

BUDGE BUDGE FLOORCOVERINGS LTD.

Registered Office:
9/1, R.N. Mukherjee Road,
Kolkata 700 001

DIRECTORS' REPORT

To the Shareholders

Your Directors have pleasure in presenting their 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

Accounts & Financial Matters:

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
Total Income :	73,564	1,48,449
Profit /(Loss) before Depreciation :	(35,095)	81,626
Depreciation & Amortisation Expense :	24,73,510	26,81,710
Profit/(Loss) before Tax :	(25,08,605)	(26,00,084)
Deferred Tax :	5,36,468	6,67,575
Profit/(Loss) for the year :	(19,72,137)	(19,32,509)
Surplus/(Deficit) as per last Financial Statements :	(1,59,87,916)	(1,40,55,407)
Net Surplus/(Deficit) :	(1,79,60,053)	(1,59,87,916)

Dividend

Your Directors do not recommend any Dividend during the year.

General

Operations at Company's Birlapur plant remained under "Suspension" since 29th October, 2003.

The dispute referred to the Industrial Tribunal is still pending.

Meanwhile, the strength of workmen as on 31st March, 2012 is 66.

...2.

Directors

Shri P.K. Chand retires from the Board, by rotation and being eligible, offers himself for re-appointment.

Auditors

M/s. Alps & Co., Chartered Accountants, retires as Auditors of the Company and being eligible offer themselves for re-appointment.

Compliance Certificate under the Companies Act, 1956

A certificate issued by Shri Mukesh Rathi, Practising Company Secretary in terms of proviso to Section 383A (1) of the Companies Act, 1956 is attached to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217(1)(e) of the Companies Act, 1956, details relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the annexure attached hereto and forms part of the Directors' Report.

PARTICULARS OF EMPLOYEES:

The Company has no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the amended Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:

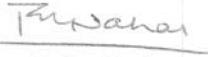
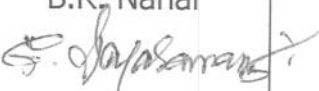
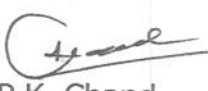
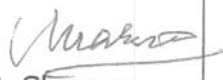
In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state that -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the accounting policies adopted and applied in the preparation of the annual accounts have been consistently followed and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 and of the loss for the year ended 31st March, 2012;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Appreciation

Your Directors wish to place on record their appreciation for co-operation received from various Government agencies.

For and on behalf of the Board

	}	Directors
B.R. Nahar		
		
G. Jayaraman		
		
P.K. Chand		
		
G. Sharma		

Place : Kolkata

Dated : 17/04/2012

Report on Conservation of Energy, Technology Absorptions, Foreign Exchange Earnings and Outgo (Section 217(1)(e) of the Companies Act, 1956)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Operations at Birlapur plant remained under "Suspension" during the entire year under review. Therefore, no action could be taken for conservation of energy.

(b) Additional investment proposals, if any, being implemented for reduction of consumption of energy:

No additional investment had been made during the year under review, due to reason stated above.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production:

There is no impact due to the reason stated above.

(d) Total energy consumption and energy consumption per unit of production in respect of industries specified in the schedule thereto:

Please refer 'Form-A' enclosed.

B. TECHNOLOGY ABSORPTION:

(a) Research and Development

1) Specification of Technology absorption and / or R & D.

No R & D activity could be undertaken during the year under review due to "Suspension" of plant operations at Birlapur.

2) Benefits derived as a result of the above R & D and future plan of action:

No benefit could be derived, as there was no R & D activity during the year under review.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

The foreign exchange earning as well as outgo for the Company amounted to "NIL" during the year under review.

ANNEXURE

FORM – A

Form for disclosure of Particulars with respect to Conservation of Energy for the year ended 31/March/2012.

