

**Board of Directors**

Debashish Basu, Managing Director
Kuanra Majhi, Director (upto June 30, 2009)
Sanjay Gupta, Director (upto June 11, 2009)
U. C. Nangia, Director (from June 12, 2009)
Rashmi Aggarwal, Director (from July 1, 2009)

Management Team

Debashish Basu, Managing Director
S. K. Datta, Electrical Business
Ashis Ganguly, Accounts & Finance
Dipankar Ghosh, HR & IM
S. Bhattacharya, CS & Legal

Company Secretary

S. Bhattacharya

Auditors

Agarwal Maheswari & Co.
Chartered Accountants

Bankers

Dena Bank
United Bank of India
Axis Bank Ltd.
Bangiya Gramin Vikas Bank

Registered Office

6, Mayurbhanj Road, Kolkata - 700 023

**Switchgear Works, HR, IT, Wired/
Wireless Video Surveillance Systems,
Administration & Marketing**

P-54, Hide Road Extn., Kolkata - 700 088

**Electrical Repair, Projects,
Petroleum Products and A & F**

6, Mayurbhanj Road, Kolkata - 700 023

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Notice to the Members

Notice is hereby given that the Annual General Meeting of the members of Biecco Lawrie Limited will be held at the Auditorium of Nehru Children's Museum, 94/1, Chowringhee Road, Kolkata- 700 020 on Wednesday, the 22nd day of September, 2010 at 3.30 p.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the financial year ended March 31,2010 and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Rashmi Aggarwal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution, with or without modification(s), as SPECIAL RESOLUTION :-

"RESOLVED AS A SPECIAL RESOLUTION THAT pursuant to the provisions of Section 224(8)(aa) read with Section 224A of the Companies Act, 1956, the remuneration of M/s. Agarwal, Maheshwari & Co., Chartered Accountants, 2B, Grant Lane, 4th Floor, Kolkata- 700 001, West Bengal appointed by the Comptroller and Auditor General of India pursuant to Section 619(2) of the said Act for the financial year 2009-10, be and is hereby fixed at Rs.50,000/- (Rupees Fifty Thousand only) plus reimbursement of out of pocket expenses as well as travelling expenses for journeys undertaken by them.

RESOLVED FURTHER THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, the appointment of the Auditors of the Company made by the Comptroller and Auditor General of India along with the remuneration payable to them as fixed in terms of letter ref.no.CA.V/COY.BIECCO(1)/153 dated August 20,2009 received from the Office of the Comptroller and Auditor General of India, to audit the books of Accounts of the Company for the financial year 2009-10 be and is hereby taken on record and confirmed."

Registered Office :

6, Mayurbhanj Road
Kolkata - 700 023
August 21, 2010

By Order of the Board

Sd/-

S. Bhattacharya

Company Secretary

Notes :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on his/her behalf and such Proxy need not be a Member of the Company. The Proxy Form in order to be valid should be lodged with the Company at its Registered Office situated at 6, Mayurbhanj Road, Kolkata- 700 023 at least 48 hours prior to the time of the Meeting.
2. Members may note that pursuant to Section 224(8)(aa) of the Companies Act, 1956, the remuneration of the auditors in a Government Company is required to be fixed at a General Meeting. Accordingly, resolution under item no.3 of the Notice is proposed to be passed at the ensuing meeting. The letter ref.no. CA.V/COY.BIECCO(1)/153 dated August 20,2009 received from the Office of the Comptroller & Auditor General of India, referred to in the resolution is available for inspection by the members at the registered office of the Company on all working days during business hours from the date mentioned hereof till the date of the meeting and the same would be available at the meeting.
3. Please bring copy of the Annual Report and the attendance slip at the Meeting.
4. All matters pertaining to the shareholding(s) etc. may please be communicated to the Company at the Registered Office situated at 6, Mayurbhanj Road, Kolkata – 700 023.



Directors' Report

The Board of Directors of your Company have pleasure in presenting the ninetieth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

(Rs/lakhs)

Particulars	2009-10	2008-09
Sales & Other Income	6741.72	5847.79
Profit before Depreciation, Interest & Tax	323.64	369.71
Less : – Interest	82.21	78.42
Depreciation	67.08	61.64
Taxation	1.00	6.55
Net Profit	173.35	223.10

OPERATING RESULTS

During the financial year 2009-10 total Sales and other income was Rs 6741.72 lakhs as against Rs.5847.79 lakhs achieved during 2008-09. Net Profit earned was Rs.173.35 lakhs as against Rs.223.10 lakhs achieved in the preceding financial year.

Contribution to the National Exchequer

During the financial year under review, your Company contributed Rs.449 lakhs to the National Exchequer by way of various taxes and duties.

Operations

❑ Switchgear & Spare Parts

Switchgear & Spares turnover achieved was Rs.2913.99 lakhs as against Rs.4437.68 lakhs of the preceding financial year. There is a steep fall in price of Medium Voltage Switchgears. Your Company also had to face severe competition both from existing as well as new entrants.

❑ Electrical Repairs

Business in Electrical Repair Division of your Company is growing consistently. It has increased business volume in steel, coal and railway sectors. Turnover of the Division has grown 4.25 times over a span of six years and it could establish itself as a major repairer of electric rotating machineries in Eastern India. Total Sales achieved by the Division was Rs.907.69 lakhs during the year as compared to Rs.715.06 lakhs recorded in the last year. The division plays a significant role in improving profitability of your

Company. Further increase in volume of business is envisaged.

❑ Projects

Turnover recorded by this business division during the reporting year is 5.55 times more than that of previous year. As against a sale of Rs.470.72 lakhs during the previous year the division achieved turnover of Rs.2613.54 lakhs. During the year Company commenced hydel power project business through erection and commissioning of micro turbines and tasted success instantly. As on the date of this report, orders to the extent of Rs.2783.83 lakhs is already secured by the Company out of which orders worth Rs.988.86 lakhs was executed during the financial year 2009-10. Project Division is expected to be the largest business segment of the Company in the years to come.

❑ Lube Oil Blending & Filling

During the year under review business volume remains static. Turnover achieved was Rs.44.33 lakhs as against Rs.37.37 lakhs in the previous year. As on reporting date negotiation is on with Indian Oil Corporation Limited for increasing volume of operation.

❑ Wireless Video Surveillance Systems

The Company has commenced business of providing an integrated state-of-the-art solution for surveillance & security, which is having growing market demand.

The major **USP** of its solution lies in wireless **WiMax based 4G** technologies for video transmission.



Directors' Report *(Contd.)*

The Company has entered into a Memorandum of Understanding (MOU) with a California based technology company and an Indian company for software support. Efforts are on to procure orders. Continued revenue earning is anticipated from 2010-11.

RESEARCH & DEVELOPMENT

The Company's Research & Development wing is working on different projects to launch products to match the changing market needs. Designing of Hydel Turbines and new variants of Switchgears of high as well as medium voltage capacities are being undertaken.

MEMORANDUM OF UNDERSTANDING

Your Company has entered into a Memorandum of Understanding with the Ministry of Petroleum and Natural Gas, Government of India on March 12, 2010. The Company is making efforts to meet the targets as set forth in the said MOU.

RESTRUCTURING PROPOSAL

The Board for Restructuring of Public Sector Enterprises (BRPSE) has recommended a plan comprising Financial, Asset and Business restructuring. It is awaiting final approval.

HUMAN RESOURCE

The Company's HRD initiatives include training and grooming employees to take up future responsibilities and strengthen the organization through regular as well as fast track promotions.

The Company has entrusted the job of manpower study to XLRI Jamshedpur. It consists of a proposal for developing a human resource-restructuring plan for the Company.

POSITION OF SC/ST/OBC AND PHYSICALLY HANDICAPPED (PH) PERSONS IN THE EMPLOYMENT OF THE COMPANY

The Company makes regular efforts to ensure proper representation of SC/ST/OBC/PH employees at the time of recruitment/promotion in accordance with the policy of reservation laid down by the Government of India, Supreme Court of India together with the directives issued by the National Commission on Labour from time to time.

The total number of SC/ST/OBC and PH employees as on June 30, 2010 was 102, which represents 24.34 % of the total workforce of the Company.

POSITION OF WOMEN IN THE EMPLOYMENT OF THE COMPANY IN EACH PAY SCALE/LEVEL AND PROPORTIONATE RECRUITMENT OF WOMEN TO VACANT POSTS DURING THE YEAR UNDER REVIEW

Your Company provides equal opportunities to women employees in the organization. Number of women employees presently employed by the Company is shown below :-

Level	No. of Women Employees
Manager	1
Deputy Manager	1
Asst. Manager	1
Officer	4
Clerical Grade I	1

The total number of women employees constitutes 1.90% of the total workforce.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Sincere efforts are being made to ensure that the targets fixed under the Official Languages Act, 1963 together with the Official Languages Rules, 1976 are adhered to.

Special arrangements have also been made for training of employees for the Hindi Prabodh, Pravin and Pragya examinations and facilities were extended for use of Hindi in official work. Hindi week was also celebrated during the year with fanfare and gaiety.

VIGILANCE

Your Company emphasizes on maintaining a clean and corruption free environment. In accordance with the guidelines issued by the Central Vigilance Commission, a dedicated Vigilance Officer has been appointed.

CORPORATE SOCIAL RESPONSIBILITY

The Company has provided for an amount of Rs 7. lakhs in the approved Budget for 2010-11 for CSR activities. A Committee of senior personnel has already been formed to plan, monitor and implement CSR activities. The main CSR activities undertaken were sponsoring of Deep Tube-well at Kulpi, South 24 Parganas, education to 12 nos. economically backward girls, 1 Bed in emergency ward of CINI health centre, distribution of free spectacles, imparting training to nurses etc. All these activities pertain to economically backward classes.



Directors' Report *(Contd.)*

SAFETY & ENVIRONMENT

Safety and Environment is considered an integral part of the Company's business process. Your Company believes that the grass root employees should take active initiative in Company's safety and environment program. Accordingly, workmen in the shop floor level have been imparted training regarding occupational health hazards and safety standards at the workplace. The Safety Committee meets regularly to initiate programs for improvement. Environment protection measures have been initiated at both the Works. Rainwater Harvesting has been initiated at the Company's Switchgear Works. Various environmental parameters are regularly being monitored. In this context, it may be mentioned that the Company has received the necessary ISO 14001:2004 Certificate for its Switchgear Works recently.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, no employee of the Company received remuneration more than the prescribed limits and so no statement is attached.

