

BUDGE BUDGE COMPANY LIMITED



39th
ANNUAL REPORT
2011 - 2012

BUDGE BUDGE COMPANY LIMITED

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BOARD OF DIRECTORS

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

WORKS

Budge Budge Jute Mills
64, Moulana Azad Road
Budge Budge

BUDGE BUDGE COMPANY LIMITED

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of BUDGE BUDGE COMPANY LTD. will be held on Saturday, the 22nd day of September, 2012 at 10.30 a.m. At the Registered office of the Company at 16/A, Brabourne Road, 9th Floor, Kolkata 700001 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bijay Krishna Datta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

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

SPECIAL BUSINESS :

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

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

5. To consider and if thought fit to pass with or without modifications, the following Resolution as a **Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval be and is hereby accorded to the appointment of Shri Ashok Kumar Poddar as Executive Chairman of the Company for a period of three years with effect from 1st April 2012 upon the terms and conditions as set out in the agreement dated 11th August 2012 Entered into between the Company and Shri Ashok Kumar Poddar."

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

"FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during the aforesaid period of three years, the Company will pay to Shri Ashok Kumar Poddar remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II (B) of Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof as minimum remuneration, subject to such approvals as may be required".

Registered Office :
16A, Brabourne Road
Kolkata - 700 001
August 11, 2012

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

NOTES :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No.4 is annexed herewith.
2. A member entitled to attend and vote at this Annual General Meeting may appoint a Proxy to attend and vote on a poll on his behalf and such Proxy need not be a member of the Company. Proxies in order to be effected, must be received at the Registered Office of the Company not less than 48 hours before this Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 19.09.12 to 22.09.12 (both days inclusive).
4. Members are requested to bring their copies of the Report and Accounts to the Meeting.

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

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

Item no. 4

The Board of Directors of the Company (the "Board"), at its meeting held on 12.11.2011 appointed Shri Deveshwer Kumar Kapila as an additional director effective 12.11.2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act').

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

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

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

Item no. 5

Shri Ashok Kumar Poddar is Non Executive Chairman on the Board of the Company. Shri Poddar is one of the Promoters and has significant role in business activities of the Company since 1971. Considering the expertise of Shri Ashok Kumar Poddar in the business of the Company and significant role in the Company's growth, the Board of Directors appointed him as Executive Chairman of the Company for a period of three years with effect from 1st April 2012 on the terms and conditions mentioned below.

The principal terms and conditions including the remuneration governing the appointment of Shri Ashok Kumar Poddar are set out below :

Salary	:	Rs. 2,00,000/- per month.
House Rent Allowance	:	The expenditure on furnished accommodation upto Rs.10000/- per month or House Rent Allowance of 5% of salary per month in lieu thereof.
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.
Leave Travel Concession	:	Leave travel concession for self and family subject to ceiling of one month's salary in a year.
Club Fees	:	Fees of Club subject to a maximum of two clubs. No admission and life membership fees will be paid.

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

Personal accident insurance	:	Personal accident insurance, the annual premium of which shall not exceed Rs. 15000/- p.a.
Gratuity	:	As per Gratuity Act, not exceeding half month salary for each Completed year of service.
Provision for Car	:	Free use of Car for official purposes. Use of car for Private purpose shall be billed by the company.
Provision for Telephone	:	Use of telephone at residence will not be considered as perquisites. Personal long distance calls in shall be billed by the company.
Earned or Privileged Leave	:	As per Rules of the company. However, leave accumulated and not availed of will not be encashed.

The total remuneration including perks will not exceed Rs. 250000/- per month.

Shri Ashok Kumar Poddar shall not be paid any sitting fee for attending the Meeting of the Board or any Committee Meeting.

Except Mr. Ashok Kumar Poddar and Mr. Manish Poddar, no other Director of the Company is interested or concerned in the Resolution.

The information and particulars required to be provided to the shareholders are given below :

I. GENERAL INFORMATION

(1) **Nature of Industry :** Jute Industry. The company is engaged in the manufacture of jute goods i.e. Hessian, Sacking and Yarn.

(2) **Expected date of Commencement of Commercial Production :**

Production commenced 1st June, 1975. The unit was merged with M/s. Carbonate India Ltd. w.e.f. 01.02.1980 and the name of company was changed to Budge Budge Company Limited subsequently.

(3) **In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus :** Not Applicable.

(4) **Financial Performance :**

(Rs. In Lakhs)

Financial Parameters	2009-10	2010-11	2011-12
Net Sales & other Income	8756.38	14742.03	13839.63
Interest & Financial Charges	123.38	148.76	178.28
Depreciation	47.68	61.88	87.35
Profit / (Loss) Before Tax	90.06	161.70	482.88
Profit / (Loss) After Tax	82.77	161.70	391.97

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

(5) Export performance :

(Rs. In Lakhs)		
2009-10	2010-11	2011-12
5.47	Nil	Nil

(6) Foreign investments or collaborators, if any : NIL

II. INFORMATION ABOUT THE APPOINTEE

(1) Appointee's qualification, experience, past performance :

Sri Ashok Kumar Poddar, aged about 68 years is Graduate from Kolkata University. He has wide experience of over 45 years in diversified business in the domain of Construction, Jute and Tea.

(2) Past Remuneration : The details of remuneration received by Shri Ashok Kumar Poddar during last 2 years are as under :-

(Rs. In Lakhs)		
Year	2010-11	2011-12
Remuneration received	1232530	2006748

(3) Recognition or awards : Nil

(4) Job profile and his suitability :

Sri Ashok Kumar Poddar was non Executive Chairman of the Company since 1980. He was involved in the business activities of the Company as a promoter and he has contributed significantly in the growth of the Company and the Board of Directors of the Company considered in fit to appoint him as Executive Chairman of the Company in the best interest of the Company.

(5) Proposed Remuneration are as under :

Salary	:	Rs. 2,00,000/- per month
House Rent Allowance	:	The expenditure on furnished accommodation upto Rs. 10000/- per month or House Rent Allowance of 5% of salary per month in lieu thereof.
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.
Leave Travel Concession	:	Leave travel concession for self and family subject to ceiling of one month's salary in a year.
Club Fees	:	Fees of Club subject to a maximum of two clubs. No admission and life membership fees will be paid.
Personal accident insurance and medical insurance	:	Personal accident insurance, the annual premium of which shall not exceed Rs. 15000/- p.a.

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

Gratuity	:	As per Gratuity Act, not exceeding half month salary for each Completed year of service.
Provision for Car	:	Free use of Car for official purposes. Use of car for Private purpose shall be billed by the company
Provision for Telephone	:	Use of telephone at residence will not be considered as perquisites. Personal long distance calls in shall be billed by the company.
Earned or Privileged Leave	:	As per rules of the Company. However, leave accumulated and not availed of will not be encashed.

The total remuneration including perks will not exceed Rs. 250000/- per month.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 198, 309, 310 and all other applicable provisions of the Companies Act 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

Where in any financial year, the Company has no profits or its profits are inadequate, appointee shall be entitled to minimum remuneration as not exceeding the limits specified in the Schedule XIII to the said act or such other limits as may be prescribed by the Government from time to time.

(6) Comparative Remuneration profile with respect to industry, size of the company of the position and person :

Considering his long experience and qualification, the remuneration proposed is comparable with the prevailing market rate and commensurate with is practical experience, professional qualification and technical and managerial competency.

Under the circumstances, the Company is seeking your approval to pay the same remuneration as minimum remuneration even in the event of the profit being inadequate or if the Company incur losses during his tenure as the Executive Chairman.

(7) Pecuniary relationship directly :

Shri Ashok Kumar Poddar is related to Mr. Manish Poddar, Managing director of the company.

Your Directors recommend the resolution for your approval. Except Mr. Ashok Kumar Poddar and Mr. Manish Poddar, no other Director of the Company is interested or concerned in the Resolution.

A copy of the agreement dated 11th August 2012 executed between the company and Shri Ashok Kumar Poddar in respect of item no. 5 of the accompanying notice will be open for inspection by the Members of the Company at the Registered office of the company between 11.00 AM to 1.00 PM on any working day except Saturdays and Sundays upto the date of AGM.

