

# **BUDGE BUDGE COMPANY LIMITED**



**44th**  
**ANNUAL REPORT**  
**2016 - 2017**

# BUDGE BUDGE COMPANY LIMITED

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### **BOARD OF DIRECTORS**

A. K. PODDAR (*Chairman*)  
MANISH PODDAR (*Mg. Director*)  
MADHUSHREE PODDAR (*Director*)  
BIJAY KRISHNA DATTA (*Director*)  
SUSHIL KUMAR CHHAWCHHARIA (*Director*)  
DEVESHWER KUMAR KAPILA (*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  
CIN : L26941WB1973PLC028796

### **WORKS**

Budge Budge Jute Mills  
64, Moulana Azad Road  
Budge Budge

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# BUDGE BUDGE COMPANY LIMITED

## NOTICE

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**NOTICE** is hereby given that the 44th Annual General Meeting of the Members of **M/s. BUDGE BUDGE COMPANY LIMITED** will be held at the Registered Office of the Company at 16A, Brabourne Road, 9th Floor, Kolkata - 700 001 on Saturday, 23rd September, 2017 at 10.00 A.M. to transact the following businesses :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Financial Statement of the Company and Consolidated Financial Statement including Audited Balance Sheet as at 31st March, 2017, Audited Profit & Loss Account and the Cash Flow statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Madhushree Poddar (DIN : 01301449), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint the Statutory Auditors of the Company until the conclusion of 5 (five) Annual General Meeting to hold office from the conclusion of this Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration and in this respect, to pass, with or without modification (s) the following resolution as an Ordinary Resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Company, M/s. V. Singhi & Associates, Chartered Accountants (Registration No. 311017E), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of 5 (five) consecutive AGMs (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and is hereby authorized to fix their remuneration.”

### **SPECIAL BUSINESS :**

#### **4. RE-APPOINTMENT OF MR. ASHOK KUMAR PODDAR AS AN EXECUTIVE CHAIRMAN**

**To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Kumar Poddar (holding DIN: 00282924), as an Executive Chairman of the Company, for a period of 3 (Three) years with effect from 1st April, 2018 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/or

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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remuneration as it may deem fit and as may be acceptable to Mr. Ashok Kumar Poddar, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 5. CHANGE OF PLACE OF KEEPING REGISTER OF MEMBERS AND OTHER DOCUMENTS

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 94 and all other applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby acceded to shift and maintain the Register of Members, Register of Debentureholders, Index of Members/ Debentureholders and Share Transfer Books and other statutory records and annual returns and copies of certificate and documents required to be annexed thereto with the Company's existing Registrars and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. at its new address at 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 w.e.f. 1st October, 2017."

### 6. APPROVAL OF REMUNERATION OF COST AUDITOR :

**To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :**

**"RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

*By Order of the Board of Directors*  
For **Budge Budge Company Limited**

**Danveer Singhi**  
*Company Secretary*

Place : Kolkata  
Date : 24th August, 2017

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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### NOTES :

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice is annexed.
2. The profile of the Directors seeking appointment/re-appointment, as required in terms of applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchanges and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India is annexed hereto and forms part of this Notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
4. A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
5. The proxies to be effective, must be duly stamped, completed, dated, signed and deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The instrument of proxy is valid only for the Annual General Meeting and any adjournment thereof. A proxy form is enclosed.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. The Proxy shall carry his/her/their Identity proof for attending the meeting to proof his/her/their credentials in terms of the Secretarial Standards.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 25.08.2017.
10. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e 15.09.2017 are requested to send the duly signed written / email communication to the Company at investors.budgebudge@gmail.com and to the RTA at mdpldc@yahoo.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 15.09.2017. A person who is not a member as on cut-off date should treat this notice for information purpose only.
12. The shareholders shall have one vote per equity share held by them as on the cut-off date i.e. 15.09.2017. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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13. Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to the Registrar and Share Transfer Agent. **The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2017 to 23.09.2017 (both days inclusive) for the purpose of this AGM.**
14. Relevant documents referred to in this Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours and also at the AGM in physical mode.
15. Members whose shareholding is in the electronic mode are requested to update address & bank account details to their respective Depository Participant(s) and the Members whose shareholding is in the physical mode are requested to provide the same to R&TA.
16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Quarterly Reports, Notices, Annual Reports including financial statements, Board Reports, etc. and any other communications via email. All the shareholders holding shares in physical form who have not registered their e-mail addresses so far are requested to register their e-mail address to the RTA / Company for receiving all aforesaid communication from the Company, electronically.
17. The Notice of the 44th AGM, along with the Annual Report, Attendance Slip and Proxy Form along with the process, instructions and the manner of conducting e-voting are being sent by electronic mode only to all those members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2017 are being sent in the permitted mode. The documents referred to above are also available on the Company's website : **[www.gayatrigroup.co](http://www.gayatrigroup.co)**
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company/R&TA.
19. **Voting Through Electronic Means**
  - I. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("remote e-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.
  - II. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

- III. The instructions for shareholders voting electronically are as under :
- (i) The voting through electronic means will commence on Tuesday, the 19th day of September, 2017 at Time 10.00 a.m.(IST) and will end on Friday, the 22nd day of September, 2017 at 5.00 p.m. (IST). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-Voting module shall be disabled by CDSL for voting thereafter. The Shareholders as on the cut-off date 15.09.2017 may cast their vote.
  - (ii) Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.
  - (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - (iv) Click on "Shareholders" tab.
  - (v) After that enter your user ID;  
For CDSL : 16 digits beneficiary ID;  
For NSDL : 8 Character DP ID followed by 8 Digits Client ID; and  
Members holding shares in Physical Form should enter Folio Number registered with the Company excluding the special characters.
  - (vi) Next enter the image verification as displayed and click Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account with the depository or in the Company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio. <ul style="list-style-type: none"><li>• Please Enter the DOB or Bank Account Number in order to Login.</li><li>• If both the details are not recorded with the depository or Company then please enter the member-ID / Folio Number in the Bank Account Number details field as mentioned in above instruction (v).</li></ul>

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## NOTICE (Contd.)

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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <**BUDGE BUDGE COMPANY LIMITED**> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Institutional Shareholders and Custodians :**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

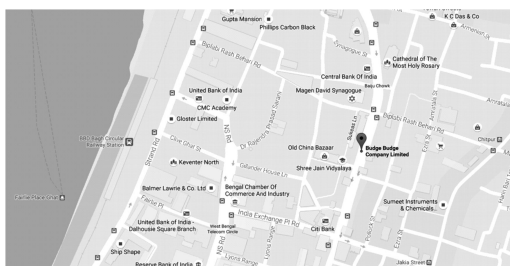


# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.
- (xxi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
20. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [santibrewalla@gmail.com](mailto:santibrewalla@gmail.com) with a copy mark to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and the same may also be send to the Scrutinizer in physical mode also on or before 22.09.2017 upto 5.00 p.m. without which the vote shall not be treated as valid.
21. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
- 22. However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.**
23. Mr. Santosh Kumar Tibrewalla, Practising Company Secretary has been appointed as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3 (three) days of conclusion of the meeting make a consolidated scrutinizer’s Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith.
24. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.
25. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.gayatrigrp.co](http://www.gayatrigrp.co) and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited and The Calcutta Stock Exchange Limited, where the shares of the Company are listed.
26. Route-map to the venue of the AGM is annexed for the convenience of the members.



# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 4

The present term of appointment of Mr. Ashok Kumar Poddar as an Executive Chairman would expire on 31st March, 2018. The Board at its meeting held on 24th August, 2017, has re-appointment Mr. Ashok Kumar Poddar as an Executive Chairman, subject to the approval of members in the ensuing Annual General Meeting of the Company for a further period of 3 (three) years commencing from 1st April, 2018 on the following remuneration, perquisites and other terms & conditions as recommended by the Nomination and Remuneration Committee :-

- A. Salary :** Rs. 2,25,000/- per month plus annual increment of Rs. 25,000/- per month on completion of each year during his tenure.
- B. Perquisite :**
- 1. House Rent Allowance :** The expenditure on furnished accommodation upto Rs.10,000/- per month or House Rent Allowance of 5% of salary per month in lieu thereof.
  - 2. Medical Reimbursement :** Reimbursement of Medical expenses incurred for self and family subject to ceiling of one month salary in a year. However, this medical entitlement can be accumulated for the period of 3 years.
  - 3. Leave Travel Concession :** Leave travel concession for self and family once in a year subject to ceiling of one month Salary.
  - 4. Clubs Fees :** Fees of Clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
  - 5. Personal Accident Insurance :** Personal accident insurance for an amount, the annual premium of which shall not exceed Rs. 15,000/- per annum.
  - 6. Gratuity :** As per Gratuity Act, not exceeding half month salary for each completed year of services.
  - 7. Provisions for Car :** Free use of Car for official purposes. Use of Car for Private purposes shall be billed by the Company.
  - 8. Provision for Telephone :** Use of telephone at residence will be provided and it will not be considered as perquisites. Personal long distance calls shall be billed by the Company.
  - 9. Earned or Privileged Leave :** As per rule of the Company. However, leave accumulated and not availed of shall not be en-cashed.
  - 10. Other Terms :** Shri Ashok Kumar Poddar, as long as he functions as such, shall not be paid any sitting fee for attending meeting of the Board of Directors or any Committee thereof.

Mr. Ashok Kumar Poddar shall not be liable to retire by rotation unless any of the provisions of the Act requires his retirement by rotation during his tenure as an Executive Chairman.

Mr. Ashok Kumar Poddar a Bachelor of Commerce from University of Calcutta and has achieved a landmark in the Jute Sector. Presently he is acting as an Executive Chairman of the Company and looking after all the business operation of the Jute mills.

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

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Mr. Ashok Kumar Poddar holds 14,36,920 equity shares(including shares held as Karta of HUF)of the Company.

Mr. Ashok Kumar Poddar has attend the age of 73 years and as per the provision of section 196(3) and Part I of Schedule V of the Company Act, 2013 requires approval of Shareholders by means of special resolution for appointment of a person who has attained the age of seventy. The resolution of his appointment is proposed accordingly.

Besides, as per the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial persons, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members by passing a special resolution.

**A Statement as per Schedule V (third proviso of section II of Part II) in respect of re-appointment of Mr. Ashok Kumar Poddar an Executive Chairman is annexed which forms parts of this explanatory statements.**

Mr. Ashok Kumar Poddar is Promoter-Director of the Company and managing the state of affairs of the Company for about four decades. He continues to be at the helm of the management of the Company and associated in its policy making and implementation. He is one of the veteran industrialist and has a vast knowledge in the Jute Industry in the Country. The Board felt that his association with the Company for managing whole of the affairs of the Company would definitely contribute in the performance of the Company and accordingly proposed for his appointment.

Except Mr. Ashok Kumar Poddar, Mr. Manish Poddar and Mrs. Madhushree Poddar, none of the Directors or any key managerial personnel or their relatives is any way, financially or otherwise directly or indirectly, concerned or interested in the aforesaid resolution.

The Board recommends the special resolution as set forth in item no. 4 for the approval of the members of the Company.

The letter of Appointment issued to Mr. Ashok Kumar Poddar setting out the terms of his appointment is open for inspection by the members at the Registered Office of the Company during business hours on all working days except Saturday and also at the venue of the Annual General Meeting in physical mode.

### **Item No. 5**

The Members of the Company previously approved to maintain the Register of Members, Register of Debenture holders, Index of Members/ Debenture holders and Share Transfer Books and other statutory records, annual returns, copies of certificate and documents required to be annexed thereto with its Registrars and Share Transfer Agents (RTA) viz. M/s. Maheshwari Datamatics Pvt. Ltd. at 6, Mangoe Lane, 2nd Floor, Kolkata - 700001, a place other than the registered office of the Company.

The aforesaid RTA proposed to shift and maintain the records of the Company from its existing place to 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 for their operational and administrative convenience. In accordance to the provisions of Section 94 of the Companies Act, 2013 approval of the Shareholders is required for effecting the change in the place at which the Register, Index of Members and other documents are proposed to be kept.

The Board recommends for approval of the special resolution by the shareholders as set out under Item No. 5 of the Notice.

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

None of the Directors, Key Managerial Personnel of your Company and their relatives are in any way financially or otherwise, directly or indirectly is concerned or interested in the proposed Resolution.

### Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. B. Saha & Associates, the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 at a remuneration of Rs. 30,000/- for the year plus applicable taxes, if any as their Audit fees. The out of pocket expenses of the Auditors in connection to the Audit shall be reimbursed.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the Company in the general meeting. Accordingly, consent of the members is sought for passing the Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Board of Directors recommends the resolution set out in Item No. 6 of the accompanying notice for the approval of the members.

None of the Directors, Key Managerial Personnel of your Company and their relatives are in any way financially or otherwise, directly or indirectly is concerned or interested in the proposed Resolution.

By Order of the Board of Directors  
For **Budge Budge Company Limited**

**Danveer Singhi**  
Company Secretary

Place : Kolkata

Date : 24th August, 2017

### ANNEXURE TO NOTICE OF AGM

#### A. Statement as per Schedule V (third proviso of Section II of Part II) in respect of re-appointment of Mr. Ashok Kumar Poddar as an Executive Chairman

##### I. General Information :

- 1) Nature of industry : Manufacturing of Jute Products
- 2) Date or expected date of commencement of commercial production : Not Applicable as it is an existing Company since 1973.
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable.
- 4) Financial performance based on given indicators :

	31.03.2017	31.3.2016	(Rs in Lakhs) 31.3.2015
Turnover (Gross) :	22189.64	21168.68	14928.49
Net Profit/(Loss) :	261.91	167.89	(65.47)

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

5) Foreign investments or collaborations, if any : Not Applicable

### II. Information about the appointee :

<b>Name of the appointee :</b>	Ashok Kumar Poddar
<b>Background details :</b>	Mr. Ashok Kumar Poddar, age 73 years, is a Bachelor of Commerce and has achieved a landmark in the jute industry and Real Estate.
<b>Past remuneration :</b>	Rs. 24.00 Lakhs p.a. plus perquisites
<b>Recognition or awards :</b>	N.A.
<b>Job profile and his suitability :</b>	He is responsible for policy making and its implementation and other functions of the Company.
<b>Remuneration proposed :</b>	Rs. 27.00 Lakhs p.a. plus perquisites as per resolution plus yearly increments.
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :</b>	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as an Executive Chairman of the Company.
<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :</b>	No pecuniary relationship with the Company except managerial remuneration. He is related to Mr. Manish Poddar, Managing Director and Mrs. Madhushree Poddar, Director of the Company.

### III. Other information :

- i) **Reasons of inadequate profits :** The Company is earning sizable profits but it is deemed to be inadequate in terms of Section 197 of the Act for payment of remuneration beyond permissible limits.
- ii) **Steps taken or proposed to be taken for improvement :** Various measures and suitable steps have been taken to cope with the increased cost of production for increasing efficiency/ productivity/ quality in the coming years.
- iii) **Expected increase in productivity and profitability in measurable terms :** The Company expects substantial increase in production and profitability after implementation of its necessary steps for improvement.

### IV. Disclosures :

The requisite disclosures have been set out in Corporate Governance Report which forms part of the Annual Report for the F.Y. 2016-17 of the Company.

# BUDGE BUDGE COMPANY LIMITED

## NOTICE (Contd.)

**B. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting [In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]**

Sl. No.	Name of the Director	Mrs. Madhushree Poddar	Mr. Ashok Kumar Poddar
1.	DIN	01301449	00282924
2.	Date of Birth and age	07.10.1949, 68 year	28.06.1944, 73 year
3.	Nationality	Indian	Indian
4.	Date of appointment on Board	11.08.2014	17.01.1981
5.	Terms & Condition of appointment/ re-appointment	N.A.	As provided in the notice
6.	Remuneration proposed	N.A.	Rs. 27 Lakhs p.a. plus perquisites as per resolution plus yearly increments.
7.	Remuneration last drawn	N.A.	Rs. 24 Lakhs p.a. plus perquisites .
8.	No. of shares held in the Company	740600	1436920 shares (including 1436100 shares held as Karta of HUF)
9.	Qualification & Expertise in specific functional area	B.A. Experience in Logistics	B.Com Vast experience in various Industries including jute, tea and real estate
10.	No. of Board Meetings Attended during the F.Y. 2016-17	2 ( two )	4 ( four )
11.	List of other listed Companies in which Directorships held as on 31st March, 2017	NIL	NIL
12.	List of other Companies in which Directorships held as on 31st March, 2017	Ashmani Developers Limited	i. Ripon Estates Ltd. ii. Bengal Investments Limited
13.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31st March, 2017	NIL	NIL
14.	Disclosure of relationship between Directors, Managers and Key Managerial Personnel inter-se	Mr. Ashok Kumar Poddar-Husband	Mrs. Madhushree Poddar-Wife
		Mr. Manish Poddar - Son	Mr. Manish Poddar - Son

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Forty-Fourth Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2017.

### FINANCIAL RESULTS

(Rs./Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Amount	Amount
i. Turnover	21971.35	20960.36
ii. Other Income	224.11	179.43
iii. Total Revenue	22195.46	21139.79
iv. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	714.84	601.85
v. Finance Cost	316.33	257.46
vi. Depreciation	167.14	156.87
vii. Profit before Taxation (PBT)	231.37	187.52
viii. Tax including Deferred Tax	(30.54)	19.63
ix. Profit after Taxation (PAT)	261.91	167.89
x. Profit brought forward from previous year	460.31	549.00
xi. Surplus/(Deficit) in the Statement of Profit & Loss	261.91	167.89
xii. Transfer to General Reserve	300	250
xiii. Other Adjustments - IncomeTax for earlier years	—	(6.57)
xiv. Balance Carried to Balance Sheet	422.22	460.32

### STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company is engaged in the business of manufacturing of jute products. Production during the year was 26401 M/T compared to 26245 M/T in the previous year which is higher by 0.59% than last year. Production would have been higher but due to shortage of Raw Material, the factory could not utilize its full capacity leading to minor increase in the output. The Company has rented out its warehouses for generation of regular Rental income and in the current year the Company has earned a sum of Rs. 173.64 lakhs as rent. Accordingly, the Company during the year has earned a net profit of Rs. 261.91 lakhs compared to net profit of Rs. 167.89 lakhs in the previous year.

There is no change in the business of the Company during the financial year 2016-17.

### PERFORMANCE & FINANCIAL POSITION OF SUBSIDIARY / ASSOCIATES :

#### (A) SUBSIDIARY (Vasavi Infrastructure Projects Limited)

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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The company has reported total income of Rs. 11.72 lakhs during the year as compared to Rs. 80.18 lakhs in the previous year. Net Profit of the company is Rs.1.33lakhs as compared to Rs. 4.88 lakhs in the previous year. The Company is in the Real estate business and two projects at Nabadip are under progress.

### **(B) ASSOCIATES (South West Fintrade Udyog Limited)**

South West Fintrade Udyog Limited (Previously A. M. Udyog Ltd.) has reported total revenue of Rs. 1.50 Lakhs and has earned a net profit of Rs. 7.51 lakhs during the year under review.

Rash Behari Construction Private Limited has ceased to be an associate Company w.e.f. 12th August, 2016.

The Revenue and the profit earned by the Subsidiary Companies are deemed to be the contribution made to the Company. However, Associate Companies have not directly contributed since they have not passed on any profit to the Company earned by them.

### **DIVIDEND**

In order to conserve resources of the Company and to meet working capital requirements, your Board did not recommend any dividend on equity shares of the Company for the financial year ended 31st March, 2017.

### **DEPOSITS**

The Company has not accepted any deposit during the year under review.

### **TRANSFER TO RESERVE**

The Company has transferred an amount of Rs. 300.00 lakhs to General Reserve out of the profit for the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the Directors Responsibility Statement as referred to in section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have 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 at the end of the financial year and of the profit of the Company for that period;
- 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;
- v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information related to conservation of energy, Research & Development, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are given in the **Annexure - 'A'** as attached hereto and forming part of this Report.

### **CORPORATE GOVERNANCE**

Your Company has practiced sound Corporate Governance and taken necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. Your Company has complied with the requirements of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Directors Report and the Corporate Governance Report as per the requirements of Companies Act, 2013 and the Listing Agreement entered by the Company with the Stock Exchanges, as a matter of prudence and good governance.

A Report on Corporate Governance along with a certificate from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary regarding compliance of conditions of Corporate Governance and certification by CEO & CFO are given in **Annexure - 'B', 'C' & 'D'**.

### **CODE OF CONDUCT**

The Code of Conduct for Directors, KMPs and Senior Executive of the Company is already in force and the same has been placed on the Company's website: [www.gayatrigroup.co](http://www.gayatrigroup.co) and the declaration to this effect is given in **Annexure - 'E'**.

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has already adopted the Code of Conduct for prevention of Insider Trading and the same is also placed on the Company's website : [www.gayatrigroup.co](http://www.gayatrigroup.co). Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have adopted the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

### **MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

A report on Management Discussion & Analysis is given in the **Annexure - 'F'** to this report.

### **PERSONNEL**

The ratio of the remuneration of each Executive Director and Key Managerial Personnel (KMP) to the median employee's remuneration's as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been set out as **Annexure - 'G'** to this Report, attached hereto.

### **COMPANY'S WEBSITE**

The website of your Company, [www.gayatrigroup.co](http://www.gayatrigroup.co), has been designed to present the Company's

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# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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businesses up-front on the home page. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director's & Corporate Profile, details of Board Committees, Corporate Policies and business activities of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been uploaded.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### i) Director - Retirement by Rotation :

Mrs. Madhushree Poddar (DIN 01301449), Non-Executive Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions, of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible offered herself for re-appointment.

#### ii) Appointment/ Re-appointment of Directors/ Executive Directors :

During the year under review, there was no change in the composition of the Board of Directors.

