO	1999-00 to 2001-02 2003-04 to 2004-05	W.B.C.T.A & R Board	11110459	
W.B.S.T. Act '94	DO	1995-96 to 1997-98 1998-99 2002-03, 2003-04	Sr. Jt. Commissioner W.B.C.T.A & R Board Addl. Commissioner High Court, Kolkata	17410901 331980 12400684	41254024
W.B. VAT 2003	DO	2007-08	Sr. Jt. Commissioner		1258726
CST ACT 1956	DO	2007-08	Sr. Jt. Commissioner		2228733
					85473016

BUDGE BUDGE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31.03.2011 Amount in Rs.	31.03.2010 Amount in Rs.
Sources of Funds :			
1. Shareholders' Fund			
Share Capital	"A"	6,44,21,510	95,86,510
Share Suspense		—	5,48,35,000
Reserve & Surplus	"B"	42,22,61,432	43,18,95,047
		48,66,82,942	49,63,16,557
2. Loan Funds			
Secured Loans	"C"	11,57,98,226	6,96,27,076
Unsecured Loans	"D"	6,53,15,840	6,28,05,198
		18,11,14,066	13,24,32,274
		66,77,97,008	62,87,48,831
Application of Funds :			
1. Fixed Assets			
Gross Block	"E"	94,67,18,314	92,51,41,194
Less : Depreciation		36,65,26,449	34,09,27,922
Net Block		58,01,91,865	58,42,13,272
2. Investments			
	"F"	3,69,82,403	4,21,04,623
3. Current Assets, Loans & Advances			
Inventories		18,02,53,484	15,37,98,364
Sundry Debtors		7,08,84,489	3,36,11,139
Cash & Bank Balance		93,48,834	60,86,554
Loans & Advances		14,66,15,969	12,64,77,403
		40,71,02,776	31,99,73,460
Less : Current Liabilities & Provisions	"H"	35,64,80,036	31,75,42,524
Net Current Assets		5,06,22,740	24,30,936
		66,77,97,008	62,87,48,831
Notes on Accounts	"N"		

The schedules referred to above Form an integral part of the Balance Sheet.

P-21/22, Radha Bazar Street Kolkata - 700 001 Dated the 13th August, 2011	As per our report of "even date" For JAIN & CO. <i>Chartered Accountants</i> Registration No. 302023E M. K. JAIN <i>Partner</i> Membership No. 55048	MANISH PODDAR, <i>Mg. Director</i> ASHOK KUMAR PODDAR, <i>Director</i> D. V. SINGHI, <i>Secretary</i>
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BUDGE BUDGE COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31.03.2011 Amount in Rs.	31.03.2010 Amount in Rs.
Income :			
Sales		1,46,32,46,037	86,74,29,028
Less : Sales Expenses	"I"	1,11,78,292	82,74,731
		1,45,20,67,745	85,91,54,297
Add : Other Income	"J"	1,09,56,948	82,08,627
		1,46,30,24,693	86,73,62,924
Expenditure :			
Manufacturing & other expenses	"K"	1,34,05,09,387	83,90,42,620
Purchases		7,75,71,891	3,36,75,713
Interest	"L"	1,44,63,295	1,23,38,483
Decrease/(Increase) in Stock	"M"	81,21,932	(3,14,67,197)
Depreciation		3,19,91,803	
Less : Transferred from General Reserve		2,58,04,034	61,87,769
		1,44,68,54,274	85,83,57,326
Profit before taxation & Prior Period Adjustment		1,61,70,419	90,05,598
Less : Prior Period Adjustment		—	7,28,217
		1,61,70,419	82,77,381
Provision for Taxation			
Provision for Income Tax		31,92,174	12,61,060
Less : Provision for MAT Credit Entitlement		31,92,174	12,61,060
		—	—
Profit after tax		1,61,70,419	82,77,381
Less : Appropriation Transfer to Capital Redemption Reserve		6,00,000	—
		1,55,70,419	82,77,381
Credit Balance Brought Forward		4,66,66,277	3,83,88,896
Credit Balance Carried Forward		6,22,36,696	4,66,66,277
Basic and Diluted Earning Per Share (Refer Note No. 15 of Schedule "N")		2.52	1.29

Notes on Accounts

"N"

The schedules referred to above Form an integral part of the Profit & Loss Account

As per our report of "even date"

For JAIN & CO.

Chartered Accountants

Registration No. 302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radha Bazar Street

Kolkata - 700 001

Dated the 13th August, 2011

MANISH PODDAR, *Mg. Director*

ASHOK KUMAR PODDAR, *Director*

D. V. SINGHI, *Secretary*

BUDGE BUDGE COMPANY LIMITED

(Annexed to and forming part of the Balance Sheet as at 31st March, 2011 and
the Profit & Loss Account for the year ended 31st March, 2011)

		31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - A			
Share Capital			
Authorised :			
10,000	11% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,00,000	10,00,000
50,000	11% Redeemable Cumulative Preference Shares of Rs. 30/- each	15,00,000	15,00,000
64,00,000	Equity Shares of Rs. 10/- each (Previous Year 58,80,000 Equity Shares of Rs. 10/- each)	6,40,00,000	5,88,00,000
		6,65,00,000	6,13,00,000
Issued, Subscribed & Paid up :			
6,000	11% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	6,00,000	6,00,000
63,82,151	Equity Shares of Rs. 10/- each (Fully paid up) (Previous Year 8,98,651 Equity Shares of Rs. 10/- each fully paid up)	6,38,21,510	89,86,510
		6,44,21,510	95,86,510

Notes :- Of the above 54,83,500 Equity Shares of Rs. 10/- each have been issued pursuant to a scheme of Amalgamation without payment being received in cash. The 11% Redeemable Cumulative Preference Shares of Rs. 100/- each are redeemable at par at any time after the expiry of 12 years but not later than 15 years from the date of allotment i. e. 29/09/77 by giving not less than 6 months notice.