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

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, annexure (1) to this Report provides the necessary details.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm –

- a) THAT in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- b) THAT the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) THAT the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) THAT the Directors had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

The Report on Corporate Governance has been furnished in Annexure (3) to this report.

AUDITORS

The Comptroller & Auditor General of India has appointed M/s. Agarwal, Maheshwari & Co., Chartered Accountants as Statutory Auditor of the Company for the financial year ended March 31, 2010. Their Report is also furnished hereunder. The Company's replies to their qualified remarks are given in Annexure (2) of this Report.

THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

In accordance with the provisions of the Section 619(4) of the Companies Act, 1956, review of the report of the Statutory Auditors for the year ended March 31, 2010 is being made by the Comptroller and Auditor General of India and their review, together with comments, if any, would be forming part of the Annual Report and Accounts.

INTERNAL AUDIT

During the financial year under review, your Company has carried out Internal Audit through an external agency covering significant areas of operations.

AUDIT COMMITTEE

Pursuant to Section 292A of the Companies Act, 1956, the re-constituted Audit Committee of the Board of Directors comprising S/Shri Debashish Basu and U.C.Nangia and Smt. Rashmi Aggarwal is presently functioning.

DIRECTORS

Shri U.C.Nangia and Smt. Rashmi Aggarwal were appointed Directors at the last Annual General Meeting by the shareholders. They continue to hold the said offices as on date. Smt. Rashmi Aggarwal Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for reappointment.



Directors' Report *(Contd.)*

ACKNOWLEDGEMENT

The Board of Directors place on record their deep appreciation for the valuable support and the confidence reposed on them by the Ministry of Petroleum and Natural Gas, Government of India and Oil Industry Development Board. The Board also records its deep appreciation and heartfelt thanks to all the stakeholders including Bankers, Suppliers and Customers who extended their support during the year.

CONCLUSION

With the emphasis on power sector reforms going on in full swing in the country, your Company looks to the future with

confidence. The Board of Directors of your Company as well as your Company are inspired by the vision of sustaining the Company's profitability beyond the sixth successive year in progress. Each business group is engaged in continuously upgrading its strategic capability in today's competitive business scenario.

For and on behalf of the Board
Sd/-

DEBASHISH BASU
Managing Director

August 21, 2010

**Annexure (1) to Directors' Report**

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

A. Conservation of Energy

- The Company accords due importance for conservation of Energy. As such, Petroleum Conservation Research Association (PCRA) was appointed to conduct an Energy Audit for its Switchgear manufacturing Plant;
- The said Audit Report inter-alia suggested improvement in various areas like compressor, optimization of heater/burner usage, repair of insulators, use of solar heaters and energy efficient lamps;
- Lighting Systems are being modernized to reduce consumption;
- Necessary recommendations of the Audit Report are being followed and necessary investment is being made

The energy conservation and energy consumption per unit of production is as per Form – A of the Annexure to the Rules :

FORM - A**Disclosure of particulars with respect to Conservation of Energy**

Particulars	2009-10	2008-09
Power & Fuel consumption		
1. Electricity		
a) Purchased Unit (Kwh)	13,50,509	13,04,080
Total Amount (Rs.)	74,62,664	65,62,997
Rate per Unit (Rs.)	5.52	5.03
b) Own Generation (Kwh)		
Through Diesel Generator Unit (Kwh)	7,458	7,771
Unit (Kwh)	-	-
Total Amount (Rs.)	13,99,379	1,27,646
Rate per Unit (Rs.)	18.69	16.43
2. Coal		
Steam Coal (Qty.) - Tonne	0.99	4.06
Total Cost (Rs.)	8,445	30,937
Rate per Unit (Tonne) (Rs.)	8,530.30	7,619.95
3. Furnace Oil	Nil	Nil
4. Fuel for Internal Heat Generation		
a) for Thermopac Unit		
Diesel Oil Used (Ltrs.)-(CT/PT)	7,400	8,000
Total Amount (Rs.)	2,49,462	2,67,836
Casting Produced (Tonne)	95.075	108.60
Cost per Tonne of Casting (Rs.)	2623.84	2466.26
Diesel Oil Used (Ltrs.)-ER Shop	-	-
Total Amount (Rs.)	-	-
b) for Paint Shop		
Diesel Oil Used (Ltrs.)	57,600	54,800
Total Amount (Rs.)	19,46,488	18,33,037
E.P. Produced	1,301	1,603
Cost per Unit of E.P. Produced (Rs.)	1496.15	1,143.50

Note : a) Thermopac unit in ER-Shop is now being operated by Electricity. Diesel Oil is used when power is not available.

b) Generator sets are only operated when external supply of power is not available

**Annexure (1) to Directors' Report** (Contd.)**B. Disclosure of particulars with respect to Absorption of Technology****FORM - B****Research & Development (R&D) :****1. Specific areas in which R&D carried out by the Company**

Designing of Hydel Turbines and new types of Switchgears of high as well as medium voltage Switchgears are being undertaken.

2. Benefit derived as a result of the above R&D

The R&D activities have improved product reliability and Customer Satisfaction through improved performance and low cost. With the introduction of newer versions of Switchgears, the Company will be able to market newer versions of Switchgear and also combat the loss being made by its Switchgear Division to a greater extent.

3. Future Plan of Action

The Company will focus its efforts on technology upgradation so that it can participate in the Distribution Reform process going on in the country by developing products which are compact, virtually maintenance free and having higher capacities.

4. Expenditure on Research & Development

	(Rs. in lakhs)
(a) Capital	NIL
(b) Recurring	NIL
(c) Total	NIL
(d) Total R&D expenditure as a percentage of total Turnover	NIL

Technology absorption, adaptation & innovation :

- | | | |
|---|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation, and innovation | — | No technology absorbed during the year 2009-10 and thereafter till date. |
| 2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc. | — | Not applicable |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) | — | A MOU has been signed in 2010-11 with TURBOINSTITUT, Slovenia for transfer of technology in hydro turbine. |
| a) Technology imported, | } | Not applicable. |
| b) Year of import, | | |
| c) Has technology been fully absorbed? | | |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action | | |

Foreign Exchange Earnings and Outgo

During the financial year, Company's foreign exchange earnings was Nil and outgo was Rs. 22,46,723/-.

**Annexure (2) to Directors' Report****MANAGEMENT REPLY ON QUALIFIED REMARKS OF THE STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2009-10**

Sl.No. Qualified Remarks of Auditors	Management Reply
4.1 The Company earned profit of Rs.173.35 lakhs during the year ended 31.03.2010. However after setting off the profit for the year, the accumulated losses of the Company are in excess of the Shareholders' Fund by Rs.629.40 lakhs. As referred to in Note No.27 in Schedule-22B, although the net worth of the Company is in the negative, the financial statements have been prepared on a 'going concern' basis in the expectation of the continuing support from the Oil Industry Development Board and the Government of India and the assets and liabilities continue to appear at their book value without any adjustment.	The company has assessed the going concern status by taking into account all available information that may affect the foreseeable future. Factors such as current and future profitability ,debt repayment schedule and availability of sources of funds has been reviewed and there is no indication that the company intends to liquidate the enterprise and cease to do business. As per AS-4 assets and liabilities are adjusted only if events after the balance sheet date indicate that going concern basis is inappropriate.The company since 2004-05 is making uninterrupted profit and will continue to maintain operational existence in the foreseeable future .
4.2 Due to non-appropriation of old credit balances in Sundry Debtors A/c. of Rs.287.80 lakhs and Advance from Customers of Rs. 199.87 lakhs with the age-old Sundry Debtors balances, the exact outstanding amount due from Sundry Debtors remained unascertained.In absence of proper adjustments of old advances and credit balances in Customer Accounts with bill-wise Sundry Debtors balances, we are unable to comment on the adequacy of determination of provision of doubtful debts.	Reconciliation of sundry debtors is an on going process. Hence necessary adjustments in credit balances and advances are made from time to time. The company maintains age wise analysis of the debtors and as per company policy and management perception outstanding debtors upto 2004-05 has been provided for in the books.
4.3 As referred to in note no1.(v) of schedule 22B of notes on accounts, an appeal has been filed before Hon'ble Calcutta High Court against the award of the Industrial Tribunal under Industrial Disputes Act 1947. Estimated liability amounting to Rs.7,50,000 (approx) has not been provided for in the books of accounts.	No obligation exists on the balance sheet date. Hence provision not made as per AS29. However disclosure has been duly made.
4.4 As referred to in note no.18 of schedule 22B of notes on accounts the Company is a sick industrial company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. However the Board of Industrial & Financial Reconstruction has deregistered the company by Order No. 504/2002 dated 28.03.2003. The accounts of the company has been prepared on historical cost basis of accounting and on going concern concept. The company has prepared and submitted to the Government of India a Restructuring Plan for sustainability and growth. This proposal is under active consideration of the Ministry.	The current and future perceived profit of the company coupled with continued Government assistance shows that the company has no intention of discontinuing operations in the foreseeable future. Hence the accounts have been prepared on historical cost basis and on going concern concept.
4.5 As referred to in note no.37 of schedule 22B of notes on accounts The Commissioner of Customs (Appeals) in terms of his order-in-Appeals No. KOL/CUS/CKP/473/09 dated July 13, 2009 has allowed interest on the delayed refund of Rs. 99,89,938 (Rupees Ninety Nine Lakhs Eighty Nine Thousand Nine Hundred Thirty Eight) for the period only from 19.02.2003 to 19.09.2003. The Commissioner of Customs (Port), has filed an appeal before CESTAT, against this order for payment of interest. The appeal is yet to be disposed off.The company's claim in this regard is Rs. 61,97,886 (Rupees Sixty One Lakhs Ninety Seven Thousand Eight Hundred Eighty Six Only) which will be taken up in the course of hearing of the appeal. The income,if received, will be admitted in the year of receipt.	Since the outcome of the case is uncertain the receivable is in the nature of contingent asset. Contingent assets are not recognized in the statement of accounts as per AS 29.
4.6 The Commissioner of Customs (Appeals) has allowed interest on the delayed refund of Rs.99,89,938 for the period only from 19.02.2003 to 19.09.2003 but an appeal against this has been made before CESTAT by the Commissioner of Customs (Port) Calcutta.The companies claim in this regard is Rs.61,97,886. However the company has not considered the interest amount so admitted as income (Note No. 37 Schedule 22B).	The interest amounting to Rs.5,63,854.00 was received by order passed by Asst. Commissioner of Customs, Oil Unit, Mumbai. Hon'ble Supreme Court of India had passed an order dated February 1,2008 interalia directing the Commissioner of Customs,Kolkata to proceed with the application filed by Biecco Lawrie Limited for payment of interest in accordance with the procedure prescribed in law. It may be noted that the Assistant Commissioner of Customs (Appraising Refund Section) rejected our claim Accordingly the company filed an appeal before the Commissioner of Customs (Appeals). The matter was heard on July 13, 2009 and order was passed granting interest for the period from 19.2.03 till 19.9.03.However the amount was not quantified. The Commissioner of Customs, Kolkata has however filed an appeal before the CESTAT. As per the applicable directives, the Company has filed an application before the Committee of Disputes(COD). The interest income will be accounted for in the year such income crystallizes and becomes receivable.
4.7 The Company has got funded Group Gratuity Scheme with Life Insurance Corporation of India Ltd. The Company has not yet got the figure of gratuity liability to be provided on account of pay revision from LIC. We are unable to comment on the adequacy of determination of ad-hoc provision made on this account (Note No. 21 Schedule 22B.)	The revised pay details were submitted to LIC and LIC was also directed to consider the enhanced gratuity payment limit of Rs.10.00 Lacs in their computation. The actuarially valued computation was considered in the accounts for the year in accordance with AS-15.