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

August 11, 2012

By Order of the Board

Sd/-

D. V. SINGHI
Company Secretary

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

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

Name of the Director	Mr. Bijay Krishna Datta
Date of Birth	30.11.1945
Date of Appointment on the Board	12.05.2009
Qualifications	First Class Post Graduate (M. Sc.) from Kalyani University
Expertise	Ex Executive Director of Uco Bank Vast experience in Banking
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	AUM Capital Market Pvt. Ltd. Carnation Industries Ltd.
Memberships/Chairmanships of committees across all companies	Chairman - Audit Committee, AUM Capital Market Pvt. Ltd. Member - Audit Committee and Remuneration Committee, Carnation Industries Ltd.
Shareholding of Non-Executive Directors	Nil
Relationships between directors inter-se	N.A.

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

Name of the Director	Mr. Deveshwer Kumar Kapila
Date of Birth	03.05.1951
Date of Appointment on the Board	12.11.2011
Qualifications	Chartered Accountant (FCA)
Expertise	Banking, Finance, Banking Economics & Associate Fields
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	Sree Sakthi Paper Mills Ltd. Canara Robeco Asset Management Company Ltd.

BUDGE BUDGE COMPANY LIMITED

NOTICE (Contd.)

Memberships/Chairmanships of committees across all companies	Chairman - Audit Committee of Canara Robeco Asset Management Company Ltd. Member - Audit Committee and Remuneration Committee of Sree Sakthi Paper Mills Ltd.
Shareholding of Non-Executive Directors	Nil
Relationships between directors inter-se	Nil

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

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

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT

To the Shareholders,

Your directors are pleased to submit the Annual Report and Statement of Profit & Loss for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Amount in Rs. Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Profit before interest, depreciation & taxation	748.51	368.21
Less : Interest	178.28	144.63
Depreciation	87.35	61.88
Net Profit before Tax	482.88	161.70
Less : Provision for Minimum Alternate Tax	96.30	31.92
Add : Mat Credit entitlement	36.69	31.92
Less : Deferred Tax provision	28.54	—
Net Profit after tax	394.74	161.70
Less : Transfer to General/Capital Redemption Reserve	300.00	6.00
Balance brought forward from previous year	622.36	466.66
Balance to be carried forward	717.10	622.37

DIVIDEND :

With the intention of conserving funds, your directors do not propose to recommend any dividend on equity & preference shares.

OPERATIONS :

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

	Current year	Previous year
Production (M.Tonnes)	26896	26642
Total Sales (Rs. In lakhs)	13720.13	14632.46
Profit before taxation (Rs. In lakhs)	482.88	161.70
Profit after taxation (Rs. In lakhs)	394.74	161.70
Earning per share of F.V.Rs.10/- (Rs.)	6.17	2.52

Production during the year was 26896 M/T and sales during the year was 26723 M/T. Although production during the year is higher but the same was still hampered due to shortage of workers. All efforts are being taken to ensure that production is not affected due to shortage of workers.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Development :

Government of India had in the last year extended the validity of the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 upto 30th June, 2012 however in the last

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

Standing Advisory Committee it was decided to dilute the Reservation level to 20% for sugar packing. This will completely remove the sugar market for the Jute Industry. Industry has again demanded for the extension of the JPMA.

During the year, demand for Jute goods specially Sacking bags remained strong as there was a huge demand for the Govt. Agencies due to large scale procurement. Availability of Raw Jute during the year was satisfactory. Govt. of India has extended the Jute Technology Mission scheme for a period of another one year.

b) Opportunities and threats/Risk and concerns:

Opportunities :

- i) Jute being a natural bio-degradable fibre is environment friendly and use of Jute goods in different areas is being promoted. Some diversified products are being developed in the Industry for export markets.
- ii) Govt. of India has extended Scheme for modernization of the Mills under the Jute Technology Mission scheme.

Threats :

- i) Industry is facing fierce competition from Bangladesh in International Market due to their low cost of production and Government Subsidy. Moreover increase in production capacity in Bangladesh is going to pose new problems for the Industry.
- ii) Cheap alternate packaging materials are available in the market and are a threat to Jute Industry.

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 :

- Within India - Rs.13657.29 lac (previous year Rs.14632.46 lac)
- Outside India - Rs. NIL (previous year Rs.NIL lac)

d) Outlook :

Demand for Jute Goods during the year 2012-13 is expected to be good but due to unsatisfactory climatic condition the Raw Jute crop is expected to be short than last year. Govt. has increased the Minimum price for Raw Jute for the coming season and this will result in increase in the price of Raw Jute in the season 2012-13. Apart from Raw Jute prices the cost of production also remains a point of concern. All input costs such as wages, power and other consumables etc. are increasing continuously whereas the prices for Jute Goods specially Sacking bags to Govt. agencies is being sold under the 2001 Tariff Commission formula wherein there has been no escalation in the fixed cost for the last 11 years.

The company is taking appropriate steps to keep the cost under control. 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

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

compliance with various statutory provisions. The Audit Committee of the Board plays a significant role in the internal control system and reviews the internal audit reports, financial performance of the company and suggests improvements in the internal control systems wherever required.

f) Discussion on operation performance :

The accounts of the company for the year under review has been prepared as per the revised Schedule VI of the Companies Act 1956. Accordingly, previous year figures have been regrouped/ reclassified to conform to the current year's figures.

Sales of Jute goods during the year are Rs.13657.29 lac as compared to Rs. 14632.46 lac during previous year. Operating profit for the year is Rs.482.88 lac as compared to Rs.161.70 lac in the previous year. Interest expenses during the year are higher at Rs.178.28 lac as against Rs.144.63 lac in the previous year due to higher working capital requirement. The company has invested Rs.372.03 lac in Fixed Assets to modernize the existing machineries.

g) Material developments in Human Resources/Industrial Relations :

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

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.

CORPORATE GOVERNANCE :

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

DIRECTORS RESPONSIBILITY STATEMENT :

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

- i) In the preparation of the annual accounts, the applicable standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have made judgments and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the Company as on 31.03.2012 and its profits for the year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

DIRECTORS :

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

BUDGE BUDGE COMPANY LIMITED

DIRECTOR'S REPORT (Contd.)

During the year Sri Deveshwer Kumar Kapila was appointed as additional Director with effect from 12.11.2011 in accordance with the provisions of Section 260 of Companies Act 1956. Additional directors so appointed shall hold office only upto the date of the ensuing Annual General meeting. Individual notice proposing candidature of Sri Deveshwer Kumar Kapila for the office of Director has been received from member(s) of the company in accordance with provisions of Section 257 of the Companies act 1956.

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

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

AUDITORS REPORT/AUDITORS :

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

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

FOREIGN EXCHANGE EARNINGS & OUTGO :

The Company has an outgo of Rs.31.87 lac and income of Rs 22.92 lac (FOB value of exports) from Foreign Exchange during the year.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

Power & Fuel Consumption :

	<u>Electricity</u>	<u>Current Year</u>	<u>Previous Year</u>
a)	Purchased Unit	12881500	13207680
	Total Amount	Rs. 741.10 lac	Rs. 612.16 lac
	Rate/Unit	Rs. 5.75	Rs. 4.63
b)	Own Generation Units	18876	39033
	Total Amount	Rs. 4.45 lac	Rs. 5.10 lac
	Rate/Unit	Rs. 23.57	Rs. 13.06

PARTICULARS OF EMPLOYEES :

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

ACKNOWLEDGEMENT :

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

By Order of the Board

ASHOK KUMAR PODDAR

MANISH PODDAR

Directors

Kolkata

Dated : 11th August, 2012

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE

ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on code of Governance

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

2. Board of Directors

a) Composition

The Board of Directors comprises of five directors of whom two are promoter directors and other three are independent non-executive directors of whom Mr. Sushil Kumar Chhawchharia was appointed as independent director on 24.09.2011 for which Form No. 32 was duly filed on 24.09.2011 and Mr. Deveshwar Kumar Kapila was appointed as independent additional director on 12.11.2011 for which Form No. 32 was duly filed on 29.11.2011. The Chairman's position is non-executive and non-managerial in character. The SEBI code requires that in case of non-executive chairman, at least one third of the board should comprise of independent directors. Out of five directors our board had three independent directors. Mr. Ashok Kumar Poddar is the Chairman and Mr. Manish Poddar is Managing Director.

