

INDEPENDENT AUDITOR'S REPORT

To The Members of **BUDGE BUDGE FLOOR COVERINGS LIMITED**,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BUDGE BUDGE FLOOR COVERINGS LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

BUDGE BUDGE FLOOR COVERINGS LTD.



Page 1 of 6

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its Loss and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of sub section 11 of Section 143) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable to the Company.
2. As required by section 143 (3) of the Act, we report that:
 - 2.1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - 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 those books.
 - 2.3. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of the account.
 - 2.4. In our opinion, the standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 2.5. On the basis of written representations received from the directors, as on 31st March, 2016 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2016 from being appointed as Director in terms of Section 164(2) of the Act.
 - 2.6. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
 - 2.7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.18 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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
M. No. 52751

Kolkata
Dated: 5th day of May, 2016

BUDGE BUDGE FLOOR COVERINGS LTD.

ANNEXURE "A" TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company 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) According to the information and explanation given to us and on the basis of examination of the Company's record, the title deeds of the immovable properties are held in the name of Company.
2. The inventories have been physically verified by the management during the year at reasonable intervals and discrepancies noticed on physical verification were not material.
3. The Company has not granted any secured or unsecured loans to companies, firm, limited liability partnership and other parties covered in the register maintained under section 189 of the Act and therefore provisions on clauses 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made.
5. During the year, the Company has not accepted any deposits and therefore provisions on clause 3(v) of the Order are not applicable to the Company.
6. The maintenance of cost records under section 148(1) of the Act has not been specified for the Company and therefore provisions on clauses 3(vi) of the Order is not applicable to the Company.
7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, 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, 2016 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

8. The Company has not borrowed any amount from any financial institutions or banks or government or by way of issue of debentures, therefore provisions of clause 3(viii) of the order are not applicable to the Company.



9. During the year, the Company has neither raised any money by way of initial public offer or further public offer nor taken any term loan therefore provisions on clause 3(ix) of the Order are not applicable to the Company.
10. In our opinion and according to information and explanations given to us, during the year, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
11. During the year, the Company has not paid any managerial remuneration and therefore provisions of clause 3(xi) of the order are not applicable to the Company.
12. The Company is not a Nidhi Company and therefore provisions of clause 3(xii) of the order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore provisions of clause 3(xiv) of the order are not applicable to the Company.
15. According to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and therefore provisions of clause 3(xv) of the order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



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
M.No. 52751

Kolkata
Dated: 5th day of May, 2016

ANNEXURE "B" TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of of **BUDGE BUDGE FLOOR COVERINGS LIMITED ("the Company")**, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

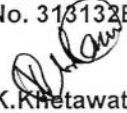
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Kolkata
Dated: 5th day of May, 2016

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


(A.K. Khetawat)
Partner
M. No. 52751

BUDGE BUDGE FLOORCOVERINGS LIMITED

BALANCE SHEET as at 31st March 2016

CIN :U36994WB1996PLC076677

Amount in ₹

Particulars	Note	As at	As at
		March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	4,00,00,000	4,00,00,000
Reserves and Surplus	2.2	(2,34,65,942)	(2,29,19,672)
		<u>1,65,34,058</u>	<u>1,70,80,328</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	2.3	19,01,234	21,17,427
Other Long-Term Liabilities	2.4	64,261	64,261
Long-Term Provisions	2.5	68,611	72,026
		<u>20,34,106</u>	<u>22,53,714</u>
CURRENT LIABILITIES			
Trade Payables	2.6	22,900	12,835
Other Current Liabilities	2.7	29,999	20,331
Short-Term Provisions	2.5	17,550	21,237
		<u>70,449</u>	<u>54,403</u>
TOTAL		<u><u>1,86,38,613</u></u>	<u><u>1,93,88,445</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.8	1,01,23,528	1,10,99,728
		<u>1,01,23,528</u>	<u>1,10,99,728</u>
Long-Term Loans and Advances	2.9	30,00,801	27,79,842
		<u>30,00,801</u>	<u>27,79,842</u>
CURRENT ASSETS			
Current Investments	2.10	6,36,289	6,28,821
Inventories	2.11	43,21,897	43,21,897
Cash and Bank Balances	2.12	4,84,106	4,87,133
Short-Term Loans and Advances	2.9	71,992	71,024
		<u>55,14,284</u>	<u>55,08,875</u>
TOTAL		<u><u>1,86,38,613</u></u>	<u><u>1,93,88,445</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,