For **Biecco Lawrie Limited**
ASHIS GANGULY
General Manager (Finance)

For **Biecco Lawrie Limited**
DEBASHISH BASU
Managing Director

Kolkata
August 21, 2010

**Annexure (3) to Directors' Report****REPORT ON CORPORATE GOVERNANCE***(Pursuant to DPE Guidelines No.18 (8)/2005-GM dated May 14, 2010)*

Corporate Governance has been considered to be the foremost duty in the present day scenario of growing size & complexity of business in India. Good Corporate Governance leads to better performance, increased investor confidence and better value creation.

Biecco Lawrie Limited believes in the following Corporate Governance policies :-

1. Transparency in disclosure and communication of relevant and adequate financial and operational information in a timely manner;
2. Integrity and ethics in its dealings with stakeholders;
3. An adequate Internal Control System that establishes checks and balances;
4. Balancing the enforcement and protection of the rights of all stakeholders.

Biecco Lawrie Limited is not a listed Company. Hence, disclosures required to be made pursuant to Clause 49 of the Standard Listing Agreement are not mandatory. But the disclosures have been made pursuant to DPE Guidelines referred to here in above.

Information required to be furnished under Corporate Governance is as below :-

1. Board of Directors◆ **Composition of the Board of Directors**

Executive Directors including Managing Director	1
Non-Executive Directors	2

◆ **Particulars**

Name of the Director	Category of the Director	Designation held	No.of other Directorship	Qualifications
Shri Debashish Basu	Executive Director	Managing Director	1 (One)	BE.Mech (Distn.),PGC.IIT,Chennai
Shri Sanjay Gupta (Upto June 11, 2009)	Non-Executive Director	Director (Part-time)	NIL	M.Tech., Prod'n. Engg., B.E.Mech
Shri Kuanra Majhi (Upto June 30, 2009)	Non-Executive Director	Director (Part-time)	NIL	M.Sc
Shri U. C. Nangia (w.e.f. June 12, 2009)	Non-Executive Director	Director (Part-time)	NIL	M.Sc (Maths)
Smt. Rashmi Aggarwal (w.e.f. July 1, 2009)	Non-Executive Director	Director (Part-time)	NIL	M.A. (History)

Shri Debashish Basu is also a Director of The Bengal Chamber of Commerce & Industry. Shri Umesh Chander Nangia and Smt. Rashmi Aggarwal are not Directors of any other Company.

◆ **Audit Committee**

The terms of reference is as per Section 292A of the Companies Act, 1956 read with a Board Resolution passed by Circulation on March 16,2001 and noted by the Board on April 12,2001.No person has been denied access to Audit Committee.

Name of the Members	Category	No. of Meetings during financial year 2009-10	
		Held	Attended
Shri Debashish Basu	Managing Director	5 (five)	5 (five)
Shri Sanjay Gupta (Upto June 11, 2009)	Director	1 (one)	1 (one)
Shri Kuanra Majhi (Upto June 30, 2009)	Director	1 (one)	1 (one)
Shri U.C. Nangia (w.e.f. June 12, 2009)	Director	4 (four)	4 (four)
Smt. Rashmi Aggarwal (w.e.f. July 1, 2009)	Director	4 (four)	4 (four)



Report on Corporate Governance *(Contd.)*

◆ Details of Board Meetings held during 2009-10

The statutory provisions require holding of at least 1(one) meeting in each quarter and at least 4(four) such meetings in every year. The Board of Directors met 5(five) times during the year. The details are given herein below :-

Date of Meeting	Place	No. of Directors present
April 20, 2009	New Delhi	3 (three)
July 10, 2009	New Delhi	3 (three)
August 24, 2009	Kolkata	3 (three)
December 21, 2009	Kolkata	3 (three)
March 18, 2010	New Delhi	3 (three)

◆ Attendance Record of Directors 2009-10 :

Name of Director	No. of Board Meetings	Last AGM attended
Shri Debashish Basu	5 (five)	Yes
Shri Sanjay Gupta	1 (one)	No
Shri Kuanra Majhi	1 (one)	No
Shri U.C.Nangia	4 (four)	No
Smt. Rashmi Aggarwal	4 (four)	No

◆ Pecuniary Relationship or Transactions of the Part-time (Official) Directors

The Directors who are Part-time (Official) Directors neither draw any remuneration from the Company nor do they have any other pecuniary relationship with the Company.

◆ Remuneration

The remuneration of full –time Director has been fixed in terms of the approval of the Ministry of Petroleum & Natural Gas, being the administrative Ministry of the Company. The abstract of the terms of appointment and Memorandum of Interest or Abstract of various terms as applicable, is forwarded to the Shareholders from time to time by the Company pursuant to Section 302 of the Companies Act, 1956.

◆ Significant matters reviewed by the Board

Information placed to the Board during the year under review included Annual Accounts/Budgets, review of MOU targets, significant developments in the field of Human Resource, critical Industrial situation, Reports on Statutory Compliance, Revival Plans- Financial/Capital Restructuring, Business Strategies, Debtors Management, Orders placed on Nomination basis.

◆ Disclosure to the Board

The Directors of the Company have made disclosures pursuant to Section 299 of the Companies Act, 1956 and the same have been taken on record by the Board.

2. Shareholders' Information

Date and time of Annual General Meeting	: 22nd September, 2010, at 3.30 p.m.
Venue of Annual General Meeting	: Nehru Children's Museum 94/1, Chowringhee Road, Kolkata- 700 020
Financial Year ended on	: 31st March, 2010



BIECCO LAWRIE LIMITED

Annual Report 2009-10

3A. Details of last 3(three) Annual General Meetings

Date	Time	Venue
September 23, 2009	3.30 p.m.	Nehru Children's Museum 94/1, Chowringhee Road Kolkata – 700 020
September 19, 2008	11.00 a.m.	Nehru Children's Museum 94/1, Chowringhee Road Kolkata – 700 020
September 28, 2007	3.30.p.m.	Nehru Children's Museum 94/1, Chowringhee Road Kolkata – 700 020

B. Special Resolutions passed in the aforesaid Annual General Meetings (AGM)

Date	Special Resolution
September 23,2009	1. Alteration of Objects Clause & Commencement of New Business 2. Auditors' Remuneration
September 19,2008	1. Auditors' Remuneration
September 28,2007	1. Auditors' Remuneration

4. Statement depicting the Shareholding pattern of the Company

Sl. No.	Particulars	No. of Shares (Rs. 10/- each fully paid-up)	% of holding
1.	President of India	2,40,99,700	57.37
2.	Oil Industry Development Board (OIDB)	1,75,80,000	41.85
3.	Balmer Lawrie & Co.Ltd.	1,95,900	00.47
4.	Foreign/NRI holdings		
	a) Electric Construction Co. 15,000		
	b) Lavina Sakhrani 300	15,300	00.04
5.	Banks/Financial Institutions	3,402	00.01
6.	Others	1,10,398	00.26
	Total	4,20,04,700	100.00

- No Expenditure was debited in the Books of Accounts which are not for business purpose. No personal expenses incurred by Directors and top management has been debited to the Books of Accounts.
- The Company is in the process of implementing the relevant guidelines on Corporate Governance. Publication of Quarterly Results and training of Board Members will be taken up.
- Compliance with Presidential Directive – The Presidential Directive as contained in letter ref.no.P-21020/2/2009-Mkt.dated April 27,2009 issued by Shri U.C.Nangia, Director (Mktg.), Ministry of Petroleum & Natural Gas, Government of India regarding Pay Revision of Board Level and Below Board Level Executives and Non-Unionised Supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. January 1, 2007 has been complied with.



Auditors' Report to the Members of M/s. Biecco Lawrie Limited

1. We have audited the attached Balance Sheet of **Biecco Lawrie Limited**, as at 31st March, 2010 and the annexed Profit and Loss Account and the Cash flow Statement for the year ended on that date. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the aforesaid financial statements are free of material misstatements. An audit includes examining, on a test basis, evidences 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 financial statement presentation. We believe that our audit provides a reasonable basis for expressing our opinion on the aforesaid financial statements of the Company.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, the statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - 4.1 The Company earned profit of Rs.173.35 lakhs during the year ended 31.03.2010. However after setting off the profit for the year, the accumulated losses of the Company are in excess of the Shareholders' Fund by Rs.629.40 lakhs. As referred to in Note No.27 in Schedule-22B, although the net worth of the Company is in the negative, the financial statements have been prepared on a 'going concern' basis in the expectation of the continuing support from the Oil Industry Development Board and the Government of India and the assets and liabilities continue to appear at their book value without any adjustment.
 - 4.2 Due to non-appropriation of old credit balances in Sundry Debtors A/c. of Rs. 287.80 lakhs and Advance from Customers of Rs. 199.87 lakhs with the age-old Sundry Debtors balances, the exact outstanding amount due from Sundry Debtors remained unascertained.