The present term of appointment of Mr. Ashok Kumar Poddar (DIN 00282924) as an Executive Chairman would expire on 31st March, 2018. The Board of Directors at its meeting held on 19th August, 2017 has re-appointed Mr. Ashok Kumar Poddar as an Executive Chairman, pursuant to the provisions of sections 196, 197, 198 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to the approval of members by a special resolution in the ensuing Annual General Meeting of the Company, for a further period of 3 (Three) years commencing from 1st April, 2018 on such terms and conditions as recommended by the Nomination and Remuneration Committee.

#### iii) Whole time - Key Managerial Personnel (KMP) :

There is no change in the Key Managerial Personnel during the year. The present Whole-time Key Managerial Personnel of the Company are as follows :-

- i. Mr. Manish Poddar – Managing Director
- ii. Mr. Danveer Singhi – Company Secretary & Compliance Officer
- iii. Mr. Praveen Kumar Ghorawat – Chief Financial Officer

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee as constituted under section 135 of the Companies Act, 2013 is in place and is functional under the Chairmanship of Mr. Sushil Kumar Chhawchharia. The other members of the

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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Committee are Mr. Bijay Krishna Datta and Mrs. Madhushree Poddar. The details of the Committee is mentioned in the Corporate Governance Report attached as Annexure to this Board's Report and the CSR activities are mentioned in the 'Annual Report on CSR Activities' enclosed as **Annexure - 'H'** to this Report.

### AUDITORS AND THEIR REPORTS

#### (i) Statutory Auditor :

The present Statutory Auditors of the Company M/s Jain & Co., Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2016-17.

As per the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder it is mandatory for the Company to rotate the current Statutory Auditors on completion of maximum term as permitted under the Act and rules made thereto. Accordingly, based on the recommendation of Audit Committee, the Board of Directors has appointed M/s. V. Singhi & Associates, Chartered Accountants (Registration No. 311017E) as Statutory Auditors of the Company to hold office of the Statutory Auditors from the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-17 till the Sixth Annual General Meeting of the Company subject to the approval of the Shareholders in the Annual General Meeting and ratification in each of the subsequent AGMs. Requisite letter pursuant to Section 139 and 141 of the Companies Act, 2013 from M/s. V. Singhi & Associates, Chartered Accountants (Firm Registration No. 311017E), about their consent and eligibility for appointment as the Statutory Auditors of the Company has been received by the Company.

The Notes to Accounts, as referred in the Auditors Report are self-explanatory and hence does not call for any further explanation.

#### (ii) Cost Auditor :

Pursuant to section 148 of the Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee had re-appointed M/s B. Saha & Associates (Registration No. 100104), Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18. The Company has received consent and confirmation of eligibility for their re-appointment as the Cost Auditors of the Company for the year 2017-18.

#### (iii) Secretarial Auditor :

The Board has re-appointed Mr. Santosh Kumar Tibrewalla, Practising Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2016-17 under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in MR 3 is enclosed as Annexure - 'I' to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

### DISCLOSURES AS PER APPLICABLE ACT, SEBI (LODR) REGULATIONS, 2015

#### i) Related Party Transactions :

All transaction entered with related parties during the f. y. 2016-17 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters,

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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Directors and others as defined in section 2(76) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which may have potential conflict of interest with the Company at large.

The necessary disclosures regarding the transactions as required in Form AOC 2 are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has not entered into any specific contract with related parties.

Since the Company has extended loans and advances in the nature of loan to its Subsidiary, Associates, firms/ Companies in which Directors are interested disclosure as per Para A of Schedule V is provided in Notes to the Accounts under 'Related Party Disclosures'.

**ii) Number of Board Meetings :**

The Board of Directors met 4 (four) times in the year 2016-17 and the maximum interval between two meetings did not exceed 120 days. The details of the Board meeting and attendance of the Directors are provided in the Corporate Governance Report, attached as Annexure to this Board's Report.

**iii) Committees of the Board :**

As on March 31, 2017 the Board had five Committees : the audit committee, the nomination and remuneration committee, the stakeholder's relationship committee, the share transfer committee, the corporate social responsibility committee. A detail note on the Committee is provided in the Corporate Governance Report section of this Annual Report.

**iv) Composition of Audit Committee :**

The Audit Committee comprises of three Non-Executive Independent Directors as on March 31, 2017 :-

- Sushil Kumar Chhawchharia
- Deveshwer Kumar Kapila
- Bijay Krishna Datta

The Audit Committee was re-constituted w.e.f. 11th November, 2016 by the Board of Directors in its meeting held on 12th August, 2016 and Mr. Bijay Krishna Datta was appointed as the Chairman of the Audit Committee. The complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

**v) Extracts of Annual Return :**

The details forming part of the extract of the Annual Return in **MGT-9** as provided under section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure - 'J'**.

**vi) Risk Analysis :**

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has a mechanism that helps the Board to keep an overall watch on the business risks and informs the Board

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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members about the evaluation, and estimation of the levels of risks involved in a situation, their comparison against benchmarks or standards, and determination of an acceptable level of risk and mitigation plans and periodical reviews are undertaken to ensure that the critical risks are controlled by the executive management.

### **vii) Internal Financial Control :**

The Company has in place adequate internal financial control to ensure the orderly and efficient conduct of its business, including adherence to the Company's policy, safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act and the same was evaluated by the Audit Committee. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditor's Report.

### **viii) Loans, Guarantees and Investments :**

During the year under review, your Company has not made any investment and the existing investment is within the overall limit of the amount and within the powers of the Board as applicable to the Company in terms of section 179 and 186 of the Companies Act, 2013. The particulars of all such loans, guarantees and investments are entered in the register maintained by the Company for the purpose.

### **viii) Post Balance Sheet events :**

There is no material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2016-17.

### **Indian Accounting Standards**

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Thus Ind AS is applicable to your Company w.e.f. 1st April, 2017.

### **x) Subsidiaries, Associates or Joint Ventures :**

At the beginning of the financial year the Company had one subsidiary i.e. M/s. Vasavi Infrastructure Projects Limited and two associate companies M/s. South West Fintrade Udyog Limited and M/s. Rash Behari Construction Private Limited. M/s. Rash Behari Construction Private Limited ceased to be an associate Company during the year ended 31st March, 2017 and there is no Company which has become or ceased to be the Company's subsidiary, joint venture or associate Company during the year under review. As on 31st March, 2017 Company has only one subsidiary and one associate Company.

Vasavi Infrastructure Projects Limited is an unlisted entity emerging in construction business and South West Fintrade Udyog Limited is engaged in construction business.

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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Further a statement containing the salient features of the financial statement of our subsidiary and associate Company in the prescribed format **AOC-1** is appended as **Annexure - 'K'**.

The consolidated financial statement in this Annual Report is as per the Accounting Standards as laid down by the Institute of Chartered Accountants of India. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information will be available on our website. These documents will also be available for inspection during business hours at the Registered office of the Company. The Company will also make available copy on specific request by any member of the Company, interested in obtaining the same.

In accordance to regulation 33 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opts to submit consolidated financial results only on Annual basis and the same has been intimated to the respective Stock exchanges.

### **xi) Evaluation of the Board's Performance :**

The Board has in place a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their separate meeting. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **xii) Nomination, Remuneration and Evaluation Policy :**

The policy in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with the Stock Exchanges(as amended from time to time) is formulated to provide a framework and set standards in relation to the followings and details on the same are given in the Corporate Governance Report, attached as Annexure to this Board's Report :

- a. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP), Senior Management Executives of the Company.
- b. Remuneration payable to the Directors, KMPs and Senior Management Executives.
- c. Evaluation of the performance of the Directors.
- d. Criteria for determining qualifications, positive attributes and independence of a Director.

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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There has been no change in the policy since last fiscal. The remuneration/ sitting fees paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **xiii) Vigil Mechanism (Whistle Blower Policy) :**

The Company has adopted a whistleblower mechanism for Directors, employees and other person to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics. The Audit committee oversees the vigil mechanism and the persons who avail the mechanism are encouraged to escalate to the level of the Audit Committee for any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. This policy also allows the direct access to the Chairperson of the Audit Committee

The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of Directors and employees from reprisals or victimization, for whistle blowing in good faith.

Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: [www.gayatrigrroup.co](http://www.gayatrigrroup.co) and also set out in the Corporate Governance Report attached as Annexure to this Board's Report.

### **INDUSTRIAL RELATIONS**

The industrial relation during the year 2016-17 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There have been no significant & material orders passed by regulators / courts / tribunals impacting going concern status and Company's operations in future.

### **APPRECIATION**

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers and Investors for their continuous support, cooperation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

*For and on behalf of the Board of Directors*  
**For Budge Budge Company Limited**

Place : Kolkata

Date : 24th August, 2017

**Ashok Kumar Poddar**  
*Chairman*  
DIN : 00282924

**Manish Poddar**  
*Managing Director*  
DIN : 00283036

# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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### ANNEXURE - A TO THE DIRECTORS' REPORT

Particulars pursuant to the provisions of Section 134(3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014 :

#### A) Conservation of Energy :

##### (i) Steps taken or impact on conservation of energy

The Company has the most modern plant having inbuilt features for minimum energy consumption. Energy saving devices/ equipments are installed to ensure saving in power consumption.

##### (ii) Steps taken by the Company for utilizing alternate sources of energy

The Company is exploring possibilities for utilizing alternate source of energy.

##### (iii) Capital investment on energy conservation equipments

Not ascertainable.

#### B) Technology Absorption -

- (i) Efforts made towards technology absorption :
- (ii) Benefits derived like product improvement, cost reduction product development or import substitution :
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :
  - a) Details of technology imported
  - b) Year of import
  - c) Whether the technology been fully absorbed
  - d) If not fully absorbed, areas where absorption has not taken place, reasons thereof : and

N.A.

##### (iv) The expenditure incurred on Research and Development

Expenses incurred are charged to respective heads are not allocated separately

The Company is keeping a close watch on the new product Development in Jute Goods, Upgradation and Automation is being done wherever.



# BUDGE BUDGE COMPANY LIMITED

## DIRECTOR'S REPORT (Contd.)

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### C) FOREIGN EXCHANGE EARNING AND OUTGO

The Foreign exchange earned in terms of actual cash inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows is as follow :

	<b>2016-17</b> (Rs. in lakhs)	<b>2015-16</b> (Rs. in lakhs)
Total Foreign Exchange Used and Earned :		
Earned (F.O.B.)	Nil	Nil
Used	594.77	500.26

*For and on behalf of the Board of Directors*  
**For Budge Budge Company Limited**

Place : Kolkata

Date : 24th August, 2017

**Ashok Kumar Poddar**  
*Chairman*  
DIN : 00282924

**Manish Poddar**  
*Managing Director*  
DIN : 00283036

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE

### ANNEXURE - B TO THE DIRECTOR'S REPORT

#### REPORT ON CORPORATE GOVERNANCE

In accordance with the applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance at Budge Budge Company Limited is set out herein below :-

#### 1. Company's philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, integrity, accountability and checks at the different levels of the management of the Company. The objective is to meet stakeholders' aspiration and societal expectations. It is demonstrated in governance process, healthy returns to shareholders and an entrepreneurial performance, focused work environment. We are delivering high quality products of international standards at extremely competitive prices to our customers. Our employee satisfaction is reflected in the stability of our senior management, low attrition across at various levels and substantially higher productivity.

On standalone basis, we have grown by annual growth rate of revenues 4.82% and net profit of 56%. The Company has transformed itself from a loss making Company to a profiteering one.

Corporate Governance is not just a destination, but a path to constantly improve sustainable value creation. It is just not limited to comply the prescribed corporate governance applicable to the Company rather it is committed to achieve higher standards and adopt best principles and practices in the given environment.

#### 2. Board of Directors

- a) The Company's policy is to maintain optimum combination of Executive Directors and Non-Executive Directors. The composition and category of Board of Directors are as follows :

Sl. No.	Category	Name of the Directors and their designation
1.	Promoter Directors	<ul style="list-style-type: none"><li>● Mr. Ashok Kumar Poddar, Executive Chairman</li><li>● Mr. Manish Poddar, Managing Director</li><li>● Mrs. Madhushree Poddar, Non-Executive - Director</li></ul>
2.	Independent Directors	<ul style="list-style-type: none"><li>● Mr. Bijay Krishna Datta</li><li>● Mr. Sushil Kumar Chhawchharia</li><li>● Mr. Deveshwer Kumar Kapila</li></ul>

The Nomination and Remuneration Committee has identified persons who are eminent and has an independent standing in their respective field/ profession and who can effectively contribute to the

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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Company's business and policy decision as Independent Directors of the Company. Every Independent Director of the Company at the first meeting of the Board in every financial year gives a declaration that he meets the criteria of independence as provided under law.

The Independent Directors have taken active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

### **Familiarisation Programme imparted to Independent Directors**

The Company in accordance with applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( hereinafter referred to as 'SEBI LODR')with the Stock Exchanges, has taken initiatives to familiarize its Independent Directors (IDs) with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs.

The Board members are provided with necessary documents, reports and internal policies, periodic presentations are made on business and performance updates of the Company, business strategy and risks involved to enable them to familiarise with the Company's procedures and practices.

An ongoing familiarisation with respect to the business/ working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

By way of the familiarisation programme undertaken by the Company, the Directors are shared with the nature of the industry in which the Company is presently functioning, the functioning of various business units, the Company's market share, the CSR activities which will be pursued by the Company and other relevant information pertaining to the Company's business.

As required under Regulation 25 of the SEBI LODR Regulations, the Company held various familiarisation programmes for the Independent Directors throughout the year on an ongoing and continuous basis with a view to familiarising the independent directors with the Company's operations. The familiarisation programmes carried out during the year include :-

1. Presentations made by business and functional heads of the Company from time to time on different functions and areas.
2. Presentations made and deliberations held from time to time on major changes and developments in the Act and SEBI LODR Regulations.

The familiarization programme of the Company for its Independent Directors has been disclosed on the Company's website: [www.gayatrigroup.co](http://www.gayatrigroup.co)

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

**b) Attendance of each Director at the Board meetings and the Last Annual General Meeting (AGM) and also number of other Directorships/Membership of Committee of each Director in various Companies :**

Name of Directors	Attendance Particulars		No. of other directorship & other committee memberships / chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Memberships	Committee Chairmanships
Mr. Ashok Kumar Poddar	4	Absent	2	Nil	Nil
Mr. Manish Poddar	4	Present	2	Nil	Nil
Mrs. Madhushree Poddar	2	Absent	1	Nil	Nil
Mr. Bijay Krishna Dutta	4	Present	Nil	Nil	Nil
Mr. Sushil Kumar Chhawchharia	4	Absent	1	2	Nil
Mr. Deveshwar Kumar Kapila	4	Absent	1	1	1

\* Membership & Chairmanship of the Audit Committees & Stakeholders Relationship Committees are only considered.

\*\* Excluding Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

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

During the financial year 2016-17, 4 (Four) Board meetings were held on 23rd May, 2016, 12th August, 2016, 11th November, 2016 and 13th February, 2017. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Listing Agreement / Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, Secretarial Standards and the provision of Companies Act, 2013.

The meetings of the Board are held at the Registered Office of the Company.

The Board is given presentations covering finance, sales, profit, opportunities, strategy and risk management practices before taking on record the Company's quarterly/ annual financial results. The agenda and notes on agenda are circulated to all the Directors in advance.

**Separate Meeting of the Independent Directors :**

The Company's Independent Directors of the Company met once during the financial year 2016-17 on 13th February, 2017 in compliance with Schedule IV, Code of Independent Directors under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

Disclosure Requirements) Regulations, 2015 and the same was attended by all the Independent Directors. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and also reviewed :

- i. the performance of non-independent Directors and the Board as a whole ;
- ii. the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors ; and
- iii. assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform their duties.

### d) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT :

The Details of Directors seeking appointment / re-appointment as required under Regulation 36 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is given in annexure to the notice.

### e) Disclosure of relationship between the Directors inter se :

The disclosure of relationships between Directors inter se as required under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows :

Name of Directors	Name of Other Director	Relationship
Mr. Ashok Kumar Poddar	Mr. Manish Poddar	Son
	Mrs. Madhushree Poddar	Wife
Mr. Manish Poddar	Mr. Ashok Kumar Poddar	Father
	Mrs. Madhushree Poddar	Mother
Mrs. Madhushree Poddar	Mr. Ashok Kumar Poddar	Husband
	Mr. Manish Poddar	Son

\*No other Directors in the Board are inter se related to each other.

### f) Shares and Convertible Instruments held by Non-Executive Directors :

Sl. No.	Name of Other Directors	No. of Shares
1.	Mr. Bijay Krishna Datta	NIL
2.	Mr. Sushil Kumar Chhawchharia	NIL
3.	Mr. Deveshwer Kumar Kapila	NIL
4.	Mrs. Madhushree Poddar	7,40,600

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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### 3. AUDIT COMMITTEE :

The Audit Committee was entrusted with review of quarterly and annual financial statements before submission to the Board, management discussion and analysis of financial condition and results of operations, review of observations of Auditors and to ensure compliance of internal control systems, authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. All the members of the Committee are financially literate.

All the members of the Audit Committee are Independent Directors and possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls. The terms of reference of the Audit Committee are extensive and as stated below, go beyond what is mandated in regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of Companies Act, 2013.

The present terms of reference / scope and function of the Audit Committee are as follows :

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Review of the adequacy of the internal control systems and finance of the internal audit team;
5. Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same ;
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same ;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings ;
  - e. Compliance with listing and other legal requirements relating to financial statements ;
  - f. Disclosure of any related party transactions ;
  - g. Qualifications in the draft audit report.
7. Reviewing, with the management, the quarterly financial statements before submission to the board for approval ;

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
22. Examining the financial statement and the auditor's report thereon;
23. Monitoring the end use of funds raised through public offers and related matters;
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
25. To review :-
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions, submitted by management;
  - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

- Internal audit reports relating to internal control weaknesses, etc.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

The Audit Committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such matters as referred to it by the Board.

During the period 4 (Four) meetings of the Audit Committee were held during the year ended 31st March, 2017, viz. on 23rd May, 2016, 12th August, 2016, 11th November, 2016 and 13th February, 2017.

The composition of Audit Committee as on 31st March, 2017 is as follows :-

Name of Directors	Category	No. of Meetings Held	Attended
Mr. Bijay Krishna Dutta	Non-Executive Independent Director Chairman	4	4
Mr. Sushil Kumar Chhawchharia	Non-Executive Independent Director - Member	4	4
Mr. Deveshwar Kumar Kapila	Non-Executive Independent Director - Member	4	4

Mr. Danveer Singhi, the Company Secretary of the Company, is the Secretary of the Committee.

**The Audit Committee was reconstituted w.e.f. 11.11.2016 by the Board of Directors in its meeting held on 12th August, 2016.** The Audit Committee Meetings are usually held at Company's Registered Office and attended by members of the Committee, Accounts Heads and Unit Heads. Representative of the Statutory Auditors and Mr. Manish Poddar, Managing Director of the Company is also invited in the meeting as and when required.

#### 4. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of three members – Mr. Bijay Krishna Datta, Mr. Sushil Kumar Chhawchharia and Mr. Deveshwer Kumar Kapila all of them are Independent Directors. Mr. Bijay Krishna Datta is the Chairman of the Committee.

- a. The Terms of reference of the Committee are as under :
  - i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
  - ii. To formulate a criteria for determining the qualification, positive attitudes, independence of a



# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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Director and evaluation of performance of Independent Directors and the Board;

- iii. To evaluate every Directors performance;
- iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
- v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- vii. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- viii. To devise a policy on Board diversity.
- ix. To carry out any other function as is mandated by the Board of Directors of the Company or prescribed by the Listing Agreement, as amended, from time to time.
- x. To invite any employee or such document as it may deem fit for exercising of its functions
- xi. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

During the year under review no Nomination & Remuneration Committee meeting was held.

Mr. Danveer Singhi, the Company Secretary of the Company, is the Secretary of the Committee.

### **c. Performance evaluation criteria for Independent Directors :**

The following criteria may assist in determining how effective the performances of the Independent Directors have been :

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

### 5. REMUNERATION OF DIRECTORS :

#### (a) Remuneration Policy / Criteria

- i. **Executive Directors** : The Company follows the policy to fix remuneration of Managing Director & Whole Time Directors by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.
- ii. **Non-Executive Directors** : The Non-executive Directors (including Independent Directors) are paid sitting fees on uniform basis.
- iii. **KMPs & Senior Management Personnel** : The moto of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contributes to the Company but makes thier job satisfaction.

#### (b) Sitting Fees :

Presently, the Non Executive Directors are paid sitting fees for attending the meetings of the Board and its Audit and Nomination & Remuneration Committees and same is within the limits prescribed under the Companies Act, 2013.

#### (c) Remuneration to Directors :

The Statement of the remuneration paid/ payable to the Managing / Wholetime Directors/ Executive Directors and Sitting fees paid /payable to the Non-Executive Directors is given below :

Name of the Directors	Remuneration paid / payable for 2016-17				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees* (Rs.)	Pay per month (Rs.)	Period	Effective from
Mr. Manish Poddar	24,00,000/-	3,33,168/-	-	2,00,000/-	3 years	01.04.2016
Mr. Ashok Kumar Poddar	24,00,000/-	162,730/-	-	2,00,000/-	3 years	01.04.2015
Mrs. Madhushree Poddar	-	-	1,00,000/-	-	-	-
Mr. Sushil Kumar Chhawchharia	-	-	2,40,000/-	-	-	-
Mr. Bijay Krishna Datta	-	-	2,40,000/-	-	-	-
Mr. Deveshwar Kumar Kapila	-	-	2,40,000/-	-	-	-

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

### Notes :

1. The Directors were paid sitting fees as per the Policy of the Company.
2. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
3. The Notice period and severance fees are not applicable to the Executive Directors of the Company.

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee presently comprises :

Name of Directors	Category	Designation
Mr. Sushil Kumar Chhawchharia	Non-Executive Independent Director	Chairman
Mr. Ashok Kumar Poddar	Executive Chairman	Member
Mr. Manish Poddar	Executive Director - Managing Director	Member

Mr. Danveer Singhi, the Company Secretary of the Company, is the compliance officer of the Committee.