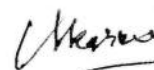
Kolkata - 700 001

The 5th day of May 2016




BACHH RAJ NAHAR

DIN :00049895



GIRISH SHARMA

DIN :01192625

Directors



BUDGE BUDGE FLOORCOVERINGS LIMITED
STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2016

CIN :U36994WB1996PLC076677

Amount in ₹

Particulars	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from Operations	2.13	8,64,000	8,64,000
Less: Excise duty		-	-
		<u>8,64,000</u>	<u>8,64,000</u>
Other income	2.14	5,05,428	7,99,041
Total Revenue		<u>13,69,428</u>	<u>16,63,041</u>
Expenses:			
Materials Consumed	2.15	-	5,91,774
Other Expenses	2.16	11,55,691	26,26,791
Total		<u>11,55,691</u>	<u>32,18,565</u>
Profit before Tax, Depreciation & Amortisation		2,13,737	(15,55,524)
Depreciation and Amortization Expense	2.17	9,76,200	9,49,703
Loss before Tax		7,62,463	25,05,227
Tax Expense:			
Current Tax		-	-
Deferred Tax		2,16,193	3,93,815
Loss for the year		<u>5,46,270</u>	<u>21,11,412</u>
Earnings Per Share [nominal value ₹. 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		40,00,000	40,00,000
Basic and Diluted Earning Per Share		(0.14)	(0.53)

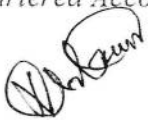
Significant Accounting Policies

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,

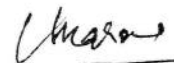
Kolkata - 700 001

The 5th day of May 2016




BACHH RAJ NAHAR

DIN :00049895



GIRISH SHARMA

DIN :01192625

Directors



BUDGE BUDGE FLOORCOVERINGS LTD.
Cash Flow Statement for the year ended 31st. March-2016

CIN :U36994WB1996PLC076677

Amount in ₹

	For the Year 31st March, 2016	For the Year 31st March, 2015
A. Cash Flow from Operating Activities		
Profit / (Loss) Before Tax	(7,62,463)	(25,05,227)
<u>Adjustments for :</u>		
Depreciation	9,76,200	9,49,703
Profit on Sale of Current Investment	-	(3,85,059)
Operating Profit before Working Capital Changes	<u>2,13,737</u>	<u>(19,40,583)</u>
<u>Adjustment for :</u>		
Inventories	-	6,17,414
Investments	(7,468)	-
Loans & Advances	(2,21,927)	4,57,727
Trade payable & other liabilities	<u>12,631</u>	<u>(5256)</u>
Cash generated from operations	<u>(2,16,764)</u>	<u>10,69,885</u>
 Net Cash from Operating Activities	 (3,027)	 (8,70,698)
 B. Cash Flow from Investing Activities		
Sale of Current Investment	<u>-</u>	<u>9,03,141</u>
 Net Increase in Cash and Cash Equivalents	 (3,027)	 32,443
Cash and Cash Equivalents (Opening Balances)	<u>4,87,133</u>	<u>4,54,690</u>
Cash and Cash Equivalents (Closing Balances)	<u><u>4,84,106</u></u>	<u><u>4,87,133</u></u>

Notes

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents represents " Cash Balance in hand and Balances with Scheduled Banks".
- Figures for the previous year have been re-grouped wherever considered necessary

For ALPS & CO.

Chartered Accountants



A.K. Khetawat

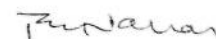
Partner

Membership No-052751

2, Lal Bazar Street,

Kolkata - 700 001

The 5th day of May 2016

BACHH RAJ NAHAR

DIN :00049895



GIRISH SHARMA

DIN :01192625

Directors

24

Notes to Financial Statements for the year ended 31st March 2016

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, 2013.

The financial statements had been prepared and presented as per the requirement of Schedule III as notified under Companies Act, 2013

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 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 fixed assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act except in certain class of assets where depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers which the management believes that the useful lives of the assets best represent the period over which the management expects to use those assets.