In absence of proper adjustments of old advances and credit balances in Customer Accounts with bill-wise Sundry Debtors balances, we are unable to comment on the adequacy of determination of provision of doubtful debts.
 - 4.3 *As referred to in Note No. 1(v) of Schedule 22B of Notes of Accounts, An appeal has been filed before Hon'ble Calcutta High Court against the award of The Industrial Dispute Act 1947. Estimated liability amounting to Rs.7,50,000(approx) has not been provided for in the books of accounts.*
 - 4.4 *As referred to in Note No. 18 of Schedule 22B of Notes of Accounts, the company is a sick industrial company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985. However the board of industrial and financial reconstruction has deregister the company by order no.- 504/2002 Dated 28/03/2003. The accounts of the company has been prepared on historical cost basis of accounting and on going concern concept. The company has prepared and submitted to Government of India a restructuring plan of sustainability and growth. This proposal is under active consideration of the ministry.*
 - 4.5 *As referred to in Note No. 37 of Schedule 22B of Notes of Accounts, The Commissioner of Customs (appeal) in terms of his order-in-Appeals No. KOL/CUS/CKP/473/09 Dated July 13, 2009 has allowed interest on delayed refund of Rs 99,89,938 for the period only from 19.02.2003 to 19.09.2003. The Commissioner of Custom (Court) has filed an appeal before CESTAT, against this order for payment of interest. The appeal is yet to be disposed off. The company claim in this regard is Rs. 61,97,886 which will be taken up in the*

**Auditors' Report** (Contd.)

course of hearing of the appeal. The income if received, will be admitted in the year of receipt.

4.6 *The Commissioner of Customs (Appeals) has allowed interest on the delayed refund of Rs. 9989938 for the period only from 19.02.2003 to 19.09.2003 but an appeal against this has been made before CESTAT by the Commissioner of Customs (Port) Calcutta. The companies claim in this regard is Rs.6197886. However the company has not considered the interest amount so admitted as income (Note No. 37 Schedules 22B).*

4.7 *The Company has got funded Group Gratuity Scheme with Life Insurance Corporation of India Ltd. The Company has not yet got the figure of gratuity liability to be provided on account of pay revision from LIC. We are unable to comment on the adequacy of determination of ad-hoc provision made on this account (Note No. 21 Schedules 22B).*

The impact of all the above items on the Profit for the year and Net-worth of the Company as at 31st March 2010 could not be ascertained.

5. Subject to our remarks in paragraph 4 above, in our opinion, the Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act 1956.

6. In terms of Notification No. GSR 829 (E) dt. 21.10.2003 issued by the Central Government the requirement of the provisions of Section 274(1) Clause (g) of the Companies Act, 1956 is not applicable to the Government Company.

7. Subject to our remarks in paragraph 4 above :

i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

ii) 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;

iii) The said Balance Sheet, Profit and Loss Account and Cash Flow Statement are in agreement with the Books of Account;

iv) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

b) in the case of Profit and Loss Account of the profit for the year ended on that date; and

c) in the case of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

For **AGARWAL MAHESWARI & CO.**

Chartered Accountants

FRM NO. 3104030E

D. R. Agarwal

Partner

Dated : The 21st August, 2010

Membership No.051484

**Annexure to Auditors' Report to the Members of Biecco Lawrie Limited**

[Referred to in Paragraph (3) thereof]

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We have been informed that fixed assets have been physically verified by the management.
- c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii) a) The inventory of the Company other than stocks lying with third party (which has been substantially confirmed) and stock-in-transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification as compared to book records were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the paragraphs (iii)(b), (c), (d), (f) and (g) of the order are not applicable.
- iv) 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 the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations, we have neither come across nor been informed of any continuing failure to correct major weaknesses in the above internal control procedure.
- v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register in pursuance of section 301 of the Act. In view of above, paragraph (v)(b) of the order is not applicable to the Company for the current year.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of sections 58A and 58AA of the Companies Act, 1956 and the other relevant provisions of the Act apply.
- vii) The Company has appointed a firm of Chartered Accountants to conduct the internal audit in some specific areas of operations which commensurate with the size of the Company and nature of its business.
- viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the products of the Company.
- ix) a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities except in case of service tax and VAT where there were minor delays in making payments to appropriate authorities during the financial year. However there is no outstanding due at the last day of the financial year.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c) As at 31st March, 2010 according to the records of the Company and the information and explanations given to us, the following are the particulars of dues on account of Sales tax that have not been deposited on account of dispute :

Statement of Disputed Dues :

Period	Nature of Dues	Amount	Where Pending	Nature of Statute
FY 2004-05	Income Tax	37,508.00	Commissioner of Income Tax (Appeal)	Income Tax Act, 1961
FY 2005-06	Income Tax	44,780.00	Commissioner of Income Tax (Appeal)	Income Tax Act, 1961

**Annexure to Auditors' Report to the Members of Biecco Lawrie Limited (Contd.)**

Period	Nature of Dues	Amount	Where Pending	Nature of the Statute
1987-1988	Sales Tax	172,618.41	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
1997-1998	Sales Tax	4,262,834.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2001-2002	Sales Tax	541,582.00	West Bengal Taxation Tribunal	West Bengal Sales Tax Act, 1994
2003-2004	Sales Tax	3,318,379.00	The Additional Commissioner (Commercial Taxes) Revisional Stage	West Bengal Sales Tax Act, 1994
2003-2004	Sales Tax	900,203.00	The Additional Commissioner (Commercial Taxes) Revisional Stage	Central Sales Tax Act, 1956
2004-2005	Sales Tax	4,136,958.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2004-2005	Sales Tax	7,708,106.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
2005-2006	Sales Tax	7,835,205.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2005-2006	Sales Tax	7,679,000.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
2006-2007	Sales Tax	12,512,820.00	The Additional Commissioner (Commercial Taxes) Appellate Stage	West Bengal Sales Tax Act, 1994
2006-2007	Sales Tax	11,635,178.00	The Additional Commissioner (Commercial Taxes) Appellate Stage	Central Sales Tax Act, 1956

- ix) The accumulated loss of the Company as at 31st March, 2010 is more than fifty percent of its net worth. The Company has not incurred cash loss during the current financial year ended on that date.
- x) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, banks or debenture holders during the year.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) The Company has not taken any term loan during the year.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to information and explanations given to us, there are no funds raised during the year on a short-term basis which have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) As the Company has not issued any debentures during the year, paragraph (xix) of the Order is not applicable.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices (GAAP) in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **AGARWAL MAHESWARI & CO.**
Chartered Accountants
FRM NO. 3104030E

D. R. Agarwal
Partner

Dated : The 21st August, 2010

Membership No.051484

**Comment of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Biecco Lawrie Limited, Kolkata for the year ended 31st March, 2010**

The preparation of financial statements of Biecco Lawrie Limited, Kolkata for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 21 August 2010.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Biecco Lawrie Limited, Kolkata for the year ended 31st March 2010 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-

(Nandana Munshi)

Principal Director of Commercial Audit
& Ex-Officio Member Audit Board - I

K O L K A T A

Place : Kolkata

Date : 27 August 2010



BIECCO LAWRIE LIMITED

Annual Report 2009-10

Balance Sheet as at 31st March, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	420,047,000		420,047,000	
Reserves and Surplus	2	3,070,220		3,070,220	
			423,117,220		423,117,220
Loan Funds					
Secured Loans	3	65,570,555		50,389,352	
Unsecured Loans	4	405,590,628		399,615,340	
			894,278,403		873,121,912
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	173,447,768		172,835,676	
Less : Depreciation		115,160,970		110,218,131	
Net Block			58,286,798		62,617,545
Investments	6	2,500		2,500	
Deferred Tax Assets		36,714,465		36,797,639	
Current Assets, Loans and Advances					
Inventories	7	106,975,187		100,469,306	
Sundry Debtors	8	382,376,940		291,419,459	
Cash and Bank Balance	9	115,343,665		111,016,894	
Loans & Advances	10	86,967,824		43,899,894	
			691,663,616		546,805,553
Less : Current Liabilities & Provisions	11	378,446,083		276,493,901	
NET CURRENT ASSETS			313,217,533		270,311,652
Profit & Loss Account	12	486,057,107		503,392,576	
(Debit Balance as per Profit & Loss Account)					
			894,278,403		873,121,912

Notes on Accounts

22

Significant Accounting Policies and Schedules 1 to 22 attached herewith form an integral part of the Accounts.

This is the Balance Sheet referred to in our Report of even date.

For **Agarwal Maheswari & Co.**

Chartered Accountants

FRM No. 3104030E

D. R. Agarwal

Partner (M. No : 051484)

Kolkata, Dated : 21st August, 2010

Debashish Basu

Managing Director

U. C. Nangia

Director

S. Bhattacharya

Company Secretary

Kolkata, Dated : 21st August, 2010



BIECCO LAWRIE LIMITED

Annual Report 2009-10

Profit & Loss Account for the year ended 31st March, 2010

	Schedule	2009-10 Rs.	2008-09 Rs.
INCOME			
Sales & Services	13	656,809,608	579,068,080
Less : Excise Duty		23,774,461	46,814,894
Net Sales		633,035,147	532,253,186
Other Income	14	17,362,933	5,710,730
		650,398,080	537,963,916
EXPENDITURE			
Raw Materials Consumed	15	219,664,379	252,987,714
Project Expenses	16	173,725,397	29,172,182
(Accretion) /Decretion to Inventories	17	1,906,236	19,428,736
Employee Cost	18	149,075,695	137,182,057
Manufacturing, Trading & Other Expenses	19	72,990,208	60,149,737
Excise Duty		589,510	1,516,512
Interest	20	8,221,305	7,842,245
Depreciation		6,708,651	6,163,835
		632,881,381	514,443,018
Net Profit before Prior Period Adj.		17,516,699	23,520,898
Prior Period Adjustments	21	98,056	555,549
Net Profit for the year		17,418,643	22,965,349
Deferred Tax		83,174	216,151
Fringe Benefit Tax		–	438,868
Net Profit Transferred		17,335,469	22,310,330
Loss brought forward from Previous Year		(503,392,576)	(525,702,906)
Transferred to Balance Sheet		(486,057,107)	(503,392,576)
Earnings per share			
Basic earnings per share		0.41	0.53

Notes on Accounts

22

Significant Accounting Policies and Schedules 1 to 22 attached herewith form integral part of the Accounts.

This is the Profit & Loss Account referred to in our Report of even date.