	Particulars	Current year 2011-12	Previous Year 2010-11
A	Power and Fuel Consumption		
1	Electricity Purchased: Units in Kwh Total amount in ₹ Rate/Unit in ₹ Own Generation: Through Diesel Generator Unit in Kwh Kwh per ltr. Of Diesel Oil Cost/Kwh in ₹ Through SteamTurbine/Generator Units in Kwh Kwh per tonne of coal Cost/Kwh in ₹	- - -	- - -
2	Coal: Quantity (Tonnes) Total cost in ₹ Average rate in ₹		
3	Furnace Oil: Quantity (Kilolitres) Total cost in ₹ Average rate in ₹	- - -	
4	Others/Internal Generation: Steam received from Birlapur Services Division of Birla Corporation Ltd for Linoleum Quantity in 1,000 Lbs Total Amount in ₹ Rate/1,000 Lbs in ₹		- - -
B	Consumption per unit of production. Product: Linoleum Floor Covering Production in Sqm Electricity in Kwh per Sqm Furnace Oil Coal Others Steam in Lbs per Sqm	- - - - -	- - - -

M.RATHI & CO.

Company Secretaries

SECRETARIAL COMPLIANCE CERTIFICATE

(IN TERMS OF SECTION 383A(1) OF THE COMPANIES ACT, 1956)

CIN : U36994WB1996PLC076677

Authorised Share Capital : Rs. 20.00.00.000/-

Paid-up Share Capital : Rs. 4.00.00.000/-

To
THE MEMBERS
M/S. BUDGE BUDGE FLOOR COVERINGS LIMITED
BIRLA BUILDING
9/1, R.N MUKHERJEE ROAD
KOLKATA- 700001

We have examined the registers, records, books and papers of **M/s. Budge Budge Floor Coverings Limited** as required to be maintained under the Companies Act 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under, There were no forms and returns to be filed with Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met 4 (Four) times on 19th April 2011, 22nd July 2011, 25th October, 2011 and 16th January, 2012 in respect of which proper notices were given and the proceedings including circular resolution were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 21st July, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and / or persons or firms or companies referred to under section 295 of the Act during the financial year.
9. The Company has entered into any contracts falling within the purview of section 297 of the Act during the financial year and complied with the provisions thereof.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate certificates during the financial year.



13. The Company has:
- i) not made any allotment/ transfer/ transmission of securities during the financial year.
 - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - iv) not transferred any amount to the Investors Education and Protection Fund as it was not required to do so.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional and /or alternate directors during the year.
15. The Company has not appointed any managing Director/whole-time Director/Manager, during the financial year.
17. The Company has not appointed any sole-selling agents during the financial year.
17. The Company did not require to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company does not have preference shares or debentures hence the comments are not required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A and 58AA during the financial year.
24. The Company has not made any borrowings during the year.
25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate falling under the purview of section 372A of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to the Share Capital of the Company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year under scrutiny.

M.RATHI & CO.

Company Secretaries

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31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act as per the information and explanation provided to us.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employer's and employee's contribution to Provident fund with prescribed authority pursuant to provisions of section 418 of the Companies Act, 1956.

PLACE : Kolkata

DATED : 17th April, 2012



For M. RATHI & CO.
Company Secretaries


(Mukesh Rathi)
Partner
C. P. No: 4795

ANNEXURE - A

Registers as maintained by the Company

Sl. No.	Particulars	Section
1.	Application For & Allotment of Shares	72
2.	Register of Transfer	108
3.	Register of Charges	143
4.	Register of Members	150
5.	Minutes of proceedings of General meetings and of Board and other meetings	193
6.	Books of Accounts	209
7.	Register of Contracts	301
8.	Register of Directors, Managing Director & Secretary	303
9.	Register of Director's Shareholding	307

ANNEXURE - B

Forms/ Returns/ Documents as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012

Sl. No.	Form No.	Relevant Section	Description	Filed on	Whether Filed within prescribed time Yes/No.	If No whether addl fees paid
1.	66	383A(1)	For the year ended 31.03.11	28.08.11	No	Yes
2.	23AC/A/XBRL220		For the year ended 31.03.11	26.11.11	Yes	N.A
3.	20B	159	For AGM held on 21.07.11	08.09.11	Yes	N.A

56/1, B.B. Chatterjee Road, Kolkata - 700 042.