The Committee oversees the disposal of all complains / grievances of shareholders like non-transfer and transmissions of shares, non-receipt of Annual Report, non-receipt of declared Dividend, dematerialization & re-materialization of Shares, etc.

No request for Share transfer/ transmission remains pending for registration for more than 15 days. No complaint /query is received by the Company during the financial year and no complaint and no request for share transfer/ transmission is pending as on 31st March, 2017.

### Shareholders' Complaints

The numbers of shareholders'/ investors' complaints received, resolved/ replied and pending during the year under review are as under :

Nature of Complaints	Received	Resolved / Replied	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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### **Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES") :**

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' ('ATRs') along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. **The Company is already registered under SCORES to efficiently and effectively redress the investors/shareholders complaints in time.**

## **7. OTHER COMMITTEES**

### **I. SHARE TRANSFER COMMITTEE**

The committee presently comprises of Mr. Ashok Kumar Poddar, Mr. Manish Poddar and Mr. Sushil Kumar Chhawachharia. Mr. Ashok Kumar Poddar is the Chairman of the Committee.

Mr. Danveer Singhi, the Company Secretary of the Company, is the compliance officer of the Committee.

The Share Transfer Committee meet as and when required and is entrusted with Transfer / transmission of shares, issue of duplicate share certificates, change of name / status, transposition of names, sub-division / consolidation of share certificates, dematerialisation / rematerialisation of shares, etc.

### **II. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

The CSR Committee is responsible for compliance of its scope mentioned in its term of reference in relation to CSR affairs and monitors the implementation of approved CSR policy and meet periodically, to review & ensure orderly and efficient execution of the approved CSR projects, programs or activities and issue necessary direction pertaining to it. Mr. Sushil Kumar Chhawachharia is the Chairman of the Committee.

Mr. Danveer Singhi, the Company Secretary of the Company, is the compliance officer of the Committee.

### **Terms of reference :**

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Companies Act, 2013 and the rules made there under.
2. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
3. To monitor the implementation of the framed CSR Policy.
4. To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Companies Act, 2013 and the rules made there under.
5. To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or otherwise, as the case maybe, to be attended by this Committee.

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

### 8. General Body Meetings :

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

Year	Date & Time	Venue	If Special Resolution(s) passed
2015-16	24th September, 2016 10.30 AM	16A, Brabourne Road Kolkata-700 001	No
2014-15	26th September, 2015 10.30 AM	16A, Brabourne Road Kolkata-700 001	Yes
2013-14	27th September, 2014 10.30 AM	16A, Brabourne Road Kolkata-700 001	No

(b) No Special Resolution was passed in the last 43rd Annual General Meeting held on 24th September, 2016 for the year 2015-16 and two Special Resolution was passed in the 42nd Annual General Meeting held on 26th September, 2015 for the year 2014-15.

(c) No Special Resolution was passed through Postal Ballot Meeting during the financial year 2015-16.

(d) No special resolution proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made there under.

### 9. MEANS OF COMMUNICATION :

The un-audited / audited quarterly/ annual financial results along with limited review report/ audit report by the Auditors in the prescribed format are taken on record by the Board of Director at its meeting within the prescribed time of the close of every quarter and the same are furnished to the stock Exchanges where the Company's shares are listed. The results are also published within 48 hours of conclusion of Board Meeting in the Business Standard, The Financial Express in English and Dainik Lipi, Kalantar in Bengali. The financial results are also displayed on the Company's website : [www.gayatrigrp.co](http://www.gayatrigrp.co).

The Company's website display official news releases as and when occurred.

No presentation has been made to Institutional Investors or Analysts.

### 10. General Information for Shareholders :

- a. Annual General Meeting : Date : 23rd September, 2017  
(Date, Time & Venue) Time : 10.00 A.M  
Venue : 16A, Brabourne Road, 9th Floor,  
Kolkata - 700001

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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- b. Financial year : April to March
- c. Dividend payment : The Board have not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2017
- d. Date of Book Closure : 16.9.2017 to 23.09.2017 (both days inclusive)
- e. Listing Details : The Shares of the Company are listed on The Calcutta Stock Exchange Association Ltd. (CSE) at 7, Lyons Range, Kolkata - 700 001 and BSE Ltd. at 25, P. J. Towers, Dalal Street Mumbai - 400 001.  
  
The Scrip code of the shares of the Company at CSE is 10012589 and BSE is 538789.  
  
No listing fees is due as on date to both CSE and BSE.
- f. Stock Market Price Data : Monthly High/Low price during the last Financial Year at the Bombay Stock Exchange and Calcutta Stock Exchange depicting liquidity of the Equity Shares is given hereunder :

Month	BSE / Calcutta Stock Exchange		
	Month's High Price	Month's Low Price	Volume
April 2016	NT	NT	NA
May 2016	NT	NT	NA
June 2016	NT	NT	NA
July 2016	NT	NT	NA
August 2016	NT	NT	NA
September 2016	NT	NT	NA
October 2016	NT	NT	NA
November 2016	NT	NT	NA
December 2016	NT	NT	NA
January 2017	NT	NT	NA
February 2017	NT	NT	NA
March 2017	NT	NT	NA

NT denotes 'No Trading' in the Stock Exchange due to non-functional of trading platform of the CSE and no trading took place in BSE.

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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- g) Share price performance in comparison to broad based indices BSE Sensex for the financial year 2016-17 :

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April 2016	25606.62	NT
May 2016	26667.96	NT
June 2016	26999.72	NT
July 2016	28051.86	NT
August 2016	28452.17	NT
September 2016	27865.96	NT
October 2016	27930.21	NT
November 2016	26652.81	NT
December 2016	26626.46	NT
January 2017	27655.96	NT
February 2017	28743.32	NT
March 2017	29620.5	NT

No comparison to broad based indices such as BSE Sensex/ CRISIL Index, etc. could be drawn since there is no trading in the BSE/ CSE during the financial year.

- h. Registrar and Share Transfer Agent: M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata-700 001  
Tel : (033) 2243-5809  
Fax : (033) 2243-5809  
E-mail : mdpldc@yahoo.com  
Website : www.mdpl.in
- i. Share Transfer System : Share Transfer System is entrusted to the Registrar and Share Transfer Agents. The Share Transfer Committee is empowered to approve the Share Transfers. Transfer Committee Meeting is held as and when required. The Share Transfer, transmission of shares, Issue of duplicate certificate, etc. is endorsed by Directors/ Executives/Officers as may be authorised by the Transfer Committee. Requests for transfers received from members and miscellaneous correspondence are processed/ resolved by the Registrars within stipulated time.

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

### j. Distribution of Shareholding as on 31st March, 2017

No. of Ordinary Shares held	No. of shares	% of Shares	No. of shareholders/Folios	% of Shareholders
Up to 500	38344	0.6008	565	93.0807
501 to 1,000	5867	0.0919	9	1.4827
1,001 to 2,000	4756	0.0745	3	0.4942
2,001 to 3,000	13386	0.2098	5	0.8237
3,001 to 4,000	14107	0.2210	4	0.6590
4,001 to 5,000	Nil	Nil	Nil	Nil
5,001 to 10,000	41982	0.6578	5	0.8237
10,001 and above	6263709	98.1442	16	2.6359
<b>Total</b>	<b>6382151</b>	<b>100.00</b>	<b>607</b>	<b>100.00</b>

### k. Shareholding pattern as on 31st March, 2017 :

Category	No. of Shares	%
Promoters	4714804	73.8748
Mutual Fund/UTI	Nil	Nil
Banks/Financial Institutions / Insurance		
Companies/Govt. Company	53948	0.8453
Indian Companies	1561744	24.4705
NRIs/Foreign Shareholders (including bodies corporate)	2347	0.0368
Public/Others	49320	0.7726
<b>Total</b>	<b>6382151</b>	<b>100.00</b>

- l. Dematerialisation of Shares : ISIN : INE 948C01026  
62, 07, 032 shares of the Company are held in Dematerialized form representing 97.25% of the paid-up share Capital of the Company as on 31st March, 2017.
- m. Outstanding Instruments : The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments. As such there is no impact on Equity Shares of the Company.
- n. Commodity Price Risk / Foreign Exchange Risk and Hedging activities : Not applicable to the Company as Company is not associated with hedging activities.



# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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- o. Plant Location : 64, Moulana Azad Road, P.O. Budge Budge  
Dist. 24 Parganas (S), Pin - 743 319, West Bengal
- p. Address for correspondence : **Budge Budge Company Limited**  
16A, Brabourne Road, 9th Floor  
Kolkata - 700 001.  
Phone : 033-4010 8000  
Fax : 033-4010 8080  
Email id : bbcl@gayatrigroup.co
- q. Contact Person : Mr. Danveer Singhi, Company Secretary

### 11. OTHER DISCLOSURES :

- a. **Disclosures on materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years.**

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority related to the capital markets during last three years.

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last three years.

- c. **Vigil Mechanism / Whistle Blower Policy :**

The Whistle Blower policy of the Company is in place and the Company has not denied access to Audit Committee to any personnel of the Company.

- d. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**

The Company has complied with all the applicable mandatory requirements of the Clause 49 of the Listing Agreement / applicable Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid clause :-

**Reporting of Internal Auditor :** The Internal Auditors report directly to the Audit Committee.

The Company has taken cognizance of other non - mandatory requirements as set out in

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

**e. Accounting Treatment in preparation of financial statement :**

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

**f. Policy for determining 'material' subsidiaries :**

The Company does not have any material non-listed Indian subsidiarys defined in defined in Regulation 16 and 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**g. Web link where policy on dealing with related party transactions :**

Policy on dealing with related party transaction is displayed at the website of the Company [www.gayatrigroup.co](http://www.gayatrigroup.co)

**h. Disclosures of commodity price risks and commodity hedging activities :**

The Company is not associated with hedging activities.

**i. Risk Management :**

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

**j. CEO / CFO certification :**

The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

**k. Management Discussion and Analysis Report :**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

**12. DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF**

There is no non-compliance of any requirement of Corporate Governance Report of sub-paras as detailed above, thus no explanations need to be given.

**13. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

- a. Office to Non-executive Chairperson : Since the Company is headed by Executive Chairman, maintenance of separate office is not required.

# BUDGE BUDGE COMPANY LIMITED

## CORPORATE GOVERNANCE (Contd.)

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- b. Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
- c. The financial statement of your Company is continued to be with unmodified audit opinion.
- d. Separate posts of Chairperson & CEO : The Company has already appointed separate persons as Chairperson and Managing Director or CEO. Presently Mr. Ashok Kumar Poddar is the Chairperson of the Company and Mr. Manish Poddar is the Managing Director and CEO of the Company.
- e. The Internal Auditors reports directly to the Audit Committee.

### 14. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT :

As on 31st March, 2017, there are no outstanding shares of the Company lying in the demat suspense/ unclaimed suspense account.

### 15. CODE OF CONDUCT :

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2017. Duties of the Independent Directors have suitably been incorporated in the code. The Code is displayed on the Company's website: [www.gayatrigroup.co](http://www.gayatrigroup.co) A declaration signed by the Managing Director & CEO is annexed as **Annexure 'E'**.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Board has approved the 'Code of Conduct for prevention of Insider Trading' and entrusted the Audit Committee to monitor the compliance of the code. The Board at its meeting held on 23rd May, 2015 has approved and adopted the SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

### 16. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 to 27 AND CLAUSES (b) TO (i) OF SUB - REGULATION (2) OF REGULATION (46)

The Company has complied with the requirements of aforesaid Regulations.

*Registered Office :*  
16A, Brabourne Road  
Kolkata - 700 001

Date : 24th August, 2017

**For Budge Budge Company Limited**

**Ashok Kumar Poddar**  
*Whole-time Director*  
DIN : 00282924

**Manish Poddar**  
*Managing Director*  
DIN : 00283036

# **BUDGE BUDGE COMPANY LIMITED**

## **ANNEXURE - C TO THE DIRECTORS' REPORT**

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### **ANNEXURE - C TO THE DIRECTORS' REPORT**

#### **CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members of  
**M/s. Budge Budge Company Limited**

I have examined the Compliance of Corporate Governance of M/s. Budge Budge Company Limited for the Financial Year 2016-17, as stipulated under applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated under applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

Place : Kolkata  
Date : 24.08.2017

Sd/-  
**Santosh Kumar Tibrewalla**  
Practicing Company Secretary  
Membership No. : 3811  
Certificate of Practice No. : 3982

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - D TO THE DIRECTORS' REPORT

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### ANNEXURE - D TO THE DIRECTORS' REPORT

#### Certification by Managing Director - Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company

The Board of Directors,  
**Budge Budge Company Ltd.**  
16A, Brabourne Road, 9th Floor  
Kolkata - 700 001.

Dear Sir(s),

In terms of Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Manish Poddar, Managing Director - CEO and Praveen Kumar Ghorawat, CFO, Certify that :

1. We have reviewed financial statements and the cash flow statement for the financial year 2016-17 and to our best of knowledge, belief and information –
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To our best of knowledge and belief, no transactions entered into by the Company during the financial year 2016-17 are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken or propose to take requisite steps to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Budge Budge Company Limited**

Place : Kolkata  
Date : 24.08.2017

<b>Manish Poddar</b> <i>Managing Director</i> DIN : 00283036	<b>Praveen Kumar Ghorawat</b> <i>Chief Financial Officer</i>
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# **BUDGE BUDGE COMPANY LIMITED**

## **ANNEXURE - E TO THE DIRECTORS' REPORT**

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### **ANNEXURE - E TO THE DIRECTORS' REPORT**

**Declaration for Compliance with the Code of Conduct of the Company as per Regulations 26(3) read with the Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Manish Poddar, Managing Director-CEO of M/s. Budge Budge Company Limited declare that as of 31st March, 2017 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

**For Budge Budge Company Limited**

Place : Kolkata

Date : 24.08.2017

**Manish Poddar**  
*Managing Director & CEO*  
DIN : 00283036

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - F TO THE DIRECTORS' REPORT

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### ANNEXURE - F TO THE DIRECTORS' REPORT

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Listing Agreement/ Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contains expectations and projections about the strategy for growth, product development, market position, expenditures and financial results. The Company's actual results, performance or achievements could differ from those projected in such forward looking statements on the basis of any subsequent development, information or events for which the Company do not bear any responsibility.

#### a) Industry Structure and Development :

Government of India has been taking different measures to protect the jute Industry and accordingly extended the validity of the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 for another year but they have kept the Reservation level for food grains packing at 90% and for sugar packing at 20% in spite of the request from Industry for 100% reservation. For the year 2017-18 Standing Advisory Committee on jute has recommended further dilution of 5% in compulsory packaging norms for food grains from 90% to 85%, however Govt. of India is yet to take the final decision.

Apart from this Government has also introduced schemes for diversified products like geo textiles. National jute Board has also framed schemes for welfare of worker's like scholarship scheme and export market development assistance.

Availability of Raw Jute during the season 2016-17 was comfortable due to better crop and prices of raw Jute also settled at reasonable level.

#### b) Opportunities and threats / Risk and concerns :

##### Opportunities :

Jute being a natural bio-degradable fibre is environment friendly and use of Jute goods in different areas like Jute Geo textiles is being promoted. Some diversified products are being developed in the Industry for export markets.

##### Threats :

- i) Govt. attempt for Dilution of compulsory packaging under JPMA will lead to affect the future plans.
- ii) Farmers are reluctant to take up jute crop as new generation of workers are interested in alternate opportunities.
- iii) Shortage of workers is causing obstruction in optimization of capacity utilization.

#### c) 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 :

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - F TO THE DIRECTORS' REPORT (Contd.)

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- Within India - Rs. 21971.35 lakh (previous year Rs. 20960.36 lakh)

- Outside India - Rs. NIL (previous year Rs. NIL lakh)

**d) Outlook :**

Demand for Jute Goods during the year 2017-18 is expected to remain good. Projections from Govt. Agencies for purchase of gunny bags for current kharif crop is satisfactory. The company has started to manufacture Food Grade Jute Bags for Export market and hope to cater to the export market demand. The Company has also started production of Geo Textile which is now being used in Road Construction Projects although the demand is very small.

Jute crop for the current season 2017-18 is expected to be good in view of better weather conditions and satisfactory sowing. The carryover of Raw Jute stock in the current year is also comfortable and as such prices of Raw Jute will remain stable and availability will also be easy.

The outlook for the current year remains positive.

**e) 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 Audit Committee of the Board plays a significant role in the internal control system and reviews the scope of internal audit work and internal Audit reports, financial performance of the company and suggests improvements in the internal control systems wherever required.

**f) Discussion on financial performance with respect to operational performance :**

Sale of Jute goods during the year was Rs. 21971.35 lakhs as compared to Rs. 20960.36 lakhs during previous year. Operating profit for the year was Rs. 231.37 lakhs as compared to profit of Rs. 187.52 lakhs in the previous year.

**g) Material developments in Human Resources/ Industrial Relations front, including number of people employed :**

Employment of workers at new pay scale and training programmes for the workers are being continued. Steps have been taken to provide residential quarters within the mill compound for outside workers as well. The company is making all efforts to train the workers and increase their skills by way of continuous training but Industry wide shortage of workers is a matter of great concern for all. The relations with the unions were cordial during the year.

There were 4486 permanent employees on the rolls of Company as on March 31, 2017.

**h) 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.



# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - G TO THE DIRECTORS' REPORT

### ANNEXURE - G TO THE DIRECTORS' REPORT

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under :

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17 (Rs. in lakhs)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1	Shri Ashok Kumar Poddar Executive Chairman	25.63	1.63	36.61
2	Shri Manish Poddar Managing Director	27.33	15.17	39.04
3	Shri Praveen Kumar Ghorawat Chief Financial Officer	5.83	16.37	N.A.
4	Shri Danveer Singhi Company Secretary & Compliance Officer	12.15	14.19	N.A.

**Note :**

- i) No other Director other than the Managing Director and Executive Chairman received any remuneration during the financial year 2016-17.
- ii) The median remuneration of employees of the Company during the financial year was 0.70 lakh compared to the previous year was 0.65 lakh;
- iii) In the financial year, there was an increase of 7.69 % in the median remuneration of employees;
- iv) There were 4486 permanent employees on the rolls of Company as on March 31, 2017;
- iv) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2016-17 was 10.5% whereas the increase in the managerial remuneration for the same financial year was 8.4%;
- v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - G TO THE DIRECTORS' REPORT (Contd.)

**Statement pursuant to Rule 5(2) & 5(3) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014 :  
A. LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN :**

Sl. No.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2016-17 (Rs. in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Danveer Singhi	Company Secretary & Compliance Officer	12.15	Permanent	B.Com, CS 40 yrs	1/4/2000	62	NA	-	-
2	Balaram Sharma	Vice President Works	9.40	Permanent	B.Com 45 yrs	17/1/1998	60	NA	-	-
3	Om Prakash Sharma	Sales Manager	9.23	Permanent	B.Com 30 yrs	1/2/1995	60	NA	-	-
4	Om Prakash Rathi	Jute Purchase Manager	9.00	Permanent	B.Com 40 yrs	1/11/1994	65	NA	-	-
5	Subir Kumar Mitra	President Works	7.90	Permanent	B.sc Jute Technology 37 yrs	23/6/2016	57	Ludlow Jute Mill	-	-
6	Shyamal Kumar Jati	Maintenance Manager	5.98	Permanent	B.sc Diploma in Mechanical Engineering 45 yrs	1/8/2012	67	Ludlow Jute Mill	-	-

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - G TO THE DIRECTORS' REPORT (Contd.)

**Statement pursuant to Rule 5(2) & 5(3) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Contd.) :**

**A. LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN :**

		(Rs. in Lakhs)								
7	Praveen Kumar Ghorawat	CFO	5.83	Permanent	B.com MBA (Finance) 25yrs	1/8/2014	50	Consultant	-	-
8	Ramakanta Pandey	Chief Electrical Engineer	5.83	Permanent	B.Sc Diploma in Mechanical Engineering	3/3/2017	63	Baranagar Jute Mill	-	-
9	Abdul Rahman	Manager	5.73	Permanent	B.sc. G.L.S.	17/1/1995	45	NA	-	-
10	Purnendu Ghosh	G.M. of Personnel & Admin	5.67	Permanent	M.A. in History Diploma in Social Work 42 yrs	27/6/2016	67	Ganges Jute Mill	-	-

**B. List of employees drawing a remuneration not less than Rs. 102.00 lakhs per annum or Rs. 8.50 lakhs per month, if employed for part of the year :**

No employee in the Company has drawn remuneration falling under this category.

C. There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Executive Chairman or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.

D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - H TO THE DIRECTORS' REPORT

### ANNEXURE - H TO THE DIRECTORS' REPORT

#### ANNUAL RETURN 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 projects or programs.

The CSR Policy of the Company primarily focuses on following areas :-

1. Health care including preventive health care;
2. Sanitizing of Public Places;
3. Promoting education, infrastructural support to schools, providing scholarships;
4. Ensuring environmental sustainability;
5. Rural development projects;
6. Contribution towards recognized Trusts;
7. Any other activities as per decision of the CSR Committee.

The details of the policy are available at Companies website : [www.gayatrigroup.co](http://www.gayatrigroup.co)

2. The composition of the CSR Committee.

CSR Committee presently comprised of following members :-

SI. No.	Name	Designation	Nature of Directorship
1.	Mr. Sushil Kumar Chhawchharia	Chairman	Non Executive – Independent Director
2.	Bijay Krishna Datta	Member	Non Executive – Independent Director
3.	Mrs. Madhushree Poddar	Member	Non Executive Director

3. Average net profit of the Company for the last three financial years :The Company in any of the preceeding f.y. 2013-14, 2014-15 and 2015-16 do not meet the following criteria for provisioning of money for CSR activities and hence under Companies ( Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to spent money on the CSR activities during the year :
  - i. Net Worth of Rs. 500.00 Crores or more ; or
  - ii. Turnover of Rs. 1000.00 Crores or more ; or
  - iii. Net Profit of Rs. 5.00 Crores or more.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Not Applicable
5. Details of CSR spent for the financiaafinancial year : N.A.  
(b) Amount unspent, if any : N.A.