For **Agarwal Maheswari & Co.**

Chartered Accountants

FRM No. 3104030E

D. R. Agarwal

Partner (M. No : 051484)

Kolkata, Dated : 21st August, 2010

Debashish Basu

Managing Director

U. C. Nangia

Director

S. Bhattacharya

Company Secretary

Kolkata, Dated : 21st August, 2010

**Cash Flow Statement for the year ended 31st March, 2010**

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities :				
Net Profit/(Loss) before Tax		17,418,643		22,965,349
Adjustments for:				
Depreciation & Fixed Assets written off	6,708,651		6,163,835	
Interest	8,221,305		7,842,245	
Loss on Sale of Fixed Assets	256,115		-	
Amortisation (charged off during the year)	-	15,186,071	-	14,006,080
Operating Profit before Working Capital Changes		32,604,714		36,971,429
(Increase) in Sundry Debtors	(90,957,481)		(24,036,833)	
(Increase)/Decrease in Inventories	(6,505,881)		4,243,446	
Increase/(Decrease) in Sundry Creditors	101,952,182		23,963,012	
(Increase)/Decrease in Loans and Advances	(42,984,757)	(38,495,937)	(15,044,148)	(10,874,523)
Cash Generated from Operations		(5,891,223)		26,096,906
Deferred Tax & FBT paid (incl. Advance Tax)		(83,174)		(655,020)
Net Cash from Operating Activities		(5,974,397)		25,441,886
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(2,663,843)		(8,239,292)	
Sale of Fixed Assets	29,825		-	
Net Cash (used in) / from Investing Activities		(2,634,018)		(8,239,292)
C. Cash Flow from Financing Activities :				
Interest	(8,221,305)		(7,842,245)	
Net Changes in Long Term Borrowings	5,975,288		3,147,505	
Net Changes in Short Term Borrowings	15,181,203		(15,334,285)	
Net Cash used in Financing Activities		12,935,186		(20,029,025)
Net Increase in Cash and Cash Equivalents		4,326,771		(2,826,431)
Opening Cash and Cash Equivalents		111,016,894		113,843,325
Closing Cash and Cash Equivalents		115,343,665		111,016,894
Net Increase/(Decrease) in Cash and Cash Equivalents		4,326,771		(2,826,431)
Cash and Cash Equivalents as at		31st March, 2010		31st March, 2009
Cash in hand (As certified)		345,221		240,678
Balances with Banks in Current Accounts		53,766,883		53,357,024
Balances with Banks in Fixed Deposit		59,497,326		38,908,894
Cheques in hand & transit		1,734,235		18,510,298
		115,343,665		111,016,894

Note : Details of Cash and cash equivalents are shown in Schedule 9. Cash and cash equivalents consisting of Cash in hand and balance with banks includes Rs. 59,497,326 (P.Y. Rs. 36,903,894) deposited as margin money against Bank Guarantee, Letter of Credit issued by Banks and Security deposit deposited with sales tax authorities.

For **Agarwal Maheswari & Co.**

Chartered Accountants

FRM No. 3104030E

D. R. Agarwal

Partner (M. No : 051484)

Kolkata, Dated : 21st August, 2010

Debashish Basu

Managing Director

U. C. Nangia

Director

S. Bhattacharya

Company Secretary

Kolkata, Dated : 21st August, 2010



BIECCO LAWRIE LIMITED

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Schedules forming part of the Balance Sheet

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.		
SCHEDULE - 1	SHARE CAPITAL			
Authorised				
500,00,000 Equity Shares of Rs. 10 each	500,000,000	500,000,000		
Issued and Subscribed				
42,004,700 Equity Shares of Rs. 10 each fully paid up	420,047,000	420,047,000		
Of the above Equity Shares 75,000 Equity Shares of Rs. 10 each issued as fully paid up pursuant to contracts without payment being received in cash	420,047,000	420,047,000		
SCHEDULE - 2	RESERVES AND SURPLUS			
	Rs.	Rs.		
Share Premium	250,000	250,000		
Capital Reserve	2,820,220	2,820,220		
	3,070,220	3,070,220		
SCHEDULE - 3	SECURED LOANS			
	Rs.	Rs.		
Cash Credit facility from Dena Bank	55,148,362	49,135,875		
Cash Credit facility from UBI	1,592,320	1,253,477		
Cash Credit facility from BGVB (Refer Note No : 9)	8,829,873	-		
	65,570,555	50,389,352		
SCHEDULE - 4	UNSECURED LOANS			
	Rs.	Rs.	Rs.	Rs.
Oil Industry Development Board				
Interest Bearing :				
For Plan Expenditure (Capital Nature)	72,875,000		72,875,000	
For Voluntary Retirement Scheme	10,000,000	82,875,000	10,000,000	82,875,000
Interest Free :				
For Working Capital	234,710,000		234,710,000	
For Voluntary Retirement Scheme	10,000,000	244,710,000	10,000,000	244,710,000
Interest accrued & due on OIDB Loan		78,005,628		72,030,340
		405,590,628		399,615,340



BIECCO LAWRIE LIMITED

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Schedules forming part of the Balance Sheet (Contd.)

SCHEDULE - 5

FIXED ASSETS

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1st April, 2009 Rs.	Addition during the year Rs.	Disposal/ Adjustment during the year Rs.	As at 31st March, 2010 Rs.	Upto 31st March, 2009 Rs.	For the year Rs.	Adjustment during the year Rs.	Upto 31st March, 2010 Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
Land	111,227	–	–	111,227	–	–	–	–	111,227	111,227
Building & Roads	31,047,720	–	–	31,047,720	17,308,246	685,319	–	17,993,565	13,054,155	13,739,474
Plant & Machinery including Electrical Installation	112,684,763	1,462,542	9,972	114,137,333	71,849,932	4,287,633	9,817	76,127,748	38,009,585	40,834,831
Furniture & Fittings	2,676,397	151,847	15,488	2,812,756	2,178,287	150,268	15,406	2,313,149	499,607	498,110
Typewriters & Office Equipments	2,238,016	35,184	–	2,273,200	1,683,370	50,640	–	1,734,010	539,190	554,646
Tubewell, Tanks & Misc. Equipments	63,507	–	–	63,507	61,583	268	–	61,851	1,656	1,924
Vehicles	2,204,830	0	512,550	1,692,280	1,309,261	112,931	234,657	1,187,535	504,745	895,569
Computer	21,809,216	1,014,270	1,513,741	21,309,745	15,827,452	1,421,592	1,505,932	15,743,112	5,566,633	5,981,764
TOTAL	172,835,676	2,663,843	2,051,751	173,447,768	110,218,131	6,708,651	1,765,812	115,160,970	58,286,798	62,617,545
Previous Year	164,596,384	8,239,292	0	172,835,676	104,054,296	6,163,835	0	110,218,131	62,617,545	

As at
31st March, 2010
Rs.

As at
31st March, 2009
Rs.

SCHEDULE - 6

INVESTMENTS

Unquoted (At Cost)

1/2% 20 Nos. Debentures of Rs. 100 each fully paid in
Woodlands Hospitals & Medical Research Centre Ltd.

2,000

2,000

5% Non-Redeemable Debenture Stock (1957) fully paid in
Woodlands Hospitals & Medical Research Centre Ltd.

500

500

2,500

2,500



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Schedules forming part of the Balance Sheet (Contd.)

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 7	INVENTORIES	
(As per Inventories taken, valued & Certified by the Management)		
Raw Material, Stores & Spare Parts & Loose Tools are valued at monthly weighted average rate		
Raw Materials	71,955,046	63,312,763
Stores and Spare Parts	491,769	576,718
Loose Tools	770,480	661,774
Patterns, Moulds and Loose Tools at or under works cost	187,171	271,655
Finished goods at lower of cost or net realisable value	14,993,763	14,166,347
Raw Material in transit	8,916,035	9,623,361
Work-in Progress at Cost	9,660,923	11,856,688
	<u>106,975,187</u>	<u>100,469,306</u>
SCHEDULE - 8	SUNDRY DEBTORS	
	Rs.	Rs.
Unsecured :		
Debts outstanding for a period exceeding six months		
Considered good	106,599,540	143,752,056
Considered doubtful	27,359,642	27,893,989
	<u>133,959,182</u>	<u>171,646,045</u>
Less : Provision for doubtful debts	27,359,642	27,893,989
	<u>106,599,540</u>	<u>143,752,056</u>
Other Debts		
Considered good	275,777,400	147,667,403
	<u>382,376,940</u>	<u>291,419,459</u>
SCHEDULE - 9	CASH AND BANK BALANCE	
	Rs.	Rs.
Cash in hand (As certified)	345,221	240,678
Balances with Banks in		
Current Accounts	53,766,883	53,357,024
Fixed Deposit (Refer Note No. 7)	59,497,326	38,908,894
Cheques in hand & transit	1,734,235	18,510,298
	<u>115,343,665</u>	<u>111,016,894</u>



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Schedules forming part of the Balance Sheet (Contd.)

	As at		As at	
	31st March, 2010	31st March, 2009	31st March, 2010	31st March, 2009
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 10	LOANS & ADVANCES			
(Unsecured)				
Advances Recoverable in cash or in kind or for value to be received				
Considered good		70,566,747		32,044,007
Balances with Customs, Port Trust, Central Excise etc.				
Considered good	362,805		1,083,162	
Considered doubtful	77,868		77,868	
	440,673		1,161,030	
Less : Provision for Doubtful Advances	77,868		77,868	
		362,805		1,083,162
Others				
Considered good		6,131,958		3,258,932
Advance payment of Income Taxes and Tax deducted at source		9,906,314		7,513,793
		86,967,824		43,899,894

	CURRENT LIABILITIES AND PROVISIONS	
	Rs.	Rs.
SCHEDULE - 11	CURRENT LIABILITIES AND PROVISIONS	
CURRENT LIABILITIES		
Sundry Creditors		
For Goods : Due to Micro & Small Enterprises	3,261,638	5,343,193
Due to Others	171,387,808	93,186,510
For Expenses	132,008,848	108,906,733
Credit Balance in Customers' Account	48,766,892	46,126,348
Security Deposits	6,799,433	8,228,516
Liabilities - Others	13,937,030	12,418,167
	376,161,649	274,209,467
PROVISIONS		
Fringe Benefit Tax	2,284,434	2,284,434
	378,446,083	276,493,901

	PROFIT & LOSS ACCOUNT	
	Rs.	Rs.
SCHEDULE - 12	PROFIT & LOSS ACCOUNT	
As per last year Balance Sheet	(503,392,576)	(525,702,906)
Add : Profit for the year	17,335,469	22,310,330
	(486,057,107)	(503,392,576)



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Schedules forming part of the Profit & Loss Account

		2009-10	2008-09
		Rs.	Rs.
SCHEDULE - 13	SALES & SERVICES		
Manufacturing :			
Switchgear –			
Panels	266,028,441	386,834,995	
Spares	25,371,245	56,933,070	
Repair Jobs	90,769,018	71,505,918	
Miscellaneous including Scrap	6,976,282	7,416,267	
	389,144,986		522,690,250
Lube Blending & Filling			
Processing & Filling Charges	4,433,326		3,736,888
Turnkey Projects	261,354,343		47,072,249
Information Technology Services	195,000		360,200
Other Services	1,681,953		5,208,493
	656,809,608		579,068,080

		Rs.	Rs.
SCHEDULE - 14	OTHER INCOME		
BG invocation	1,256,300		–
Interest recovered from Custom	563,853		–
Sundries	429,013		526,235
Interest	4,819,444		2,953,766
Liabilities no longer required written back	10,294,323		2,230,729
	17,362,933		5,710,730

		Rs.	Rs.
SCHEDULE - 15	RAW MATERIALS CONSUMED		
Opening Stock	63,312,763		57,469,127
Add: Purchase	228,306,662		258,831,350
	291,619,425		316,300,477
Less: Closing Stock	71,955,046		63,312,763
	219,664,379		252,987,714



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Schedules forming part of the Profit & Loss Account (Contd.)