AUDITORS' REPORT

To The Members,

We have audited the attached Balance Sheet of **BUDGE BUDGE FLOOR COVERINGS LIMITED** as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 auditing standard generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are prepared 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 management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - 2.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - 2.2. 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 these books.
 - 2.3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of the account.
 - 2.4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - 2.5. On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2012 from being appointed as Director in terms of section 274(1)(g) of the Companies Act, 1956.



2.6. In our opinion and to the best of our information and according to explanations given to us the said account, give the information required by the Companies Act, 1956 in the manner so required and read together with other notes given thereon, gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet of the state of the Company's affairs as at 31st March, 2012;
- ii) in the case of Profit & Loss Account of the Loss for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Kolkata
Dated: 17th day of April, 2012



For ALPS & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

A handwritten signature in black ink, appearing to read "A.K. Khetawat".

(A.K.Khetawat)
Partner
Membership No. 052751

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our report of even date)

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The management has physically verified its fixed assets at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) In our opinion, the Company has not disposed off the substantial part of fixed assets during the year, which would affect the going concern status of the Company.
- 2) (a) The inventories have been physically verified by the management during the year at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification were not material.
- 3) (a) The Company has neither taken nor granted any secured or unsecured loans from/to companies, firm and other parties covered in the register maintained under section 301 of the Act.

(b) As the Company has neither taken nor granted any loans, as mentioned in 3(a) above, in our opinion, clauses 4(iii)(b) to 4(iii)(d) and clauses 4(iii)(f) to 4(iii)(g) of the order are not applicable to the company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the sale of goods. There has been no purchase of inventory and fixed assets and sale of services during the year. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- 5) (a) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the particulars of contracts or arrangements referred to in section 301 of the Act that needed to be entered have been entered in the register required to be maintained under that section.

(b) There is no transactions, with parties as stated in para 5(a) above, exceeding value Rs.500,000/- have been entered into during the financial year.
- 6) During the year, the Company has not accepted any deposits from the public as defined under sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- 7) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.



- 8) As informed to us, the Company has not been prescribed to maintain Cost records under section 209(1)(d) of the Act.
- 9) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities. According to information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating Rs. 4.14 lakhs that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Statute	Nature of Dues	Amount (in INR)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Cenvat	349,018 & 64,955	July, 2003	Central Excise Service Tax Appellate Tribunal

- 10) *The Company has accumulated losses at the end of financial year, which is less than 50% of its net worth. The Company has incurred cash losses in current year however it has not incurred cash losses in immediately preceding financial year.*
- 11) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the Company has not defaulted in repayment of dues to banks. The Company has no dues to financial institutions and debenture holders during the year.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/ mutual benefit fund or society. Therefore clause 4(xiii) of the order is not applicable to the Company.
- 14) In our opinion and according to information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the Company.
- 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) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans during the year.
- 17) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that the Company has not utilized Short Term Funds towards Long Term Investments.



- 18) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) During the year, the Company has neither issued any debentures nor it has any outstanding debentures.
- 20) During the year, the Company has not raised money through public issue.
- 21) In our opinion and according to information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

Kolkata
Dated: 17th day of April, 2012



For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E

A handwritten signature in black ink, appearing to read "A.K. Khetawat".

(A.K.Khetawat)
Partner
Membership No. 052751

BUDGE BUDGE FLOORCOVERINGS LIMITED

BALANCE SHEET as at 31st March 2012

Particulars	Note No.	As at March 31, 2012 ₹	As at March 31, 2011 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	40,000,000	40,000,000
Reserves and Surplus	2.2	(17,960,053)	(15,987,916)
		<u>22,039,947</u>	<u>24,012,084</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	2.3	3,135,380	3,671,848
Other Long-Term Liabilities	2.4	64,261	64,261
Long-Term Provisions	2.5	86,766	89,640
		<u>3,286,407</u>	<u>3,825,749</u>
CURRENT LIABILITIES			
Trade Payables	2.6	42,693	42,600
Other Current Liabilities	2.7	2,040	2,290
Short-Term Provisions	2.5	13,289	13,730
		<u>58,022</u>	<u>58,620</u>
TOTAL		<u><u>25,384,376</u></u>	<u><u>27,896,453</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.8	15,818,164	18,291,674
		<u>15,818,164</u>	<u>18,291,674</u>
Long-Term Loans and Advances	2.9	1,821,252	1,731,476
		<u>1,821,252</u>	<u>1,731,476</u>
CURRENT ASSETS			
Current Investments	2.10	1,349,171	1,421,565
Inventories	2.11	6,174,139	6,174,139
Cash and Bank Balances	2.12	30,768	82,294
Short-Term Loans and Advances	2.9	190,882	195,305
		<u>7,744,960</u>	<u>7,873,303</u>
TOTAL		<u><u>25,384,376</u></u>	<u><u>27,896,453</u></u>