Amount outlay (budget) project or program wise

## **BUDGE BUDGE COMPANY LIMITED**

### **ANNEXURE - H TO THE DIRECTORS' REPORT (Contd.)**

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

(Rs. in lac)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other area (2) Specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on projects or programs (2) Over - heads :	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
	Not identified by CSR Committee during f.y. 2016-17	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-

6. **In case the Company has failed to spend the two percent 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 CSR Committee currently is in process of undertaking different CSR activities commensurate to its divergent locations and the quantum of money to be spent in the best interest of the society. The Committee would spend the money for the financial year including accumulated balance in the current financial year onwards after taking into account all the aforesaid aspects.

In the meantime, the Committee has assessed and quantified Rs. 15,69,068/-, being the amount proposed to be spent including accumulated balance for CSR expenditure.

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 :**

The CSR Committee presently confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

sd/-  
**Manish Poddar**  
(Managing Director )  
DIN : 00283036

sd/-  
**Sushil Kumar Chhawchharia**  
(Chairman CSR Committee)  
DIN : 00007780

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - I TO THE DIRECTORS' REPORT

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### ANNEXURE - I TO THE DIRECTORS' REPORT

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Budge Budge Company Limited**  
16A, Brabourne Road  
Kolkata - 700 001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Budge Budge Company Limited** (hereinafter called 'the Company') bearing CIN : L26941WB1973PLC028796. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Budge Budge Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Budge Budge Company Limited ('the Company') for the financial year ended on 31st March, 2017, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - I TO THE DIRECTORS' REPORT (Contd.)

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- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company has complied with the following laws specifically applicable to the Company :-
- (a) Jute Manufactures Cess Act, 1983 ;
  - (b) Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 ;
  - (c) Jute Packaging Materials Rules 1987 ;
  - (d) Indian Boilers Act 1923 ; and
  - (e) Jute & Jute Textiles Control Orders 2000 & 2016 as issued under Essential Commodities Act, 1955.

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Ltd. and BSE Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

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# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - I TO THE DIRECTORS' REPORT (Contd.)

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Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

Place : Kolkata  
Date : 10.08.2017

Sd/-  
**Santosh Kumar Tibrewalla**  
Practicing Company Secretary  
Membership No. : 3811  
Certificate of Practice No. : 3982



# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT

### MGT - 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 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.	<b>CIN</b>	L26941WB1973PLC028796
ii	<b>Registration Date</b>	10.05.1973
iii	<b>Name of the Company</b>	Budge Budge Company Limited
iv	<b>Category / Sub-Category of the Company</b>	Public Company limited by Shares
v	<b>Address of the Registered office of the company and contact details</b>	16A, Brabourne Road, Kolkata - 700 001 E-mail ID : bbcl@gayatrigroup.co Phone No. (033) 4010-8000 Fax : (033) 4010-8080
vi	<b>Whether listed company - Yes/No</b>	Yes
vii	<b>Name, Address and Contact details of Registrar and transfer Agent, if any</b>	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor Kolkata - 700 001 E-mail ID : mdpldc@yahoo.com Phone No. : (033) 22435029 Fax : (033) 22484787

#### 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	Hessian Cloth	5310	10.47
2	Jute Sacking Bags	6305	87.26

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

### 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.	South West Fintrade Udyog Limited 16A, Brabourne Road, Kolkata - 700001	U17122WB1977PLC030853	Associate	41.74%	2(6)
3.	Vasavi Infrastructure Projects Limited 16A, Brabourne Road, Kolkata - 700001	U45209WB1992PLC054118	Subsidiary	96.04%	2(87)

### 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 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual /HUF	4233808	2280	4236088	66.3740	4233808	2280	4236088	66.3740	Nil
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt (s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corp.	478716	0	478716	7.5009	478716	0	478716	7.5009	Nil
e) Banks / FI	0	0	0	0	0	0	0	0	Nil
f) Any Other....	0	0	0	0	0	0	0	0	Nil
<b>Sub-total (A) (1):-</b>	<b>4712524</b>	<b>2280</b>	<b>4714804</b>	<b>73.8749</b>	<b>4712524</b>	<b>2280</b>	<b>4714804</b>	<b>73.8749</b>	<b>Nil</b>
<b>2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	Nil
b) Other – Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corp.	0	0	0	0	0	0	0	0	Nil

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

d) Banks / FI	0	0	0	0	0	0	0	0	0	Nil
e) Any Other....	0	0	0	0	0	0	0	0	0	Nil
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>4712524</b>	<b>2280</b>	<b>4714804</b>	<b>73.8749</b>	<b>4712524</b>	<b>2280</b>	<b>4714804</b>	<b>73.8749</b>	<b>Nil</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	Nil
b) Banks / FI	14140	22208	36348	0.5695	14140	22208	36348	0.5695	0.5695	Nil
c) Central Govt.	0	0	0	0	0	0	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	Nil
f) Insurance Companies	17600	0	17600	0.2758	17600	0	17600	0.2758	0.2758	Nil
g) FIs	0	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	Nil
i) Others (specify)	0	0	0	0	0	0	0	0	0	Nil
<b>Sub-total (B)(1):-</b>	<b>31740</b>	<b>22208</b>	<b>53948</b>	<b>0.8453</b>	<b>31740</b>	<b>22208</b>	<b>53948</b>	<b>0.8453</b>	<b>0.8453</b>	<b>Nil</b>
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
(i) Indian	1453595	108149	1561744	24.4705	1453595	108149	1561744	24.4705	24.4705	Nil
(ii) Overseas	0	2335	2335	0.0366	0	2335	2335	0.0366	0.0366	Nil
b) Individuals										
(i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	9101	40219	49320	0.7728	9161	40147	49308	0.7726	0.7726	-0.0243
(ii) Individual share-holders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0	Nil
c) Others (NRI)	0	0	0	0	12	0	12	0.0002	0.0002	100
<b>Sub-total (B)(2):-</b>	<b>1462696</b>	<b>150703</b>	<b>1613399</b>	<b>25.2799</b>	<b>1462768</b>	<b>150631</b>	<b>1613399</b>	<b>25.2799</b>	<b>25.2799</b>	<b>Nil</b>

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	1494436	172911	1667347	26.1252	1494508	172839	1667347	26.1252	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	Nil
<b>Grand Total (A+B+C)</b>	6206960	175191	6382151	100.00	6207032	175119	6382151	100.00	Nil

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2016)			Share holding at the end of the year (As on 31st March, 2017)			% Change in share holding 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	Ashok Kumar Poddar HUF	1436100	22.5018	Nil	1436100	22.5018	Nil	Nil
2	Manish Poddar	1004780	15.7436	Nil	1004780	15.7436	Nil	
3	Madhushree Poddar	740600	11.6042	Nil	740600	11.6042	Nil	
4	Divya Poddar	634100	9.9355	Nil	634100	9.9355	Nil	
5	Vasavi Poddar	400000	6.2675	Nil	400000	6.2675	Nil	
6	A.M. Udyog Limited	376660	5.9018	Nil	376660	5.9018	Nil	
7	Poddar Udyog Ltd	57441	0.9000	Nil	57441	0.9000	Nil	
8	Adventz Securities Enterprises Limited	44615	0.6991	Nil	44615	0.6991	Nil	
9	Bimal Kumar Poddar	11777	0.1845	Nil	11777	0.1845	Nil	
10	Vinod Kumar Poddar	2924	0.0458	Nil	2924	0.0458	Nil	
11	Arun Kumar Poddar	2707	0.0424	Nil	2707	0.0424	Nil	
12	Saroj Kumar Poddar	2280	0.0357	Nil	2280	0.0357	Nil	
13	Ashok Kumar Poddar	820	0.0128	Nil	820	0.0128	Nil	
	<b>Total</b>	<b>4714804</b>	<b>73.8748</b>	<b>Nil</b>	<b>4714804</b>	<b>73.8748</b>	<b>Nil</b>	

## BUDGE BUDGE COMPANY LIMITED

### ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

**iii) Change in Promoters' Shareholding :**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	a) At the Beginning of the year (01.04.2016)	There is no change in Promoter's Shareholding between 1st April, 2016 and 31st March, 2017			
	b) Changes during the year				
	c) At the end of the year (31.03.2017)				

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

Sl. No.	Names of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	The Amalgamated Coalfields Ltd. At the Beginning of the Year At the end of the year	26766	0.4194	26766	0.4194
2	Jayanti Commercial Ltd. At the Beginning of the Year At the end of the year	302160	4.7345	302160	4.7345
3	Life Insurance Corporation of India At the Beginning of the Year At the end of the year	14426	0.2260	14426	0.2260
4	Raghuvir Realtors Pvt. Ltd. At the Beginning of the Year At the end of the year	1146500	17.9642	1146500	17.9642
5	Continental Projects Ltd. At the Beginning of the Year At the end of the year	30982	0.4854	30982	0.4854
6	Vijay Kr. Dhandhanian At the Beginning of the Year At the end of the year	10000	0.1567	10000	0.1567

## BUDGE BUDGE COMPANY LIMITED

### ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	Names of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7	The Pench Vally Coal Co. Ltd. At the Beginning of the Year At the end of the year	9982	0.1564	9982	0.1564
8	Precon Traders & Exporters (P) Ltd. At the Beginning of the Year At the end of the year	10299	0.1614	10299	0.1614
9	Pragati Business Ltd. At the Beginning of the Year At the end of the year	26503	0.4153	26503	0.4153
10	The State Industrial & Investments At the Beginning of the Year At the end of the year	10000	0.1567	10000	0.1567

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

Sl. No.	Names of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Ashok Kumar Poddar (Karta of HUF) - Executive Chairman At the Beginning of the Year At the end of the year	1436100	22.5018	1436100	22.5018
2	Manish Poddar - Managing Director & KMP At the Beginning of the Year At the end of the year	1004780	15.7436	1004780	15.7436
3	Ashok Kumar Poddar - Executive Chairman At the Beginning of the Year At the end of the year	820	0.0128	820	0.0128
4	Madhushree Poddar - Non-Executive Director At the Beginning of the Year At the end of the year	740600	11.6042	740600	11.6042

\* Note: Other Directors on the Board and Key Managerial Personnel's are not holding any share of the Company.

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1st April, 2016)</b>				
i) Principal Amount	1433.39	367.57	NIL	1800.96
ii) Interest due but not paid	4.64	445.23	NIL	449.87
iii) Interest accrued but not due	NIL	0.76	NIL	0.76
<b>Total (i + ii + iii)</b>	<b>1438.03</b>	<b>812.80</b>	<b>NIL</b>	<b>2251.59</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	817.61	0.25	NIL	817.86
• Reduction				
<b>Net Change</b>	<b>817.61</b>	<b>0.25</b>	<b>NIL</b>	<b>817.86</b>
<b>Indebtedness at the end of the financial year (31st March, 2017)</b>				
i) Principal Amount	2230.89	342.57	NIL	2573.46
ii) Interest due but not paid	24.75	470.48	NIL	495.23
iii) Interest accrued but not due	NIL	0.76	NIL	0.76
<b>Total (i + ii + iii)</b>	<b>2255.64</b>	<b>813.81</b>	<b>NIL</b>	<b>3069.45</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ashok Kumar Poddar (Executive Chairman)	Manish Poddar (Managing Director & KMP)	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	24.00	48.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.63	3.33	4.96
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
			Ashok Kumar Poddar (Executive Chairman)	Manish Poddar (Managing Director & KMP)	
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission - as % of profit - others, specify.....		NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	<b>Total (A)</b>		<b>25.63</b>	<b>27.33</b>	<b>52.96</b>
	<b>Ceiling as per the Act</b>	Due to inadequate profit ceiling applies as per Section II of Part II of Schedule V.			

### B. REMUNERATION TO OTHER DIRECTORS :

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Bijay Krishna Datta	Sushil Kumar Chhawchharia	Deveshwer Kumar Kapila		
<b>1</b>	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings • Commission • Others, please specify	2.4	2.4	2.4	—	7.2
	<b>Total (1)</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>—</b>	<b>7.2</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				Madhushree Poddar	
	• Fee for attending board / committee meetings • Commission • Others, please specify	—	—	—	1	1
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>1</b>
	<b>Total (B) = (1 + 2)</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>1</b>	<b>8.2</b>
	Total Managerial Remuneration					<b>61.16</b>
	Overall Ceiling as per the Act	1% of Net Profit during the financial year and Rs. 100,000 to each of the Director per meeting of Board or Committee thereof.				



# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - J TO THE DIRECTORS' REPORT (Contd.)

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Danveer Singhi (Company Secretary)	Praveen Kumar Ghorawat (CFO)	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.00	4.32	13.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.15	1.51	4.66
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify.....	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>12.15</b>	<b>5.83</b>	<b>17.98</b>

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

*For and on behalf of the Board of Directors*

**For Budge Budge Company Limited**

Place : Kolkata

Date : 24th August, 2017

**Ashok Kumar Poddar**

*Chairman*

DIN : 00282924

**Manish Poddar**

*Managing Director*

DIN : 00283036

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - K TO THE DIRECTORS' REPORT

### ANNEXURE - K TO THE DIRECTORS' REPORT

#### Form AOC-1

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

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

##### Part "A" : Subsidiaries

(Amounts in Rs.)

1.	Sl. No.	1
2.	Name of the Subsidiary	Vasavi Infrastructure Projects Limited
3.	The date since when subsidiary was acquired	21/06/2007
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
6.	Share capital	2,47,00,000
7.	Reserves & surplus	1,38,14,275
8.	Total assets	28,76,57,347
9.	Total Liabilities	24,91,43,072
10.	Investments	4,05,86,018
11.	Turnover	Nil
12.	Profit before taxation	1,53,697
13.	Provision for taxation	20,876
14.	Profit after taxation	1,32,821
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in percentage)	96.04%

#### Other information :

1. Names of subsidiaries which are yet to commence operations : Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year : Not Applicable.

# BUDGE BUDGE COMPANY LIMITED

## ANNEXURE - K TO THE DIRECTORS' REPORT (Contd.)

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

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

Name of Associates or Joint Ventures	<b>Associate Company</b> : South West Fintrade Udyog Limited
1. Latest audited Balance Sheet Date	24.05.2017
2. Date on which the associate or joint venture was associated or acquired	01.04.2005
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.	Equity – 678405 of Rs. 10/- each 11% Redeemable Cumulative Preference Share – 7 shares of Rs. 100/- each
Amount of Investment in Associates or Joint Venture	Rs. 65,58,925/-
Extend of Holding (in percentage)	41.74% - Equity
4. Description of how there is significant influence	Holding more than 20% of total share capital pursuant to Section 2(6) of Companies Act, 2013
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 20,67,398.65
7. Profit for the year	Rs. 7,50,619
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	N.A.

#### Other information :

- Names of associates or joint ventures which are yet to commence operations : Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Rash Behari Construction Private Limited, Associate Company have been sold during the year.

*For and on behalf of the Board of Directors*

#### **For Budge Budge Company Limited**

Place : Kolkata  
Date : 24th August, 2017

**Ashok Kumar Poddar**  
*Chairman*  
DIN : 00282924

**Manish Poddar**  
*Managing Director*  
DIN : 00283036

**Praveen Kumar Ghorawat**  
*Chief Financial Officer*

**Danveer Singhi**  
*Company Secretary*

# **BUDGE BUDGE COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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**TO THE MEMBERS OF BUDGE BUDGE COMPANY LIMITED**

### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **BUDGE BUDGE COMPANY LIMITED**, (‘the Company’) which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

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

### **AUDITOR’S RESPONSIBILITY**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the

# BUDGE BUDGE COMPANY LIMITED

## AUDITORS' REPORT (Contd.)

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aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 28 to the financial statements.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has duly provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

Dated the 24th day of May, 2017

**For JAIN & CO.**  
*Chartered Accountants*  
*Registration No. 302023E*  
**CA M. K. JAIN**  
*Partner*  
*Membership No. 055048*

# **BUDGE BUDGE COMPANY LIMITED**

## **AUDITORS' REPORT (Contd.)**

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### **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

#### **REFEERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

1. a) The company has maintained proper records showing full particulars including, quantitative details and situation of fixed assets.  
b) As explained to us some of the fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Act. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
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 Act, with respect to loans and investments made.
5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 or any other relevant provisions of the Act and rules framed there under are not applicable;
6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete;
7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, and Cess to the extent applicable and any other statutory dues have been

# BUDGE BUDGE COMPANY LIMITED

## AUDITORS' REPORT (Contd.)

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regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are in Annexure-1.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders during the year;
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year;
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Dated the 24th day of May, 2017

**For JAIN & CO.**  
*Chartered Accountants*  
*Registration No. 302023E*  
**CA M. K. JAIN**  
*Partner*  
*Membership No. 055048*

# **BUDGE BUDGE COMPANY LIMITED**

## **AUDITORS' REPORT (Contd.)**

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### **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**REFEERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

**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 **BUDGE BUDGE COMPANY LIMITED ("the Company")** as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, 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.



# BUDGE BUDGE COMPANY LIMITED

## AUDITORS' REPORT (Contd.)

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

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

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

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

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

### **Opinion**

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

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

Dated the 24th day of May, 2017

**For JAIN & CO.**  
*Chartered Accountants*  
*Registration No. 302023E*  
**CA M. K. JAIN**  
*Partner*  
*Membership No. 055048*

## BUDGE BUDGE COMPANY LIMITED

ANNEXURE - I

### Disputed Statutory Dues as on 31-03-2017

Name of the Statute	Nature of Dues	Financial Year to which the amount relate	Forum where dispute is pending	Amount Rs.	Amount Rs.
B.F.(S.T.) Act '41	Assessment Dues	1994-95	W.B.C.T. A & R Board		586397
C.S.T. Act '56	DO	1996-97, 2004-05, 2006-07	W.B.C.T. A & R Board	22479354	
		2002-03	Addl. Commissioner High Court, Kolkata	2191838	
					24671192
W.B.S.T. Act '94	DO	1996-97, 1998-99, 2004-05	W.B.C.T. A & R Board	11176264	
	DO	1999-00, 2002-03, 2003-04	West Bengal Taxation Tribunal	11445753	22622017
W.B. VAT 2003	DO	2005-06, 2007-08, 2008-09, 2010-11, 2011-12	W.B.C.T. A & R Board	28011797	
	DO	2012-13	Sr. Jt. Commissioner	2423341	
	DO	2006-07, 2013-14	Addl. Commissioner	3681071	34116209
CST ACT 1956	DO	2012-13	Sr. Jt. Commissioner	649208	
	DO	2007-08 to 2011-12, 2013-14	W.B.C.T. A & R Board	65254650	65903858
					147899673

# BUDGE BUDGE COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2017

<u>Particulars</u>	<u>Note No.</u>	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
<b>(Amount in ₹)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	6,38,21,510	6,38,21,510
Reserves and Surplus	2	40,55,81,948	40,51,94,751
		<b>46,94,03,458</b>	<b>46,90,16,261</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	7,92,74,691	2,43,20,435
Deferred Tax Liabilities	4	1,48,96,164	1,79,50,049
		<b>9,41,70,855</b>	<b>4,22,70,484</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	14,78,39,032	12,36,32,376
Trade Payables	6		
Payable to Micro Enterprises & Small Enterprises	6	—	—
Other Payables	6	50,59,94,099	53,92,76,448
Other Current Liabilities	7	16,18,30,663	15,65,29,110
Short-Term Provisions	8	4,46,50,999	3,98,75,296
		<b>86,03,14,793</b>	<b>85,93,13,230</b>
		<b>1,42,38,89,106</b>	<b>1,37,05,99,975</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Property, Plant & Equipment	9	67,12,46,905	64,30,34,844
Intangible Assets	10	81,203	1,99,616
Capital Work in Progress		1,48,71,151	—
		<b>68,61,99,259</b>	<b>64,32,34,460</b>
Non-Current Investments	11	4,12,24,912	4,12,99,912
Long Term Loans and Advances	12	87,55,486	83,16,656
		<b>73,61,79,657</b>	<b>69,28,51,028</b>
<b>Current Assets</b>			
Inventories	13	33,65,05,777	30,09,05,121
Trade Receivables	14	10,57,27,866	15,24,27,249
Cash and Bank Balances	15	3,87,71,205	2,60,24,418
Short Term Loans & Advances	16	19,81,83,195	18,37,75,369
Other Current Assets	17	85,21,406	1,46,16,790
		<b>68,77,09,449</b>	<b>67,77,48,947</b>
		<b>1,42,38,89,106</b>	<b>1,37,05,99,975</b>

The accompanying Notes from No. 1 to 46 are an integral part of the financial statements.