SCHEDULE - B

Reserve & Surplus

Capital Redemption Reserve	9,91,890		
Add : Transfer from Profit & Loss A/c	<u>6,00,000</u>	15,91,890	9,91,890
General Reserve			
As per last Balance Sheet	38,42,36,880		
Less : Transferred to Profit & Loss account on account of depreciation	<u>2,58,04,034</u>	35,84,32,846	38,42,36,880
Profit and Loss Account		6,22,36,696	4,66,66,277
		42,22,61,432	43,18,95,047

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - C		
Secured Loans		
(i) Allahabad Bank A/c Term Loan	—	3,50,00,000
(ii) Allahabad Bank A/c Cash Credit	9,04,86,691	3,26,43,454
(iii) Axis Bank Ltd.	2,15,64,751	—
(iv) HDFC Bank (Car loan)	31,01,907	4,50,984
(v) ICICI Bank (Car loan)	—	81,929
(vi) Relaince Capital Ltd. (Car loan)	6,44,877	10,43,468
(vii) Interest Accrued & Due	—	4,07,241
	11,57,98,226	6,96,27,076

Security in respect of each of above is given in seriatim :

- Notes :- (ii) Secured by hypothecation of entire stocks book debts and other current assets of the company, both present and future, equitable mortgage of land and building of the company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Managing director and a Director of the company.
- (iii) Secured by Pledge of Warehouse Receipts/Storage Receipts with lien noted in favour of the bank and Personally guaranteed by Managing Director of the Company.
- (iv) & (vi) Secured against hypothecation of vehicles acquired thereagainst .

SCHEDULE - D

Unsecured Loans

(i) From Bodies Corporates	7,10,541	7,19,204
(ii) Sales Tax Incentive Loan	17,50,000	17,50,000
(iii) Sales Tax Loan from Government of West Bengal	54,43,149	54,43,149
(iv) Sales Tax Loan from West Bengal Industrial Development Corpn. Ltd.	2,47,63,975	2,47,63,975
(v) Special Capital Incentive Loan	7,50,000	7,50,000
(vi) Interest Accrued & Due U/L Loan	3,18,98,175	2,93,78,870
	6,53,15,840	6,28,05,198

BUDGE BUDGE COMPANY LIMITED

SCHEDULE - E

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 1-4-10	Addition	Deduction	As on 31-3-11	Upto 31-3-10	Provided during the year	Deductions	Upto 31-3-11	As on 31-3-11
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	155787500	—	—	155787500	—	—	—	—	155787500
Building	208237347	101804	—	208338951	74235698	8704568	—	82940266	125398685
Telephone	704336	81820	—	766156	320871	38973	—	359844	406312
Furniture & Fixture	2851358	533824	61225	3323957	1873648	94774	58164	1910258	1413699
Office Equipment	23807	—	—	23807	11546	1507	—	13053	10754
Motor Car	7831664	4409686	—	12241350	2329726	890472	—	3220198	9021152
Computer	2152369	161596	—	2313965	1508823	193745	—	1702568	611397
Railway Siding	581335	—	—	581335	567539	—	—	567539	13796
Tubewell	1084359	400576	—	1484935	428202	19659	—	447861	1037074
Plant & Machinery	545665076	24269260	9771923	560182413	259651869	22048105	6335112	275364862	284797551
Total	924919151	29938366	9833148	945024369	340927922	31991803	6393276	366526449	578497920
Capital Work In Progress									
Plant & Machinery	—	120834	—	120834	—	—	—	—	120834
Building	222043	1351068	—	1573111	—	—	—	—	1573111
Total	222043	1471902	—	1693945	—	—	—	—	1693945
Grand Total	925141194	31410268	9833148	946718314	340927922	31991803	6393276	366526449	580191865
Previous Year	916089414	11361920	2310140	925141194	310518729	306571741	162548	340827922	584213272
									605570685

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

SCHEDULE - F

Investment (At Cost)

(Long term unless otherwise stated)

Other than Trade

In Shares (Quoted)

(Fully Paid Up)

In Other Companies

	Face Value (Rs.)	Holding (No.)	31.03.11 (Rs.)	Holding (No.)	31.03.10 (Rs.)
1. Whirlpool of India Ltd.	10	300	7,050	300	7,050
Aggregate Value of Quoted Investments			7,050		7,050

Unquoted

(Fully Paid Up)

1. A. M. Industries Ltd. (11% Redeemable Cumulative Preference Shares)	100	400	40,000	400	40,000
	10	400238	38,09,544	400238	38,09,544
2. A. M. Udyog Ltd. (11% Redeemable Cumulative Preference Shares)	100	7	700	7	700
	10	678405	65,58,225	678405	65,58,225
3. A. K. Goenka & Sons Pvt. Ltd.	10	10000	5,00,000	10000	5,00,000
4. Ankit Lifeline Pvt. Ltd.	10	20000	20,00,000	20000	20,00,000
5. Apeejay Tea Ltd.	10	200	1,000	200	1,000
6. Aper Dealers (P) Ltd.	10	7700	77,000	7700	77,000
7. Ashmani Developers Ltd.	10	10962	1,03,962	10962	1,03,962
8. Bengal Investment Ltd.	10	—	—	197222	19,72,220
9. BNS Consultants Pvt. Ltd.	10	17500	3,50,000	17500	3,50,000
10. Chiranjilal & Co. Pvt. Ltd.	10	50000	5,00,000	50000	5,00,000
11. Deejay Promoters Pvt. Ltd.	10	5000	25,00,000	5000	25,00,000
12. Dewdrop Tracon (P) Ltd.	10	7700	77,000	7700	77,000
13. Ess Emm Enclaves (P) Ltd.	10	37500	3,75,000	37500	3,75,000
14. G. D. Goenka Global Industries Pvt. Ltd.	10	10000	5,00,000	10000	5,00,000
15. Infodata Solutions Pvt. Ltd.	10	10000	2,50,000	10000	2,50,000
16. Jabali Commercial Co. Pvt. Ltd.	10	1452	2,90,400	1452	2,90,400
17. Jackson Mercantile (P) Ltd.	10	200	2,000	200	2,000
18. Joyeria Jewels India Pvt. Ltd.	10	5000	9,00,000	5000	9,00,000
19. Jyoti Vikash Trade Pvt. Ltd.	10	50000	25,00,000	50000	25,00,000
20. Labh Export Pvt. Ltd.	100	1250	2,50,000	1250	2,50,000
21. Lucky Project Pvt. Ltd.	10	17000	17,00,000	17000	17,00,000
22. Malvika Distributors Pvt. Ltd.	10	5000	5,00,000	5000	5,00,000

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

SCHEDULE - F (Contd.)