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

Name of Directors	Category	Attendance Particulars		No. of other directorship & other committee memberships / chairmanships held		
		Board Meetings	Last AGM 24.09.11	Directorship	Committee Memberships	Committee Chairmanships
Mr. Ashok Kumar Poddar	Promoter Non-executive	4	Yes	3	Nil	Nil
Mr. Manish Poddar	Managing Director	4	Yes	6	Nil	Nil
Mr. Bijay Krishna Dutta	Independent Non-executive	3	No	2	2	1
Mr. Sushil Kumar Chhawchharia	Independent	3	No	6	2	2
Mr. Deveshwar Kumar Kapila	Independent Additional	1	Not Applicable	2	Nil	Nil

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

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

Four Board meetings were held during the year ended 31st March, 2012, viz. on 10th May, 2011, 30th July, 2011, 12th November, 2011 and 14th February 2012.

3. Audit Committee

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

Audit Committee comprises of following three members :-

- i) Mr. Bijay Krishna Datta
- ii) Mr. Sushil Kumar Chhawchharia
- iii) Mr. Deveshwar Kumar Kapila

Two meetings of the Committee was held during the year ended 31st March, 2012, viz. on 12th November, 2011 and 14th February, 2012.

4. Remuneration Committee

The company has constituted remuneration committee on 13.08.2011. The Board of Directors fixes the remuneration of the Managing Director, which is approved by the remuneration committee and then by the shareholders. The non-executive directors are paid sitting fees for every meeting of the board attended by them.

Non-Executive Directors

Name	Sitting Fees for attending Committee and Board Meeting
Mr. Ashok Kumar Poddar	Rs. 40,000/-
Mr. Bijay Kumar Dutta	Rs. 35,000/-
Mr. Sushil Kumar Chhawchharia	Rs. 40,000/-
Mr. Deveshwar Kumar Kapila	Rs. 15,000/-

Managing Director

Name	Salary and Perquisites	Contribution to PF/ Superannuation Fund	Total
Mr. Manish Poddar	Rs. 11,90,106/-	Rs. 96,000	Rs. 12,86,106/-

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

5. Shareholders/Investors Grievance Committee

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

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

The committee oversees the disposal status of all complains/grievances of shareholders. No Share transfer application was pending for registration as on 31st March, 2012.

No Complain from the investors was pending at close.

6. General Body Meetings :

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

Nature of the General Meeting	Date & Time	Venue	If Special Resolution(s) passed
Annual General Meeting	24th September, 2011 10.30 AM	HOTEL NEERANAND P-34, India Exchange Place, Shah House (Near Tea Board) Kolkata - 700 001	No
Annual General Meeting	25th September, 2010 10.30 AM	16A, Brabourne Road Kolkata-700 001	Yes
Annual General Meeting	19th September, 2009 10.30 AM	16A, Brabourne Road Kolkata-700 001	No

b) Postal Ballot :

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

7. Disclosures :

There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives etc. that have potential conflict with company's interest at large. Transactions with the related parties are disclosed in Note No. 36 to the Financial Statements for the year ended 31st March, 2012.

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

8. Means of Communication :

The financial results of the Company are sent to the Stock Exchange and published in newspapers as

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

required under clause 49 of the listing agreement. Half-yearly report is not sent to household of shareholders.

Quarterly financial results are published in an English Daily Newspaper.

The Company is not having any website.

The Company has not made any presentation to institutional investors or to the analysts.

Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information :

Annual General Meeting - Date & Time Venue	22nd September, 2012 at 10.30 A.M. 16A, Brabourne Road Kolkata - 700 001
Financial Calendar for F.Y. 20012-13 (From 1.4.2012 to 31.3.2013)	a) First Quarterly Result - on or before 15.08.12 b) Second Quarterly and Half Yearly Result - on or before 15.11.12 c) Third Quarterly Result - on or before 15.02.2013 d) Fourth Quarterly and Yearly Result - on or before 15.05.13
Date of Book Closure	19th September, 2012 to 22th September, 2012
Dividend Payment	Board of Directors at their meeting held on 11th August, 2012 decided not to recommend any dividend on the equity shares of the Company to conserve resources.
Listing on Stock Exchanges	The Calcutta Stock Exchange Association Ltd. (CSEA), 7, Lyons Range, Kolkata-700 001 Listing Fees for the 2012-13 has been paid to the above stock exchange
Stock Code	CSEA - 10012589
Demat ISIN No. for NSDL and CDSL	INE 948C 01026
Market Price data : High, Low during each month in last financial year	There was no trading of Shares during April, 2011 to February, 2012. The shares were traded during March, 2012 and the High and Low price was Rs. 1.60

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

9. General Shareholder Information :

Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001
Company's Registered Office	16A, Brabourne Road, 9th Floor Kolkata-700 001
Plant Location	64, Moulana Azad Road, P.O. Budge Budge Dist. 24 Pgns (S), Pin-743 319, West Bengal
Address for correspondence	16A, Brabourne Road, 9th Floor Kolkata-700 001
Contact Person for clarification on Financial Statements	Mr. Danveer Singhi 16A, Brabourne Road, 9th Floor Kolkata-700 001

Share Transfer System :

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

The Distribution of Shareholding as on 31st March, 2012 :

No. of Ordinary Share held	No. of shares	%	No. of share-holders/Folios	%
Up to 500	33658	0.53	283	84.99
501 to 1,000	5847	0.09	9	2.70
1,001 to 2,000	6422	0.10	4	1.20
2,001 to 3,000	18186	0.28	7	2.10
3,001 to 4,000	14107	0.22	4	1.20
4,001 to 5,000	Nil	Nil	Nil	Nil
5,001 to 10,000	41982	0.66	5	1.50
10,001 and above	6261949	98.12	21	6.31
Total	6382151	100.00	333	100.00
Physical Mode	1102101	17.27	246	73.87
Demat Mode	5280050	82.73	87	26.13

BUDGE BUDGE COMPANY LIMITED

CORPORATE GOVERNANCE (Contd.)

Shareholding pattern as on 31st March, 2012 :

Category	No. of Shares	%
Promoters	5515304	86.42
Mutual Fund/UTI	Nil	Nil
Banks/Financial Institutions/Insurance		
Companies/Govt. Company	53948	0.85
Private Corporate Bodies	712836	11.17
NRI's/foreign Shareholders	2743	0.04
Public/Others	97320	1.52
Total	6382151	100.00

Shareholdings of non- executive Director

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

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

We have adopted all the mandatory requirements (except where not relevant or applicable) of the corporate governance. At present there are five directors in the board of the Company of which one is non-executive. There are three independent directors of whom Mr. Sushil Kumar Chhawchharia was appointed as Independent Director on 24.09.2011 and Mr. Deveshwar Kumar Kapila was appointed as Additional Independent Director on 12.11.2011. Shareholders/ Investors grievance committee has not been setup by the Company. Code of Conduct for Board Members and defined framework for risk management and its control are under implementation. The Company has not adopted the non-mandatory suggestions relating to a postal ballot system (except where compulsory under the Companies Act, 1956), sending yearly information to each household of shareholders and to have a Remuneration Committee.

