

**COMMENTS OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 619(4) OF THE
COMPANIES ACT, 1956 ON THE ACCOUNTS OF BALMER
LAWRIE & CO. LIMITED, KOLKATA FOR THE YEAR ENDED
31 MARCH 2005.**

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act 1956 on the accounts of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2005.

Dated, Kolkata
The 10 August 2005

Sd/-
(A. Roychoudhury)
Principal Director of Commercial
Audit & Ex-Officio Member,
Audit Board – I,
KOLKATA

**REVIEW OF ACCOUNTS OF BALMER LAWRIE & CO. LIMITED FOR THE YEAR ENDED
31ST MARCH 2005 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA**

(Review of accounts has been prepared without taking into account the comments under Section 619(4) of the Companies Act 1956 and qualifications contained in Statutory Auditors' Report)

1. Financial Position

The table below summarises the financial position of the company under broad headings for the last three years :

	2002-2003	2003-2004	(Rs. in lakh) 2004-2005
Liabilities			
(a) Paid up capital			
Government	1006.87	1006.87	1006.87
Others	621.74	621.74	621.74
(b) Reserves and Surplus			
(i) Free Reserves & Surplus	10415.59	12355.98	14315.92
(ii) Share Premium	3626.77	3626.77	3626.77
(iii) Capital Reserves	726.27	0.80	0.80
(c) Borrowings from :			
(i) Banks	15628.57	12157.14	7770.24
(ii) Others	174.39	109.35	89.75
(iii) Banks – Cash Credit	257.68	452.85	276.79
(iv) Interest accrued and due	—	0.40	—
(d) Current Liabilities & Provision	15107.08	19207.60	22660.47
(e) Deferred Tax Liability	3116.08	3262.08	3025.08
TOTAL	50681.04	52801.58	53394.43
Assets			
(f) Gross block	27294.01	27193.21	27539.77
(g) Less : Cumulative Depreciation	8054.11	8713.16	9909.05
(h) Net Block	19239.90	18480.05	17630.72
(i) Capital Work-in-progress (including pre-production expenses and advance against capital expenditure)	115.15	168.39	137.94
(j) Investments	5630.70	4962.72	4736.72
(k) Current Assets, Loans and Advances	22891.19	26906.94	29618.69
(l) Misc. Expenditure to the extent not written off.	2804.10	2283.48	1270.36
TOTAL	50681.04	52801.58	53394.43
(m) Working Capital [k-{d+c(iv)}]	7784.11	7698.94	6958.22
(n) Capital Employed (h+m)	27024.01	26178.99	24588.94
(o) Net Worth [a+b(i)+b(ii) – l]	12866.87	15327.88	18300.94
(p) Net Worth per rupee of paid up capital (in Rupees)	7.90	9.41	11.24

2. Working Results

(Rs. in lakh)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
(i) Sales	84702.30	91765.01	105400.24
(ii) Less – Excise Duty	5427.37	5260.07	6553.14
(iii) Net Sales	79274.93	86504.94	98847.10
(iv) Other Misc. Income	2237.37	1519.36	1768.84
(v) Profit/Loss before tax and Prior period adjustment	2309.69	2684.54	4532.28
(vi) Prior period adjustment	30.20	126.57	6.52
(vii) Profit/Loss before tax	2279.49	2557.97	4525.76
(viii) Tax provision	630.00	700.00	1543.00
(ix) Profit after tax	1649.49	1857.97	2982.76
(x) Proposed Dividend (including dividend tax)	569.55	643.04	1022.82

3. Ratio Analysis

Some important financial ratios on the financial health and working of the company at the end of last three years are as under :

(In percentage)

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
A. Liquidity Ratio			
Current Ratio	152	140	131
B. Debt Equity Ratio			
Long term Debt to Equity	123	83	43
C. Profitability Ratio			
a) Profit before tax to :			
(i) Capital Employed	8.43	9.77	18.41
(ii) Net Worth	17.72	16.69	24.73
(iii) Sales	2.69	2.79	4.29
b) Profit after tax to Equity Capital	101	114	183
c) Earning per Share (Rupees)	10.13	11.41	18.31

4. Sources and Utilisation of Funds

Funds amount to Rs. 5541.71 lakh from internal and external sources were generated and utilised during the year as shown below :

(Rs. in lakh)

Sources of Funds

Funds from Operations :-

Profit after Tax	2982.76	
Add : Depreciation	1195.89	
Add : Miscellaneous expenditure written off	1013.12	
	<u>5191.77</u>	
Less : Deferred tax	237.00	4954.77
Decrease in investment		226.00
Decrease in working capital		360.94
Total funds inflow during the year		<u><u>5541.71</u></u>

Balmer Lawrie & Co. Ltd.

(Rs. in lakh.)

Utilisation of Funds

Increase in Gross Fixed Assets & Capital work-in-progress	316.11
Dividend including Tax thereon	643.04
Decrease in borrowed funds	4582.56
Total funds outflow during the year	<u>5541.71</u>

5. Inventory Levels

The inventory levels at the close of last three years are given below :

	2002-2003	2003-2004	2004-2005
(i) Raw Materials (including in transit)	3219.78	4158.55	5289.36
(ii) Stores & Spare parts and loose tools	267.51	223.71	218.84
(iii) Work-in-progress	344.87	355.17	567.26
(iv) Finished Goods (including in transit)	1271.96	1612.89	1802.08
(v) Trading Stock	19.24	2.09	34.39

6. Sundry Debts :

The Sundry debts vis-a-vis sales during the last three years are given below :

Year ended as on	Sundry Debts			Sales during the year	% of total sundry debts to sales
	Considered Good	Considered Doubtful	Total		
31.03.2003	12465.09	483.47	12948.56	84725.76	15
31.03.2004	13952.20	97.67	14049.87	97046.13	14.48
31.03.2005	15049.03	152.88	15201.91	105414.04	14.42

Dated Kolkata
The 10 August 2005

Sd/-
(A. Roychoudhury)
Principal Director of Commercial
Audit & Ex-Officio Member,
Audit Board – I,
KOLKATA