	Face Value (Rs.)	Holding (No.)	31.03.11 (Rs.)	Holding (No.)	31.03.10 (Rs.)
23. Multi Storied Construction (P) Ltd.	10	7500	75,000	7500	75,000
24. Pranadhi Estate Pvt. Ltd.	10	1050	10,50,000	1050	10,50,000
25. Rajputana Consultants Pvt. Ltd.	10	2000	1,00,000	2000	1,00,000
26. Rakesh Builders (P) Ltd.	10	7500	75,000	7500	75,000
27. Rash Behari Construction (P) Ltd.	10	7500	75,000	7500	75,000
28. Rudrani Construction (P) Ltd.	10	7500	75,000	7500	75,000
29. Sabrang Commercial Pvt. Ltd.	10	20000	10,00,000	20000	10,00,000
30. Shokeen Properties Pvt. Ltd.	10	2400	12,00,000	2400	12,00,000
31. Southwest Construction (P) Ltd.	10	300	3,000	300	3,000
32. Sri Balaji Rocks Ltd.	10	3000	3,00,000	3000	3,00,000
33. Suncity Properties (P) Ltd.	10	5000	1,58,000	5000	1,58,000
34. Suruchi Processors Pvt. Ltd.	10	100000	10,00,000	100000	10,00,000
35. Swastika Prints Pvt. Ltd.	10	—	—	3000	15,00,000
36. Synergy Steel Pvt. Ltd.	10	4000	4,00,000	4000	4,00,000
37. The Laxmi Salt Co. Ltd.	10	2000	14,00,000	2000	14,00,000
38. Three Caps and Cartoons Pvt. Ltd.	10	5000	10,00,000	5000	10,00,000
39. The Wallwood Plantation & Agency Ltd.	10	15600	1,17,585	15600	1,17,585
40. Tirupati Lamination Pvt. Ltd.	100	2000	2,00,000	2000	2,00,000
41. Tivoli Park Apartments (P) Ltd.	100	6500	6,50,000	3000	3,00,000
42. Tyrone Agency (P) Ltd.	10	200	2,000	200	2,000
43. Usha Kiran Designers Pvt. Ltd.	10	—	—	20000	20,00,000
44. Varsha Holdings Pvt. Ltd.	10	5000	2,50,000	5000	2,50,000
45. Winmore Commercial (P) Ltd.	10	200	2,000	200	2,000
46. Xenix Services Pvt. Ltd.	10	50000	5,00,000	50000	5,00,000
47. Zenom Vinimay Pvt. Ltd.	10	5000	2,50,000	5000	2,50,000
Subsidiary Company					
Pam Infrastructure Projects Limited	10	360000	33,00,000	360000	33,00,000
In Government Securities					
7 Years National Saving Certificate lodged as security with Central Excise Authority			7,937		7,937
Aggregate Value of Unquoted Investments			<u>3,69,75,353</u>		<u>4,20,97,573</u>
Aggregate Value of Investments			<u>3,69,82,403</u>		<u>4,21,04,623</u>
Aggregate Market Value of Quoted shares			79,500		48,210

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - G		
Current Assets, Loans & Advances		
A. Current Assets		
i) Stock-in-trade (as per inventories taken valued and certified by the management)		
a) Finished Stock	5,32,22,741	6,13,44,673
b) Raw Materials	6,76,95,958	4,14,04,846
c) Stock of Shares (As per Schedule 'GA')	1,31,20,896	1,31,20,896
d) Stores & Spare Parts	2,02,69,217	1,35,24,493
e) Work-in-Progress	2,59,44,672	2,44,03,456
	18,02,53,484	15,37,98,364
ii) Sundry Debtors (Unsecured and considered good)		
Debts outstanding over 6 months	1,54,37,472	39,78,079
Other Debts	5,54,47,017	2,96,33,060
	7,08,84,489	3,36,11,139
iii) Cash & Bank Balances :		
Cash in Hand	23,29,976	13,16,949
Balances with scheduled banks		
On current account	60,86,658	47,69,605
On Fixed Deposits	9,32,200	—
	93,48,834	60,86,554
B. Loans & Advances		
(Unsecured, considered good unless otherwise stated)		
a) Advance Fringe Benefit Tax	18,01,105	18,01,105
b) Advances against share application	10,00,000	10,00,000
c) Advances Recoverable in cash or in kind or for value to be received	5,36,64,420	4,74,05,332
d) Advances to a Subsidiary	3,23,82,000	2,47,67,000
e) Balances with Customs & Port Trust Authorities	46,184	46,184
f) Deposits with Govt. Department & others	97,34,702	78,98,459
g) Income Tax Advances	10,30,659	1,43,822
h) Income Tax deducted at source	30,86,114	36,87,311
i) Loan to body corporate	3,78,96,644	3,69,46,223
j) MAT Credit Entitlement	59,74,141	27,81,967
	14,66,15,969	12,64,77,403
Notes :		
Classification of Loans & Advances		
a) Unsecured Considered Good	14,66,15,969	12,64,77,403
b) Unsecured Considered Doubtful	—	—
	14,66,15,969	12,64,77,403