SCHEDULE - 16	PROJECT EXPENSES	2009-10		2008-09	
		Rs.	Rs.	Rs.	Rs.
Turnkey Projects (including Materials)			173,725,397		29,172,182
			173,725,397		29,172,182

SCHEDULE - 17	ACCRETION / DECRETION TO INVENTORIES	2009-10		2008-09	
		Rs.	Rs.	Rs.	Rs.
Opening Balance					
Work-in-progress		11,856,688		9,479,015	
Work-in-progress (Projects)		-		10,074,541	
Patterns, Moulds and Loose Tools		271,655		673,335	
Finished Goods		14,166,347		25,496,535	
			26,294,690		45,723,426
Closing Balance					
Work-in-progress		9,660,923		11,856,688	
Patterns, Moulds and Loose Tools		187,171		271,655	
Finished Goods		14,540,360		14,166,347	
			24,388,454		26,294,690
			1,906,236		19,428,736

SCHEDULE - 18	EMPLOYEE COST	2009-10		2008-09	
		Rs.	Rs.	Rs.	Rs.
Salaries, Wages and Bonus (Refer Note No. 21)			122,274,783		113,148,507
Contribution for Gratuity			5,529,931		5,779,387
Contribution to Provident and other Funds			9,984,300		8,436,908
Provident Fund Administrative Charges			914,304		800,611
Contribution to Employee State Insurance			618,730		696,372
Medical Expenses			2,595,881		1,619,653
Workmen & Staff Welfare			7,157,766		6,700,619
			149,075,695		137,182,057



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Schedules forming part of the Profit & Loss Account (Contd.)

	2009-10 Rs.	2008-09 Rs.
SCHEDULE - 19		
MANUFACTURING, TRADING & OTHER EXPENSES		
Stores & Spare Parts consumed	4,062,317	4,074,286
Repairs and Maintenance		
Buildings	124,303	1,432,574
Plant & Machinery	1,617,137	1,608,447
Others	3,814,879	3,873,051
Power & Fuel	9,997,954	8,986,289
Rent	7,430,684	7,206,292
Insurance	1,866,732	860,687
Rates & Taxes	543,742	1,028,211
Auditors' Remuneration	65,000	71,695
Internal Audit Fees	70,000	77,210
Auditors' Other Remuneration & Expenses	4,700	14,425
Provision for Doubtful Debts	937,382	1,026,908
Fixed Assets Written Off	7,810	-
Service Representative Charges	9,977,770	7,550,929
Advertisement/Sales Promotion	179,579	417,737
Bank Charges & Commission	4,830,884	2,061,125
Despatching Freight Charges	9,808,115	13,685,608
Travelling & Conveyance	5,899,813	6,826,824
Printing & Stationery	1,347,816	1,409,155
Vehicle Running Expenses	3,695,572	2,845,922
Telephone, Telex, Postage & Telegram	1,423,476	1,376,544
Subscriptions	158,427	139,106
Legal & Professional Charges	1,098,991	813,866
Consultancy Charges	371,912	360,603
Testing Charges	2,440,401	2,039,855
Sales & Servicing Cost	1,088,523	1,685,554
Security Service Charges	1,974,159	1,667,123
Sales Tax Charged	367,267	107,990
Miscellaneous Expenses	2,006,480	1,233,393
Lube Filling Charges	1,122,401	781,590
Loss on Sale of Fixed Assets	248,305	-
	78,582,531	75,262,999
Less : Freight Recovery	5,479,633	15,062,098
Less : Insurance Recovery	112,690	51,164
	72,990,208	60,149,737
SCHEDULE - 20		
INTEREST		
	Rs.	Rs.
On Loan from OADB/GOI	5,975,288	6,072,416
On Bank Overdraft	1,785,158	1,100,556
On Others	460,859	669,273
	8,221,305	7,842,245
SCHEDULE - 21		
PRIOR PERIOD ADJUSTMENTS		
	Rs.	Rs.
General Expenditure	98,056	555,549
	98,056	555,549

**SCHEDULE - 22****(Forming Part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date)****A. SIGNIFICANT ACCOUNTING POLICY**

1. **Basis of preparation** – The financial statements have been prepared to comply in all material aspects with the notified Accounting Standards by companies accounting standard rules, 2006 and the relevant provisions of the Companies Act 1956. The financial statements have been prepared under the historical cost convention (except for impaired fixed assets which are stated at recoverable amount) on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.
2. **Use of estimates** – The preparation of financial statements is in conformity with generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.
3. **Fixed Assets** – Fixed assets are stated at cost of acquisition (or revalued amounts, as the case may be), net of tax/duty credits availed, less accumulated depreciation and impairment losses and specific grants received. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Own manufactured assets are capitalized at cost including an appropriate share of overheads.

Financing costs not relating to construction of fixed assets are charged to the income statement.

Physical verification of fixed assets is carried out in a phased manner so as to cover each item of the fixed assets over a period of five years.
4. **Capital Work in progress** – All expenditure and interest cost during the project construction period are accumulated and disclosed as capital work in progress until the assets are ready for commercial use. Advances paid against such contracts are shown under a separate heading 'Advance against capital expenditure'. Assets under construction are not depreciated. Income earned from investments of surplus borrowed funds during the construction/trial run period is reduced from capital work in progress. Expenditure / Income arising during trial run is added to/reduced from capital work in progress.
5. **Depreciation** – Depreciation is provided on Straight Line method for Assets commissioned on or after 01.04.96 and on written down value method for Assets commissioned till 31.03.96 at the rates prescribed in Schedule XIV of the Companies Act, 1956. Proportionate depreciation is charged for additions/deletions during the year.

The following assets are depreciated/amortised on the straight line method over a period of their estimated useful lives :

- ◆ Technical know-how fees over a period of six years.
- ◆ Capitalised software costs over a period of five years.
- ◆ Tools and equipment

Expenditure on special purpose tools, jigs and fixtures are written off over a period of three years except items costing upto Rs.5000.00 which are charged off in the year of issue.

In case of other individual assets costing less than Rs 5000 are depreciated in full in the year of purchase.

**SCHEDULE - 22****A. SIGNIFICANT ACCOUNTING POLICY (Contd.)**

6. **Investments** – Investments are stated at cost and treated as long-term investment.
7. **Inventories** – Inventories are valued as follows :
 1. **Raw materials, components, stores and spares :**
Lower of cost and net realizable value. 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. Cost is determined on a monthly weighted average basis and those in transit at cost to date.
 2. **Work-in-progress and finished goods :**
Finished stock is valued at or under works cost or net realizable value, whichever is lower and inclusive of excise duties and cesses.
 3. All work-in-progress(except project WIP)is valued at works cost.
 4. Non moving raw materials, stores and spare parts, loose tools are valued on the basis of estimated realizable value based on percentage certified by the management.
 5. Consumables issued from main stores and lying unused at the end of the year are not reckoned as inventory.
 6. Project related work in progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter.
8. **Employee benefits** – Contributions made to Employee's Provident Fund are recognized in the Profit and Loss account on accrual basis. Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. Liability for leave encashment benefit and post retirement medical care scheme is calculated using actuarial methods at year end and provided for.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation actuarially calculated under the defined benefit plans to recognize the obligation on the net basis.
9. **Claims :**
 - i) Customer claims against the company are recognized and accounted for as and when established.
 - ii) Claims made by the company on account of loss in transit is recognized as income only after realization of claim from the insurance company.
10. **Revenue Recognition** – Revenue is recognised on shipment or on unconditional appropriation of goods in accordance with the terms of the sale. Sales are inclusive of excise duties and net of trade discounts, returns and sales tax.

Sale of Goods and rendering of services

Sales of products and services are recognised when the significant risks and rewards of ownership of the products are passed on to customers or when the services have been provided.

Income from works contract, consultancy

Contract revenue associated with the construction of turnkey projects are recognised as revenue and expenses respectively by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract costs. If a loss is estimated, provision is made upfront for the entire loss irrespective of value of work done. Variation, claims and incentives are recognized at advanced stages when it is probable that they will crystallize.

**SCHEDULE - 22****A. SIGNIFICANT ACCOUNTING POLICY (Contd.)****Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other items of income are accounted as and when the right to receive arises.

11. Foreign currency translation

1. *Initial Recognition* – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
2. *Conversion* – Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
3. *Exchange Differences* – Exchange differences arising on the settlement of monetary and non monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except in the case of fixed assets in which case exchange difference is adjusted in the cost of fixed assets.

12. Research and Development Expenditure

1. Revenue expenditure on research and development is charged under respective heads of account.
2. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

13. **Government grants and subsidies** – Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

14. **Income taxes** – Tax expense comprises fringe benefit, current, and deferred taxes. Current income- tax and fringe benefit Tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

**SCHEDULE - 22****A. SIGNIFICANT ACCOUNTING POLICY (Contd.)****15. Borrowing Costs**

1. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.
2. All other borrowing costs are recognised as expense in the period in which they are incurred.

16. Contingent Liabilities – Contingent Liabilities are determined on the basis of available information.**17. Earnings per share** – Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.**18. Operating Lease** – Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

**SCHEDULE - 22****B. NOTES ON ACCOUNTS**

1. Contingent Liabilities as on 31st March, 2010 not provided for in respect of:

i) Sales Tax demand pending under appeals / revision is Rs. 6,07,02,883 (Rs. 8,46,90,868).