Significant Accounting Policies

1

The accompanying Notes form an integral part of the Financial Statements

For ALPS & CO.

Chartered Accountants



A.K. Khetawat

Partner

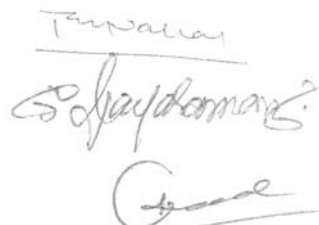
Membership No-052751

2, Lal Bazar Street,

Kolkata - 700 001

Dated : 17th April 2012





Directors



BUDGE BUDGE FLOORCOVERINGS LIMITED
STATEMENT OF PROFIT & LOSS for the year ended 31st March 2012

Particulars	Note No.	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
I Revenue from Operations	2.13	-	134,214
Less: Excise duty		-	10,182
		-	124,032
II Other income	2.14	73,564	24,417
III Total Revenue (I + II)		<u>73,564</u>	<u>148,449</u>
IV Expenses:			
(Increase)/ Decrease in Inventories of Finished Goods and Work-in-Progress	2.15	-	16,760
Employee Benefits Expense	2.16	(92,068)	(477,532)
Other Expenses	2.17	200,727	527,595
Total		<u>108,659</u>	<u>66,823</u>
V (III-IV)		(35,095)	81,626
VI Depreciation and Amortization Expense	2.18	2,473,510	2,681,710
VII Profit / (Loss) before Tax (V- VI)		<u>(2,508,605)</u>	<u>(2,600,084)</u>
VIII Tax Expense:			
Current Tax		-	-
Deferred Tax		536,468	667,575
IX Profit (Loss) for the year (VII-VIII)		<u>(1,972,137)</u>	<u>(1,932,509)</u>
Balance brought forward from previous year		(15,987,916)	(14,055,407)
		<u>(17,960,053)</u>	<u>(15,987,916)</u>
X Earnings Per Share [nominal value ₹. 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		4,000,000	4,000,000
Basic and Diluted Earning Per Share		(0.49)	(0.48)

Significant Accounting Policies

1

The accompanying Notes form an integral part of the Financial Statements

For ALPS & CO.

Chartered Accountants



A.K. Khetawat


Partner

Membership No-052751

2, Lal Bazar Street,

Kolkata - 700 001

Dated : 17th -April'2012

Directors



BUDGE BUDGE FLOORCOVERINGS LTD.
Cash Flow Statement for the year ended 31st. March-2012

	<u>For the Year</u> <u>31st March, 2011</u> ₹	<u>For the Year</u> <u>31st March, 2011</u> ₹
A. Cash Flow from Operating Activities		
Profit Before Tax	(2,508,605)	(2,600,084)
<u>Adjustments for :</u>		
Depreciation	2,473,510	2,681,710
Liabilities written back	(860)	(18,870)
Losses /(Gain) on Curtailment and Settlement of Gratuity	-	(251,810)
Profit on Sale of Current Investment	(27,606)	-
Profit on Sale of Tangible Assets	(45,098)	-
Interest Received	-	(504)
Operating Profit before Working Capital Changes	<u>(108,659)</u>	<u>(189,558)</u>
<u>Adjustment for :</u>		
Inventories	-	424,587
Sundry Debtor	-	51,205
Loans & Advances	(85,353)	(211,555)
Trade payable & other liabilities	(2,612)	(42,205)
Cash generated from operations	<u>(87,965)</u>	<u>222,032</u>
 Net Cash from Operating Activities	 <u>(196,624)</u>	 <u>32,474</u>
 B. Cash Flow from Investing Activities		
Sale of Current Investment	100,000	-
Sale of Tangible Assets	45,098	-
Interest Received	-	504
	<u>145,098</u>	<u>504</u>
 Net Increase in Cash and Cash Equivalents	 <u>(51,526)</u>	 <u>32,978</u>
Cash and Cash Equivalents (Opening Balances)	82,294	49,316
Cash and Cash Equivalents (Closing Balances)	<u>30,768</u>	<u>82,294</u>

Notes

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents represents " Cash Balance in hand and Balances with Scheduled Banks".

