

THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD

SCHEDULE 23: NOTES ON ACCOUNTS

	<u>Current Year</u> Rs. Lakhs	<u>Previous Year</u> Rs.Lakhs
<p>1.(a) Capital Commitment:- Estimated amount of contracts remaining to be executed.</p> <p>(b) Contingent liability not provided for as under :- Claims not acknowledged as debt:-</p> <p>Disputed Sales Tax demand for which appeal is pending considered to be untenable</p> <p>Disputed Income Tax under appeal considered to be untenable</p> <p>Impact of pay scale revision in salary w.e.f 1.02.1998 to 31.01.2002 for Executives.</p> <p>Impact of pay scale revision in salary to Unionised Staff & Sub-staff on settlement of Bipartite Agreement dt. 30.10.2000 w.e.f 01.02.1998.</p> <p>(c) Unexpired Bank Guarantees</p>	<p>19.91</p> <p>42.32</p> <p>124.10</p> <p>191.95</p> <p>125.93</p> <p>2428.28</p>	<p>NIL</p> <p>42.32</p> <p>146.72</p> <p>214.12</p> <p>146.23</p> <p>2155.68</p>
<p>2(a) The physical verification of Inventories of Raw materials, stores etc.have been carried out at the end of the year and test verified by Internal Auditor. The discrepancies between physical and book stock, not being significant, have been properly dealt with in the Books of Accounts.</p> <p>(b) Inventory of raw materials includes residual value of bearing slab and blooms amounting to Rs.16.86 lakh. (Previous Year Rs.16.86 lakh)</p> <p>(c) Inventory of raw materials includes steel for major contracts calculated on theoretical weight.</p>		
<p>3. Bank balance include the amount of Rs. 0.48 lakh (previous year Rs.0.36 lakh) which is subject to Bank's confirmation.</p>		

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<p>4(a) Loans and Advances (Schedule 10) include the amount of Rs.0.50 lakh (Previous year Rs.0.50 lakh) as loss of cash by theft for which the FIR with the proper authorities has been lodged on 26-07-2001 and adequate provision has been made in accounts in 2001-2002 for such loss.</p> <p>(b) Administrative charges amounting to Rs.0.36 lakh (Previous year Rs.0.36 lakh) receivable from Bhagirathi Bridge Construction Co.Ltd. will be accounted for on cash basis and as such the unaccounted receivable aggregated to Rs.10.64 lakhs (Previous Year Rs.10.28 lakhs)</p> <p>(c) The realisation/adjustment on the balance lying with sub-contractor/supplier amounting to Rs.191.57 lakhs (previous year Rs.301.14 lakhs) are under continuous follow-up.</p> <p>(d) The realisation/adjustments of Sundry Debtors, majority of whom are Government Parties including Railways, are under continuous follow up.</p> <p>(e) In the absence of the balance confirmations from Debtors, Creditors, Loans, advances & deposit the amount appearing in books have been taken as correct.</p>		
<p>5. The security Deposits (Schedule-11) with clients are refundable subject to completion/final settlement of the contracts.</p>		
<p>6.The name of the small scale industrial undertakings (based on the information provided by suppliers) to whom the Company owes sums exceeding Rs.1 lakh outstanding for more than 30 days is Bengal Rivets & Bolts Co.</p>		
<p>7(a). Consequent to the Company's financial restructuring (Govt. of India approval No.12 (4)/04-PE-iii dated 4-7-2005) and on allotment of (a) 13,88,000 equity shares of Rs.100/-each for consideration other than cash on conversion of Govt. of India Loan, interest & penal interest and (b) 16,240 equity shares of Rs.100/-each, the entire amount has been shown as fully paid up equity shares .</p> <p>7(b) Pursuant to Govt of India approval no. 8(11)/2005-PE-III dated 02.11.2005 the amount of Rs 100 lakhs received as equity for meeting the plan expenditure for construction of fabrication shop at Heavy plant yard, on allotment, has been shown as fully paid up equity shares.</p> <p>8(a) 1,00,000 Zero Rate Debenture of Rs.1000 each issued (pending allotment) for the consideration other than cash.</p> <p>8(b) Zero Rate Debentures include the amount of Rs.214.62 lakhs (Previous year Rs.214.62 lakhs) which are pending for allotment due to non-receipt of term governing the issue and relevant approval for waiver of stamp duty from Govt. of West Bengal through Burn Standard Co.Ltd.</p>		

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<p>9. A first charge on Fixed assets and stocks & book debts of the Company are created by way of mortgage & hypothecation in favour of Canara Bank for fund based and non-fund based facility (Bank Guarantee) for a total limit of Rs 5390 lakhs against 25% margin by way of Fixed deposit.</p>		
<p>10. Remuneration paid to the Directors – The remuneration of Managing Director: Salary & Allowances Contribution to P.F etc. Others</p>	<p align="center"><u>Rs Lakhs</u></p> <p>6.07 0.59 0.21</p>	<p>5.36 0.47 0.21</p>
<p>12. In view of the carried forwarded loss, unabsorbed depreciation etc. the deferred tax adjustments have not been recognised in the Accounts as measure of prudence in keeping with the Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India.</p>		
<p>13. Contingent assets being unascertainable have not been disclosed in accounts..</p>		
<p>14. The impairment of assets are reviewed at each balance sheet date and it is recognised whenever the carrying amount of an asset exceeds its recoverable amount.</p>		
<p>13. Previous year's figures have been re-grouped/ re-arranged wherever necessary.</p>		