Period	Nature of Dues	Amount	Where Pending	Nature of the Statute
1987-1988	Sales Tax	172,618.41	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
1997-1998	Sales Tax	4,262,834.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2001-2002	Sales Tax	541,582.00	West Bengal Taxation Tribunal	West Bengal Sales Tax Act, 1994
2003-2004	Sales Tax	3,318,379.00	The Additional Commissioner (Commercial Taxes) Revisional Stage	West Bengal Sales Tax Act, 1994
2003-2004	Sales Tax	900,203.00	The Additional Commissioner (Commercial Taxes) Revisional Stage	Central Sales Tax Act, 1956
2004-2005	Sales Tax	4,136,958.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2004-2005	Sales Tax	7,708,106.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
2005-2006	Sales Tax	7,835,205.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	West Bengal Sales Tax Act, 1994
2005-2006	Sales Tax	7,679,000.00	West Bengal Commercial Taxes Appellate & Revisional Board - Revisional Stage	Central Sales Tax Act, 1956
2006-2007	Sales Tax	12,512,820.00	The Additional Commissioner (Commercial Taxes) Appellate Stage	West Bengal Sales Tax Act, 1994
2006-2007	Sales Tax	11,635,178.00	The Additional Commissioner (Commercial Taxes) Appellate Stage	Central Sales Tax Act, 1956

ii) Details of dues of Income Tax which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Period	Nature of Dues	Amount	Where Pending	Nature of the Statute
FY 2004-05	Income Tax	37,508.00	Commissioner of Income Tax (Appeal)	Income Tax Act, 1961
FY 2005-06	Income Tax	44,780.00	Commissioner of Income Tax (Appeal)	Income Tax Act, 1961

iii) Counter Guarantee issued in favour of Company's bankers amounting to Rs.15,36,58,253 (Rs. 7,23,72,748) for guarantees given by them on behalf of the Company and Letters of Credit opened in favour of suppliers Rs.1,52,47,013 (Rs.50,48,672) as on 31.03.2010 against lien of fixed deposit receipt of Rs.5,94,62,326 (Rs. 3,69,03,894). Bank has credited Rs. 72,00,000.00 against discounting of LCs issued by the Customers in favour of the Company.

iv) In respect of various Cases, ESI Authorities has demanded sum of Rs. 2,12,348 which has been disputed in appeal and not provided for in accounts.

v) An appeal has been filed before Hon'ble Calcutta High Court against the award of the Industrial Tribunal under Industrial Disputes Act, 1947. Estimated liability amounting to Rs. 7,50,000 (approx) has not been provided for in the books of accounts.

vi) Roy Enterprise has filed a suit against the Company for recovery of their unpaid dues for supply of asbestos hand gloves. Accordingly the Company has deposited a sum of Rs.86,675.00 (Rupees Eighty Six Thousand Six hundred Seventy Five only) in the court as per order passed by Hon'ble Court. They have thereafter claimed interest on compounding basis, the additional interest being 30,766.00 (Thirty Thousand Seven Hundred Sixty Six only). The matter is yet to be disposed off by the Learned Court.

vi) Kolkata Municipal Corporation (KMC) revised (April 2007) the annual valuation of company's office cum factory premises situated at 6, Mayurbhanj Road Kolkata -23 from Rs. 1,65,000/- to Rs. 14,85,480/- w.e.f. second quarter of 2004-05. Accordingly quarterly Municipal tax including surcharge was revised from Rs.24,956/- to Rs.2,24,679/- from second quarter of 2004-05. In this connection the company has filed an application before the Ld.Municipal Assessment Tribunal (MAT) being M.A.T. No.4069 of 2008 and the said application is pending. The demand from Kolkata Municipal Corporation towards municipal taxes, interest, penalty etc. is estimated to be of Rs. 65.00 Lakhs (Rs. 52.86 Lakhs) approx. as at March 31st 2010, which has increased further thereafter.

2. Confirmation of balances received from sundry debtors and sundry creditors whenever available have been considered in the books of accounts.



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SCHEDULE - 22

B. NOTES ON ACCOUNTS (Contd.)

3. Outstanding liabilities written back comprises of the following :

	<u>2009-10</u>	<u>2008-09</u>
Debtors credit balance	Rs. 7,24,398.00	
Write Back of Pay revision	Rs. 74,39,115.00	
Others	Rs. 21,30,810.00	Rs. 22,30,729.00
	<u>Rs. 1,02,94,323.00</u>	

4. Based on management perception, an amount of Rs.14,71,729.00(Rs.16,47,269.56) has been written off as Bad Debt out of old provisions of Rs.2,78,93,989 up to 31.03.2009 and a further provision of Rs9,37,382 (Rs.10,26,908) has been made during the year in respect of overdue outstanding from Sundry Debtors in addition to accumulated provision.

5. Excise Duty amounting to Rs.2,48,77,200.00 (Rs. 2,82,94,077) on account of Contractual Lube Blending & Filling is paid (reimbursed) by Indian Oil Corporation Ltd. and therefore no reflection has been made in the accounts. Only the closing balances lying in Personal Ledger Account Rs.1,72,195 (Rs. 7,83,857) and RG23A Part II Rs.48,677(Rs. 33,120) on A/c of Indian Oil Corporation Ltd. are shown as Deposit with Central Excise/ Cenvat Receivable and grouped under the sub-head "Others - Considered Good" under Loans and Advances (Schedule 10). Corresponding liability has been provided in the accounts and grouped under sub-head Sundry Creditors for Expenses under Current Liabilities and Provisions (Schedule 11).

6. A sum of NIL (Rs. 2,59,689) has been adjusted against provision for sales tax of Rs. 25,00,000 made in 2007-08.

7. Fixed Deposit under (Cash & Bank Balances) Schedule - 9 comprises of :-

- a) Margin money with bank under lien Rs. 5,94,62,326 (Rs.3,69,03,894) against bank guarantees given and Letters of Credit issued by the bank, b) Earnest Money/Security Deposit given to customer / Sales tax authorities Rs.35,000 (Rs.5000) and c) short term deposit Rs.Nil (Rs.20,00,000).

8. Auditors' Remuneration includes :

	<u>2009-10</u>	<u>2008-09</u>
Statutory Audit Fee (Including Service Tax Rs. Nil (Rs. 5,150))	Rs. 50,000	(Rs. 55,150)
Tax Audit Fee (Including Service Tax Rs.Nil (Rs.1,545))	Rs. 15,000	(Rs. 16,545)
	<u>Rs. 65,000</u>	<u>(Rs. 71,695)</u>

9. The company has banking arrangement (both Fund & Non-Fund base) with Dena Bank for Rs.1794.50 lakh (Rs.1794.50 lakh) and with United Bank of India for Rs.357.75 lakh (Rs.357.75 lakh) by way of pari-pasu charges by hypothecation of stock, moveable assets and book debts of the company. The details of the above credit facilities as at 31.03.2010 are summarized below :

Nature of Facility	Dena Bank	UBI
Fund Base		
Cash Credit	588.50	61.50
Bill Discounting	200.00	33.75
Non-Fund Base		
Bank Guarantee (BG)	806.00	250.00
Letter of Credit (LC)	200.00	12.00
Total	1794.50	357.25

**SCHEDULE - 22****B. NOTES ON ACCOUNTS (Contd.)**

The Company maintains a Cash Credit Account with Dena Bank. Further it is maintaining a Current Account with them in which the Company has maintained a sum of Rs. 500 lakhs. The Company has received a sanction from Dena Bank to calculate the interest in Cash Credit Account after netting out the Credit balance in Current Account. During the financial year 2009-10, Interest charged by Dena Bank is Rs.6,25,796 (Rs.5,99,417) since the daily balance in Cash Credit Account was lower than the Credit balance maintained in Current Account.

For the purpose of executing three work orders issued by WBSEDCL the company has made a separate banking arrangements with Bangiya Gramin Vikash Bank for working capital limit of Rs.857.43 lakh in the form of escrow account by hypothecation of inventories relating to the projects under consideration and payment towards the projects consideration from WBSEDCL.

10. Managerial Remuneration in respect of Managing Director is Rs.13,62,986 (Rs. 9,93,020) which includes Leave Encashment and Employer's Contribution to Provident Fund. Managing Director was also allowed to use a Company's car with driver for limited private use for which recovery was made from him at the rate of Rs.400/- per month during the year as per revised terms of appointment.
11. The names of the Small Scale Industrial Undertakings to whom amount are due for more than 30 days totalling to Rs.1,25,43,761 (Rs1,39,79,968) as on date of Balance Sheet. The names are as follows :

Sl. No.	Name of Suppliers	Sl. No.	Name of Suppliers
1.	Amiya Industries	18.	S&S Enterprise
2.	Adya Engineering Works	19.	Western Trading Corporation
3.	Acme Industries	20.	Modoplast Co.
4.	Bani Engineering Works	21.	Midas Engineering Works
5.	Bose & Sons	22.	Ma Kali Engineering Works
6.	Bee Tee Enterprise	23.	National Trading Corporation
7.	Devi Metal Industries	24.	Naveen Industries
8.	Esbee Industries	25.	P. K. Engineering Works
9.	Eagle Engineering	26.	Tapasi Engineering Concern
10.	Howrah Dice	27.	Prasad Engineering
11.	Hyeco Systems and Devices	28.	Reliance Potteris
12.	K. P. Industries	29.	Shankar Metal Products
13.	The Bengal Commutator Works	30.	Samanta Engineering Works
14.	Indo designer	31.	T. M. Engineering Works
15.	Jovian Engineers	32.	MH Engineering
16.	Kalyani Engineering	33.	Plating Polishing Works
17.	K.S. Enterprise	34.	RD Electric Works

12. Completion of legal formalities in respect of transfer of title of office space at Delhi and residential flats at Noida of original cost of Rs.14,36,429 as on 31.03.2010 (Rs.14,36,429) in favour of the Company is pending. Yet depreciation of Rs. 25,743 (Rs. 27,099) has been charged during the year since the properties are in occupation of the Company. Accumulated Depreciation is Rs. 9,47,303 (Rs. 9,21,560). Since registration charge to be incurred by the company will be as per rates prevailing on the date of Registration exact liability in this regard cannot be ascertained.
13. **Micro, Small and Medium Enterprises Development Act, 2006.**
The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Act, 2006 (MSMED Act) as at March 31, 2010. The disclosure pursuant to the said Act is as under :

**SCHEDULE - 22****B. NOTES ON ACCOUNTS (Contd.)**

	2009-2010	2008-2009
i) The principal amount and the interest due		
Principal Amount	1959024	95005
Interest	46147	3736
ii) The amount of interest paid by the company	Nil	Nil
iii) The amount of interest due and payable (other than (ii))	Nil	3736
iv) The amount of interest accrued and remaining unpaid	50603	3736
v) the amount of further interest remaining due and payable for the earlier years.	720	Nil

Note : The information has been given in respect of such vendors to the extent they could be identified as 'Micro and Small' enterprises on the basis of information available with the Company.