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

SCHEDULE - GA

Name of the Company	Face Value	Opening Balance As at 01.04.10	Purchased	Sold	Closing Balance As at 31.03.2011		As at 31.03.2010	
		Nos.	Nos.	Nos.	Nos.	Amount Rs.	Nos.	Amount Rs.
A C C Ltd.	10	800	—	—	800	172017	800	172017
Ajmera Realty	10	6	—	—	6	360	6	360
Bharti Telecom Ltd.	10	2000	—	—	2000	758072	2000	758072
Central India Polyester Ltd.	10	2408	—	—	2408	22491	2408	22491
Dish T.V. Ltd.	1	10000	—	—	10000	938177	10000	938177
Divis Laboratory Ltd.	2	270	—	—	270	216320	270	216320
Duncan Industries Ltd	10	445	—	—	445	4450	445	4450
Ei Forge Ltd.	10	2000	—	—	2000	150803	2000	150803
Essar Shipping Co Ltd	10	5100	—	—	5100	51635	5100	51635
Gujarat State Petronet Ltd.	10	2500	—	—	2500	195845	2500	195845
HDFC Bank Ltd.	10	500	—	—	500	856713	500	856713
I G Petrochemicals Ltd	10	100	—	—	100	3305	100	3305
India Bulls Finance Ltd.	2	300	—	—	300	219649	300	219649
India Bulls Securities Ltd.	2	300	—	—	300	6420	300	6420
Infosys Technologies Ltd.	5	500	—	—	500	843694	500	843694
JP Hydro Power Ltd.	10	12500	—	—	12500	974289	12500	974289
Kesoram Textiles Mills Ltd	10	1220	—	—	1220	1220	1220	1220
Khaitan Chemicals Ltd	10	8	—	—	8	646	8	646
Larsen & Toubro Ltd.	2	100	—	—	100	1733	100	1733
LIC Housing Finance Ltd.	2	15000	—	—	15000	1127393	3000	1127393
Mahindra Life Space Ltd.	10	127	—	—	127	2320	127	2320
Maral Overseas Ltd	10	100	—	—	100	2940	100	2940
Modern Thread (I) Ltd	10	75	—	—	75	750	75	750
Morarji Textiles Ltd.	10	120	—	—	120	5078	120	5078
MSK Projects Ltd.	10	700	—	—	700	87734	700	87734
Mysore Petrochemicals Ltd	10	350	—	—	350	9013	350	9013
New Century Leasing Ltd	10	2500	—	—	2500	6250	2500	6250
Peninsula Land	2	250	—	—	250	4667	250	4667
Power Grid Corp. Ltd.	10	550	—	—	550	80813	550	80813
Rampur Fertilizers Ltd	10	16	—	—	16	160	16	160

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

SCHEDULE - GA (Contd.)

Name of the Company	Face Value	Opening Balance As at 01.04.10	Purchased	Sold	Closing Balance As at 31.03.2011		As at 31.03.2010	
		Nos	Nos.	Nos.	Nos	Amount Rs.	Nos.	Amount Rs.
Regency Investment & Trust Ltd	10	200	—	—	200	2000	200	2000
Reliance Capital Ltd.	10	10	—	—	10	464	10	464
Reliance Communication Ltd.	5	5000	—	—	5000	2109673	5000	2109673
Reliance Industries Ltd.	10	4539	—	—	4539	3584071	4539	3584071
Reliance Petroleum Ltd.	10	—	—	—	—	—	—	—
S P I C Ltd	10	25	—	—	25	250	25	250
Shree Precoated Steel Ltd	10	14	—	—	14	840	14	840
Shreyans Industries Ltd	10	100	—	—	100	2720	100	2720
Steelco Gujarat Ltd	1	500	—	—	500	4115	500	4115
Swadeshi Cotton Mills Ltd	10	50	—	—	50	500	50	500
T I S C O Ltd	10	15	—	—	15	1827	15	1827
Tamilnadu Petro Products Ltd	10	4100	—	—	4100	71900	4100	71900
Tata Finance Co Ltd.	10	5	—	—	5	2840	5	2840
TCS Ltd.	1	1000	—	—	1000	529184	1000	529184
Tirupati Industries Ltd	10	200	—	—	200	1356	200	1356
Uco Bank Ltd.	10	1000	—	—	1000	57270	1000	57270
UltraTech Cement Ltd.	10	20	—	—	20	6929	20	6929
TOTAL - A		77623	—	—	77623	13120896	65623	13120896
H D C Limited (Deb)		1103	—	—	1103	—	1103	—
M R P L Limited (Deb)		200	—	—	200	—	200	—
Morarjee Textile Ltd.		33	—	—	33	—	33	—
Shreyans Industries Ltd (Deb)		20	—	—	20	—	20	—
V H E L Limited (Deb)		265	—	—	265	—	265	—
Western Orissa Sugar Ltd (Deb)		20	—	—	20	—	20	—
TOTAL - B		1641	—	—	1641	—	1641	—
TOTAL - A + B		79264	—	—	79264	13120896	67264	13120896

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - H		
Current Liabilities & Provisions		
A. Current Liabilities		
Sundry Creditors		
Dues to Micro, Small & Medium Enterprises	—	—
Due to Others	28,44,98,262	24,87,53,444
Liability for Expenses	5,95,94,031	5,94,36,104
Liabilities of Preference Share Redemption	5,07,930	5,07,930
Advance from Customers	18,21,877	17,61,879
Other advances	17,74,263	20,45,212
Bank Overdraft (due to reconciliation)	4,45,523	3,91,979
B. Provisions		
For Income Tax	61,51,305	29,59,131
For Fringe benefit tax	16,86,845	16,86,845
	35,64,80,036	31,75,42,524

SCHEDULE - I

Sales Expenses		
Brokerage & Commission	38,52,239	21,89,342
Difference of Gunny Contract	—	9,78,248
Export Expenses	—	5,620
Lorry Hire Charges	2,78,539	78,867
Packing & Shipping	47,63,549	35,94,708
Sales Claim	3,10,642	10,68,664
Sales Promotion Expenses	19,73,323	3,59,282
	1,11,78,292	82,74,731

