

**Cash Flow Statement prepared pursuant to the Listing Agreement
with Stock Exchanges for the year ended 31st March, 2005**

	Year ended March 31, 2005	Year ended March 31, 2004
(Rs. in Lakhs)		
A. Cash Flow from operating activities		
Net Profit before tax [Note 1]	4479	2532
Adjustment for		
Depreciation and fixed assets written off	1368	1334
Foreign Exchange	(32)	47
Profit on sale of investment	(206)	(8)
Interest/Dividend	458	1022
Provision for diminution in value of investment	—	—
Deferred Revenue Expenditure (charged off during the year)	1013	1041
Operating Profit before Working Capital Changes	7080	5968
Trade and other receivables	(1073)	(3325)
Inventories	(1560)	(1277)
Trade Payables	2918	3981
Deferred Revenue Expenditure (payment made during the year)	—	(520)
Cash generated from operations	7365	4827
Direct Taxes paid	(1577)	(305)
Interest paid	(129)	(361)
NET CASH FROM OPERATING ACTIVITIES	5659	4161
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(576)	(642)
Sale of Fixed Assets	94	52
Purchase of Investments	—	(191)
Sale of Investments	431	868
Interest received	—	—
Dividend received	533	547
NET CASH FROM INVESTING ACTIVITIES	482	634
C. Cash Flow from financing activities		
Proceeds from Long Term Borrowings	(4406)	(2537)
Interest paid on Long Term Borrowings	(715)	(1170)
Dividend paid	(576)	(503)
Corporate Tax on Dividend	(73)	(65)
NET CASH FROM FINANCING ACTIVITIES	(5770)	(4275)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	371	520
CASH & CASH EQUIVALENTS – OPENING BALANCE	549	29
CASH & CASH EQUIVALENTS – CLOSING BALANCE	920	549

On behalf of the Board

S. K. Mukherjee
Managing Director**AUDITORS' CERTIFICATE**

We have examined the above Cash Flow Statement of Balmer Lawrie & Co. Ltd. for the year ended 31st March, 2005. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 23rd May, 2005 to the members of the Company.

For M. CHOUDHURY & CO.
Chartered Accountants
M. CHOUDHURY
Partner

Kolkata
23rd May, 2005

Balmer Lawrie & Co. Ltd.

NOTES ON CASH FLOW STATEMENT

	(Rs. in Lakhs)	
	<u>2004-2005</u>	<u>2003-2004</u>
1. Net Profit after tax as per Profit & Loss A/c	2983	1858
Add : Tax Provision (Net)	1543	700
	<u>4526</u>	<u>2558</u>
Less : Profit/(Loss) on disposal of Fixed Assets (Net)	47	26
Net Profit before tax	<u>4479</u>	<u>2532</u>
2. Changes in Working Capital – Computation (Excluding items shown separately)		
Current Assets		
Sundry Debtors	15049	13952
Loans & Advances	5194	5218
Inventories	7912	6352
	<u>28155</u>	<u>25522</u>
Current Liabilities		
Trade Payables	21321	18403
Net Current Assets	<u>6834</u>	<u>7119</u>
Changes	<u>(285)</u>	<u>(874)</u>
3. Component of Cash and Cash equivalent		
Cash and Bank Balances	1197	1002
Cash Credit/Demand Loan	(277)	(453)
	<u>920</u>	<u>549</u>
Changes	<u>371</u>	<u>520</u>

On behalf of the Board

S. K. Mukherjee
Managing Director

Kolkata
23rd May, 2005

For M. CHOUDHURY & CO.
Chartered Accountants

M. CHOUDHURY
Partner