ASHOK KUMAR PODDAR
Chairman

MANISH PODDAR
Mg. Director

D. V. SINGHI
Secretary

Place : Kolkata

Dated the 11th day of August, 2012

BUDGE BUDGE COMPANY LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF BUDGE BUDGE COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by **BUDGE BUDGE COMPANY LIMITED ("the Company")** for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

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

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

Dated the 11th day of August, 2012

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

M. K. JAIN
Partner
Membership No. 55048

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT

To Members of Budge Budge Company Limited

We have audited the attached Balance Sheet of **Budge Budge Company Limited** as at 31st March, 2012, and the annexed Statement of Profit and Loss and the Cash Flow Statement for the year ended 31st March 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act, to the extent applicable except note no. 28 to the financial statements regarding Gratuity and Earned Leave.
- e) On the basis of written representations received from directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Act;

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read in conjunction with Notes to the Financial Statements give the information as required by the Act, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :-
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st, March, 2012;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

P-21/22, Radha Bazar Street
Kolkata - 700 001
Dated the 11th day of August, 2012

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

ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph 3 of our Report of even date

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

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- c) The company is maintaining proper records of inventories. As explained to us, discrepancies noticed on the physical verification of inventories, to the extent carried out, as compared to the book records were not material.
- 3) The company has not accepted /granted any loans during the year from/to the parties covered in the register maintained under section 301 of the Act.
- 4) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit no major weakness in the internal control had come to our notice.
- 5) a) According to the information and explanations given to us, contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Act have been so entered.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The company has not accepted any deposits from public covered under section 58A, 58AA or any other relevant provision of that Act and rules framed thereunder.
- 7) The company has an adequate internal audit system commensurate with the size of the Company and nature of its business and has appointed a firm of chartered accountants as its internal auditor.
- 8) On the basis of records produced, we are of the opinion that, prima-facie, the cost records and accounts prescribed by the Central Government under section 209(1)(d) of the Act, have been maintained by the Company. However we have not carried out detailed examination of such accounts and records.
- 9) a) According to the information and explanations given to us and the records of the company examined by us, the particulars of the undisputed statutory dues outstanding as at 31st March, 2012, for a period of more than six months from the date they become payable are annexed in Annexure-I to the Audit Report.
- b) According to the information and explanations given provided to us and records of the company examined by us, the particulars of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Cess which have not been deposited on account of disputes pending at various forums is given in Annexure-II of the Audit Report.
- 10) The company has not incurred cash loss in the current year and in the immediately preceding financial year and there are no accumulated losses in the balance sheet as on 31st March, 2012.
-

BUDGE BUDGE COMPANY LIMITED

AUDITORS' REPORT (Contd.)

- 11) Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institutions or banks except for sales tax loan related to earlier years referred to in note no 6 and 33 of the financial statements.
- 12) According to the information and explanation provided to us and based on the document and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledged of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the order not applicable to the company.
- 14) Based on our examination of documents and records and evaluation of the related internal controls, in respect of dealing/trading in securities, in our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made in those records.
- 15) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) According to the information and explanations received, the term loans were applied for the purpose for which the loans were obtained.
- 17) Based on our examinations of the records and according to the information and explanations received, the Company has not applied short term borrowings for long term use.
- 18) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) To the best of our knowledge and belief, and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

P-21/22, Radha Bazar Street
Kolkata - 700 001
Dated the 11th day of August, 2012

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

BUDGE BUDGE COMPANY LIMITED

ANNEXURE - I

List of Undisputed Statutory Dues as on 31-03-2012

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

BUDGE BUDGE COMPANY LIMITED

Disputed Statutory Dues as on 31-03-2012

ANNEXURE - II

Name of the Statute	Nature of Dues	Period to which the amount relate	Forum where dispute is pending	Amount in Rs.	Amount in Rs.
B.F.(S.T.) Act '41	Assessment Dues	1995-96	Sr. Jt. Commissioner	751499	
B.F.(S.T.) Act '41	DO	1994-95	W.B.C.T. A & R Board	586397	1337896
C.S.T. Act '56	DO	1982-83, 1997-98 1995-96 to 1997-98, 2001-02 2003-04 to 2004-05 2002-03	Jt. Commissioner W.B.C.T. A & R Board	9022103 28179696	
W.B.S.T. Act '94	DO	1999-00 to 2001-02 2003-04 to 2004-05	Addl. Commissioner High Court, Kolkata	2191838	39393637
W.B.S.T. Act '94	DO	1995-96 to 1997-98 1998-99 2002-03, 2003-04	Sr. Jt. Commissioner W.B.C.T. A & R Board Addl. Commissioner High Court, Kolkata	17410901 331980 12400684	
W.B. VAT 2003	DO	2005-06	Sr. Jt. Commissioner		36254024
W.B. VAT 2003	DO	2007-08	Sr. Jt. Commissioner		16492347
CST ACT 1956	DO	2007-08	Sr. Jt. Commissioner		1258726
Income Tax Act, 1961	Penalty Dues	2003-04	C.I.T. (A)-I		2228733
					2946098
					99911461

(26)

BUDGE BUDGE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	6,44,21,510	6,44,21,510
Reserves and Surplus	2	42,97,92,806	42,22,61,432
		49,42,14,316	48,66,82,942
Non-Current Liabilities			
Long-Term Borrowings	3	21,99,857	26,45,387
Deferred Tax Liabilities	4	89,91,970	—
		1,11,91,827	26,45,387
Current Liabilities			
Short-Term Borrowings	5	12,42,58,817	11,20,51,442
Other Current Liabilities	6	45,83,02,577	41,50,59,333
Short-Term Provisions	7	1,74,68,212	78,38,150
		60,00,29,606	53,49,48,925
		1,10,54,35,749	1,02,42,77,254
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible Assets	8	57,66,13,118	57,84,97,920
Intangible Assets	9	10,31,040	—
Capital Work in Progress		10,29,196	16,93,945
		57,86,73,354	58,01,91,865
Non-Current Investments	10	2,70,06,403	3,69,82,403
Long Term Loans and Advances	11	69,32,646	64,90,243
Other Non-Current Assets	12	34,40,476	71,34,574
		61,60,52,879	63,07,99,085
Current Assets			
Inventories	13	24,93,04,971	18,02,53,484
Trade Receivables	14	4,38,42,021	6,37,49,915
Cash and Cash Equivalents	15	1,36,24,636	93,48,834
Short Term Loans & Advances	16	17,07,81,858	13,56,99,199
Other Current Assets	17	1,18,29,384	44,26,737
		48,93,82,870	39,34,78,169
		1,10,54,35,749	1,02,42,77,254

The accompanying Notes from No. 1 to 44 are an integral part of the financial statements.

As per our report attached
For JAIN & CO.

Chartered Accountants
Registration No. 302023E

M. K. JAIN

Partner

Membership No. 55048

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

Dated the 11th August, 2012

ASHOK KUMAR PODDAR, *Chairman*

MANISH PODDAR, *Mg. Director*

D. V. SINGHI, *Secretary*

BUDGE BUDGE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	For the year ended 31st March, 2012	(Amount in ₹) For the year ended 31st March, 2011
REVENUE			
Revenue from Operations	18	1,37,20,13,108	1,46,44,51,357
Other Income	19	1,19,49,847	97,51,628
TOTAL REVENUE		1,38,39,62,955	1,47,42,02,985
EXPENSES			
Cost of Materials Consumed	20	77,62,99,582	98,41,75,871
Changes in Inventories of Finished Goods, Work in Progress and Stock in Shares	21	1,06,546	65,80,716
Employee Benefits Expenses	22	28,21,56,646	25,74,32,304
Finance Costs	23	1,78,28,019	1,48,76,419
Depreciation & Amortisation	24	87,35,062	61,87,769
Other Expenses	25	25,05,48,503	18,87,79,487
TOTAL EXPENSES		1,33,56,74,358	1,45,80,32,566
Profit Before Tax		4,82,88,597	1,61,70,419
Tax Expenses			
Current Tax		96,30,062	31,92,174
Less : MAT Credit Entitlement		36,69,426	31,92,174
Deferred Tax		59,60,636	—
		28,54,312	—
		88,14,948	—
Profit / (Loss) After Tax		3,94,73,649	1,61,70,419
Earnings Per Equity Share (Nominal Value of Rs. 10 each)			
Basic & Diluted	38	6.17	2.52

The accompanying Notes from No. 1 to 44 are an integral part of the financial statements.

P-21/22, Radha Bazar Street
Kolkata - 700 001
Dated the 11th August, 2012

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

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

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
1.	(A) SHARE CAPITAL		
	Details of Authorised, Issued, Subscribed and Fully Paid Up Shares		
	Authorised Share Capital :		
	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) Ordinary Equity Shares of Rs. 10/- each	6,40,00,000	6,40,00,000
		6,65,00,000	6,65,00,000
	Issued, Subscribed & Paid up Share Capital :		
	6,000 (Previous Year 6,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	6,00,000	6,00,000
	63,82,151 (Previous Year 63,82,151) Ordinary Equity Shares of Rs. 10/- each	6,38,21,510	6,38,21,510
	(Of the above 54,83,500 Equity Shares of Rs. 10/- each have been issued pursuant to a scheme of Amalgamation without payment being received in cash)		
		6,44,21,510	6,44,21,510

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.