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - J		
Other Income		
Branding Charges (Net)	12,05,320	12,16,825
Dividend	1,53,889	1,18,957
Interest Received (Tax deducted at source Rs. 3,30,303/-, Previous year Rs. 3,73,640/-)	33,03,022	37,32,711
Liability no Longer Required Written Back	1,56,068	—
Insurance Claim	—	2,36,111
Miscellaneous Receipts	2,687	—
Profit on Sale of Fixed Assets	50,66,258	—
Remission of Govt Duty on Electricity	—	16,87,795
Sale of scrap	10,69,704	12,16,228
	1,09,56,948	82,08,627
SCHEDULE - K		
Manufacturing & Other Expenses		
(A) Manufacturing Expenses		
Raw materials consumed	90,66,03,980	51,83,17,924
Add : Opening stock of Work In Process	2,44,03,456	2,04,82,112
Less : Closing stock of Work in Process	2,59,44,672	2,44,03,456
	90,50,62,764	51,43,96,580
Carriage Inward	1,77,059	3,38,166
Machinery Hire Charges	—	9,60,000
Power & Fuel (Net)	6,25,90,201	4,48,14,467
Stores & Spares Consumed	7,19,92,015	4,94,36,944
Processing Charges (Stitching)	50,16,599	71,88,145
Processing Charges (Weaving)	1,53,28,168	1,04,26,980
	1,06,01,66,806	62,75,61,282
(B) Payment to Employees		
Salaries, Wages, Gratuity & Bonus	22,94,87,327	16,20,19,311
Contribution to Provident & other funds	2,70,81,340	1,85,90,281
Workers & Staff welfare expenses	17,03,637	15,24,872
	25,82,72,304	18,21,34,464

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
(C) Other Expenses		
Conveyance Charges	3,16,517	4,13,056
Director's Fee	1,10,000	52,500
Insurance Charges	13,70,799	8,85,830
Legal & Professional Expenses	20,95,027	12,89,872
Loss on Sale of Fixed Asset (Net)	—	57,787
Motor Car Expenses	18,33,914	16,57,017
Rates & Taxes	9,41,560	7,84,559
Rent	3,09,910	1,28,030
Telephone Charges	6,50,499	5,19,765
Travelling Expenses	28,85,109	39,12,815
Repairs & Maintenance		
Building	6,69,766	8,01,603
Plant & Machinery	47,32,475	1,05,72,062
Others	10,18,155	6,87,770
Payment of Auditors		
Audit Fees	35,000	35,000
Certification Fees	10,000	25,995
Miscellaneous Expenses	50,91,547	75,23,213
	<u>2,20,70,277</u>	<u>2,93,46,874</u>
Total (A+B+C)	<u>1,34,05,09,387</u>	<u>83,90,42,620</u>

SCHEDULE - L

Interest

On Term Loan	25,19,305	1,19,88,662
On Cash Credit A/c	1,17,01,542	—
On Others	2,42,448	3,49,821
	<u>1,44,63,295</u>	<u>1,23,38,483</u>

SCHEDULE - M

(Increase) / Decrease in Stock

Opening Stock

Finished Goods	6,13,44,673		
Shares	<u>1,31,20,896</u>	7,44,65,569	4,29,98,372

Closing Stock

Finished Goods	5,32,22,741		
Shares	<u>1,31,20,896</u>	6,63,43,637	7,44,65,569

<u>81,21,932</u>	<u>(3,14,67,197)</u>
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BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

SCHEDULE - N

NOTES FORMING PART OF ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

- i) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- ii) Financial statements are based on historical cost convention method modified by revaluation of certain fixed assets as a going concern and are in consonance with generally accepted accounting principles.

b) Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialised.

c) Fixed Assets and Depreciation

- i) Fixed assets, other than those revalued are stated at cost /book value less depreciation and capital subsidy.
- ii) Depreciation is provided on assets acquired / installed after 1.6.75 on straight line method and assets acquired / installed prior to that on written down value method at the rates applicable at the time of acquisition / installation of such assets. However, depreciation on assets acquired / installed after 1.4.87 has been calculated at the rates applicable as per Schedule XIV to the Companies Act, 1956.
- iii) The amounts added on revaluation is amortised over the period of useful life of the asset as determined and an equivalent amount thereof is transferred to the Profit & Loss Account from the Revaluation/General Reserve.

d) Government Grants

Revenue grants including subsidy / rebates are credited to Profit and Loss Account under "Other Income" or deducted from the related expenses. Grants relating to fixed assets are credited to Capital Reserves Account or adjusted in the cost of such assets as the case may be. These are accounted for as and when the ultimate realisability is established.

e) Investments

Long-term investments are stated at cost less diminution in value except temporary in nature. Current investments are carried at lower of cost or fair value.

f) Exchange Fluctuations

Monetary Current Assets and Liabilities in foreign currency outstanding at close of the financial

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

year are valued at the appropriate exchange rates at the close of the year. The loss or gain in fluctuation of exchange is charged to the Profit & Loss Account.

g) Inventories

- i) Inventories are valued at lower of the cost and net realisable value. Costs in respect of these inventories is determined on monthly/annual weighted average method. Cost in respect of finished stock and process stock is estimated considering direct material, production overhead and appropriate portion of administrative overheads.

Cess duty payable on finished goods lying at factory at the year end is included in the valuation of finished goods.

- ii) Stock of shares and debentures has been valued at cost.

h) Employee Benefits

i) Defined Contribution Plans

The Company has defined benefit contribution plans in the form of Provident Fund, EDLI, ESIC and Labour Welfare Fund and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to these respective funds.

ii) Other Retiral Benefits

The liability for gratuity at the end of the year payable to employees is determined on the basis of actuarial valuation under Revised AS-15 norms but the same has not been provided and is reflected by way of a note to the accounts.