For ALPS & CO.

Chartered Accountants

(Signature)

A.K. Khetawat

Partner

Membership No-052751

2, Lal Bazar Street,

Kolkata - 700 001

Dated : 17th -April'2012



(Signature)
(Signature)

(Signature)

Directors

(Signature)

BUDGE BUDGE FLOOR COVERINGS LIMITED

Notes to Financial Statements for the year ended 31st March 2012

1. Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The financial statements had been prepared and presented as per the requirement of revised Schedule VI as notified under Companies Act 1956 with effect from current year. The adoption of revised schedule VI does not have any impact on recognition and measurement principles as followed by the company.

1.2 Use of Estimates

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

1.3 Tangible and Intangible Fixed Assets

Tangible Fixed Assets

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. In respect of qualifying assets as defined by Accounting Standard 16, related pre-operational expenses including borrowing cost are also capitalised and included in the cost. Claims in respect of capital assets are adjusted as and when settled.

1.4 Depreciation

- a) Depreciation on assets is provided on Straight Line Method as per the rates as prescribed in Schedule XIV to the Companies Act, 1956.

1.5 Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
The portion of long term investments expected to be realised within twelve months after the reporting date are disclosed under current investments as per the requirement of revised Schedule VI.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.



BUDGE BUDGE FLOOR COVERINGS LIMITED

Notes to Financial Statements for the year ended 31st March 2012

1.6 Inventories

- a) Stock-in-Trade viz. Raw Materials, Finished Goods and Materials under Process are valued at Cost or Net Realisable Value, whichever is lower. Cost of Finished Goods and Materials under Process are determined on weighted average basis. Net Realisable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. Stores and Spare Parts etc. are valued at cost determined on weighted average basis. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

1.7 Employee Benefits

- a) Employee benefits of short term nature are recognized as expense as and when it accrues.
- b) Employee benefits of long term nature are recognized as expense based on actuarial valuation using projected unit credit method.
- c) Post employment benefits in the nature of Defined Contribution Plans are recognized as expense as and when it accrues and that in the nature of Defined Benefit Plans are recognized as expenses based on actuarial valuation using projected unit credit methods.
- d) Actuarial gains and losses are recognized immediately in the Profit & Loss Account as income or expense.
- e) Expenditure incurred on Voluntary Retirement Scheme is charged to Profit & Loss Account immediately.

1.8 Recognition of Revenue and Expenses

- a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- b) Gross Sales are inclusive of excise duty and net of returns, claims and discount etc.
- c) Export benefit entitlements to the Company under the EXIM/Foreign Trade Policy is recognised in the year of exports on accrual basis.

1.9 Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. The deferred tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits.

1.10 Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

1.11 Provisions

Provisions are recognised where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date.

1.12 Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed separately.



BUDGE BUDGE FLOORCOVERINGS LIMITED

Note annexed to and forming part of Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date

		₹ As at 31st March, 2012	₹ As at 31st March, 2011
NOTE 2.1 : SHARE CAPITAL			
	Authorised		
20,000,000	Ordinary Shares of ₹10/- each	200,000,000	200,000,000
		200,000,000	200,000,000
	Issued		
4,000,000	Ordinary Shares of ₹10/- each	40,000,000	40,000,000
	Subscribed and Paid-up		
4,000,000	Ordinary Shares of ₹10/- each fully paid-up	40,000,000	40,000,000
		40,000,000	40,000,000

The company has only one class of issued shares i.e. ordinary shares having par value of ₹10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amount, in proportion to their shareholding.

There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period and therefore no reconciliation is required.