As per our report attached  
For JAIN & CO.  
Chartered Accountants  
Firm Registration No. 302023E  
CA. M. K. JAIN  
Partner  
Membership No. 55048

P-21/22, Radha Bazar Street  
Kolkata - 700 001  
Dated the 24th day of May, 2017

ASHOK KUMAR PODDAR, *Chairman*  
(DIN : 00282924)  
MANISH PODDAR, *Managing Director*  
(DIN : 00283036)  
D. V. SINGHI, *Secretary*  
P. K. GHORAWAT, *Chief Financial Officer*

# BUDGE BUDGE COMPANY LIMITED

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

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended 31st March, 2017</u>	<u>(Amount in ₹) For the year ended 31st March, 2016</u>
<b>REVENUE</b>			
Revenue from Operations (Gross)	18	2,21,89,64,285	2,11,68,67,705
Less : Jute Manufacturing Cess		2,18,29,047	2,08,31,714
Revenue from Operations (Net)		<u>2,19,71,35,238</u>	<u>2,09,60,35,991</u>
Other Income	19	2,24,11,021	1,79,43,280
<b>TOTAL REVENUE</b>		<b><u>2,21,95,46,259</u></b>	<b><u>2,11,39,79,271</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	1,40,82,19,344	1,43,40,91,459
Purchase of Stock-in-Trade		92,92,585	—
Changes in Inventories of Finished Goods, Work in Progress and Stock in Shares	21	87,14,139	(5,11,77,319)
Employee Benefits Expenses	22	40,39,15,009	37,98,29,804
Finance Costs	23	3,16,33,413	2,57,46,249
Depreciation & Amortisation	24	1,67,14,099	1,56,86,852
Other Expenses	25	31,79,20,324	29,10,50,577
<b>TOTAL EXPENSES</b>		<b><u>2,19,64,08,913</u></b>	<b><u>2,09,52,27,622</u></b>
<b>Profit / (Loss) Before Tax</b>		<b>2,31,37,346</b>	<b>1,87,51,649</b>
<b>Tax Expenses</b>			
Current Tax		47,04,472	37,39,641
Less : MAT Credit Entitlement / (Set off)		47,04,472	37,39,641
		—	—
Deferred Tax Liabilities /(Assets)		(30,53,885)	19,62,695
		<u>(30,53,885)</u>	<u>19,62,695</u>
<b>Profit / (Loss) After Tax</b>		<b><u>2,61,91,231</u></b>	<b><u>1,67,88,954</u></b>
<b>Earnings Per Equity Share</b>			
<b>(Nominal Value of Rs. 10 each)</b>	39		
Basic & Diluted		4.10	2.63

The accompanying Notes from No. 1 to 46 are an integral part of the financial statements.

P-21/22, Radha Bazar Street  
Kolkata - 700 001  
Dated the 24th day of May, 2017

As per our report attached  
For JAIN & CO.  
Chartered Accountants  
Firm Registration No. 302023E  
CA. M. K. JAIN  
Partner  
Membership No. 55048

ASHOK KUMAR PODDAR, *Chairman*  
(DIN : 00282924)  
MANISH PODDAR, *Managing Director*  
(DIN : 00283036)  
D. V. SINGHI, *Secretary*  
P. K. GHORAWAT, *Chief Financial Officer*

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<u>Note No.</u>	<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>(Amount in `)</u> <u>As at 31st March, 2016</u>
1.	<b>(A) SHARE CAPITAL</b>		
	<b>Details of Authorised, Issued, Subscribed and Fully Paid Up Shares</b>		
	<b>Authorisedl :</b>		
	10,000 (Previous Year 10,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,00,000	10,00,000
	50,000 (Previous Year 50,000) 11% Redeemable Cumulative Preference Shares of Rs. 30/- each	15,00,000	15,00,000
	64,00,000 (Previous Year 64,00,000) Equity Shares of Rs. 10/- each)	6,40,00,000	6,40,00,000
		<u>6,65,00,000</u>	<u>6,65,00,000</u>
	<b>Issued, Subscribed &amp; Paid-up Share Capital :</b>		
	63,82,151 (Previous Year 63,82,151) Equity Shares of Rs. 10/- each	6,38,21,510	6,38,21,510
		<u>6,38,21,510</u>	<u>6,38,21,510</u>

**Terms and rights attached to Equity Shares**

The company has only one class of Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of Equity Shares held by Shareholders.

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Note No.	Particulars	(Amount in `)	
		As at 31st March, 2017	As at 31st March, 2016
<b>(B) Reconciliation of Paid-up Share Capital</b>			
<b>Ordinary Equity Shares of Rs. 10 each</b>			
	Number of shares outstanding as at the beginning of the year	63,82,151	63,82,151
	Number of shares outstanding as at the end of the year	63,82,151	63,82,151

**(C) Shares Held By Shareholders Holding more than 5% Shares of the Company**

**Equity Shares of Rs. 10 each**

Sl. No.	Name of the shareholder	As At 31.03.2017		As At 31.03.2016	
		No. of Shares	%	No. of Shares	%
		Held		Held	
1	Shri. Manish Poddar	1004780	15.74	1004780	15.74
2	Smt. Madhushree Poddar	740600	11.60	740600	11.60
3	Smt. Divya Poddar	634100	9.94	634100	9.94
4	Ashok Kumar Poddar (HUF)	1436100	22.50	1436100	22.50
5	Miss Vasavi Poddar	400000	6.27	400000	6.27
6	South West Fintrade Udyog Ltd. (Formerly A. M. Udyog Ltd.)	376660	5.90	376660	5.90
7	Raghuvir Realtors Pvt. Ltd.	1146500	17.96	1146500	17.96

Particulars	(Amount in `)	
	As at 31st March, 2017	As at 31st March, 2016

**(D) Details of allotment of shares for consideration other than cash during the last five years**

**Allotment of shares as fully paid up pursuant to contracts without payment being received in cash**

5483500 equity shares of Rs. 10/- each fully paid up allotted on 30.10.2010 pursuant to the Scheme of Amalgamation without payment being received in cash	—	5,48,35,000
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**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Note No.	Particulars	(Amount in `)	
		As at 31st March, 2017	As at 31st March, 2016
<b>2</b>	<b>RESERVE &amp; SURPLUS</b>		
	<b>Capital Redemption Reserve</b>		
	Opening Balance	15,91,890	15,91,890
		<b>15,91,890</b>	<b>15,91,890</b>
	<b>General Reserve</b>		
	Opening Balance	35,75,71,336	35,83,75,370
	Add : Transferred from Statement of Profit & Loss	3,00,00,000	2,50,00,000
		<b>38,75,71,336</b>	<b>38,33,75,370</b>
	Less : Transferred to Statement of Profit and Loss on account of depreciation on revalued assets (Refer Note No. 24)	2,58,04,034	2,58,04,034
		2,58,04,034	2,58,04,034
		<b>36,17,67,302</b>	<b>35,75,71,336</b>
	<b>Statement of Profit and Loss</b>		
	Opening Balance	4,60,31,525	5,48,99,981
	Add : Profit / (Loss) for the year	2,61,91,231	1,67,88,954
		<b>7,22,22,756</b>	<b>7,16,88,935</b>
	Less : Transferred to General Reserve	3,00,00,000	2,50,00,000
	Income Tax for Earlier Years	—	6,57,410
		<b>3,00,00,000</b>	<b>2,56,57,410</b>
		<b>4,22,22,756</b>	<b>4,60,31,525</b>
		<b>40,55,81,948</b>	<b>40,51,94,751</b>
<b>3</b>	<b>LONG-TERM BORROWINGS</b>		
	<b>TERM LOANS FROM BANK</b>		
	<b>Secured</b>		
	From Allahabad Bank (Secured by Equitable mortgage of land and building of the company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Chairman and Managing Director of the Company)	7,24,41,463	1,63,07,795
	From HDFC Bank (Secured by hypothecation of Motor Cars)	10,91,795	623,676
	From ICICI Bank (Secured by hypothecation of Motor Car)	27,21,423	3,486,306
		<b>7,62,54,681</b>	<b>20417,777</b>

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
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### TERMS OF REPAYMENT

Particulars	Date of Sanction	Original Loan Rs.	Repayment Schedule
From Allahabad Bank - Term Loan-1	02.12.14	37500000	16 Quarterly instalments of Rs. 2344000/- starting from September, 2013 and ending on March, 2018
From Allahabad Bank - Term Loan-2	02.12.14	13000000	13 Quarterly instalments of Rs. 1000000/- starting from June, 2014 and ending on June, 2017
From Allahabad Bank - Term Loan-3	02.12.14	15700000	12 Quarterly instalments of Rs. 1310000/- starting from June, 2016 and ending on March, 2019
From Allahabad Bank - Term Loan-4	30.08.16	22000000	16 Quarterly instalments of Rs. 1375000/- starting from December, 2017 and ending on September, 2021
From Allahabad Bank - Term Loan-5	30.08.16	28000000	16 Quarterly instalments of Rs. 1750000/- starting from April, 2019 and ending on March, 2023
From Allahabad Bank - Term Loan-6	30.08.16	43500000	20 Quarterly instalments of Rs. 2175000/- starting from October, 2017 and ending on September, 2023
From HDFC Bank - Car Loan	25.02.15	430000	36 monthly instalments of Rs. 13925/- starting from April, 2015 and ending on March, 2018
From HDFC Bank - Car Loan	28.04.14	435500	36 monthly instalments of Rs. 14500/- starting from May, 2014 and ending on April, 2017
From HDFC Bank - Car Loan	29.12.15	700000	36 monthly instalments of Rs. 22425/- starting from February, 2016 and ending on January, 2019
From HDFC Bank - Car Loan	05.07.16	400000	36 monthly instalments of Rs. 12841/- starting from August, 2016 and ending on July, 2019
From HDFC Bank - Car Loan	05.07.16	400000	36 monthly instalments of Rs. 12841/- starting from August, 2016 and ending on July, 2019



# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	
		(Amount in `)		
	Particulars	Date of Sanction	Original Loan Rs.	Repayment Schedule
	From HDFC Bank - Car Loan	05.06.16	400000	36 monthly instalments of Rs. 12841/- starting from July, 2016 and ending on June, 2019
	From HDFC Bank - Car Loan	07.07.16	650000	36 monthly instalments of Rs. 20867/- starting from August, 2016 and ending on July, 2019
	From ICICI Bank - Car Loan	19.11.15	4500000	60 monthly instalments of Rs. 94180/- starting from December, 2015 and ending on November, 2020
<b>TERM LOANS FROM OTHERS</b>				
<b>Secured</b>				
	From BMW India Financial Services P. Ltd.		7,350	4,51,755
	From Daimler Financial Services India P. Ltd.		30,12,660	34,50,903
	(Secured by hypothecation of Motor Cars)			
			<b>30,20,010</b>	<b>39,02,658</b>
<b>TERMS OF REPAYMENT</b>				
	Particulars	Date of Sanction	Original Loan Rs.	Repayment Schedule
	BMW India Financial Serv. P. Ltd. - Car Loan	31.01.13	2000000	60 monthly instalments of Rs. 43325/- starting from March, 2013 and ending on February, 2018
	Daimler Financial Services India P. Ltd. - Car Loan	26.06.15	4186954	47 monthly instalments of Rs. 71290/- starting from July, 2015 and ending on May, 2019 and 48th instalment of Rs. 2335880/- payable in June, 2019
			<b>7,92,74,691</b>	<b>2,43,20,435</b>
<b>4</b>	<b>DEFERRED TAX LIABILITIES</b>			
	<b>Deferred Tax Liabilities Being The Tax Impact On</b>			
	Difference of WDV of Fixed Assets as Per Income Tax Law and Books		1,48,96,164	1,79,50,049
	(Deferred Tax Liabilities have been calculated in accordance with AS-22 as notified by the Companies (Accounts) Rules, 2014)			
			<b>1,48,96,164</b>	<b>1,79,50,049</b>

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>5</b>	<b>SHORT-TERM BORROWINGS</b>		
	<b>Secured</b>		
	<b>From Banks</b>		
	<b>Cash Credit from Allahabad Bank</b>	13,02,53,663	9,88,37,956
	(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 Chairman and Managing Director of the Company.)		
	<b>Term Loan from Allahabad Bank</b>	1,33,82,518	1,85,76,000
	(Secured by Equitable mortgage of land and building of the Company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Chairman and Managing Director of the Company.)		
	<b>From HDFC Bank</b>	10,05,320	5,20,889
	(Secured by hypothecation of Motor Cars)		
	<b>From ICICI Bank</b>	7,64,882	7,64,882
	(Secured by hypothecation of Motor Cars)		
		<b><u>14,54,06,383</u></b>	<b><u>11,86,99,727</u></b>
	<b>TERMS OF REPAYMENT</b>		
	(Refer Note No. 3)		
	<b>From Others</b>		
	<b>Secured</b>		
	From BMW India Financial Services P. Ltd.	4,44,406	4,44,406
	From Daimler Financial Services India P. Ltd.	4,38,243	438,243
	(Secured by hypothecation of Motor Cars)		
		<b><u>8,82,649</u></b>	<b><u>8,82,649</u></b>
	<b>TERMS OF REPAYMENT</b>		
	<b>Unsecured</b>		
	From Others	15,50,000	40,50,000
		<b><u>14,78,39,032</u></b>	<b><u>12,36,32,376</u></b>

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

<b>Note No.</b>	<b>Particulars</b>	<b>(Amount in `)</b>	
		<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>6</b>	<b>TRADE PAYABLES</b>		
	Payable to Micro Enterprises and Small Enterprises	—	—
	Other Payables (Refer Note No. 34)	50,59,94,099	53,92,76,448
		<b>50,59,94,099</b>	<b>53,92,76,448</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Loans from Government of West Bengal</b>		
	Sales Tax Loan from Government of West Bengal	54,43,149	54,43,149
	Sales Tax Loan from WBIDC	2,47,63,975	2,47,63,975
	Sales Tax Incentive Loan from WBIDC	17,50,000	17,50,000
	Special Capital Incentive Loan from WBIDC	7,50,000	7,50,000
	Interest Accrued & Due on Unsecured Loans	4,70,47,626	4,45,22,710
		<b>7,97,54,750</b>	<b>7,72,29,834</b>
	<b>Other Payables</b>		
	TDS Payable	4,52,070	7,17,938
	West Bengal Professional Tax Payable	66,160	93,768
	Brokerage & Commission Payable	52,89,757	63,07,175
	Electricity Charges Payable	3,07,287	—
	Salary & Wages Payable	3,47,65,842	3,47,66,322
	Other Payables	3,19,87,157	2,71,56,050
		<b>7,28,68,273</b>	<b>6,90,41,253</b>
	Bank Overdraft (Due to Reconciliation)	1,956	3,26,731
	Advances from Customers	63,27,722	74,75,223
	Other Advances Received	24,70,291	20,48,398
	Interest Accrued But Not Due on Unsecured Loans	76,133	76,133
	Liability for Preference Share Redemption	3,31,538	3,31,538
		<b>92,07,640</b>	<b>1,02,58,023</b>
		<b>16,18,30,663</b>	<b>15,65,29,110</b>
<b>8</b>	<b>SHORT-TERM PROVISIONS</b>		
	Provision for Income Tax	4,45,77,248	3,98,01,545
	Provision for Wealth Tax	73,751	73,751
		<b>4,46,50,999</b>	<b>3,98,75,296</b>

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. 9

### PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At 31-03-16	Additions	Deductions/ Adjustments	As At 31-03-17	As At 31-03-16	Adjusted with General Reserve (Refer Note 40)	Provided for the year	Deductions/ Adjustments	As At 31-03-17	As At 31-03-17	As At 31-03-16
Land	155787500	—	—	155787500	—	—	—	—	—	155787500	155787500
Buildings	291624482	11022301	2090597	300556186	130253668	—	9140406	—	139394074	161162112	161370814
Plant & Machinery	705109084	59404373	1612910	762900547	404422680	—	29514266	1041724	432895222	330005325	300686404
Furniture & Fixtures	14404220	334341	—	14738561	5218030	—	1136880	—	6354910	8383651	9186190
Office Equipments	1181940	80761	—	1262701	957813	—	104760	—	1062573	200128	224127
Motor Car	19156567	3197247	1746711	20607103	3783435	—	2329525	845602	5267358	15339745	15373132
Data Processing Machines	3600777	76850	—	3677627	3194100	—	115083	—	3309183	368444	406677
<b>Total</b>	<b>1190864570</b>	<b>74115873</b>	<b>5450218</b>	<b>1259530225</b>	<b>547829726</b>	<b>—</b>	<b>42340920</b>	<b>1887326</b>	<b>588283320</b>	<b>671246905</b>	<b>643034844</b>
Previous Year	1172961207	24710780	6807417	1190864570	509197700	—	41314587	2682561	547829726	643034844	—

NOTE NO. 10

### INTANGIBLE ASSETS

(Amount in Rs.)

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At 31-03-16	Additions	Deductions/ Adjustments	As At 31-03-17	As At 31-03-16	Adjusted with General Reserve (Refer Note 40)	Provided for the year	Deductions/ Adjustments	As At 31-03-17	As At 31-03-16	
Computer Software	1321035	58800	—	1379835	1121419	—	177213	—	1298632	81203	199616
<b>Total</b>	<b>1321035</b>	<b>58800</b>	<b>—</b>	<b>1379835</b>	<b>1121419</b>	<b>—</b>	<b>177213</b>	<b>—</b>	<b>1298632</b>	<b>81203</b>	<b>199616</b>
Previous Year	1288800	32235	—	1321035	945120	—	176299	—	1121419	199616	—

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**11 NON CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	Face Value	Numbers		Amount	
		As at 31.3.2017	As at 31.3.2016	As at 31.3.2017	As at 31.3.2016
<b>Non - Trade Investment</b>					
<b>Investment in Equity Instruments (At Cost)</b>					
<b>Long term</b>					
<b>In Fully paid up Shares of Joint Stock Companies</b>					
(Long Term Unless Otherwise Stated)					
<b>Other than Trade</b>					
<b>A. QUOTED</b>					
Whirlpool of India Ltd.	10	300	300	7050	7050
<b>B. UNQUOTED</b>					
A. M. Industries Ltd.	100	400	400	40000	40000
A. M. Udyog Ltd. (11% Redeemable Cumulative Preference Shares)	100	7	7	700	700
South West Fintrade Udyog Ltd.	10	678405	678405	6558225	6558225
Ess Emm Enclaves (P) Ltd.	10	37500	37500	375000	375000
Rash Behari construction (P) Ltd	10	—	7500	—	75000
Southwest Construction (P) Ltd	10	300	300	3000	3000
Suncity Properties (P) LTD.	10	5000	5000	158000	158000
Tivolipark Apartments (P) Ltd.	100	6500	6500	650000	650000
Tyron Agency (P) Ltd	10	200	200	2000	2000
<b>C. Investment in Subsidiary Company</b>					
Vasavi Infrastructure Projects Limited	10	2372300	2372300	33423000	33423000
<b>D. In Government Securities</b>					
7 years National Saving Certificate lodged as Security with Central Excise Authority				7937	7937
Aggregate Value of Unquoted Investments.				<u>41217862</u>	<u>41292862</u>
Aggregate Value of Investments				<u>41224912</u>	<u>41299912</u>
<b>Notes :</b>					
<b>(1) Quoted Investments</b>					
Aggregate amount				7050	7050
Market value				366510	210660
<b>(2) Unquoted Investments</b>					
Aggregate amount				41217862	41292862

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

<b>Note No.</b>	<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>(Amount in `) As at 31st March, 2016</b>
<b>12</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	Unsecured, Considered Good unless otherwise stated		
	Security Deposits	87,55,486	83,16,656
		<b>87,55,486</b>	<b>83,16,656</b>
<b>13</b>	<b>INVENTORIES</b>		
	(As per Inventories Taken, Valued and Certified by the management)		
	Raw Materials	16,89,71,918	12,60,38,152
	Work in Progress	3,01,90,459	5,94,12,560
	Finished Goods	10,61,14,390	8,56,06,428
	Stores and Spare Parts	2,41,83,959	2,28,02,930
	<b>Stock in Trade</b>		
	Stock of Shares (Refer Note No. 31)	70,45,051	70,45,051
		<b>33,65,05,777</b>	<b>30,09,05,121</b>
<b>14</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured, Considered Good unless otherwise stated		
	Outstanding For More Than Six Months	91,55,665	40,51,495
	Others	9,65,72,201	14,83,75,754
		<b>10,57,27,866</b>	<b>15,24,27,249</b>
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	<b>Cash &amp; Cash Equivalents</b>		
	Cash in hand	2,91,863	18,43,651
	<b>Balance with Banks</b>		
	In Current Accounts	3,84,79,342	2,41,80,767
		<b>3,87,71,205</b>	<b>2,60,24,418</b>

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

<b>Note No.</b>	<b>Particulars</b>	<b>(Amount in `)</b>	
		<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>16</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	(Unsecured, Considered Good unless otherwise stated)		
	Loans to Body Corporates - Others	3,00,14,079	3,95,17,744
	Loans to Body Corporates - Related Party	58,36,964	1,81,83,893
	Advances to a Subsidiary	6,70,24,455	3,50,05,455
	Advances Recoverable in Cash or in kind for value to be received	3,34,05,652	3,84,33,546
	Advance Payment of Income Tax	3,80,30,140	3,55,30,140
	Income Tax Deducted at Source	1,08,80,577	88,88,966
	MAT Credit Entitlement	1,28,77,068	81,01,365
	Advance Fringe Benefit Tax	1,14,260	1,14,260
		<b><u>19,81,83,195</u></b>	<b><u>18,37,75,369</u></b>
<b>17</b>	<b>OTHER CURRENT ASSETS</b>		
	Prepaid Expenses	18,74,529	22,37,114
	Balances with Customs & Port Trust Authorities	46,184	46,184
	Balances with Excise Department	2,12,077	2,01,939
	Deposit with Govt. Department & Others	63,88,616	1,21,31,553
		<b><u>85,21,406</u></b>	<b><u>1,46,16,790</u></b>

<b>Note No.</b>	<b>Particulars</b>	<b>(Amount in `)</b>	
		<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of Products (Jute Goods)</b>	2,19,87,18,389	2,10,66,35,729
	<b>Other Operating Revenue</b>		
	Branding Charges (Net)	1,12,64,180	1,02,31,976
	Revenue from Operations (Gross)	2,20,99,82,569	2,11,68,67,705
	Less : Jute Marketing Cess	2,18,29,047	2,08,31,714
	Revenue from Operations (Net)	2,18,81,53,522	2,09,60,35,991
	Sale of Traded Goods	89,81,716	—
		<b><u>2,19,71,35,238</u></b>	<b><u>2,09,60,35,991</u></b>