The other retiral benefits are accounted for as and when the liability for payment arises.

i) Sales

- i) Sales other than through consignees are accounted for on passing of property as per terms of sales and as per prevailing business practice in this regard.
- ii) Goods sent on consignment are accounted for as sale on the basis of receipt of Account Sale from respective consignees and in cases where account sales have not been received till the year end, sales are accounted for on the basis of proforma invoices raised.
- iii) Sales is exclusive of cess duty and sales tax/Value Added Tax (VAT), rebate, discounts etc. are excluded therefrom.

j) Revenue Recognition

- i) All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise, are accounted for on mercantile basis.
- ii) Delayed payment charges to Raw Jute Suppliers are recognized as and when settled/paid.

k) Claims

Insurance and other claims receivable are accounted for as and when ascertained/realised.

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

l) Expenses

Expenses under primary heads such as salary, wages, consumption of stores & raw materials etc are being shown as usual in their respective heads of accounts instead of functional re-classification.

m) Taxation

- i) Provision for Current Income Tax is made on the taxable income using the applicable tax rules and tax laws.
- ii) Deferred Tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantially enacted. Deferred tax assets are not recognised unless there is virtual certainty with convincing supporting evidences that such asset will be realised in future.

n) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is to be charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss, if recognized in any accounting period, is reversible if there is any change in the estimate of recoverable amount.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

2) Contingent Liability not provided for in respect of :-

	Current Year Rs.	Previous Year Rs.
a) Sales Tax demands pending with appellate authorities	8,54,73,016	8,19,85,607
b) Claim for Damages on delayed payment of Employee State Insurance dues which the Company has disputed and final order of Employee Insurance Court, Kolkata, is pending. However, the Company is entitled to obtain waiver with regard to interest penalty and damages for delayed payments of the old outstanding in respect of Provident Fund and Employee State Insurance under the relevant statutory provisions. Necessary steps are being taken to obtain the waiver from the appropriate authorities.	11,45,951	11,45,951

Provisions against above mentioned contingent liabilities have not been made as the management does not foresee any liability in view of the legal opinion taken by the management.

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

- 3) The liability of Rs. 16,31,21,446/- (Previous Year Rs. 15,63,16,901/-) being gratuity payable to employees determined as per actuarial valuation as at 31st March, 2011 under Revised AS-15 norms has not been provided for in the accounts.
- 4) Sales include Rs. 3234.16 lacs (previous period Rs. 2750.15 lacs) on account of goods sent on consignment, which has been treated as sale on the basis of proforma invoice raised. The difference in value of sale and expenses has neither been ascertained nor accounted for. However, management does not expect any loss on this account.
- 5) i) Investments are of long term in nature and as such no provision for diminution in the break up value of unquoted shares has been considered necessary.
- ii) Certain shares/debentures held as investments/stock valued at Rs. 2,01,579/- could not be produced to the auditors for verification as these have either been lost in transit or are presently not traceable. Necessary steps including filing of suit on Investee Company have been initiated against the same. Further, pending certain formalities etc., certain shares/debentures held as stock valued at Rs. 8,577/- were not transferred in the name of the erstwhile AMI and consequently as at the balance sheet date have not been held by the Company in its own name.
- 6) On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March 2011.
- 7) i) Current Liabilities include unpaid amount in respect of 11% Redeemable Cumulative Preference Share of Rs. 30/- each amounting to Rs. 5,07,930/- redeemed in earlier years.
- ii) In terms of Section 80A of the Companies Act, 1956, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each amounting to Rs. 6,00,000 were due for redemption on 28.09.1992. The arrear cumulative dividend on above till 31.03.2011 amounted to Rs. 24,97,529/-. The Board has decided to redeem the same and accordingly a sum of Rs. 6,00,000/- is being transferred from Profit and Loss A/c to Capital Redemption Reserve.
- 8) The Company had filed an application before the Hon'ble High Court at Calcutta (the "Court") and West Bengal Taxation Tribunal "Extra Ordinary Jurisdiction" (the 'tribunal') alleging the interest aggregating to Rs. 1,37,71,765/- paid by it in the year 1997-98 under Central Sales Tax Act, 1961, West Bengal Sales Tax Act, 1954 and Bengal Finance (Sales Tax) Act, 1941 as refundable on the ground that such interest was paid without having any provision for levy of the said interest under the respective Acts and no such interest was assessed/charged in the respective assessment orders.
- In view of the above, Rs. 1,37,71,765/- paid by the Company in earlier years and Rs. 78,60,754/- being interest considered/ascertained by the management as receivable thereupon, pending decision of the Court/Tribunal on the matter, have been considered good for recovery and is included under the head "Advances recoverable in cash or in kind" and undisputed sales tax dues amounting to Rs. 63,73,618/- as disclosed in Annexure-1 to the Auditor Report has remain unpaid.
- 9) Exchange fluctuation loss Rs. NIL (Previous Year Rs. 13,387/-) on foreign currency transactions remain adjusted with respective head of accounts under Profit and Loss Account.

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

- 10) Advances include Rs. 51,650/- recoverable from Income Tax authorities on account of cash seized in earlier year for which necessary orders for refund has been passed but refund not yet received.
- 11) Disclosure of Sundry creditors and current Liabilities is based on the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Amount payable includes as on 31st March, 2011 to Micro, Small and Medium Enterprises an amount of principal together with interest aggregate to Rs. NIL (Previous Year Rs. NIL).
- 12) i) In view of carry forward losses and unabsorbed depreciation as per Income Tax Act, 1961, provision for taxation for the year has not been considered necessary by the management.
- ii) In accordance with Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax. The Company has significant amount of carried forward depreciation and losses under the Income Tax Act. However, as a matter of prudence, during the year deferred tax assets has not been recognized in view of deferred tax liability being Nil.
- 13) Related party disclosures as identified by the management in accordance with the Accounting Standard - 18 issued by The Institute of Chartered Accountant of India are as follows :

A. List of Related Parties :-

- i) Parties where common control exists : None
- ii) Other related parties with whom the Company has entered into transactions during the year.
- a) **Associates :**
- i) A. M. Udyog Ltd.
- ii) A. M. Business & Finance Ltd.
- iii) A. M. Industries Ltd.
- iv) Ashmani Developers Ltd.
- v) Bengal Investments Ltd.
- b) **Key management personnel :**
- Mr. Manish Poddar (Managing Director)
- c) **Enterprises over which key management personnel and their relatives have significant influence :**
- i) Ripon Estates Ltd.
- d) **Subsidiary Company :**
- i) Vasavi Infrastructure Projects Ltd.
(Formerly : PAM Infrastructure Projects Ltd.)