Terms and rights attached to Preference Shares

The company has only one class of Preference Shares having par value of Rs. 100 per share fully paid up. Preference Shares carry a dividend of 11%, only when it is declared by the company. The dividend is paid by the company in Indian Rupees only. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
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Meeting. Each holder of Preference Shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to Preference Shares.

The 11% Redeemable Cumulative Preference Shares of Rs. 100/- each are redeemable at par at any time after the expiry of 12 years but not later than 15 years from the date of allotment i.e. 29th September, 1977 by giving not less than 6 months notice. In the event of liquidation of the company before redemption of Preference Shares, the holders of Preference Shares will have priority over Equity Shares in the payment of dividend and repayment of capital.

(B) Reconciliation of Paid-up Share Capital

11% Redeemable Cumulative Preference Shares of Rs. 100 each

Number of shares outstanding as at the beginning of the year	6,000	6,000
--	-------	-------

Number of shares outstanding as at the end of the year	6,000	6,000
--	-------	-------

Ordinary Equity Shares of Rs. 10 each

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

i) Equity Shares of Rs. 10 each.

Sl. No.	Name of the shareholder	As At 31.03.2012		As At 31.03.2011	
		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	Shri. Ashish Poddar	—	—	666500	10.44
4	Smt. Divya Poddar	634100	9.94	634100	9.94
5	M/s. Ashok Kumar Poddar (HUF)	500000	7.83	500000	7.83
6	Master Vishrut Poddar	436000	6.83	436000	6.83
7	Miss. Avishi Poddar	400000	6.27	400000	6.27
8	Miss. Vasavi Poddar	400000	6.27	400000	6.27
9	M/s. Ripon Estate Limited	549800	8.61	549800	8.61
10	M/s. A.M.Udyog Limited	374900	5.87	376660	5.90
11	M/s. Raghuvir Realtors Pvt. Ltd.	600500	9.41	—	—

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
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ii) 11% Redeemable Cumulative Preference Shares of Rs. 100 each

Sl. No.	Name of the shareholder	As At 31.03.2012		As At 31.03.2011	
		No. of Shares	%	No. of Shares	%
		Held		Held	
1	Poddar Udyog Limited	4500	75.00	4500	75.00
2	United Bank of India	1500	25.00	1500	25.00

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

Sl. No.	Particulars	Rs.
---------	-------------	-----

1 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

2. RESERVE & SURPLUS

General Reserve

Opening Balance

Less : Transferred from statement of Profit & Loss

35,84,32,846
3,00,00,000

38,42,36,880
—

Less: Transferred to statement of Profit & Loss Account on account of depreciation
Deferred Tax Liabilities Adjusted on Depreciation at the beginning of the year

38,84,32,846
2,58,04,034
61,37,658

38,42,36,880
2,58,04,034
—

3,19,41,692

2,58,04,034

35,64,91,154

35,84,32,846

Capital Redemption Reserve

Opening Balance

Add: Transferred from statement of Profit and Loss

15,91,890

9,91,890
6,00,000

15,91,890

15,91,890

Statement of Profit and Loss

Opening Balance

Add: Profit for the year

6,22,36,696
3,94,73,649
10,17,10,345

4,66,66,277
1,61,70,419
6,28,36,696

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

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
	Less: Transferred to Capital Redemption Reserve	—	6,00,000
	Less: Transferred to General Reserve	3,00,00,000	—
	Income Tax for earlier years	583	—
		3,00,00,583	6,00,000
		7,17,09,762	6,22,36,696
		42,97,92,806	42,22,61,432

3. LONG-TERM BORROWINGS

TERM LOANS FROM BANK

Secured

From HDFC Bank

(Secured by hypothecation of Motor Vehicles)	17,94,405	23,85,119
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TERMS OF REPAYMENT

Particulars	Original Loan Rs.	Repayment Terms
From HDFC Bank-Car Loan	3160000	45 monthly instalments of Rs. 65,065/- - starting from November, 2010 and ending on July, 2014.
From HDFC Bank-Car Loan	700000	36 monthly instalments of Rs. 23,098/- - starting from December, 2008 and ended on November, 2011

TERM LOANS FROM OTHERS

Secured

From Reliance Capital Ltd.

(Secured by hypothecation of Motor Vehicles)	4,05,452	2,60,268
--	----------	----------

TERMS OF REPAYMENT

Particulars	Original Loan Rs.	Repayment Terms
Reliance Capital Ltd-Car Loan	280000	36 monthly instalments of Rs. 9024/- each starting from November, 2010 and ending on October, 2013
Reliance Capital Ltd-Car Loan	1095000	36 monthly instalments of Rs. 36450/- each starting from September, 2008 and ended on August, 2011

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
	Reliance Capital Ltd-Car Loan	360000	36 monthly instalments of Rs. 11600/- each starting from March, 2010 and ending on February, 2013
	Reliance Capital Ltd-Car Loan	567750	36 monthly instalments of Rs. 11,800 starting from February, 2012 and ending on January, 2015.

21,99,857

26,45,387

4 DEFERRED TAX LIABILITIES

Deferred Tax Liabilities Being The Tax Impact On

Difference of WDV of Fixed Assets as Per
Income Tax Law and Books

89,91,970

89,91,970

(Deferred Tax Assets & Liabilities have been calculated in accordance with Accounting Standard- 22 as issued by The Institute of Chartered Accountants of India.)

5 SHORT-TERM BORROWINGS

Secured

From Banks

Credit Line from Axis Bank Ltd.

(Secured by Pledge of Warehouse Receipts/ Storage Receipts with lien noted in favour of the bank and personally guarantee by Managing Director of the Company).

2,72,01,335

2,15,64,751

Cash Credit from Allahabad Bank

Secured by hypothecation of entire stocks book debts and other current assets of the company, both present and future, equitable mortgage of land and building of the company and hypothecation of Plant and Machinery of the Company and personally guaranteed by Managing director and a Director of the company.

9,70,57,482

9,04,86,691

12,42,58,817

11,20,51,442

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	As at 31st March, 2012	(Amount in ₹) As at 31st March, 2011
6	OTHER CURRENT LIABILITIES		
	Trade Payables (Refer Note No. 34)	31,37,81,966	28,44,98,262
	Bank Overdraft (Due to Reconciliation)	33,96,672	4,45,523
		<u>31,71,78,638</u>	<u>28,49,43,785</u>
	Others Liabilities		
	Current Liabilities of Long Term Borrowings (Refer Note No. 3)		
	Term Loan from HDFC Bank Ltd.	5,90,715	7,16,788
	Term Loan From Reliance Capital Ltd	3,77,475	3,84,609
	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
		<u>3,36,75,314</u>	<u>3,38,08,521</u>
	Current Maturities of Short Term Borrowings		
	Unsecured Loans from Others	5,50,000	7,10,541
	Statutory Payable		
	TDS Payable	5,33,865	4,92,971
	West Bengal Profesional Tax Payable	1,38,383	1,17,308
		<u>6,72,248</u>	<u>6,10,279</u>
	Other Payables		
	Brokerage & Commission Payable	82,98,445	76,21,924
	Electricity Charges Payable	62,98,522	—
	Salary & Wages Payable	2,24,21,562	2,14,99,691
	Other Payables	2,95,12,756	2,85,41,456
		<u>6,65,31,285</u>	<u>5,76,63,071</u>
	Advances from Customers	17,21,172	18,21,877
	Other Advances Received	30,42,912	30,95,154
	Liability for Preference Share Redemption	5,07,930	5,07,930
	Interest Accrued & Due on Unsecured Loans	3,44,23,078	3,18,98,175
		<u>3,96,95,092</u>	<u>3,73,23,136</u>
		<u>45,83,02,577</u>	<u>41,50,59,333</u>
7	SHORT-TERM PROVISIONS		
	Provision for Income Tax	1,57,81,367	61,51,305
	Provision for Fringe Benefit Tax	16,86,845	16,86,845
		<u>1,74,68,212</u>	<u>78,38,150</u>