All Ordinary Shares of the company are being held by Birla Corporation Ltd- the Holding Company and its nominees.

No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.

No shares have been allotted or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

No convertible securities has been issued by the company during the year.

No calls are unpaid by any Director and Officer of the Company during the year.

NOTE 2.2 : RESERVES & SURPLUS

Surplus/ (Deficit)			
As per last Financial Statements		(15,987,916)	(14,055,407)
Add: Loss for the year		(1,972,137)	(1,932,509)
Net Surplus / (Deficit) in the Statement of Profit and Loss		(17,960,053)	(15,987,916)

NOTE 2.3 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities			
Arising on account of : Depreciation		3,135,380	3,671,848
Less: Deferred Tax Assets			
Deferred Tax Liabilities		3,135,380	3,671,848

NOTE 2.4 : OTHER LONG TERM LIABILITIES

Trade Payables			
For Services		27,000	27,000
Other Liabilities		27,000	27,000
Trade Deposits		37,261	37,261
		37,261	37,261
		64,261	64,261

NOTE 2.5 : PROVISIONS

	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits	86,766	89,640	13,289	13,730
	86,766	89,640	13,289	13,730

NOTE 2.6 : TRADE PAYABLES

For Services		42,693	42,600
		42,693	42,600

NOTE 2.7 : OTHER CURRENT LIABILITIES

Other Payables			
For Statutory Dues		2,040	2,290
		2,040	2,290



NOTE 2.08 : TENGIBLE ASSETS

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost/Value as at	Addition During the Year	Deductions/ Adjustments	Cost/Value as at	Provided during	Deductions/ Adjustments	Upto	As at	As at
	31st March, 2011	Purchases	Other Adjustment	31st March, 2012	the year	during 1st March, the year	31st March, 2012	31st March 2012	31st March 2011
Buildings	20918972			20918972	698694	11067578	10368884	9851394	10550088
Plant & Equipments	37400408			37400408	1769688	31534296	29764608	5866112	7635800
Furniture & Fixtures	580225			580225	709	551207	550498	29018	29727
Office Equipment	726110			726110	4419	654470	650051	71640	76059
Vehicles	258180			-		258180	258180	-	-
Total :	59883895	-	-	59625715	2473510	258180 43807551	41592221	15818164	18291674
Previous Year :	59883895	-	-	59883895	2681710	- 41592221	38910511		



BUDGE BUDGE FLOORCOVERINGS LIMITED

Note annexed to and forming part of Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date

	Long-term		Short-term	
	As at 31st March,2012	As at 31st March,2011	As at 31st March,2012	As at 31st March,2011
NOTE 2.9 : LOANS & ADVANCES				
Loan & Advances (Unsecured, Considered good)				
To Related Parties				
Holding Company	-	-	-	6,958
	-	-	-	6,958
Other Advances recoverable in cash or kind				
Unsecured, considered good	1,817,627	1,725,559	56,702	58,737
	1,817,627	1,725,559	56,702	58,737
Other Loans and Advances (Unsecured, Considered good)				
Advance Tax (including TDS) (Net of provisions)			111,908	111,908
Prepaid Expenses	-	-	12,000	12,000
Advance to Employees	3,625	5,917	-	-
Balances with Government & Statutory Authorities	-	-	10,272	5,702
	3,625	5,917	134,180	129,610
Total (A + B + C + D + E)	1,821,252	1,731,476	190,882	195,305

NOTE 2.10 : CURRENT INVESTMENTS

Non-Trade, Unquoted

UNITS IN MUTUAL FUNDS-UNQUOTED

Units

17201.73 Reliance Liquid Fund-Treasury Plan-Retail Option -
Growth Option- Growth Plan (PY- 21,123.24)

317,556 389,950

1,001.14 Reliance Liquid Plus Fund-Retail Option-Growth Plan

1,031,615 1,031,615

1,349,171 1,421,565

NOTE 2.11 : INVENTORIES

(As valued and certified by the Management)

Raw Materials

5,917,740 5,917,740

Stores and Spares etc.