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Note No.	Particulars	(Amount in `)	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>19</b>	<b>OTHER INCOME</b>		
	Dividend Received		
	- From Other Non Current investments	63,593	60,687
	Interest Received		
	- On Loans & Others	17,53,104	51,61,710
	Profit on Sale of Fixed Assets	22,88,814	—
	Rent Received	1,73,64,102	1,12,96,763
	Sale of Scrap	9,41,408	14,24,120
		<b><u>2,24,11,021</u></b>	<b><u>1,79,43,280</u></b>
<b>20</b>	<b>COST OF MATERIALS CONSUMED</b>		
	<b>Raw Materials Consumed</b>		
	Opening Stock	12,60,38,152	4,18,60,935
	Add : Purchases	1,41,51,82,811	1,47,91,99,935
	Add : Jute Expenses	3,59,70,299	3,90,68,741
		<u>1,57,71,91,262</u>	<u>1,56,01,29,611</u>
	Less: Closing Stock	16,89,71,918	12,60,38,152
		<b><u>1,40,82,19,344</u></b>	<b><u>1,43,40,91,459</u></b>
<b>21</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SHARES IN TRADE</b>		
	<b>Closing Stock</b>		
	Finished Goods	10,61,14,390	8,56,06,428
	Work in Process	3,01,90,459	5,94,12,560
	Shares	70,45,051	70,45,051
		<u>14,33,49,900</u>	<u>15,20,64,039</u>
	<b>Opening Stock</b>		
	Finished Goods	8,56,06,428	6,73,16,596
	Work in Process	5,94,12,560	2,65,25,073
	Shares	70,45,051	70,45,051
		<u>15,20,64,039</u>	<u>10,08,86,720</u>
	(Increase) / Decrease in Inventories	<b><u>87,14,139</u></b>	<b><u>(5,11,77,319)</u></b>



**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Note No.	Particulars	(Amount in `)	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>22</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries and Wages	35,72,45,993	33,69,85,922
	Contribution to Provident Fund & Other Funds	4,26,56,420	3,95,57,710
	Staff Welfare Expenses	40,12,596	32,86,172
		<b>40,39,15,009</b>	<b>37,98,29,804</b>
<b>23</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	2,98,51,642	2,51,75,049
	Other Borrowing Costs	17,81,771	5,71,200
		<b>3,16,33,413</b>	<b>2,57,46,249</b>
<b>24</b>	<b>DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
	Depreciation on Tangible Assets	4,23,40,920	4,13,14,587
	Less : Transferred from General Reserve	2,58,04,034	2,58,04,034
		1,65,36,886	1,55,10,553
	Amortisation on Intangible Assets	1,77,213	1,76,299
		<b>1,67,14,099</b>	<b>1,56,86,852</b>
<b>25</b>	<b>OTHER EXPENSES</b>		
	Consumption of Stores & Spare Parts	10,20,99,535	9,09,35,837
	Carriage Inward	2,42,793	52,670
	Power and Fuel	10,47,59,245	9,68,98,696
	Rent	4,20,000	4,20,000
	Repairs to Building	34,07,386	44,91,950
	Repairs to Machinery	31,75,154	48,20,148
	Insurance Charges	20,82,294	20,49,972
	Rates and Taxes	55,61,953	18,54,212
	Loss on Sale of Fixed Assets	3,65,109	10,53,025
	Other Manufacturing Expenses	4,95,16,007	4,41,01,394
	Duty, Cess, Entry Tax, Freight & Other Sales Expenses	1,33,09,238	1,88,27,113
	Directors Remuneration	48,00,000	45,00,000
	<b>Auditors</b>		
	Statutory Audit Fees	69,000	60,000
	Other Matters	40,630	13,116
	Miscellaneous expenses (Refer Note No. 28 and 40)	2,80,71,980	2,09,72,444
		<b>31,79,20,324</b>	<b>29,10,50,577</b>

# **BUDGE BUDGE COMPANY LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

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### **26 SIGNIFICANT ACCOUNTING POLICIES**

#### **i) System of Accounting**

- a) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- b) The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 as amended and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis, other than certain fixed assets which are stated at revalued amount except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

#### **ii) 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.

#### **iii) Property, Plant and Equipment**

- a) Property, Plant and Equipment other than revalued are stated at cost of acquisition or construction and net of subsidy / cenvat less accumulated depreciation / amortisation / impairment, if any.
- b) Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.
- c) Gains / Losses arising from sale / discard of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is sold / discarded.

#### **iv) Depreciation on Property, Plant and Equipment**

- a) Depreciation on additions / deletions for Property, Plant and Equipment are charged under Straight Line Method (SLM) according to the useful life specified in Schedule II of the Companies Act, 2013 in terms of Section 123 of the Act, on prorata basis. Depreciation on significant components of Property, Plant and Equipment having different useful lives are depreciated considering its useful life.
- b) Depreciation Property, Plant and Equipment is being provided on Straight Line Method basis as per useful lives specified in Schedule II of the Companies Act, 2013.
- c) In respect of revalued assets, the difference of depreciation, between Net Asset Value and revalued amount, has been charged to General Reserve.

# **BUDGE BUDGE COMPANY LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

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**v) Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**vi) Intangible Assets**

- a) Cost of Software is capitalised and where it is expected to provide future enduring economic benefits. Capitalisation includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation / enhancement is charged off as revenue expenditure unless they bring similar significant additional benefits.
- b) Capitalised software is amortised on straight line method over a period of five years as per Accounting Standard-26 as notified by Companies (Accounts) Rules, 2014 (as amended).

**vii) Investments**

Investments, which are readily realizable and 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 direct attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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.

**viii) Exchange Fluctuations**

**a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**c) Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

**ix) Inventories**

- a) Inventories are valued at lower of the cost and net realisable value. Costs in respect of these

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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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.

- b) Cess duty payable on finished goods lying at factory at the year end is included in the valuation of finished goods.
- c) Stock of shares and debentures has been valued at cost or market value whichever is lower.

### **x) Cash and Cash Equivalents**

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

### **xi) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other Borrowing costs are recognised as expense in the period in which they are incurred.

### **xii) Employees Benefits**

#### **a) Defined Contribution Plans**

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

#### **b) 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. However, the Company is making payment of gratuity to the retired employees as per agreed scheme.

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

### **xiii) Sales**

- a) 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.
- b) 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.
- c) Sales is exclusive of cess duty and sales tax/Value Added Tax (VAT), rebate, discounts etc. are excluded therefrom.

### **xiv) Revenue Recognition**

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

# **BUDGE BUDGE COMPANY LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

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**xv) 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.

**xvi) Claims**

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

**xvii) 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.

**xviii) Taxation**

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**xix) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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**xx) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**xxi) Prior Period Items**

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

**xxii) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**27. Corporate Information**

Budge Budge Company Limited (the company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in manufacturing and selling of jute products. The company caters to only the domestic market. The quality management system of Budge Budge Jute Mills has been assessed and found to meet the requirements of ISO 9001:2008.

**28. Contingent Liabilities not provided for in respect of following :**

	Current Year Rs.	Previous Year Rs.
a) Sales Tax demands pending with appellate authorities	14,78,99,673	14,38,26,110
b) Bonus Payable as per amendment in the Act	—	42,29,513
c) 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	11,45,951	11,45,951

## **BUDGE BUDGE COMPANY LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

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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.

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.

- 29 The future liability of Rs. 17,35,78,431/- (Previous Year Rs. 17,02,01,504/-) being gratuity payable to employees determined as per actuarial valuation as at 31st March, 2017 under Revised AS-15 norms has not been provided for in the accounts due to non-availability of adequate surplus.
- 30 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. 18,238/- had been lost in transit and hence could not be produced to the auditors for verification. Necessary legal steps have been initiated against the same.
- 31 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, 2017.
- 32 The arrear cumulative dividend on 6000 Nos of 11% Redeemable Cumulative Preference Shares of Rs. 100/- each till 31.03.2013 amounted to Rs. 25,63,529/-.
- 33 The Company had filed an application for recovery 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 :
- a) The amount of Rs. 1,37,71,765/- along with interest of Rs. 78,60,754/- accrued there upon upto 31.03.2004 on having been considered good for recovery is accounted for under the head "Advances Recoverable in Cash or in Kind". Further Sales Tax Dues amounting to Rs. 63,73,618/- have been netted out of the above amount.
- b) The company has withheld the repayment of principal and interest accrued on sales tax Loan.
- 34 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, 2017 to Micro, Small and Medium Enterprises an amount of principal together with interest aggregate to Rs. NIL (Previous Year Rs. NIL).
- 35 The Company has only one segment i.e. manufacturing of Jute Goods and as a result the reporting required of AS-17 "Segment Reporting" as issued by ICAI are not attracted.

# **BUDGE BUDGE COMPANY LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

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### **36 Related Party Disclosures**

Related Party Disclosures, as required by Accounting Standard-18 "Related Party Disclosures" are given below :-

#### **A) Relationship**

##### **i) Key Management Personnel & Relatives**

Shri Ashok Kumar Poddar (Executive Chairman)  
Shri Manish Poddar (Managing Director)  
Smt. Madhushree Poddar (Director)  
Smt. Divya Poddar  
Miss Vasavi Poddar  
Shri Danveer Singhi (Company Secretary)  
Shri Praveen Kumar Ghorawat (Chief Financial Officer)

##### **ii) Enterprises over which key management personnel and / or their relatives have significant influence :**

Anglo India Jute & Textile Industries P. Ltd  
Bengal Investment Ltd.  
Marigold Heights Pvt Ltd.  
Ripon Estates Ltd.  
P&A Bottlers P. Ltd  
South West Fintrade Udyog Limited  
P & A Beverages Pvt Ltd.  
Arial View Highrise LLP  
Prime Soft Vintrade Pvt Ltd.  
Jackson Mercantiles LLP  
Rash Behari Construction Pvt Ltd.  
Outshine Develpers LLP  
Suncity Properties P. Ltd  
P & A Infracon LLP  
Tivolipark Apartments (P) Ltd.  
P & A Infradevelopers LLP  
Tivoli Court Pvt. Ltd.  
Vehement Highrise LLP  
A. M. Business & Finance Ltd.  
Indian Jute Mill Association

##### **iii) Subsidiary Company**

Vasavi Infrastructure Projects Limited



## BUDGE BUDGE COMPANY LIMITED

**B) The following transactions were carried out with the related parties in the ordinary course of business.**

Details relating to parties referred to in item A(i), A(ii) and A(iii) :

Particulars	2016-17			2015-16		
	In relation to item A(i)	In relation to item A(ii)	In relation to item A(iii)	In relation to item A(i)	In relation to item A(ii)	In relation to item A(iii)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>i) Managerial Remuneration</b>						
Shri Manish Poddar	2733168	--	--	2382035	--	--
Shri Ashok Kr. Poddar	2562730	--	--	2512974	--	--
Shri Danveer Singhi	1215000	--	--	1064000	--	--
Shri Praveen Kumar Ghorawat	583200	--	--	501600	--	--
<b>ii) Payment to Raw Jute Creditors</b>						
Bengal Investment Ltd.	--	415128240	--	--	472536699	--
<b>iii) Purchase of Raw Materials</b>						
Bengal Investment Ltd.	--	408905843	--	--	470452187	--
<b>iv) Sale of Goods</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	44936170	--	--	--	--
<b>v) Sale of Fixed Assets</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	1916250	--	--	--	--
<b>vi) Advances Received against Development of Property Under Joint Venture</b>						
Vasavi Infrastructure Projects Ltd.	--	--	17516000	--	--	10167370
Tivolipark Apartments (P) Ltd.	--	12346929	--	--	--	--
Suncity Properties P. Ltd	--	--	--	--	29326	--
<b>vii) Advances Given against Development of Property Under Joint Venture</b>						
Vasavi Infrastructure Projects Ltd.	--	--	49535000	--	--	18057370
Tivolipark Apartments (P) Ltd.	--	--	--	--	40000	--
Suncity Properties P. Ltd	--	--	--	--	229326	--
<b>viii) Interest Received</b>						
Tivolipark Apartments (P) Ltd.	--	--	--	--	1334302	--
Suncity Properties P. Ltd	--	--	--	--	770826	--
<b>ix) Reimbursement of Expenses Received</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	66125	--	--	--	--
P&A Bottlers P. Ltd	--	--	--	--	31100	--
<b>x) Outstanding Balances at the end of the Financial Year</b>						
(Payable)/Receivable (Net)						
South West Fintrade Udyog Limited	--	(491300)	--	--	(491300)	--
Bengal Investment Ltd.	--	(170004929)	--	--	(175079448)	--
Jackson Mercantiles LLP	--	117355	--	--	117355	--
Vasavi Infrastructure Projects Ltd.	--	--	67024455	--	--	35005455
Tivolipark Apartments (P) Ltd.	--	--	--	--	12346929	--
Suncity Properties P. Ltd	--	5836964	--	--	5836964	--
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	61277	--	--	--	--

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

37. The Company is mainly engaged in the business of manufacturing of Jute goods. During the year, risks and returns of the enterprise will therefore continue 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
<b>Segment Revenue</b>						
From External Customers	Nil	Nil	Nil	Nil	Nil	Nil
<b>Segment Assets</b>	1423889106	1370599975	Nil	Nil	1423889106	1370599975

**38. Statement showing calculation of Earning Per Share as per AS 20 of ICAI**

	<u>2016-17</u>	<u>2015-16</u>
Profit/(Loss) After Tax	26191231	16788954
Weighted average number of Equity Shares of Rs. 10 Each fully paid up	6382151	6382151
Earning Per Share (in Rs.) (Basic & Diluted)	<u>4.10</u>	<u>2.63</u>

39. The Company has made a provision of Rs. 3,28,625/- (Previous Year Rs. 6,22,618/-) in its books of accounts towards contributions for Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013. Out of Rs. 18,97,693/- earmarked for CSR activities in the financial years 2014-15, 2015-16 and 2016-17 Rs. Nil has been incurred for activities specified in Schedule VII of the Companies Act, 2013.

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**40. Raw Material Consumed :**

	Unit	Quantity		Value (Rs.)	
		For the year ended	For the year ended	For the year ended	For the year ended
		31.03.17	31.03.16	31.03.17	31.03.16
Raw Jute	M.T.	26553	26591	1408219344	1434091459

**41. Value of Imported and Indigenous Raw Materials consumed during the year :**

	For the year ended		For the year ended	
	31.03.17	%	31.03.16	%
Indigenous	1350603905	95.91	1386072338	96.65
Imported	57615439	4.09	48019121	3.35
	1408219344	100.00	1434091459	100.00

**42. Value of Imported and Indigenous Stores, Spares consumed during the year :**

	For the year ended 31.03.17		For the year ended 31.03.16	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	102099535	100.00	90935837	100.00
Imported	—	—	—	—
	102099535	100.00	90935837	100.00

**43. Value of Imports on C.I.F. Basis :**

	For the year ended 31.03.17		For the year ended 31.03.16	
	Value (Rs.)	%	Value (Rs.)	%
Raw Materials	57615439	100.00	48019121	100.00
Components & Spare Parts	—	—	—	—
Capital Goods	—	—	—	—
	57615439	100.00	48019121	100.00

**BUDGE BUDGE COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**44. Expenditure in Foreign Currency :**

	For the year ended 31.03.17	For the year ended 31.03.16
	Rs.	Rs.
Travelling Expenses	1861493	2006863

**45. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :**

Particulars	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing Cash in Hand as on 08.11.2016	2,150,000	1,043,675	3,193,675
(+) Permitted Receipts	—	1,446,190	1,446,190
(-) Permitted Payments	—	2,395,257	2,395,257
(-) Amount Deposited in Banks	2,150,000	—	2,150,000
Closing Cash in Hand as on 30.12.2016	—	94,608	94,608

**46. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year presentation.**

P-21/22, Radha Bazar Street Kolkata - 700 001 Dated the 24th day of May, 2017	For JAIN & CO. Chartered Accountants Firm Registration No. 302023E CA. M. K. JAIN Partner Membership No. 55048	ASHOK KUMAR PODDAR, <i>Chairman</i> (DIN : 00282924) MANISH PODDAR, <i>Managing Director</i> (DIN : 00283036) D. V. SINGHI, <i>Secretary</i> P. K. GHORAWAT, <i>Chief Financial Officer</i>
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# BUDGE BUDGE COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(Amount in `)	
	As at 31.03.2017	As at 31.03.2016
<b>A) CASH FROM OPERATING ACTIVITIES</b>		
<b>Net profit/loss before tax &amp; extra ordinary items</b>	23137346	18751649
<b>Adjustments for :</b>		
Depreciation	16714099	15686852
Interest Paid	29851642	25175049
Rent Received	(17364102)	(11296763)
Dividend Income	(63593)	(60687)
Interest Received	(1753104)	(5161710)
Profit / (Loss) on Sale of Property, Plant & Equipments	(1923705)	1053025
	25461237	25395766
<b>Net Profit/Loss before working capital changes</b>	48598583	44147415
<b>Adjustment for :</b>		
Trade & Other Receivables	46699383	(82967991)
Inventories	(35600656)	(136237525)
Net Increase / Decrease in Other Loans & Advances	516042	(19933080)
Net Increase / Decrease in Current / Non Current Liabilities	(27980796)	(16366027)
	204834215	(34304381)
<b>Cash generated from operating activities</b>	32232556	9843034
Direct Taxes Paid (Net of Refund)	(4491611)	(5722115)
<b>Cash Flow before Extra Ordinary Items</b>	27740945	4120919
Extra Ordinary Items	—	—
<b>NET CASH FROM OPERATING ACTIVITIES</b>	27740945	4120919
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(89045824)	(24743015)
Subsidy Received	2090597	—
Sale of Property, Plant and Equipment	3396000	3071829
Sale of Investment	75000	—
Dividend Income	63593	60687
Rent Received	17364102	11296763
Interest Received	1753104	5161710
<b>NET CASH FROM INVESTING ACTIVITIES</b>	(64303428)	(5152026)

# BUDGE BUDGE COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	(Amount in `)	
	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	54954256	(6940728)
Proceeds from Short Term Borrowings	24206656	23819937
Interest Paid	<u>(29851642)</u>	<u>(25175049)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	49309270	(8295840)
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<u>12746787</u>	<u>(9326947)</u>
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<u>26024418</u>	<u>35351365</u>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<u>38771205</u>	<u>26024418</u>

The accompanying notes from 1 to 46 form an integral part of the financial statements.

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	Per Our Report attached of Even Date	
	For JAIN & CO. Chartered Accountants Firm Registration No. 302023E	ASHOK KUMAR PODDAR, <i>Chairman</i> (DIN : 00282924) MANISH PODDAR, <i>Managing Director</i> (DIN : 00283036) D. V. SINGHI, <i>Secretary</i> P. K. GHORAWAT, <i>Chief Financial Officer</i>
P-21/22, Radha Bazar Street Kolkata - 700 001 Dated the 24th day of May, 2017	CA. M. K. JAIN <i>Partner</i> Membership No. 55048	

# **BUDGE BUDGE COMPANY LIMITED**

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## **CONSOLIDATED FINANCIAL STATEMENT OF BUDGE BUDGE COMPANY LIMITED AND ITS SUBSIDIARY**

# **BUDGE BUDGE COMPANY LIMITED**

## **CONSOLIDATED AUDITORS' REPORT**

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### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF BUDGE BUDGE COMPANY LIMITED REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **BUDGE BUDGE COMPANY LIMITED**, (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **AUDITOR'S RESPONSIBILITY**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,



# **BUDGE BUDGE COMPANY LIMITED**

## **CONSOLIDATED AUDITORS' REPORT (Contd.)**

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whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose for expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associates as at 31st March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **OTHER MATTERS**

We did not audit the financial statements/financial information of 1 (One) subsidiary whose financial statements/financial information reflect total assets of Rs. 28,76,47,347/- as at 31st March, 2017, total revenues of Rs. 11,71,871/- and net cash inflows amounting to Rs. 1,30,479/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement also include the Group's share of net loss of Rs. 12,14,316/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of its 1 (one) associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associates, and our report in terms of sub section(3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associates is based solely on the report of the other auditors.

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED AUDITORS' REPORT (Contd.)

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consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group under Note 29 of the consolidated financial statements.
  - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, wherever applicable, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and associate companies incorporated in India.

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

Dated the 24th day of May, 2017

For JAIN & CO.  
*Chartered Accountants*  
Registration No. 302023E  
M. K. JAIN  
*Partner*  
Membership No. 055048

# **BUDGE BUDGE COMPANY LIMITED**

## **CONSOLIDATED AUDITORS' REPORT (Contd.)**

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### **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.**

**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 **BUDGE BUDGE COMPANY LIMITED** ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, 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.

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED AUDITORS' REPORT (Contd.)

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

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

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

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

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

### **Opinion**

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

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

Dated the 24th day of May, 2017

For JAIN & CO.  
*Chartered Accountants*  
Registration No. 302023E  
M. K. JAIN  
*Partner*  
Membership No. 055048

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	6,38,21,510	6,38,21,510
Reserves and Surplus	2	41,50,72,415	41,20,11,727
		<b>47,88,93,925</b>	<b>47,58,33,237</b>
<b>Minority Interest</b>		<b>24,66,991</b>	<b>26,03,474</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	10,11,31,218	3,95,39,880
Deferred Tax Liabilities	4	1,50,25,624	1,80,84,397
		<b>11,61,56,842</b>	<b>5,76,24,277</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	30,34,52,797	23,30,69,292
Trade Payables			
Payable to Micro Enterprises and Small Enterprises	6	—	—
Other Payables	6	50,99,53,709	54,26,71,041
Other Current Liabilities	7	22,52,95,692	19,47,40,274
Short-Term Provisions	8	4,51,51,149	4,01,76,353
		<b>1,08,38,53,347</b>	<b>1,01,06,56,960</b>
		<b>1,68,13,71,105</b>	<b>1,54,67,17,948</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, Plant and Equipment	9	67,13,24,894	64,31,57,011
Intangible Assets	10	1,28,54,417	1,12,05,307
Capital Work in Progress		1,48,71,151	—
		<b>69,90,50,462</b>	<b>65,43,62,318</b>
Non-Current Investments	11	3,98,29,005	3,88,29,005
Long Term Loans and Advances	12	98,24,286	93,84,241
		<b>74,87,03,753</b>	<b>70,25,75,564</b>
<b>Current Assets</b>			
Inventories	13	45,22,46,723	40,86,11,366
Trade Receivables	14	10,57,27,866	15,24,27,249
Cash and Bank Balances	15	3,92,32,622	2,63,52,576
Short Term Loans & Advances	16	32,41,82,635	23,97,11,152
Other Current Assets	17	1,12,77,506	1,70,40,041
		<b>93,26,67,352</b>	<b>84,41,42,384</b>
		<b>1,68,13,71,105</b>	<b>1,54,67,17,948</b>

The accompanying Notes from No. 1 to 43 are an integral part of the financial statements.