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 Schedule III.
- 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.

M.



BUDGE BUDGE FLOOR COVERINGS LIMITED

CIN :U36994WB1996PLC076677

Notes to Financial Statements for the year ended 31st March 2016

1.6 Inventories

- a) Inventories are valued at Cost or Net Realisable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is 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. 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.

Handwritten signature



BUDGE BUDGE FLOORCOVERINGS LIMITED

CIN : U36994WB1996PLC076677

Note annexed to and forming part of Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date

		Amount in ₹	
		As at 31st March, 2016	As at 31st March, 2015
NOTE 2.1 : SHARE CAPITAL			
Authorised			
2,00,00,000	Ordinary Shares of ₹10/- each	20,00,00,000	20,00,00,000
		<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued			
40,00,000	Ordinary Shares of ₹10/- each	4,00,00,000	4,00,00,000
Subscribed and Paid-up			
40,00,000	Ordinary Shares of ₹10/- each fully paid-up	4,00,00,000	4,00,00,000
		<u>4,00,00,000</u>	<u>4,00,00,000</u>

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. In the event of liquidation, the ordinary 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		(2,29,19,672)	(1,99,27,913)
Add :	Loss for the year	(5,46,270)	(21,11,412)
Less :	Transfer of Depreciation on Assets	-	(8,80,347)
Net Surplus / (Deficit) in the Statement of Profit and Loss		<u>(2,34,65,942)</u>	<u>(2,29,19,672)</u>

NOTE 2.3 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities			
Arising on account of : Depreciation		19,01,234	21,17,427
		<u>19,01,234</u>	<u>21,17,427</u>

NOTE 2.4 : OTHER LONG TERM LIABILITIES

Trade Payables			
For Micro Enterprises and Small Enterprises		-	-
For Services		27,000	27,000
		<u>27,000</u>	<u>27,000</u>
Other Liabilities			
Trade Deposits		37,261	37,261
		<u>64,261</u>	<u>64,261</u>

NOTE 2.5 : PROVISIONS

	Long-term		Short-term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
For Employee Benefits	68,611	72,026	17,550	21,237
	<u>68,611</u>	<u>72,026</u>	<u>17,550</u>	<u>21,237</u>

NOTE 2.6 : TRADE PAYABLES

For Micro Enterprises and Small Enterprises		-	-
For Services		22,900	12,835
		<u>22,900</u>	<u>12,835</u>

NOTE 2.7 : OTHER CURRENT LIABILITIES

Other Payables			
For Statutory Dues		19,305	-
For Employees related Liability		10,694	20,331
		<u>29,999</u>	<u>20,331</u>



Handwritten signature

BUDGE BUDGE FLOORCOVERINGS LIMITED

CIN :U36994WB1996PLC076677

Note annexed to and forming part of Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that

NOTE 2.8 : TANGIBLE ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Cost / Value as at 31st March, 2015	Addition During the Year	Adjustment due change in class of Assets in view of applicability of Schedule-II of Companies Act, 2013	Cost / Value as at 31st March, 2016	Upto 31st March, 2015	Provided during the year	Adjustment due change in class of Assets in view of applicability of Schedule-II of Companies Act, 2013	Transferred to retained Earning	Upto 31st March, 2016	As at 31st March 2016	As at 31st March 2015
Buildings	209,18,972	-	-	209,18,972	130,74,129	6,09,163 *	-	-	136,83,292	72,35,680	78,44,843
Plant & Equipments	353,42,109	-	-	353,42,109	323,42,995	3,24,132	-	-	326,67,127	26,74,982	29,99,114
Electrical Machinery	20,58,299	-	-	20,58,299	18,94,348	16,408	-	-	19,10,756	1,47,543	1,63,951
Furniture & Fixtures	5,80,225	-	-	5,80,225	5,51,207	-	-	-	5,51,207	29,018	29,018
Office Equipment	7,26,110	-	-	7,26,110	6,63,308	26,497	-	-	6,89,805	36,305	62,802
Total :	596,25,715	-	-	596,25,715	485,25,987	9,76,200	-	-	495,02,187	101,23,528	110,99,728
Previous Year :	596,25,715	-	-	596,25,715	466,95,937	9,49,703	-	8,80,347	485,25,987		