256,399 256,399

6,174,139 6,174,139

NOTE 2.12 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks

30,584 81,704

Cash on hand

184 590

30,768 82,294

NOTE 2.13 : REVENUE FROM OPERATIONS

Sale of Products

- Sale of Goods

- 134,214

- 134,214



BUDGE BUDGE FLOORCOVERINGS LIMITED

Note annexed to and forming part of Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date

	For the year ended	
	<u>31st March,2012</u>	<u>31st March,2011</u>
NOTE 2.14 : OTHER INCOME		
Interest Income		
Other than Banks - On Deposits,etc	-	504
Net gain/ (loss) on sale of Investments		
Net gain/ (loss) on sale of current Investments	27,606	-
Other Non Operating Income		
Profit on sale of Fixed Assets (Net)	45,098	-
Excess Liabilities and Unclaimed Balances written back	860	18,870
Miscellaneous Income	-	5,043
	<u>73,564</u>	<u>24,417</u>

NOTE 2.15 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Inventories at the beginning of the year		
Work-in-Progress	-	16,760
	<u>-</u>	<u>16,760</u>
Inventories at the end of the year		
Work-in-Progress	-	-
	<u>-</u>	<u>16,760</u>

NOTE 2.16 : EMPLOYEE BENEFIT EXPENSES

Contribution to Gratuity Fund	(92,068)	(477,532)
	<u>(92,068)</u>	<u>(477,532)</u>

NOTE 2.17 : OTHER EXPENSES

SELLING, ADMINISTRATION AND OTHER EXPENSES

Insurance	54,445	64,298
Rates & Taxes	16,350	16,350
Law Charges	84,900	108,118
Other Expenses	30,987	31,403
Loss on sale of Store/ Spares / Raw Material	-	293,638
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	14,045	13,788
	<u>200,727</u>	<u>527,595</u>

NOTE 2.18 : DEPRECIATION

On Tangible Assets	2,473,510	2,681,710
	<u>2,473,510</u>	<u>2,681,710</u>



BUDGE BUDGE FLOOR COVERINGS LIMITED

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
2.19 Contingent Liabilities not provided for in respect of:		
i Excise duty under dispute : Claim for remission of Excise duty on fire damaged Linoleum is pending before Tribunal.	413,973	413,973
2.20 The operations of the Company are under "Suspension" since 29th October, 2003.		
ii The Company has not made any payments to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and there are no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance Sheet date, hence no additional disclosures have been made. The above information and that given in "Other LongTerm Liabilities - Note 2.04", "Trade Payables - Note 2.05" and "Other Current Liabilities - Note - 2.07" as above regarding MSMEs has been determined to the extent such parties have been identified on the basis of information available with the Company.		
2.21 The Company operates in single segment, therefore, Segment Reporting as per AS-17 is not required.		
2.22 In accordance with the revised Accounting Standards 15, i.e Employee Benefits, the requisite disclosures are as under:-		
a) The amount recognised as an expenses for defined contribution plan are as under:	<u>2011-2012</u>	<u>2010-2011</u>
Pension Fund	-	-
Superannuation Fund	-	-
b) In respect of defined benefit plans, necessary disclosures are as under:		
(i) Benefits are of the following types:		
- Every Employee who has completed five years or more of service is entitled to gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act-1972.		
- Pension is payable to certain categories of employees as per Company's Pension Scheme.		
- Provident Fund (other than Government Administered) as per the provisions of Employees Provident Fund & Miscellaneous Provisions Act-1952		
(ii) The amounts recognised in the balance sheet are as follows:	<u>Gratuity 2011-2012</u>	<u>Gratuity 2010-2011</u>
Present value of funded obligations	3,215,190	3,026,310
Fair value of plan assets	5,032,817	4,751,869
	-1,817,627	-1,725,559
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	-	-
Amounts in the balance sheet:		
Liabilities		
Assets	1,817,627	1,725,559
Net assets	1,817,627	1,725,559
a) There is no reimbursement right at the Balance Sheet date.		
b) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets use by, the Company.		