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

iii) During the year following transactions were carried out with the related parties :-

	01.04.10 To 31.03.11 Rs.	01.10.09 To 31.03.10 Rs.	Outstanding As on 31.03.11 Rs.	Outstanding As on 31.03.10 Rs.
a) Associates				
Advances Given				
i) A.M. Udyog Limited	(5000)	35000	329500 Dr	324500 Dr
ii) A.M. Business & Finance Limited	82000	60000	4895811 Dr	4184100 Dr
iii) A.M. Industries Limited	1039000	230000	1748500 Dr	709500 Dr
iv) Ashmani Developers Limited	Nil	Nil	467300 Dr	467300 Dr
v) Bengal Investments Ltd.	(425000)	21050000	Nil	9050000 Dr
	691000	21375000	7441111 Dr	14735400 Dr
Rent Received (Reimbursement)				
Bengal Investments Limited	Nil	61354	Nil	61354 Dr
Electricity Charges Received (Reimbursement)				
Bengal Investments Limited	Nil	211084	Nil	6540 Dr
Telephone Charges Received (Reimbursement)				
Bengal Investments Limited	Nil	89739	Nil	7380 Dr
Legal & Professional Charges Received (Reimbursement)				
Bengal Investments Limited	Nil	240498	Nil	240498 Dr
Purchases :- Raw Materials				
Bengal Investments Limited	397867935	363164697	150916692 Cr	166902409 Cr
Purchases :- Stores Materials				
Bengal Investments Limited	12568400	Nil	3385000 Cr	940800 Cr
Machinery Hire Charges Paid				
Bengal Investments Limited	Nil	960000	Nil	940800 Cr
Payment to Raw Jute Creditors				
Bengal Investments Limited	422353652	375278804	Nil	Nil
Payment to Stores Creditors				
Bengal Investments Limited	483400	Nil	Nil	Nil

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

b) Key management personnel :

Managerial Remuneration

Mr. Manish Poddar (Managing Director)	1140135	966147	Nil	Nil
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c) Enterprise over which key management personnel and their relatives have significant influence :

Advances Given against equity

Ripon Estates Limited	Nil	(4745000)	Nil	Nil
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Advances Received

Ripon Estates Limited	Nil	7745000	68891 Cr	68891 Cr
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d) Subsidiary Company :

Advances Given

Vasavi Infrastructure Projects Ltd. (Pam Infrastructure Projects Ltd.)	8944393	755000	32382000 Dr	24767000 Dr
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- 14) The Company is mainly engaged in the business of manufacturing of Jute goods. During the year, risks and returns of the enterprise will therefore continued to be associated with business of manufacturing of Jute goods. Necessary segment information with respect to business of Jute goods are as follows :

The business segment has been considered as primary segment for reporting segment information.

Information about Geographical segments :

(Amount in Rs.)

	Domestic		Exports		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue						
From External Customers	1463246037	866882228	Nil	546800	1463246037	867429028
Segment Assets	1024277044	946291355	Nil	Nil	1024277044	946291355

15) Earning Per Share (EPS) :-

(Amount in Rs.)

	01.04.2010 To 31.03.2011	01.04.2009 To 31.03.2010
(a) Profit/(Loss) attributable to equity share holder	16104419	8211381
(b) Basis and weighted average number of equity share during the year	6382151	6382151
(c) Nominal value of equity share	10	10
(d) Basic and diluted EPS	2.52	1.29

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

16) Expenses include following payments to Managing Director :

	For the year ended 31.3.11	For the year ended 31.03.10
	Rs.	Rs.
Salary	8,40,000	7,20,000
Contribution to Provident Fund	84,000	72,000
Medical Expenses, Club Fees & Money value of perquisites	2,16,135	1,74,147
	<u>11,40,135</u>	<u>9,66,147</u>

17) Additional information pursuant to provisions of Paragraphs 3, 4B and 4C of Part II of Schedule VI of the Companies Act, 1956 :

i) Licenced & Installed Capacity :

	Licenced Capacity		Installed Capacity (as certified by Management)	
	31.03.11	31.03.10	31.03.11	31.03.10
	Looms	Looms	M.T.	M.T.
Jute Goods	599	599	32906	32906

ii) Production, Stock & Turnover :

		Actual Production/ Purchase		Opening		Closing		Turnover
	Unit	(M.T.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Jute Goods	M.T.	26642	1372	61344673	1001	52763392	27489	1463246037
		(20543)	(827)	(29878406)	(1372)	(61344673)	(20089)	(867429028)
Shares	No.	12000#	67264	13120896	79264	13120896	-	-
		(3997)	(63873)	(13119966)	(67264)	(13120896)	(6) \$	(-)

Received on share splitted by a company

\$ On amalgamation of Companies

Note : Previous years figures have been given in brackets.