Remaining useful lives of Building, which are not depreciated fully on April 1, 2014, has been estimated from 12-19 years.



lu

BUDGE BUDGE FLOORCOVERINGS LIMITED

CIN : U36994WB1996PLC076677

Note annexed to and forming part of Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date

	Long-term		Short-term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Amount in ₹				
NOTE 2.9 : LOANS & ADVANCES				
Loan & Advances (Unsecured, Considered good)				
To Related Parties				
Holding Company	-	-	-	-
Other Advances recoverable in cash or kind				
Unsecured, considered good	27,89,626	25,68,667	59,992	59,024
	27,89,626	25,68,667	59,992	59,024
Other Loans and Advances (Unsecured, Considered good)				
Advance Tax (including TDS) (Net of provisions)	1,97,278	1,97,278	-	-
Prepaid Expenses	-	-	12,000	12,000
Advance to Employees	3,625	3,625	-	-
Balances with Government & Statutory Authorities	10,272	10,272	-	-
	2,11,175	2,11,175	12,000	12,000
Total (A + B + C + D + E)	30,00,801	27,79,842	71,992	71,024

NOTE 2.10 : CURRENT INVESTMENTS

Non-Trade, Unquoted

UNITS IN MUTUAL FUNDS-UNQUOTED

Units

617.49 Reliance Money Manager Fund-Retail Option-Growth Plan
(LP-RG)(PY-617.49)

6,36,289

6,28,821

6,36,289

6,28,821

NOTE 2.11 : INVENTORIES

(As valued and certified by the Management)

Raw Materials

41,42,418

41,42,418

Stores and Spares etc.

1,79,479

1,79,479

43,21,897

43,21,897

NOTE 2.12 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks

4,81,974

4,86,105

Cash on hand

2,132

1,028

4,84,106

4,87,133



Handwritten signature

BUDGE BUDGE FLOORCOVERINGS LIMITED

CIN : U36994WB1996PLC076677

Note annexed to and forming part of Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date

	Amount in ₹	
	For the year ended 31st March, 2016	31st March, 2015
NOTE 2.13 : REVENUE FROM OPERATIONS		
Other Operating Revenues		
License Fees	8,64,000	8,64,000
	<u>8,64,000</u>	<u>8,64,000</u>
NOTE 2.14 : OTHER INCOME		
Interest Income		
Other than Banks - On Deposits, etc (Tax Deducted at Source ₹ Nil, Previous Year ₹ Nil)	3,020	9,510
Net gain/ (loss) on sale of Investments		
Net gain/ (loss) on sale of current Investments	-	3,85,059
Other Non Operating Income		
Employees Benefits	2,20,959	4,04,472
Miscellaneous Income	2,74,347	-
Excess Liability Written Back	7,102	-
	<u>5,05,428</u>	<u>7,99,041</u>
NOTE 2.15 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	41,42,418	47,34,192
Add : Purchase	-	-
	<u>41,42,418</u>	<u>47,34,192</u>
Less: Sale of Stock	-	-
Less: Closing Inventories	41,42,418	41,42,418
	<u>-</u>	<u>5,91,774</u>
NOTE 2.16 : OTHER EXPENSES		
SELLING, ADMINISTRATION AND OTHER EXPENSES		
Insurance	50,856	52,353
Rates & Taxes	18,850	18,850
Loss on sale of Store/ Spares / Raw Material	-	25,640
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	14,313	14,045
Issue of Certificates	1,145	-
Other Expenses		
Legal Charges	10,06,128	24,26,033
Other Expenses	64,399	89,870
	<u>11,55,691</u>	<u>26,26,791</u>
NOTE 2.17 : DEPRECIATION		
On Tangible Assets	9,76,200	9,49,703
	<u>9,76,200</u>	<u>9,49,703</u>



Handwritten signature

BUDGE BUDGE FLOOR COVERINGS LIMITED

CIN :U36994WB1996PLC076677

Amount in ₹

	<u>As at 31st March,2016</u>	<u>As at 31st March,2015</u>
--	----------------------------------	----------------------------------

2.18 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. | 4,13,973 | 4,13,973 |
| ii | An Appeal has been filed by the Company, before The Division Bench of Hon'ble Calcutta High Court, for award against the Company in respect of Suspension of Work and settlement of charter of demand made by the workers. The Division Bench of Hon'ble Calcutta High Court has stayed the operation of award till further order. The contingent liability could not be ascertained at this stage. | | |

2.19 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 2.4", "Trade Payables - Note 2.6" and "Other Current Liabilities - Note - 2.7" as above regarding MSMEs has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.20 The Company operates in single segment, therefore, Segment Reporting as per AS-17 is not required.