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE NO. 8

TANGIBLE FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			(Amount in Rs.)	
	As At 31-03-11	Additions	Deductions	As At 31-03-12	Provided for the year	Deductions	As At 31-03-12	As At 31-03-11
Land	155787500	—	—	155787500	—	—	155787500	155787500
Buildings	210405221	4473892	—	214879113	8728797	—	122194650	126449555
Plant & Machinery	560162413	29184264	9070069	580276608	24093607	5721280	293737189	284797551
Furniture & Fixtures	3323957	1366780	—	4690737	136812	—	2047070	2643667
Office Equipments	789963	71700	—	861663	372897	—	414228	417066
Motor Car	12241350	1378196	2527291	11092255	1104993	1070092	3255099	7837156
Data Processing Machines	2313965	727690	—	3041655	175796	—	1878364	611397
Total	945024369	37202522	11597360	970629531	34281336	6791372	394016413	576613118
Previous Year	924919151	29938366	9833148	945024369	31991803	6393276	366526449	578497920
NOTE NO. 9								

INTANGIBLE FIXED ASSETS

PARTICULARS	GROSS BLOCK			AMORTISATION			(Amount in Rs.)	
	As At 31-03-11	Additions	Deductions	As At 31-03-12	Provided for the year	Deductions	As At 31-03-12	As At 31-03-11
Computer Software	—	1288800	—	1288800	257760	—	1031040	—
Total	—	1288800	—	1288800	257760	—	1031040	—
Previous Year	—	—	—	—	—	—	—	—

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	Numbers		(Amount in ₹)	
		Face Value	As at 31.3.2012	As at 31.3.2011	As at 31.3.2011
10	NON CURRENT INVESTMENTS				
	Non - Trade Investment				
	Investment in Equity Instruments (At Cost)				
	Long term				
	In Fully paid up Shares of Joint Stock Companies				
	(Long Term Unless Otherwise Stated)				
	Other than Trade				
	A. QUOTED				
	Whirlpool of India Ltd.	10	300	300	7050
	B. UNQUOTED				7050
	A.M.Industries Ltd.	100	400	400	40000
	A.M.Industries Ltd. (11% Redeemable Cumulative Preference Shares)	10	400238	400238	3809544
	A.M.Udyog Ltd.	100	7	7	700
	A.M.Udyog Ltd. (11% Redeemable Cumulative Preference Shares)	10	678405	678405	6558225
	A.K.Goenka & Sons Pvt Ltd	10	-	10000	500000
	Ankit Lifeline Pvt Ltd.	10	20000	20000	2000000
	Apeejay Tea Ltd.	10	-	200	1000
	Aper Dealers (P) Ltd	10	7700	7700	77000
	Ashmani Developers Ltd	10	10962	10962	103962
	BNS Consultants Pvt Ltd	10	-	17500	350000
	Chiranjilal & Co Pvt Ltd.	10	30000	50000	500000
	Deejay Promoters Pvt Ltd.	10	5000	5000	2500000
	Dewdrop Tracon (P) Ltd	10	7700	7700	77000
	Ess Emm Enclaves (P) Ltd.	10	37500	37500	375000
	G.D.Goenka Global Industries Pvt Ltd.	10	-	10000	500000
	Infodata Solutions Pvt Ltd.	10	-	10000	250000
	Jabali Commercial Co Pvt Ltd	10	1452	1452	290400
	Jackson Mercantile (P) Ltd	10	200	200	2000
	Joyeria Jewels India Pvt Ltd.	10	5000	5000	900000
	Jyoti Vikash Trade Pvt Ltd.	10	-	50000	2500000
	Labh Export Pvt Ltd	100	1250	1250	250000
	Lucky Projects Pvt Ltd.	10	7000	17000	1700000
	Malvika Distributors Pvt Ltd.	10	5000	5000	500000
	Multi Storied Construction (P) Ltd	10	7500	7500	75000

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

		(Amount in ₹)			
Note No.	Particulars	Face Value	Numbers		Amount
			As at 31.3.2012	As at 31.3.2011	As at 31.3.2011
	Pranidhi Estate Pvt Ltd.	10	1050	1050	1050000
	Rajputana Consultants Pvt Ltd.	10	2000	2000	100000
	Rakesh Builders (P) Ltd	10	-	7500	75000
	Rash Behari construction (P) Ltd	10	7500	7500	75000
	Rudrani Construction (P) Ltd	10	7500	7500	75000
	Sabrang Commercial Pvt Ltd.	10	-	20000	1000000
	Shokeen Properties Pvt Ltd.	10	2400	2400	1200000
	Southwest Construction (P) Ltd	10	300	300	3000
	Sri Balaji Rocks Ltd.	10	3000	3000	300000
	Suncity Properties (P) LTD.	10	5000	5000	158000
	Suruchi Processors Pvt Ltd.	10	-	100000	1000000
	Synergy Steel Pvt Ltd.	10	-	4000	400000
	The Laxmi Salt Co Ltd.	10	2000	2000	1400000
	Three Caps & Cartoons Pvt Ltd.	10	-	5000	1000000
	The Wallwood Plantation & Agency Ltd	10	15600	15600	117585
	Tirupati Lamination Pvt Ltd.	100	-	2000	200000
	Tivoli Park Apartments (P) Ltd.	100	6500	6500	650000
	Tyron Agency (P) Ltd	10	200	200	2000
	Varsha Holdings Pvt Ltd.	10	-	5000	250000
	Winmore Commercial (P) Ltd	10	200	200	2000
	Xenix Services Pvt Ltd.	10	-	50000	500000
	Zenom Vinimay Pvt Ltd.	10	-	5000	250000
C. Investment in Subsidiary Company					
	Vasavi Infrastructure Projects Limited	10	360000	360000	3300000
D. In Government Securities					
	7 years National Saving Certificate lodged as Security with Central Excise Authority			7937	7937
	Aggregate Value of Unquoted Investments.			<u>26999353</u>	<u>36975353</u>
	Aggregate Value of Investments.			<u>27006403</u>	<u>36982403</u>
Notes :					
(1) Quoted Investments					
	Aggregate amount			7050	7050
	Market value			59655	79500
(2) Unquoted Investments					
	Aggregate amount			26999353	36975353

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	(Amount in ₹)	
		As at 31st March, 2012	As at 31st March, 2011
11	LONG-TERM LOANS AND ADVANCES		
	Unsecured, Considered Good unless otherwise stated		
	Security Deposits	69,32,646	64,90,243
		69,32,646	64,90,243
12	OTHER NON-CURRENT ASSETS		
	Long -Term Trade Receivables		
	Unsecured, Considered Good unless otherwise stated		
	Trade Receivables	34,40,476	71,34,574
		34,40,476	71,34,574
13	INVENTORIES		
	Stock in Trade		
	(As per Inventories Taken, Valued and Certified by the management)		
	Raw Materials	13,62,74,148	6,76,95,958
	Work in Progress	1,96,19,674	2,59,44,672
	Finished Goods	6,09,39,015	5,32,22,741
	Stores and Spare Parts	2,08,49,060	2,02,69,217
	Stock of Shares	1,16,23,074	1,31,20,896
		24,93,04,971	18,02,53,484
14	TRADE RECEIVABLES		
	Unsecured, Considered Good unless otherwise stated		
	Outstanding For More Than Six Months	8,10,997	83,02,898
	Others	4,30,31,024	5,54,47,017
		4,38,42,021	6,37,49,915
15	CASH AND BANK BALANCES		
	Cash & Cash Equivalents		
	In Current Accounts	57,43,628	60,86,658
	Cash in hand	13,81,008	23,29,976
	Other Bank Balance		
	In Fixed Deposit Account (Maturity Within 12 Months)	65,00,000	9,32,200
	(Under Lien with Allahabad Bank)		
		1,36,24,636	93,48,834