As per our report attached  
For JAIN & CO.

*Chartered Accountants*  
Firm Registration No. 302023E  
CA. M. K. JAIN  
Partner  
Membership No. 55048

ASHOK KUMAR PODDAR, *Chairman*  
MANISH PODDAR, *Mg. Director*  
D. V. SINGHI, *Secretary*  
P. K. GHORAWAT, *Chief Financial Officer*

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

Dated the 24th day of May, 2017

# BUDGE BUDGE COMPANY LIMITED

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

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended 31st March, 2017</u>	<u>(Amount in `)</u> <u>For the year ended 31st March, 2016</u>
<b>REVENUE</b>			
Revenue from Operations (Gross)	18	2,21,91,14,285	2,11,68,67,705
Less : Jute Manufacturing Cess		2,18,29,047	2,08,31,714
Revenue from Operations (Net)		2,19,72,85,238	2,09,60,35,991
Other Income	19	3,89,45,320	2,59,61,182
<b>TOTAL REVENUE</b>		<b>2,23,62,30,558</b>	<b>2,12,19,97,173</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	1,40,82,19,344	1,43,40,91,459
Purchase of Stock-in-Trade		92,92,585	—
Changes in Inventories of Finished Goods, Work in Progress and Stock in Shares	21	88,64,139	(5,12,05,179)
Employee Benefits Expenses	22	40,40,88,019	37,99,63,315
Finance Costs	23	4,59,14,743	3,24,24,097
Depreciation & Amortisation	24	1,67,78,290	1,58,23,873
Other Expenses	25	31,87,21,776	29,15,97,283
<b>TOTAL EXPENSES</b>		<b>2,21,18,78,896</b>	<b>2,10,26,94,848</b>
<b>Profit / (Loss) Before Tax</b>		<b>2,43,51,662</b>	<b>1,93,02,325</b>
<b>Tax Expenses</b>			
Current Tax		50,44,472	38,22,561
Less : MAT Credit Entitlement / (Set Off)		47,04,472	37,39,641
		3,40,000	82,920
Deferred Tax		(30,58,773)	19,62,695
		(27,18,773)	20,45,615
<b>Profit / (Loss) After Tax</b>		<b>2,70,70,435</b>	<b>1,72,56,710</b>
Less: Minority Interest		5,086	19,192
<b>Profit / (Loss) After Tax</b>		<b>2,70,65,349</b>	<b>1,72,37,518</b>
<b>Earnings Per Equity Share (Nominal Value of Rs. 10 each) Basic &amp; Diluted</b>	39	<b>4.24</b>	<b>2.70</b>

The accompanying Notes from No. 1 to 43 are an integral part of the financial statements.

As per our report attached

For JAIN & CO.

*Chartered Accountants*

*Firm Registration No. 302023E*

CA. M. K. JAIN

*Partner*

*Membership No. 55048*

ASHOK KUMAR PODDAR, *Chairman*

MANISH PODDAR, *Mg. Director*

D. V. SINGHI, *Secretary*

P. K. GHORAWAT, *Chief Financial Officer*

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

Dated the 24th day of May, 2017

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	(Amount in `)	
		As at 31st March, 2017	As at 31st March, 2016
1.	<b>(A) SHARE CAPITAL</b>		
	<b>Details of Authorised, Issued, Subscribed and Fully Paid Up Shares</b>		
	<b>Authorised Share Capital :</b>		
	10,000 (Previous Year 10,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,00,000	10,00,000
	50,000 (Previous Year 50,000) 11% Redeemable Cumulative Preference Shares of Rs. 30/- each	15,00,000	15,00,000
	64,00,000 (Previous Year 64,00,000) Equity Shares of Rs. 10/- each	6,40,00,000	6,40,00,000
		<b>6,65,00,000</b>	<b>6,65,00,000</b>
	<b>Issued, Subscribed &amp; Paid-up Share Capital :</b>		
	63,82,151 (Previous Year 63,82,151) Equity Shares of Rs. 10/- each	6,38,21,510	6,38,21,510
		<b>6,38,21,510</b>	<b>6,38,21,510</b>

### Terms and rights attached to Equity Shares

The company has only one class of Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of Equity Shares held by Shareholders.

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>(B) Reconciliation of Paid-up Share Capital</b>			
<b>Ordinary Equity Shares of Rs. 10 each</b>			
	Number of shares outstanding as at the beginning of the year	63,82,151	63,82,151
	Number of shares outstanding as at the end of the year	63,82,151	63,82,151

**(C) Shares Held By Shareholders Holding more than 5% Shares of the Company**

**Equity Shares of Rs. 10 each**

Sl. No.	Name of the shareholder	As At 31.03.2017		As At 31.03.2016	
		No. of Shares	%	No. of Shares	%
		Held		Held	
1	Shri. Manish Poddar	1004780	15.74	1004780	15.74
2	Smt. Madhushree Poddar	740600	11.60	740600	11.60
3	Smt. Divya Poddar	634100	9.94	634100	9.94
4	Ashok Kumar Poddar (HUF)	1436100	22.50	1436100	22.50
5	Miss Vasavi Poddar	400000	6.27	400000	6.27
6	South West Fintrade Udyog Ltd. (Formerly A. M. Udyog Ltd.)	376660	5.90	376660	5.90
7	M/s. Raghuvir Realtors Pvt. Ltd.	1146500	17.96	1146500	17.96

Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
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**(D) Details of allotment of shares for consideration other than cash during the last five years**

**Allotment of shares as fully paid up pursuant to contracts without payment being received in cash**

5483500 equity shares of Rs. 10/- each fully paid up allotted on 30.10.2010 pursuant to the Scheme of Amalgamation without payment being received in cash	—	5,48,35,000
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# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

<u>Note No.</u>	<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>(Amount in `) As at 31st March, 2016</u>
<b>2</b>	<b>RESERVE &amp; SURPLUS</b>		
	<b>Capital Redemption Reserve</b>		
	Opening Balance	15,91,890	15,91,890
		<u>15,91,890</u>	<u>15,91,890</u>
	<b>Securities Premium Account</b>		
	Opening Balance	1,00,00,000	1,00,00,000
	Add : Received during the year	—	—
		<u>1,00,00,000</u>	<u>1,00,00,000</u>
	<b>General Reserve</b>		
	Opening Balance	35,75,71,336	35,83,75,370
	Add : Transferred from Statement of Profit & Loss	3,00,00,000	2,50,00,000
		<u>38,75,71,336</u>	<u>38,33,75,370</u>
	Less : Transferred to Statement of Profit and Loss on account of depreciation on revalued assets (Refer Note No. 24)	2,58,04,034	2,58,04,034
		<u>2,58,04,034</u>	<u>2,58,04,034</u>
		<u><b>36,17,67,302</b></u>	<u><b>35,75,71,336</b></u>
	<b>Statement of Profit and Loss</b>		
	Opening Balance	3,76,64,399	4,60,47,067
	Add : Adjusted on Consolidation	69,79,239	52,21,326
	Add : Fringe Benefit Tax For Earlier Years	4,236	—
	Add : Profit / (Loss) for the year	2,70,65,349	1,72,37,518
		7,17,13,223	6,85,05,911
	Less : Transferred to General Reserve	3,00,00,000	2,50,00,000
	Income Tax for Earlier Year	—	6,57,410
		<u>3,00,00,000</u>	<u>2,56,57,410</u>
		<u>4,17,13,223</u>	<u>4,28,48,501</u>
		<u><b>41,50,72,415</b></u>	<u><b>41,20,11,727</b></u>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>3</b>	<b>LONG-TERM BORROWINGS</b>		
	<b>TERM LOANS FROM BANK</b>		
	<b>Secured</b>		
	From Allahabad Bank (Secured by Equitable mortgage of land and building of the company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Chairman and Managing Director of the Company)	7,24,41,463	1,63,07,795
	From HDFC Bank (Secured by hypothecation of Motor Cars)	10,91,795	6,23,676
	From ICICI Bank (Secured by hypothecation of Motor Car)	27,21,423	34,86,306
	From Bank of Baroda (Secured by hypothecation of Residential cum Commercial Building under Construction with personal guarantee of a director and corporate guarantee of a private limited company)	2,18,56,527	1,52,19,445
		<b>9,81,11,208</b>	<b>3,56,37,222</b>

### TERMS OF REPAYMENT

Particulars	Date of Sanction	Original Loan Rs.	Repayment Schedule
From Allahabad Bank - Term Loan-1	02.12.14	37500000	16 Quarterly instalments of Rs. 2344000/- starting from September, 2013 and ending on March, 2018
From Allahabad Bank - Term Loan-2	02.12.14	13000000	13 Quarterly instalments of Rs. 1000000/- starting from June, 2014 and ending on June, 2017
From Allahabad Bank - Term Loan-3	02.12.14	15700000	12 Quarterly instalments of Rs. 1310000/- starting from June, 2016 and ending on March, 2019
From Allahabad Bank - Term Loan-4	30.08.16	22000000	16 Quarterly instalments of Rs. 1375000/- starting from December, 2017 and ending on September, 2021

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

<u>Note No.</u>	<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
			(Amount in `)
	Particulars	Date of Sanction	Original Loan Rs.
	From Allahabad Bank - Term Loan-5	30.08.16	28000000
			16 Quarterly instalments of Rs. 1750000/- starting from April, 2019 and ending on March, 2023
	From Allahabad Bank - Term Loan-6	30.08.16	43500000
			20 Quarterly instalments of Rs. 2175000/- starting from October, 2017 and ending on September, 2023
	From HDFC Bank - Car Loan	25.02.15	430000
			36 monthly instalments of Rs. 13925/- starting from April, 2015 and ending on March, 2018
	From HDFC Bank - Car Loan	28.04.14	435500
			36 monthly instalments of Rs. 14500/- starting from May, 2014 and ending on April, 2017
	From HDFC Bank - Car Loan	29.12.15	700000
			36 monthly instalments of Rs. 22425/- starting from February, 2016 and ending on January, 2019
	From HDFC Bank - Car Loan	29.12.15	700000
			36 monthly instalments of Rs. 22425/- starting from February, 2016 and ending on January, 2019
	From HDFC Bank - Car Loan	05.07.16	400000
			36 monthly instalments of Rs. 12841/- starting from August, 2016 and ending on July, 2019
	From HDFC Bank - Car Loan	05.07.16	400000
			36 monthly instalments of Rs. 12841/- starting from August, 2016 and ending on July, 2019
	From HDFC Bank - Car Loan	05.06.16	400000
			36 monthly instalments of Rs. 12841/- starting from July, 2016 and ending on June, 2019
	From HDFC Bank - Car Loan	07.07.16	650000
			36 monthly instalments of Rs. 20867/- starting from August, 2016 and ending on July, 2019
	From ICICI Bank - Car Loan	19.11.15	4500000
			60 monthly instalments of Rs. 94180/- starting from December, 2015 and ending on November, 2020

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>(Amount in `)</b>				
<b>TERM LOANS FROM OTHERS</b>				
<b>Secured</b>				
	From BMW India Financial Services P. Ltd.	7,350	4,51,755	
	From Daimler Financial Services India P. Ltd. (Secured by hypothecation of Motor Cars)	30,12,660	34,50,903	
		<b>30,20,010</b>	<b>39,02,658</b>	
<b>TERMS OF REPAYMENT</b>				
	Particulars	Date of Sanction	Original Loan Rs.	Repayment Schedule
	BMW India Financial Serv. P. Ltd. - Car Loan	31.01.13	2000000	60 monthly instalments of Rs. 43325/- starting from March, 2013 and ending on February, 2018
	Daimler Financial Services India P. Ltd. - Car Loan	26.06.15	4186954	47 monthly instalments of Rs. 71290/- starting from July, 2015 and ending on May, 2019 and 48th instalment of Rs. 2335880/- payable in June, 2019
				<b>10,11,31,218</b>
				<b>3,95,39,880</b>
<b>4</b>	<b>DEFERRED TAX LIABILITIES</b>			
	<b>Deferred Tax Liabilities Being The Tax Impact On</b>			
	Difference of WDV of Fixed Assets as Per Income Tax Law and Books			
	(Deferred Tax Liabilities have been calculated in accordance with AS-22 as notified by the Companies (Accounts) Rules, 2014)			
				<b>1,50,25,624</b>
				<b>1,80,84,397</b>
<b>5</b>	<b>SHORT-TERM BORROWINGS</b>			
	<b>Secured</b>			
	<b>From Banks</b>			
	<b>Cash Credit from Allahabad Bank</b>			
	(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 Chairman and Managing Director of the Company.)			
				<b>13,02,53,663</b>
				<b>9,88,37,956</b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>5</b>	<b>SHORT-TERM BORROWINGS</b> (Contd.)		
	<b>Term Loan from Allahabad Bank</b> (Secured by Equitable mortgage of land and building of the Company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Chairman and Managing Director of the Company.)	1,33,82,518	1,85,76,000
	<b>From HDFC Bank</b> (Secured by hypothecation of Motor Cars)	10,05,320	5,20,889
	<b>From ICICI Bank</b> (Secured by hypothecation of Motor Cars)	7,64,882	7,64,882
		<b>14,54,06,383</b>	<b>11,86,99,727</b>
	<b>TERMS OF REPAYMENT</b> (Refer Note No. 3)		
	<b>From Others</b>		
	<b>Secured</b>		
	From BMW India Financial Services P. Ltd.	4,44,406	4,44,406
	From Daimler Financial Services India P. Ltd. (Secured by hypothecation of Motor Cars)	4,38,243	4,38,243
		<b>8,82,649</b>	<b>8,82,649</b>
	<b>TERMS OF REPAYMENT</b>		
	<b>Unsecured</b>		
	From Others	15,71,63,765	11,34,86,916
		<b>30,34,52,797</b>	<b>23,30,69,292</b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2017	(Amount in `) As at 31st March, 2016
<b>6</b>	<b>TRADE PAYABLES</b>		
	Payable to Micro Enterprises and Small Enterprises	—	—
	Other Payables (Refer Note No. 35)	50,99,53,709	54,26,71,041
		<b>50,99,53,709</b>	<b>54,26,71,041</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Loans from Government of West Bengal</b>		
	Sales Tax Loan from Government of West Bengal	54,43,149	54,43,149
	Sales Tax Loan from WBIDC	2,47,63,975	2,47,63,975
	Sales Tax Incentive Loan from WBIDC	17,50,000	17,50,000
	Special Capital Incentive Loan from WBIDC	7,50,000	7,50,000
	Interest Accrued & Due on Unsecured Loans	4,70,47,626	4,45,22,710
		7,97,54,750	7,72,29,834
	<b>Other Payables</b>		
	TDS Payable	17,77,009	12,36,962
	Works Contract Tax	53,886	53,886
	West Bengal Professional Tax Payable	67,380	1,180
	Brokerage & Commission Payable	52,89,757	63,07,175
	Electricity Charges Payable	3,07,287	—
	Salary & Wages Payable	3,47,65,842	3,47,66,322
	Other Payables	3,43,22,773	2,89,66,033
		7,65,83,934	7,13,31,558
	Bank Overdraft (Due to Reconciliation)	1,956	3,26,731
	Advances from Customers	63,27,722	74,75,223
	Other Advances Received	6,22,19,659	3,79,69,257
	Interest Accrued But Not Due on Unsecured Loans	76,133	76,133
	Liability for Preference Share Redemption	3,31,538	3,31,538
		6,89,57,008	4,61,78,882
		<b>22,52,95,692</b>	<b>19,47,40,274</b>
<b>8</b>	<b>SHORT-TERM PROVISIONS</b>		
	Provision for Income Tax	4,50,77,398	4,00,64,202
	Provision for Fringe Benefit Tax	—	38,400
	Provision for Wealth Tax	73,751	73,751
		<b>4,51,51,149</b>	<b>4,01,76,353</b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

### NOTE NO. 9

#### PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 31-03-16	Additions	Deductions/ Adjustments	As At 31-03-17	Adjusted with General Reserve (Refer Note 40)	Provided for the year	Deductions/ Adjustments	As At 31-03-17	As At 31-03-16
Land	155787500	—	—	155787500	—	—	—	155787500	155787500
Buildings	291624482	11022301	2090597	300556186	130253668	9140406	—	139394074	161162112
Plant & Machinery	705129484	59404373	1612910	762920947	404442060	29514266	1041724	432914602	330006345
Furniture & Fixtures	14821182	334341	—	15155523	5556546	1157202	—	6713748	8441775
Office Equipments	1423918	80761	—	1504679	1179520	112853	—	1292373	212306
Motor Car	19156567	3197247	1746711	20607103	3783435	2329525	845602	5267358	15339745
Data Processing Machines	3982713	76850	—	4059563	3553606	130846	—	3684452	375111
<b>Total</b>	<b>1191925846</b>	<b>74115873</b>	<b>5450218</b>	<b>1260591501</b>	<b>548768835</b>	<b>42385098</b>	<b>1887326</b>	<b>589266607</b>	<b>671324894</b>
Previous Year	1173458972	25274291	6807417	1191925846	509520780	41397333	2149278	548768835	643157011

### NOTE NO. 10

#### INTANGIBLE ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 31-03-16	Additions	Deductions/ Adjustments	As At 31-03-17	Adjusted with General Reserve (Refer Note 40)	Provided for the year	Deductions/ Adjustments	As At 31-03-17	As At 31-03-16
Computer Software	1413435	58800	—	1472235	1182371	197226	—	1379597	92638
Goodwill (Arising on Consolidation)	10974243	12761779	10974243	12761779	—	—	—	—	12761779
<b>Total</b>	<b>12387678</b>	<b>12820579</b>	<b>10974243</b>	<b>14234014</b>	<b>1182371</b>	<b>197226</b>	<b>—</b>	<b>1379597</b>	<b>12854417</b>
Previous Year	23193229	45885	10851436	12387678	951797	230574	—	1182371	11205307

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(Amount in `)					
Particulars	Face Value	Numbers		Amount	
		As at 31.3.2017	As at 31.3.2016	As at 31.3.2017	As at 31.3.2016
<b>Non - Trade Investment</b>					
<b>Investment in Equity Instruments (At Cost)</b>					
<b>Long term</b>					
<b>In Fully paid up Shares of Joint Stock Companies</b>					
(Long Term Unless Otherwise Stated)					
<b>Other than Trade</b>					
<b>A. QUOTED</b>					
Whirlpool of India Ltd.	10	300	300	<b>7050</b>	<b>7050</b>
<b>Unquoted</b>					
A.M.Industries Ltd.	100	400	400	40000	40000
Ess Emm Enclaves (P) Ltd.	10	37500	37500	375000	375000
P&A Bottlers P. Ltd	10	1125000	1125000	11250000	11250000
Southwest Construction (P) Ltd	10	400	400	4000	4000
Suncity Properties (P) Ltd	10	186700	186700	1975000	1975000
Tivolipark Apartments (P) Ltd.	100	58104	58104	8103018	8103040
Tyron Agency (P) Ltd	10	200	200	2000	2000
Zenom Vinimay P. Ltd	10	10000	10000	500000	500000
				<b>22249018</b>	<b>22249018</b>
<b>C. Investment in Mutual Funds (At Cost)</b>					
		<b>Units</b>	<b>Units</b>		
Motilal Oswal Focused Fund 25	-	504021.016	-	-	8135000
Motilal Oswal Most Focused 35 Fund	522298.036	-	522298.036	8430000	8430000
HDFC Mid Cap Opportunity Fund	63791.784	-	-	3000000	-
Kotak Emerging Equity Fund	89747.809	-	-	3000000	-
Sundaram Select Mid Cap Fund	7316.663	-	-	3135000	-
				<b>17565000</b>	<b>16565000</b>
<b>D. In Government Securities</b>					
7 years National Saving Certificate lodged as Security with Central Excise Authority				<b>7937</b>	<b>7937</b>
Aggregate Value of Unquoted Investments.				<b>39821955</b>	<b>38821955</b>
Aggregate Value of Investments.				<b>39829005</b>	<b>38829005</b>
<b>Notes :</b>					
<b>(1) Quoted Investments</b>					
Aggregate amount				7050	7050
Market value				366510	210660
<b>(2) Unquoted Investments</b>					
Aggregate amount				39821955	38821955



# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

<u>Note No.</u>	<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>(Amount in `) As at 31st March, 2016</u>
<b>12</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	Unsecured, Considered Good unless otherwise stated		
	Security Deposits	98,24,286	93,84,241
		<u>98,24,286</u>	<u>93,84,241</u>
<b>13</b>	<b>INVENTORIES</b>		
	(As per Inventories Taken, Valued and Certified by the management)		
	Raw Materials	16,89,71,918	12,60,38,152
	Work in Progress	14,59,70,372	16,70,07,772
	Finished Goods	10,61,14,390	8,56,06,428
	Stores and Spare Parts	2,41,83,959	2,28,02,930
	<b>Stock in Trade</b>		
	Stock of Shares (Refer Note No. 31)	70,06,084	71,56,084
		<u>45,22,46,723</u>	<u>40,86,11,366</u>
<b>14</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured, Considered Good unless otherwise stated		
	Outstanding For More Than Six Months	91,55,665	40,51,495
	Others	9,65,72,201	14,83,75,754
		<u>10,57,27,866</u>	<u>15,24,27,249</u>
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	<b>Cash &amp; Cash Equivalents</b>		
	Cash in hand	4,51,281	19,07,915
	<b>Balance with Banks</b>		
	In Current Accounts	3,87,81,341	2,44,44,661
		<u>3,92,32,622</u>	<u>2,63,52,576</u>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