2.21 The operations of the Company are under "Suspension" since 29th October, 2003.

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>2015-2016</u>	<u>2014-2015</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</u>	
	<u>2015-2016</u>	<u>2014-2015</u>
Present value of funded obligations	31,29,852	31,37,802
Fair value of plan assets	59,19,478	57,06,469
	<u>(27,89,626)</u>	<u>(25,68,667)</u>
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	<u>-</u>	<u>-</u>
Amounts in the balance sheet:		
Liabilities		
Assets	27,89,626	25,68,667
Net assets	<u>27,89,626</u>	<u>25,68,667</u>



Handwritten signature/initials

BUDGE BUDGE FLOOR COVERINGS LIMITED

CIN :U36994WB1996PLC076677

Amount in ₹

	<u>As at 31st March,2016</u>	<u>As at 31st March,2015</u>
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 used by, the Company.		
(iii) The amounts recognised in the profit and loss account are as follow:		
Current service cost	1,21,024	1,25,209
Interest on obligation	2,51,560	2,34,809
Expected Return on plan assets	(6,32,703)	(5,89,599)
Expected Return on any reimbursement right recognised as an asset	-	-
Net actuarial losses/(gains) recognised during the year	39,160	(1,75,692)
Past Service Cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total	<u>(2,20,959)</u>	<u>(4,05,273)</u>
Actual return on plan assets	6,32,703	5,89,599
(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	31,37,802	27,32,415
Service cost	1,21,024	1,25,209
Interest cost	2,51,560	2,34,809
Actuarial losses/(gains)	(2,45,494)	1,06,750
Losses/(gains) on curtailments		
Liabilities extinguished on settlements	-	-
Benefits paid	<u>(1,35,040)</u>	<u>(61,381)</u>
Closing defined benefit obligation	<u>31,29,852</u>	<u>31,37,802</u>
(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	57,06,469	48,95,809
Expected return	6,32,703	5,89,599
Actuarial gains/(losses)	(2,84,654)	2,82,442
Contribution by employer	-	-
Benefits paid	<u>(1,35,040)</u>	<u>(61,381)</u>
Closing fair value of plan assets	<u>59,19,478</u>	<u>57,06,469</u>
a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is ₹. 23,73,479/- (Previous Year-₹. 21,85,483/-).		

14



BUDGE BUDGE FLOOR COVERINGS LIMITED

CIN :U36994WB1996PLC076677

Amount in ₹

	<u>As at 31st March,2016</u>	<u>As at 31st March,2015</u>
(vi) The major categories of plan assets as a percentage of total plan assets are as follows:		
Qualifying insurance policy	100%	100%
(vii) Principal actuarial assumptions at the balance sheet date are as follows:		
Discount rate at 31st March	8.00% p.a.	8.00% p.a.
Expected return on plan assets at 31st March	8.00% p.a.	8.00% p.a.
Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Salary escalation	5.00%	5.00%
Withdrawal rate		2% to 1% 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 2016-17.		
(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>For the year ended 31st March,2016</u>	<u>For the year ended 31st March,2015</u>
	<u>Holding Company</u>	<u>Holding Company</u>
Sale of Goods & Services	8.64.000	8,64,000
Purchase of Goods & Services	-	-
Advances Received	51,291	4,86,469
Refund of Advances Received	51,291	4,86,469
Advances Paid	-	-
Refund of Advances Paid	-	-
Balance outstanding at year end	As at 31st March,2016	As at 31st March,2015
Receivable	-	-

2.24 Previous year figures have been re-arranged and re-grouped where ever necessary

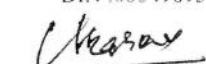
For ALPS & CO.
Chartered Accountants



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




BACHH RAJ NAHAR
DIN :00049895



GIRISH SHARMA
DIN :01192625
Directors

The 5th day of May 2016