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

Note No.	Particulars	(Amount in ₹)	
		As at 31st March, 2012	As at 31st March, 2011
16	SHORT TERM LOANS & ADVANCES		
	(Unsecured, Considered Good unless otherwise stated)		
	Loans to Body Corporates-Others	7,11,73,358	4,39,10,740
	Advances to a Subsidiary	3,69,82,000	3,23,82,000
	Advances Recoverable in Cash or in kind for value to be received	3,87,35,986	4,75,14,440
	Advance Payment of Income Tax	89,96,030	10,30,659
	Income Tax Deducted at Source	34,50,395	30,86,114
	MAT Credit Entitlement	96,42,984	59,74,141
	Advance Fringe Benefit Tax	18,01,105	18,01,105
		17,07,81,858	13,56,99,199
17	OTHER CURRENT ASSETS		
	Advance Against Share Application	10,00,000	10,00,000
	Prepaid Expenses	18,84,319	1,13,819
	Balances with Customs & Port Trust Authorities	46,184	46,184
	Balances with Excise Department	29,760	22,275
	Deposit with Govt. Department & Others	88,69,121	32,44,459
		1,18,29,384	44,26,737

Note No.	Particulars	(Amount in Rs.)	
		For the year ended 31st March, 2012	For the year ended 31st March, 2011
18	REVENUE FROM OPERATIONS		
	Sale of Products		
	Jute Goods	1,36,57,29,019	1,46,32,46,037
	Other Operating Revenue		
	Branding Charges (Net)	21,91,670	12,05,320
	Sale of Shares in Trade	40,92,419	-
		1,37,20,13,108	1,46,44,51,357

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

Note No.	Particulars	(Amount in ₹)	
		For the year ended 31st March, 2012	For the year ended 31st March, 2011
19	OTHER INCOME		
	Dividend Received		
	- From Other Non Current investments	1,56,938	1,53,889
	Interest Received		
	- On Loans & Others	34,82,355	33,03,022
	- On Term Deposits	1,35,606	—
	Profit on Sale of Fixed Assets	59,16,836	50,66,258
	Profit on Sale of Investments in Shares	34,370	—
	Miscellaneous Receipts	12,700	2,687
	Sale of Scrap	22,11,042	10,69,704
	Liability No Longer Required Written Back	—	1,56,068
		1,19,49,847	97,51,628
20	COST OF MATERIALS CONSUMED		
	Raw Materials Consumed		
	Opening Stock	6,76,95,958	4,14,04,846
	Add : Purchases	82,63,77,930	99,52,28,977
	Add : Jute Expenses	1,84,99,842	1,52,38,006
		91,25,73,730	1,05,18,71,829
	Less: Closing Stock	13,62,74,148	6,76,95,958
		77,62,99,582	98,41,75,871
21	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SHARES IN TRADE		
	Opening Stock		
	Finished Goods	5,32,22,741	6,13,44,673
	Work in Process	2,59,44,672	2,44,03,456
	Shares	1,31,20,896	1,31,20,896
		9,22,88,309	9,88,69,025
	Closing Stock		
	Finished Goods	6,09,39,015	5,32,22,741
	Work in Process	1,96,19,674	2,59,44,672
	Shares	1,16,23,074	1,31,20,896
		9,21,81,763	9,22,88,309
	Decrease / (Increase) in Stocks	1,06,546	65,80,716

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

Note No.	Particulars	(Amount in ₹)	
		For the year ended 31st March, 2012	For the year ended 31st March, 2011
22	EMPLOYEE BENEFIT EXPENSES		
	Salaries and Wages	25,14,23,349	22,86,47,327
	Contribution to Provident Fund & Other Funds	2,88,07,551	2,70,81,340
	Staff Welfare Expenses	19,25,746	17,03,637
		28,21,56,646	25,74,32,304
23	FINANCE COSTS		
	Interest Expenses	1,68,70,750	1,44,63,295
	Other Borrowing Costs	9,57,269	4,13,124
		1,78,28,019	1,48,76,419
24	DEPRECIATION & AMORTISATION		
	Depreciation on Tangible Assets	3,42,81,336	3,19,91,803
	Less: Transferred from General Reserve	2,58,04,034	25804,034
		84,77,302	6187,769
	Amortisation on Intangible Assets	2,57,760	—
		87,35,062	6187,769
25	OTHER EXPENSES		
	Consumption of Stores & Spare Parts	8,77,29,476	7,19,92,015
	Carriage Inward	2,15,348	1,77,059
	Processing Charges	2,73,32,676	2,03,44,767
	Power and Fuel	7,55,22,544	6,25,90,201
	Rent	3,96,000	3,09,910
	Repairs to Building	18,97,496	6,69,766
	Repairs to Machinery	35,37,783	47,32,475
	Insurance Charges	16,05,727	13,70,799
	Rates and Taxes	7,40,500	9,41,560
	Duty, Cess, Entry Tax, Freight and Other Sales Expenses	2,28,31,528	1,11,78,292
	Directors Remuneration	9,60,000	8,40,000
	Auditors		
	Audit Fees	50,562	35,000
	Other Services	19,663	10,000
	Miscellaneous expenses	2,77,09,200	1,35,87,643
		25,05,48,503	18,87,79,487

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

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) Financial statements are based on historical cost convention method modified by revaluation of certain fixed assets as a going concern and are in consonance with generally accepted accounting principles.

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) Fixed Assets and Depreciation

- a) Fixed assets, other than those revalued are stated at cost /book value less depreciation and capital subsidy.
- b) Intangible Assets comprises of software, expected to provide future including economic benefits are stated at cost less accumulated amortisation. Cost comprises purchase value and directly attributable expenditure on making the asset ready for its intended use.
- c) Depreciation is provided on assets acquired / installed after 1.6.75 on straight line method and assets acquired / installed prior to that on written down value method at the rates applicable at the time of acquisition / installation of such assets. However, depreciation on assets acquired / installed after 1.4.87 has been calculated at the rates applicable as per Schedule XIV to the Companies Act, 1956.
- d) Software is being amortised over a period of five years.
- e) The amounts added on revaluation is amortised over the period of useful life of the asset as determined and an equivalent amount thereof is transferred to the Profit & Loss Account from the Revaluation/General Reserve.

iv) 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.

v) Investments

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

vi) Exchange Fluctuations

Monetary Current Assets and Liabilities in foreign currency outstanding at close of the financial year are valued at the appropriate exchange rates at the close of the year. The loss or gain in fluctuation of exchange is charged to the Profit & Loss Account.

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

viii) 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.

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

ix) 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.

x) 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.

xi) Claims

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

xii) 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.

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

xiii) Taxation

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

xiv) Impairment of Assets

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

xv) Provisions, Contingent Liabilities and Contingent Assets

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

27. Contingent Liability not provided for in respect of :

	Current Year Rs.	Previous Year Rs.
a) Sales Tax demands pending with appellate authorities	9,69,66,413	8,54,73,016
b) Claim for Damages on delayed payment of Employee State Insurance dues which the Company has disputed and final order of Employee Insurance Court, Kolkata, is pending. However, the Company is entitled to obtain waiver with regard to interest penalty and damages for delayed payments of the old outstanding in respect of Provident Fund and Employee State Insurance under the relevant statutory provisions. Necessary steps are being taken to obtain the waiver from the appropriate authorities.	11,45,951	11,45,951

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

- 28 The liability of Rs.17,64,25,659/- (Previous Year Rs. 16,31,21,446/-) being gratuity payable to employees determined as per actuarial valuation as at 31st March, 2012 under Revised AS-15 norms has not been provided for in the accounts.

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

- 29 Sales include Rs. 938.29 lacs (previous period Rs 3234.16 lacs) on account of goods sent on consignment, which has been treated as sale on the basis of proforma invoice raised. The difference in value of sale and expenses has neither been ascertained nor accounted for. However, management does not expect any loss on this account.
- 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. 2,01,579/- could not be produced to the auditors for verification as these have either been lost in transit or are presently not traceable. Necessary steps including filing of suit on Investee Company have been initiated against the same. Further, pending certain formalities etc., certain shares/debentures held as stock valued at Rs. 8,577/- were not transferred in the name of the erstwhile AMI and consequently as at the balance sheet date have not been held by the Company in its own name.
- 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 2012.
- 32 In terms of Section 80A of the Companies Act, 1956, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each amounting to Rs.6,00,000 were due for redemption on 28.09.1992. The arrear cumulative dividend on above till 31.03.2012 amounted to Rs. 2563529/-.
- 33 The Company had filed an application before the Hon'ble High Court at Calcutta (the "Court") and West Bengal Taxation Tribunal "Extra Ordinary Jurisdiction" (the 'tribunal') alleging the interest aggregating to Rs. 13771765/- 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) Rs. 1,37,71,765/- paid by the Company in earlier years and Rs. 78,60,754/- being interest considered/ascertained by the management as receivable thereupon, pending decision of the Court/tribunal on the matter, have been considered good for recovery and is included under the head "Advances recoverable in cash or in kind" and undisputed sales tax dues amounting to Rs.63,73,618/- as disclosed in Annexure-1 to the Auditor Report has remain unpaid.
- b) The company has withheld the payment 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, 2012 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.)