BUDGE BUDGE FLOOR COVERINGS LIMITED

	As at 31st March,2012 ₹	As at 31st March,2011 ₹
(iii) The amounts recognised in the profit and loss account are as follow:		
Current service cost	143,638	137,673
Interest on obligation	249,660	227,896
Expected Return on plan assets	-294,666	(501423)
Expected Return on any reimbursement right recognised as an asse	-	-
Net actuarial losses/(gains) recognised during the year	-190,700	(89868)
Past Service Cost	-	-
Losses/(gains) on curtailments and settlements	-	(251810)
Total	-92,068	(477532)
Actual return on plan assets	294,666	541,143
(iv) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
Opening defined benefit obligation	3,026,310	2,848,699
Service cost	143,638	137,673
Interest cost	249,660	227,896
Actuarial losses/(gains)	(116028)	(50148)
Losses/(gains) on curtailments		
Liabilities extinguished on settlements	-	-
Benefits paid	(88390)	(137810)
Closing defined benefit obligation	3,215,190	3,026,310
(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
Liabilities extinguished on settlements	-	-
Opening fair value of plan assets	4,751,869	4,348,536
Expected return	294,666	501,423
Actuarial gains/(losses)	74,671	39,720
Contribution by employer	-	-
Benefits paid	(88390)	(137810)
Closing fair value of plan assets	5,032,816	4,751,869
a) amount not recognised as an asset, because of the limit prescribed in Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is ₹. 21,06,493/- (Previous Year-₹20,25,657/-).		



BUDGE BUDGE FLOOR COVERINGS LIMITED

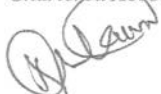
	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
(vi) The major categories of plan assets as a percentage of total plan assets are as follows:		
Qualifying insurance policy		100%
(vii) Principal actuarial assumptions at the balance sheet date are as follows:		
Discount rate at 31st March		8.00% p.a.
Expected return on plan assets at 31st March		8.00% p.a.
Mortality Rate		LIC (1994-96) ultimate
Salary escalation		5.00%
Withdrawal rate		1% to 3% depending on age
(viii) The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's Actuary.		
(ix) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(x) The Company expect not to contribute any amount to its gratuity fund in 2011-12.		
(xi) In respect of Provident Funds in the nature of defined benefits plan, the contributions to those provident funds amounting to Rs. Nil during the year (Previous Year Rs.Nil) is recognised as expense.		

2.23 As defined in Accounting Standard - 18, the Company has related party relationship in nature of control with its holding company namely Birla Corporation Limited since 26-05-2006 and during the year the company has entered into following transactions with Birla Corporation Limited:-

	<u>Holding Company</u>	<u>Holding Company</u>
Sale of Goods & Services	-	34,591
Advances Received	7,672	13,481
Refund of Advances Received	7,672	13,481
Advances Paid	5,200	
Refund of Advances Paid	5,200	
Balance outstanding at year end		
Receivable	-	6,958

2.24 Previous year Figures (including those given in brackets) have been re-arranged and re-grouped where ever necessary

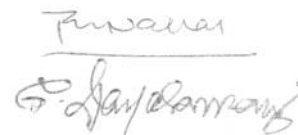
For ALPS & CO.
Chartered Accountants



A.K. Khetawat
Partner
Membership No-052751
2, Lal Bazar Street,
Kolkata - 700 001

Dated : 17th-April'2012







Directors



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No 2176677 State Code 21

Balance Sheet 31 03 2012
Date Date Month Year

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

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

Total Liabilities	Total Assets
25,384	25,384
Sources of Funds	
Paid-up-Capital	Reserves & Surplus
40,000	-
Secured Loans	Unsecured Loans
NIL	NIL
Deferred tax liability	
3,135	
Application of Funds	
Net Fixed Assets	Investments
15,786	1,422
Net Current Assets	Misc Expenditure
25,131	-
Accumulated Losses	
-17,960	

IV. Performance of Company (Amount in Rs Thousands)

Turnover	Total Expenditure
-	2,582
Other Income	Profit after Tax
74	-1,972
Profit before Tax	Dividend Rate %
-1,972	-
Earnings per Share in Rs	
-0.49	

V. Generic names of the Principal Products of Company

Item Code No.(ITC Code) 5904.10

Product Description LINOLEUM FLOOR COVERINGS

Dated : 17-04-2012

Directors

[Handwritten signatures and initials]