<u>Note No.</u>	<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
<b>(Amount in `)</b>			
<b>16</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	(Unsecured, Considered Good unless otherwise stated)		
	Loans to Body Corporates-Others	3,25,27,821	3,05,49,916
	Loan to Body Corporates-Related Party	8,59,56,641	3,52,52,660
	Advances Recoverable in Cash or in kind for value to be received	14,12,75,746	12,01,66,199
	Advance Payment of Income Tax	3,80,30,140	3,55,34,296
	Income Tax Deducted at Source	1,34,00,959	99,56,075
	MAT Credit Entitlement	1,28,77,068	81,01,365
	Advance Fringe Benefit Tax	1,14,260	1,50,641
		<b><u>32,41,82,635</u></b>	<b><u>23,97,11,152</u></b>
<b>17</b>	<b>OTHER CURRENT ASSETS</b>		
	Advance Against Share Application	4,92,130	5,00,000
	Prepaid Expenses	18,74,529	22,37,114
	Service Tax Receivable	22,63,970	19,23,251
	Balances with Customs & Port Trust Authorities	46,184	46,184
	Balances with Excise Department	2,12,077	2,01,939
	Deposit with Govt. Department & Others	63,88,616	1,21,31,553
		<b><u>1,12,77,506</u></b>	<b><u>1,70,40,041</u></b>
<b>(Amount in `)</b>			
<u>Note No.</u>	<u>Particulars</u>	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of Products (Jute Goods)</b>	2,19,87,18,389	2,10,66,35,729
	<b>Other Operating Revenue</b>		
	Branding Charges (Net)	1,12,64,180	1,02,31,976
	Revenue from Operations (Gross)	2,20,99,82,569	2,11,68,67,705
	Less : Jute Manufacturing Cess	2,18,29,047	2,08,31,714
	Revenue from Operations (Net)	2,18,81,53,522	2,09,60,35,991
	Sale of Traded Goods	91,31,716	—
		<b><u>2,19,72,85,238</u></b>	<b><u>2,09,60,35,991</u></b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

<u>Note No.</u>	<u>Particulars</u>	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
			(Amount in `)
<b>19</b>	<b>OTHER INCOME</b>		
	Dividend Received		
	- From Other Non Current investments	81,275	1,12,687
	Interest Received		
	- On Loans & Others	1,72,69,340	51,61,710
	Profit on Sale of Fixed Assets	22,88,814	—
	Profit on Sale of Investments in Shares (Net)	10,00,381	79,65,902
	Rent Received	1,73,64,102	1,12,96,763
	Sale of Scrap	9,41,408	—
	Liability No Longer Required Written Back	—	—
		<b><u>3,89,45,320</u></b>	<b><u>2,59,61,182</u></b>
<b>20</b>	<b>COST OF MATERIALS CONSUMED</b>		
	<b>Raw Materials Consumed</b>		
	Opening Stock	12,60,38,152	4,18,60,935
	Add : Purchases	1,41,51,82,811	1,47,91,99,935
	Add : Jute Expenses	3,59,70,299	3,90,68,741
		<u>1,57,71,91,262</u>	<u>1,56,01,29,611</u>
	Less: Closing Stock	16,89,71,918	12,60,38,152
		<b><u>1,40,82,19,344</u></b>	<b><u>1,43,40,91,459</u></b>
<b>21</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SHARES IN TRADE</b>		
	<b>Closing Stock</b>		
	Finished Goods	10,61,14,390	8,56,06,428
	Work in Process	3,01,90,459	5,94,12,560
	Shares	92,95,794	94,45,794
		<u>14,56,00,643</u>	<u>15,44,64,782</u>
	<b>Opening Stock</b>		
	Finished Goods	8,56,06,428	6,73,16,596
	Work in Process	5,94,12,560	2,65,25,073
	Shares	94,45,794	94,17,934
		<u>15,44,64,782</u>	<u>10,32,59,603</u>
	(Increase) / Decrease in Inventories	<b><u>88,64,139</u></b>	<b><u>(5,12,05,179)</u></b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	For the year ended 31st March, 2017	(Amount in `) For the year ended 31st March, 2016
<b>22</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries and Wages	35,72,45,993	33,69,85,922
	Contribution to Provident Fund & Other Funds	4,26,56,420	3,95,57,710
	Staff Welfare Expenses	41,85,606	34,19,683
		<b><u>40,40,88,019</u></b>	<b><u>37,99,63,315</u></b>
<b>23</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	4,41,32,972	3,18,52,897
	Other Borrowing Costs	17,81,771	5,71,200
		<b><u>4,59,14,743</u></b>	<b><u>3,24,24,097</u></b>
<b>24</b>	<b>DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
	Depreciation on Tangible Assets	4,23,85,098	4,13,97,333
	Less : Transferred from General Reserve	2,58,04,034	2,58,04,034
		<u>1,65,81,064</u>	<u>1,55,93,299</u>
	Amortisation on Intangible Assets	1,97,226	2,30,574
		<b><u>1,67,78,290</u></b>	<b><u>1,58,23,873</u></b>
<b>25</b>	<b>OTHER EXPENSES</b>		
	Consumption of Stores & Spare Parts	10,20,99,535	9,09,35,837
	Carriage Inward	2,42,793	52,670
	Power and Fuel	10,47,59,245	9,68,98,696
	Rent	4,20,000	4,20,000
	Repairs to Building	34,07,386	44,91,950
	Repairs to Machinery	31,75,154	48,20,148
	Insurance Charges	20,82,294	20,49,972
	Rates and Taxes	55,64,453	18,95,764
	Securities Transaction Tax	91	26,778
	Loss on Sale of Fixed Assets	3,65,109	10,53,025
	Other Manufacturing Expenses	4,95,16,007	4,41,01,394
	Duty, Cess, Entry Tax, Freight and Other Sales Expenses	1,33,09,238	1,88,27,113
	Directors Remuneration	48,00,000	45,00,000
	<b>Auditors</b>		
	Statutory Audit Fees	95,425	81,965
	Other Matters	40,630	13,116
	Miscellaneous expenses (Refer Note No. 40)	2,88,44,416	2,14,28,855
		<b><u>31,87,21,776</u></b>	<b><u>29,15,97,283</u></b>

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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### 26 SIGNIFICANT ACCOUNTING POLICIES

#### i) System of Accounting

- a) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- b) The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 as amended and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis, other than certain fixed assets which are stated at revalued amount except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

#### ii) 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.

#### iii) Property, Plant and Equipment

- a) Property, Plant and Equipment other than revalued are stated at cost of acquisition or construction and net of subsidy / cenvat less accumulated depreciation / amortisation / impairment, if any.
- b) Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.
- c) Gains / Losses arising from sale / discard of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is sold / discarded.

#### iv) Depreciation on Property, Plant and Equipment

- a) Depreciation on additions / deletions for Property, Plant and Equipment are charged under Straight Line Method (SLM) according to the useful life specified in Schedule II of the Companies Act, 2013 in terms of Section 123 of the Act, on prorata basis. Depreciation on significant components of Property, Plant and Equipment having different useful lives are depreciated considering its useful life.
- b) Depreciation Property, Plant and Equipment is being provided on Straight Line Method basis as per useful lives specified in Schedule II of the Companies Act, 2013.

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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- c) In respect of revalued assets, the difference of depreciation, between Net Asset Value and revalued amount, has been charged to General Reserve.

**v) Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**vi) Intangible Assets**

- a) Cost of Software is capitalised and where it is expected to provide future enduring economic benefits. Capitalisation includes license fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation / enhancement is charged off as revenue expenditure unless they bring similar significant additional benefits.
- b) Capitalised software is amortised on straight line method over a period of five years as per Accounting Standard-26 as notified by Companies (Accounts) Rules, 2014 (as amended).

**vii) Investments**

Investments, which are readily realizable and 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 direct attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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.

**viii) Exchange Fluctuations**

**a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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**c) Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

**ix) Inventories**

a) 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.

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

c) Stock of shares and debentures has been valued at cost or market value whichever is lower.

**x) Cash and Cash Equivalents**

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**xi) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other Borrowing costs are recognised as expense in the period in which they are incurred.

**xii) Employees Benefits**

**a) Defined Contribution Plans**

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

**b) 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. However, the Company is making payment of gratuity to the retired employees as per agreed scheme.

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

**xiii) Sales**

a) 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.

# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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- b) 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.
- c) Sales is exclusive of cess duty and sales tax/Value Added Tax (VAT), rebate, discounts etc. are excluded therefrom.

### **xiv) Revenue Recognition**

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

### **xv) 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.

### **xvi) Claims**

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

### **xvii) 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.

### **xviii) Taxation**

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and



# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS *(Contd.)*

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Loss and shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### **xix) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### **xx) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### **xxi) Prior Period Items**

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

### **xxii) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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### 27. Corporate Information

Budge Budge Company Limited (the company) and its subsidiary (collectively referred to as "the Group") are engaged in manufacturing and selling of jute products and real estate. The group caters to only the domestic market. The group is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The holding company's shares are listed on two stock exchanges in India. The quality management system of holding company has been assessed and found to meet the requirements of ISO 9001:2008.

### 28. Principles of Consolidation

- a) The consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances and are prescribed in the same manner as the company's separate financial statements.

The consolidated financial statements have been prepared on the basis of AS-21, issued by The Chartered Accountants of India read with the following assumption :

The financial statement of the parent company and its subsidiary company have been combined on a line-by-line basis by adding together the books value of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and intra-group transactions resulting in unrealised profits or losses.

The excess / deficit of the cost of its investments in its subsidiary over its share of networth (residual interest in the assets of the subsidiary after deducting all its liabilities) of the subsidiary at the date of investment in the subsidiary are treated as capital reserve in the Consolidated Financial Statements.

- b) The Consolidated Financial Statements represents consolidation of the Accounts of Budge Budge Company Limited with the following :-

i) **Subsidiary :**

Name of the Company : Vasavi Infrastructure Projects Limited (w.e.f 6th November, 2010)  
Country of Incorporation : India  
Extent of Holding : Upto 01.01.2015 : 79.21 %  
: From 02.01.2015 Onwards : 96.04 %

ii) **Associates :**

- > Name of the Company : Rash Behari Construction Private Limited (w.e.f 01.04.2005)  
Country of Incorporation : India  
Extent of Holding : 33.04%
- > Name of the Company : Southwest Fintrade Udyog Limited (w.e.f 01.04.2005)  
Country of Incorporation : India  
Extent of Holding : 41.75%

## BUDGE BUDGE COMPANY LIMITED

### 29. Contingent Liabilities not provided for in respect of following :

	Current Year Rs.	Previous Year Rs.
a) Sales Tax demands pending with appellate authorities	14,78,99,673	14,38,26,110
b) Bonus Payable as per amendment in the Act	—	42,29,513
c) 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
<p>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.</p>		
30	The future liability of Rs. 17,35,78,431/- (Previous Year Rs. 17,02,01,504/-) being gratuity payable to employees determined as per actuarial valuation as at 31st March, 2017 under Revised AS-15 norms has not been provided for in the accounts due to non-availability of adequate surplus.	
31 .	<p>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.</p> <p>ii) Certain shares/debentures held as investments/stock valued at Rs. 18,238/- had been lost in transit and hence could not be produced to the auditors for verification. Necessary legal steps have been initiated against the same.</p>	
32	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, 2017.	
33	The arrear cumulative dividend on 6000 Nos of 11% Redeemable Cumulative Preference Shares of Rs. 100/- each till 31.03.2013 amounted to Rs. 25,63,529/-.	
34	<p>The Company had filed an application for recovery 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 :</p> <p>a) The amount of Rs. 1,37,71,765/- along with interest of Rs. 78,60,754/- accrued there upon upto 31.03.2004 on having been considered good for recovery is accounted for under the head "Advances Recoverable in Cash or in Kind". Further Sales Tax Dues amounting to Rs.</p>	

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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63,73,618/- have been netted out of the above amount.

- b) The company has withheld the repayment of principal and interest accrued on sales tax Loan.
- 35 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, 2017 to Micro, Small and Medium Enterprises an amount of principal together with interest aggregate to Rs. NIL (Previous Year Rs. NIL).
- 36 The Company has only one segment i.e. manufacturing of Jute Goods and as a result the reporting required of AS-17 "Segment Reporting" as issued by ICAI are not attracted.
37. 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) Relationship

#### i) Key Management Personnel & Relatives

Shri Ashok Kumar Poddar (Executive Chairman)  
Shri Manish Poddar (Managing Director)  
Smt. Madhushree Poddar (Director)  
Smt. Divya Poddar  
Miss Vasavi Poddar  
Shri Danveer Singhi (Company Secretary)  
Shri Praveen Kumar Ghorawat (Chief Financial Officer)  
Shri O. P. Rathi  
Shri O. P. Sharma

#### ii) Enterprises over which key management personnel and / or their relatives have significant influence :

Anglo India Jute & Textile Industries Pvt Ltd.	Bengal Investment Ltd.
Marigold Heights Pvt Ltd.	Ripon Estates Ltd.
P&A Bottlers P. Ltd	Arial View Highrise LLP
P & A Beverages Pvt Ltd.	Jackson Mercantiles LLP
Prime Soft Vintrade Pvt Ltd.	Outshine Develpers LLP
Suncity Properties P. Ltd	P & A Infracon LLP
Tivolipark Apartments (P) Ltd.	P & A Infradevelopers LLP
Tivoli Court Pvt. Ltd.	Vehement Highrise LLP
A.M Business & Finance Ltd.	Indian Jute Mill Association
Southwest Construction P. Ltd	Tyron Agency Private Limited

#### (iii) Subsidiary Company

Vasavi Infrastructure Projects Ltd.

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**B) The following transactions were carried out with the related parties in the ordinary course of business.**

Details relating to parties referred to in item A(i), A(ii) and A(iii) :

Particulars	2016-17			2015-16		
	In relation to item A(i)	In relation to item A(ii)	In relation to item A(iii)	In relation to item A(i)	In relation to item A(ii)	In relation to item A(iii)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>i) Managerial Remuneration</b>						
Shri Manish Poddar	2733168	--	--	2382035	--	--
Shri Ashok Kr. Poddar	2562730	--	--	2512974	--	--
Shri Danveer Singhi	1215000	--	--	1064000	--	--
Shri Praveen Kumar Ghorawat	583200	--	--	501600	--	--
<b>ii) Payment to Raw Jute Creditors</b>						
Bengal Investment Ltd.	--	415128240	--	--	472536699	--
<b>iii) Purchase of Raw Materials</b>						
Bengal Investment Ltd.	--	408905843	--	--	470452187	--
<b>iv) Sale of Goods</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	44936170	--	--	--	--
<b>v) Sale of Fixed Assets</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	1916250	--	--	--	--
<b>vi) Advances Received against Development of Property Under Joint Venture</b>						
Vasavi Infrastructure Projects Ltd.	--	--	17516000	--	--	10167370
Tivolipark Apartments (P) Ltd.	--	15925089	--	--	--	--
Suncity Properties P. Ltd	--	--	--	--	29326	--
<b>vii) Advances Given against Development of Property Under Joint Venture</b>						
Vasavi Infrastructure Projects Ltd.	--	--	49535000	--	--	18057370
Tivolipark Apartments (P) Ltd.	--	--	--	--	40000	--
Suncity Properties P. Ltd	--	1625000	--	--	229326	--
<b>viii) Advances Taken</b>						
Southwest Construction P. Ltd	--	13122526	--	--	--	--
<b>ix) Advances Given</b>						
Southwest Construction P. Ltd	--	120000	--	--	--	--
Tyron Agency P. Ltd	--	10000	--	--	--	--
<b>viii) Interest Received</b>						
Tivolipark Apartments (P) Ltd.	--	--	--	--	1334302	--
Suncity Properties P. Ltd	--	--	--	--	770826	--
<b>ix) Reimbursement of Expenses Received</b>						
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	66125	--	--	--	--
P&A Bottlers P. Ltd	--	--	--	--	31100	--
<b>x) Outstanding Balances at the end of the Financial Year (Payable)/Receivable (Net)</b>						
South West Fintrade Udyog Limited	--	(491300)	--	--	(491300)	--
Bengal Investment Ltd.	--	(170004929)	--	--	(175079448)	--
Jackson Mercantiles LLP	--	117355	--	--	117355	--
Vasavi Infrastructure Projects Ltd.	--	--	67024455	--	--	35005455
Tivolipark Apartments (P) Ltd.	--	--	--	--	12346929	--
Suncity Properties P. Ltd	--	21805731	--	--	22905731	--
Tivoli Park Apartment P. Ltd	--	1021840	--	--	4600000	--
Tyron Agency P. Ltd	--	127000	--	--	117000	--
Anglo India Jute & Textile Ind. Pvt. Ltd.	--	61277	--	--	--	--

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. The Company is mainly engaged in the business of manufacturing of Jute goods. During the year, risks and returns of the enterprise will therefore continue 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
<b>Segment Revenue</b>						
From External Customers	Nil	Nil	Nil	Nil	Nil	Nil
<b>Segment Assets</b>	1681371105	1546717948	Nil	Nil	1681371105	1546717948

### 39. Statement showing calculation of Earning Per Share as per AS 20 of ICAI

	<u>2016-17</u>	<u>2015-16</u>
Profit/(Loss) After Tax	27065349	17237518
Weighted average number of Equity Shares of Rs. 10 Each fully paid up	6382151	6382151
Earning Per Share (in Rs.) (Basic & Diluted)	<u>4.24</u>	<u>2.70</u>

40. The Company has made a provision of Rs. 3,28,625/- (Previous Year Rs. 6,22,618/-) in its books of accounts towards contributions for Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013. Out of Rs. 18,97,693/- earmarked for CSR activities in the financial years 2014-15, 2015-16 and 2016-17 Rs. Nil has been incurred for activities specified in Schedule VII of the Companies Act, 2013.

# BUDGE BUDGE COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**41. Expenditure in Foreign Currency :**

	For the year ended 31.03.17	For the year ended 31.03.16
	Rs.	Rs.
Travelling Expenses	1861493	2006863

**42. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :**

Particulars	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing Cash in Hand as on 08.11.2016	2,150,000	1,120,536	3,270,536
(+) Permitted Receipts	—	1,680,190	1,680,190
(-) Permitted Payments	—	2,567,167	2,567,167
(-) Amount Deposited in Banks	2,150,000	—	2,150,000
Closing Cash in Hand as on 30.12.2016	—	233,559	233,559

**43. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year presentation.**

P-21/22, Radha Bazar Street Kolkata - 700 001 Dated the 24th day of May, 2017	For JAIN & CO. <i>Chartered Accountants</i> Registration No. 302023E M. K. JAIN <i>Partner</i> Membership No. 55048	ASHOK KUMAR PODDAR, <i>Chairman</i> MANISH PODDAR, <i>Mg. Director</i> D. V. SINGHI, <i>Secretary</i> P. K. GHORAWAT, <i>Chief Financial Officer</i>
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# BUDGE BUDGE COMPANY LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	<u>As at 31.03.2017</u>	<u>(Amount in `)</u> <u>As at 31.03.2016</u>
<b>A) CASH FROM OPERATING ACTIVITIES</b>		
<b>Net profit/loss before tax &amp; extra ordinary items</b>	24351662	19302325
<b>Adjustments for :</b>		
Depreciation	1,67,78,290	15823873
Interest Paid	44132972	31852897
Rent Received	(17364102)	(11296763)
Dividend Income	(81275)	(112687)
Interest Received	(17269340)	(5161710)
Profit / (Loss) on Sale of Property, Plant & Equipment	(2924086)	1053025
Profit on Sale of Investments (Net)	—	(7965902)
	<u>23272459</u>	<u>24192733</u>
<b>Net Profit/Loss before working capital changes</b>	47624121	43495058
<b>Adjustment for :</b>		
Trade & Other Receivables	46699383	(82967991)
Inventories	(65003768)	(162603704)
Net Increase / Decrease in Other Loans & Advances	(55846398)	(25203907)
Net Increase / Decrease in Current/ Non Current Liabilities	<u>(66722144)</u>	<u>197609820</u>
	<u>(140872927)</u>	<u>(73165782)</u>
<b>Cash generated from operating activities</b>	<u>(93248806)</u>	<u>(29670724)</u>
Direct Taxes Paid (Net of Refund)	<u>(4801611)</u>	<u>(5957287)</u>
<b>Cash Flow before Extra Ordinary Items</b>	<u>(98050417)</u>	<u>(35628011)</u>
Extra Ordinary Items	—	—
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(98050417)</u>	<u>(35628011)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(98180824)	(24768084)
Subsidy Received	2090597	—
Purchase of Investments	—	(16565000)
Sale of Property, Plant & Equipment	3396000	3071829
Sale of Investment	9210381	16791679
Dividend Income	81275	112687
Rent Received	17364102	11296763
Interest Received	17269340	5161710
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(48769129)</u>	<u>(4898416)</u>



# BUDGE BUDGE COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
<b>(Amount in `)</b>		
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	179575908	(20554136)
Proceeds from Short Term Borrowings	24256656	83059267
Interest Paid	<u>(44132972)</u>	<u>(31852897)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>159699592</u>	<u>30652234</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<u>12880046</u>	<u>(9874193)</u>
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<u>26352576</u>	<u>36226769</u>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<u>39232622</u>	<u>26352576</u>

The accompanying notes from 1 to 43 form an integral part of the financial statements.

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As per our Report attached of even date  
For JAIN & CO.  
*Chartered Accountants*  
*Registration No. 302023E*

P-21/22, Radha Bazar Street  
Kolkata - 700 001  
Dated the 24th day of May, 2017

M. K. JAIN  
*Partner*  
*Membership No. 55048*

ASHOK KUMAR PODDAR, *Chairman*  
MANISH PODDAR, *Mg. Director*  
D. V. SINGHI, *Secretary*  
P. K. GHORAWAT, *Chief Financial Officer*