36 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) Parties where common Control exists : None
- ii) Other Related parties with whom the Company has entered into transactions during the year.

a) Associates

- i) A.M.Udyog Limited
- ii) A.M.Business & Finance Limited
- iii) A.M.Industries Ltd
- iv) Ashmani Developers Limited
- v) Bengal Investments Limited
- vi) Tivolipark Apartments (P) Ltd.

b) Key Management Personnel & Relatives

Mr. Manish Poddar (Managing Director)

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

Ripon Estates Ltd

d) Subsidiary Company

Vasavi Infrastructure Projects Limited

B) Transactions during the year with related parties in normal course of business & balances at the end of the financial year :

	In relation to item no.			
	A(i) above		A(ii) above	
	2011-12	2010-11	2011-12	2010-11
	₹	₹	₹	₹
i) Managerial Remuneration	1286106	1140135	—	—
ii) Payment to Raw Jute Creditors	—	—	373798798	422553652
iii) Payment to Stores Creditors	—	—	—	483400
iv) Purchase of Raw Materials	—	—	394232684	397867935
v) Purchase of Stores Materials	—	—	—	12568400
vi) Advances Given	—	—	5645306	10140393
vii) Advances Received	—	—	200000	1799393
viii) Outstanding Payable As On 31.03.2012	—	—	183091505	163907082
ix) Outstanding Receivable As On 31.03.2012	—	—	54249917	49359611

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
Segment Revenue						
From External Customers	1365729019	1463246037	Nil	Nil	1365729019	1463246037
Segment Assets						
	1105435749	1024277254	Nil	Nil	1105435749	1024277254

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

	<u>2011-12</u>	<u>2010-11</u>
Profit/(Loss) After Tax	39407649	16104419
Weighted average number of Equity Shares of Rs. 10 Each fully paid up	6382151	6382151
Earning Per Share(in Rs.) (Basic & Diluted)	<u>6.17</u>	<u>2.52</u>

- 39 Raw Material Consumed :

		Quantity		Value (Rs.)	
		For the year ended	For the year ended	For the year ended	For the year ended
	Unit	31.03.12	31.03.11	31.03.12	31.03.11
Raw Jute	M.T.	27444	26466	776299582	984175871

- 40 Value of Imported and Indigenous Raw Materials consumed during the year :

	For the year ended		For the year ended	
	31.03.12	%	31.03.11	%
Indigenous	771048412	98.32	984175871	100.00
Imported	5251170	0.68	—	—
	<u>776299582</u>	<u>100.00</u>	<u>984175871</u>	<u>100.00</u>

BUDGE BUDGE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

	For the year ended 31.03.12		For the year ended 31.03.11	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	87729476	100.00	71992015	100.00
Imported	—	—	—	—
	87729476	100.00	71992015	100.00

42 Value of Imports on C.I.F. Basis :

	For the year ended 31.03.12		For the year ended 31.03.11	
	Value (Rs.)	%	Value (Rs.)	%
Raw Materials	5251170	100.00	—	—
Components & Spare Parts	—	—	—	—
Capital Goods	—	—	—	—
	5251170	100.00	—	—

43 Expenditure in Foreign Currency :

	For the year ended 31.03.12	For the year ended 31.03.11
	Rs.	Rs.
Travelling Expenses	3186800	2457497

- 44** The financial statements for the year ended 31st March, 2012 have been prepared as per Notification on Revised Schedule-VI under the Companies Act, 1956 and accordingly, the previous year figures have also been rearranged / reclassified to confirm to this year's classification.

P-21/22, Radha Bazar Street Kolkata - 700 001 Dated the 11th August, 2012	As per our report attached For JAIN & CO. <i>Chartered Accountants</i> Registration No. 302023E M. K. JAIN <i>Partner</i> Membership No. 55048	ASHOK KUMAR PODDAR, Chairman MANISH PODDAR, Mg. Director D. V. SINGHI, Secretary
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BUDGE BUDGE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
A) CASH FROM OPERATING ACTIVITIES		
Net profit/loss before tax & extra ordinary items	48288597	16170419
Adjustments for :		
Depreciation	8735062	6187769
Interest Paid	17828019	14463295
Dividend Income	(156938)	(153889)
Interest Received	(3617961)	(3303022)
Profit / (Loss) on Sale of Fixed Assets	(5916836)	(5066258)
Profit on Sale of Investments (Net)	(34370)	—
	16836976	12127895
Net Profit/Loss before working capital changes	65125573	28298314
Adjustment for :		
Trade & Other Receivables	19907894	(53934102)
Inventories	(69051487)	(26455120)
Net Increase / Decrease in Other Loans & Advances	(27235116)	—
Net Increase / Decrease in Current/ Non Current Liabilities	43243244	(33135465)
	(33135465)	35745338
Cash generated from operating activities	31990108	(44643884)
Direct Taxes Paid (Net of Refund)	(8329652)	(16345570)
Cash Flow before Extra Ordinary Items	23660456	(285640)
Extra Ordinary Items	—	(16631210)
NET CASH FROM OPERATING ACTIVITIES	23660456	(16631210)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(37826573)	(31410268)
Subsidy Received	2263010	563400
Purchase of Investments	—	(350000)
Sale of Fixed Assets	8459814	7942730
Sale of Investment	10010370	5472220
Dividend Income	156938	153889
Interest Received	3617961	3303022
	(13318480)	(14325007)
NET CASH FROM INVESTING ACTIVITIES		
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	(445530)	46171150
Proceeds from Short Term Borrowings	12207375	2510642
Interest Paid	(17828019)	(14463295)
	(6066174)	34218497
NET CASH FROM FINANCING ACTIVITIES	4275802	3262280
NET INCREASE IN CASH & CASH EQUIVALENTS	9348834	6086554
OPENING CASH & CASH EQUIVALENTS	13624636	9348834
CLOSING CASH & CASH EQUIVALENTS		

The accompanying notes from 1 to 44 form an integral part of the financial statements.

As per our report attached of even date

For JAIN & CO.

Chartered Accountants

Registration No. 302023E

M. K. JAIN

Partner

Membership No. 55048

P-21/22, Radha Bazar Street

Kolkata - 700 001

Dated the 11th day of August, 2012

ASHOK KUMAR PODDAR, Chairman

MANISH PODDAR, Mg. Director

D. V. SINGHI, Secretary

BUDGE BUDGE COMPANY LIMITED

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

a) Name of the Subsidiary	VASAVI INFRASTRUCTURE PROJECTS LTD.
b) Financial year ending of the Subsidiary	31.03.12
c) Holding Company's Interest :	
i) Number	360000 Equity Shares of Rs. 10/- each fully paid
ii) Extent of Holding	76.59%
d) Net aggregate amount of Subsidiary Company's Profit or Loss which concerns the members of Budge Budge Company Limited to the extent mentioned above and not dealt with in the Company's accounts :	
i) For the Subsidiary Company's financial year ended 31/03/2012	(1194064)
ii) For the Subsidiary Company's Previous financial year since it became a Subsidiary	2592838
e) Net aggregate amount of Subsidiary Company's Profit or Loss which concerns the members of Budge Budge Company Limited to the extent mentioned above and dealt with in the Company's accounts :	
i) For the Subsidiary Company's financial year ended 31/03/2012	Nil
ii) For the Subsidiary Company's Previous financial year since it became a Subsidiary	Nil

Kolkata
Dated the 11th day of August, 2012

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