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

iii) Purchase of Finished Goods :

		Quantity		Value (Rs.)	
		For the year ended	For the year ended	For the year ended	For the year ended
	Unit	31.03.11	31.03.10	31.03.11	31.03.10
Jute Goods	M.T.	476	91	27105029	3477000

iv) Raw Materials consumed :

		Quantity		Value (Rs.)	
		For the year ended	For the year ended	For the year ended	For the year ended
	Unit	31.03.11	31.03.10	31.03.11	31.03.10
Raw Jute	M.T.	25990	20517	906603980	518317924

v) Value of Imported and Indigenous Raw Materials consumed during the year :

	For the year ended		For the year ended	
	31.03.11	%	31.03.10	%
Indigenous	906603980	100%	518317924	100%
Imported	—	—	—	—
	906603980	100%	518317924	100%

vi) Value of Imported and Indigenous Stores, Spares consumed during the year :

	For the year ended 31.03.11		For the year ended 31.03.10	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	71992015	100%	49436944	100%
Imported	—	—	—	—
	71992015	100%	49436944	100%

BUDGE BUDGE COMPANY LIMITED

SCHEDULES (Contd.)

vii) Earning in Foreign Currency during the year :

	For the year ended 31.03.11	For the year ended 31.03.10
	Rs.	Rs.
F.O.B. Value of Exports (Machinery)	3728000	546700

viii) Expenditure in Foreign Currency :

	For the year ended 31.03.11	For the year ended 31.03.10
	Rs.	Rs.
Travelling Expenses	2457497	2243091

18) Previous period's figures have been regrouped/rearranged wherever necessary.

Signature to the Schedules "A" to "N" forming part of
Balance Sheet and Profit & Loss Account.

P-21/22, Radha Bazar Street
Kolkata - 700 001
Dated the 13th August, 2011

For JAIN & CO.
Chartered Accountants
Registration No. 302023E
M. K. JAIN
Partner
Membership No. 55048

MANISH PODDAR, *Mg. Director*
ASHOK KUMAR PODDAR, *Director*
D. V. SINGHI, *Secretary*

BUDGE BUDGE COMPANY LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No.	: 28796	State Code	: 21
Balance Sheet Date	: 31.3.2011		

2. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	: Nil	Right Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	: 667797	Total Assets	: 667797
Sources of Funds	:		
Paid-up Capital	: 64421	Reserve & Surplus	: 422262
Secured Loans	: 115798	Unsecured Loans	: 65316
Application of Funds	:		
Net Fixed Assets	: 580192	Investment	: 36982
Net Current Assets	: 50623	Deferred Tax	: Nil
Misc. Expenditure	: Nil	Accumulated Losses	: Nil

4. Performance of the Company (Amount in Rs. Thousand)

Turnover *	: 1463024	Total Expenditure	: 1446854
Profit before Tax	: 16170	Profit after Tax	: 16170
Earning per Shares	: 2.52	Dividend rate %	: Nil

*Including other earnings

5. Generic Name of three Principal Products of the Co. :

Item Code No. (ITC Code)

530710.01

531010.02

531010.03

Product Description

Jute Yarn

Sacking Cloth

Hessian Cloth

(As per monitoring term)

Dated the 13th day of August, 2011

MANISH PODDAR, *Mg. Director*

ASHOK KUMAR PODDAR, *Director*

D. V. SINGHI, *Secretary*

BUDGE BUDGE COMPANY LIMITED

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

a) Name of the Subsidiary	VASAVI INFRASTRUCTURE PROJECTS LTD.
b) Financial year ending of the Subsidiary	31.03.11
c) Holding Company's Interest :	
i) Number	360000 Equity Shares of Rs. 10/- each fully paid
ii) Extent of Holding	76.60%
d) Net aggregate amount of Subsidiary Company's Profit or Loss which concerns the members of Budge Budge Company Limited to the extent mentioned above and not dealt with in the Company's accounts :	
i) For the Subsidiary Company's financial year ended 31/03/2011	2979947
ii) For the Subsidiary Company's Previous financial year since it became a Subsidiary	(387109)
e) Net aggregate amount of Subsidiary Company's Profit or Loss which concerns the members of Budge Budge Company Limited to the extent mentioned above and dealt with in the Company's accounts :	
i) For the Subsidiary Company's financial year ended 31/03/2011	Nil
ii) For the Subsidiary Company's Previous financial year since it became a Subsidiary	Nil

Kolkata
Dated the 13th day of August, 2011

MANISH PODDAR, *Mg. Director*
ASHOK KUMAR PODDAR, *Director*
D. V. SINGHI, *Secretary*

BUDGE BUDGE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	As at 31.03.2011		As at 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
A) CASH FROM OPERATING ACTIVITIES				
Net Profit/Loss before tax & extra ordinary items		16170419		9005598
Adjustments for :				
Depreciation	6187769		4767707	
Interest Paid	14463295		12338483	
Dividend Income	(153889)		(118957)	
Interest Received	(3303022)		(3732711)	
Profit / (Loss) on Sale of Fixed Assets	(5066258)		57787	
		12127895		13312309
Net Profit/Loss before working capital changes		28298314		22317907
Adjustment for :				
Trade and Other Receivables	(53934102)		14794082	
Inventories	(26455120)		(12099437)	
Trade Payable	35745338	(44643884)	(1866833)	827812
Cash generated from operating activities		(16345570)		23145719
Direct Taxes paid (Net of Refund)		(285640)		(1306089)
Cash Flow before Extra Ordinary Items		(16631210)		21839630
Extra Ordinary Items		—		(728217)
NET CASH FROM OPERATING ACTIVITIES		(16631210)		21111413
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(31410268)		(10660247)	
Subsidy Received	563400		1265132	
Purchase of Investments	(350000)		(250000)	
Sale of Investment	5472220		—	
Dividend Received	153889		118957	
Interest Received	3303022		3732711	
Sale of Fixed Assets	7942730		123000	
NET CASH FROM INVESTING ACTIVITIES		(14325007)		(5670447)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	46171150		(9573544)	
Proceeds from Short Term Borrowings	2510642		1169475	
Interest Paid	(14463295)		(12338483)	
NET CASH FROM FINANCING ACTIVITIES		34218497		(20742552)
NET INCREASE IN CASH & CASH EQUIVALENTS		3262280		(5301586)
Opening Cash & Cash Equivalents		6086554		11388140
CLOSING CASH & CASH EQUIVALENTS		9348834		6086554

As per our report of "even date"
For JAIN & CO.

Chartered Accountants
Registration No. 302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radha Bazar Street
Kolkata - 700 001

Dated the 13th day of August, 2011

MANISH PODDAR, Mg. Director

ASHOK KUMAR PODDAR, Director

D. V. SINGHI, Secretary