14. The Company imported Superior Kerosene Oil (SKO) on high sea sale basis through Indian Oil Corporation Ltd.(IOCL) and paid to IOCL on the basis of final invoices raised upon the company. Subsequently the Customs Authorities demanded Customs Duty and Countervailing Duty also on demurrage, bank charges, ocean loss and wharfage amounting to Rs. 3,40,000 . The Company paid 10% of the amount demanded being Rs.34,000 under protest and an appeal was filed to Customs, Excise and Gold (Control) Appellate Tribunal (CEGAT) after obtaining permission from the Committee of Disputes. The CEGAT has admitted the appeal of the company and given the verdict in favor of the company. The company has since filed the demand for refund of Rs.34,000 so paid as stated above. The said amount of Rs.34,000 (Rs.34,000) has therefore been included under Loans & Advance (Sch.No.10) and considered good.

15. Deferred Tax :

The break up of Deferred Tax Assets and Liabilities is as under :

Particulars	As at 31.3.2010	As at 31.3.2009
Deferred Tax Assets		
Provision for doubtful debts	93,66,327	94,81,167
Unabsorbed Depreciation	4,01,23,618	4,01,23,618
Deferred Tax Liabilities		
Depreciation	1,27,08,695	1,28,07,145
Net Deferred Tax Assets	3,67,14,465	3,67,97,640

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward of tax losses all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. As per opinion of the expert advisory committee of the Institute of Chartered Accountants of India position of firm orders as on the reporting date i.e.March 31,2010 is the determinant for creating deferred tax asset. As on 31.3.2010 cumulative orders in hand was Rs.64.73 Crores against which profit is estimated at Rs.2.00 Crores.

In the light of the above in the opinion of the Company there is a virtual certainty that the Company will book profit in the financial year ended 31st March 2011.

Further, the carrying amount of deferred tax assets are reviewed at each balance sheet date. It is imperative on the part of the Company to write down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

**16. Operating Lease :**

The company has entered into operating lease arrangement for car.

Obligations towards non-cancellable lease are summarized below lease obligation :

	As at 31.3.2010	As at 31.3.2009
Due not later than one year	3,23,196	3,23,196
Due later than one year but not later than five years	3,23,196	6,42,048.00
Later than five years	Nil	Nil
Total	6,46,392	9,65,244

Rental expense of Rs.323201.00 (2008-09:Rs.4344.00) in respect of obligation under operating lease has been recognized in the profit and loss account.

17. Disclosure as per requirement of Accounting Standard 15 (Revised) – Employee Benefits

General descriptions of various defined benefit schemes are as under :

Gratuity: The Company has a defined benefit gratuity plan managed by a trust under group gratuity scheme with LIC. The contribution made during the year ended 31.03.2010 is Rs 44,28,369 based upon claim raised by LIC vide their letter No.P&GS/340954/208237 Dated 17.03.2010. The liability for the same is recognized on the basis of actuarial valuation.

Leave Encashment: Company provides for earned leave benefit to the employees of the company, which accrue annually as per rule prevailing in the company. The liability for the same is recognized on the basis of actuarial valuation.

Post Retirement Medical Benefits: The Company has Post Retirement Medical Facilities, under which retired employees (officers) and spouse are provided medical facilities subject to a ceiling fixed by the company under Mediclaim Policy. They can also avail treatment as outpatient subject to a ceiling fixed by the company, liability of which is recognized on the basis of actuarial valuation.

The summarized position of various defined benefits recognized in the profit & loss account, balance sheets are as under (Figures given in () represents previous year).

Figures in Rupees

Defined Benefit plans/compensated absences-As per actuarial valuation on March 31, 2010				
I.	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2010			
		Gratuity	Leave Encashment	Post retirement medical benefit
1.	Current Service Cost	2774371 (2542725)	3079772 (102727)	29483 (36125)
2.	Interest Cost	4323514 (3337343)	621813 (406364)	120661 (158409)
3.	Expected Return on Plan assets	4901457 (4160292)		
4.	Curtailment Cost	0	0	0
5.	Past Service Cost	0	0	0
6.	Settlement Cost	0	0	0
7.	Actuarial (Gain)/Loss	3333503 (9532433)	2977863 (1644127)	389474 (-353973)
	Expenses recognized in Profit & Loss Account	5529931 (22222)	6679448 (2153219)	539619 (-159439)



SCHEDULE - 22

B. NOTES ON ACCOUNTS (Contd.)

Figures in Rupees

Defined Benefit plans/compensated absences-As per actuarial valuation on March 31, 2010 (Contd.)				
II. Net Assets/(Liability) recognised in the Balance Sheet as at March 31, 2010				
		Gratuity	Leave Encashment	Post retirement medical benefit
1.	Present value of obligation as at March 31, 2010	61387316 (57695337)	12962156 (9262615)	1819153 (1737000)
2.	Fair value of plan assets as at March 31, 2010	63858634 (61268217)	Not Applicable	Not Applicable
3.	Funded Status (Surplus/Deficit)	2471318 (3572880)	Unfunded	Unfunded
4.	Net Assets/(Liability) recognized in the Balance Sheet as at March 31, 2010	2471318 (3572880)	Not Applicable	Not Applicable
III. Change in Present Value of Obligations				
		Gratuity	Leave Encashment	Post retirement medical benefit
1.	Present value of obligation at beginning of the year	57695337 (46713004)	9262615 (6913952)	1737000 (2327816)
2.	Interest cost	4323514 (3337343)	621813 (406364)	120661 (158409)
3.	Current service cost	2774371 (2542725)	3079772 (102727)	29483 (36125)
4.	Settlement cost	0	0	0
5.	Past service cost	0	0	0
6.	Benefit paid	7302819 (4430169)	2979907 (2991505)	457466 (431377)
7.	Actuarial (Gains)/Losses on obligations	3896913 (9532433)	2977863 (1644127)	389474 (-353973)
8.	Present value of obligation at the end of the year	61387316 (57695337)	12962156 (9262615)	1819153 (1737000)
IV. Change in Fair Value of Plan Assets				
		Gratuity	Leave Encashment	Post retirement medical benefit
1.	Fair Value Plan assets at the beginning of the year	61268217 (52003661)	Not funded	Not funded
2.	Expected return on plan assets	4901457 (4160292)	Not funded	Not funded
3.	Contributions by Employer	4428369 (9220324)	Not Applicable	Not Applicable
4.	Benefit paid	7302819 (4430169)	Not Applicable	Not Applicable
5.	Actuarial Gain/(Losses) on Plan Assets	563410 (314108)	Not Applicable	Not Applicable
6.	Fair Value of Plan assets at the end of the year	63858634 (61268217)	Not Applicable	Not Applicable



SCHEDULE - 22

B. NOTES ON ACCOUNTS (Contd.)

Figures in Rupees

Defined Benefit plans/compensated absences-As per actuarial valuation on March 31, 2010 (Contd.)				
V.	Actuarial Assumptions	Gratuity	Leave Encashment	Post retirement medical benefit
1.	Discount Rate (%)	8.00	8.00	8.00
2.	Return on Assets	8.00	-	-
3.	Mortality table	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
4.	Superannuation age	58	58	58
5.	Early Retirement and Disablement	10 per thousand per annum	10 per thousand per annum	10 per thousand per annum
6.	Inflation Rate	5	5	0
7.	Remaining working life	10	10	0
8.	Formula used	Projected Unit Credit method	Projected Unit Credit method	Projected Unit Credit method

18. The Company is a sick industrial company within the meaning of the Sick Industrial Companies (Special Provision) Act 1985. However the Board of Industrial & Financial Reconstruction has deregistered the company vide Order No.- 504/2002 dated 28.03.2003. The accounts of the company have been prepared on historical cost basis of accounting and on going concern concept. The company has prepared and submitted to the Government of India a Restructuring Plan for sustainability and growth. This proposal is under active consideration of the Ministry.

19. Disclosures pursuant to Accounting Standard (AS) 7 (Revised) :	(Rs in Lacs)	
	As at 31.3.2010	As at 31.03.2009
i) Contract revenue recognized for the year	336.37	167.55
ii) Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for all contracts in progress	382.71	159.81
iii) Amount of customer advances outstanding for contracts in progress	Nil	101.28
iv) Retention amounts due from customers for contracts in progress	14.60	43.94
v) Gross amount due from Customers for Contract in progress (included in work in progress)	32.89	58.53

20. The Company has not made payment to Oil Industry Development Board towards repayment of principal Rs.18,72,50,000 (Rs. 15,91,25,000) and payment of interest Rs.7,80,05,628 (Rs. 7,20,30,340) as at the end of the financial year. The principal amount repayable within one year from the end of 31st March 2010 is Rs. 2,81,25,000 (Rs.2,81,25,000)

21. Based on perception of the Management, Salaries, Wages and Bonus of Rs 12,22,74,783 (Rs.11,31,48,507) shown in Schedule -18 includes provision of Rs.20,38,000 (Rs.94,86,000) on account of Pay Revision for Officers and Staff for the financial year 2009-10. A balance of Rs.45,27,955 is maintained since 2008-09 in the provision account. The said amount is retained as provision to meet future liability arising due to expected higher claims by Life Insurance Corporation on account of higher ceiling of gratuity to ten lakhs and other related employee cost.

22. Sales & Service Cost : Associated expenditure incurred in connection with servicing of Switchgear is grouped separately as Sales & Servicing cost under the head of Manufacturing, Trading & Other Expenses.

23. Accrual of Minimum Alternate Tax (MAT) liability as defined in sec 115JB of the Income Tax act is not considered in this financial year since the company is a sick industrial company as defined under subsection (1) of section 17 of the Sick Industrial Companies (Special Provisions) Act, 1985.



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SCHEDULE - 22

B. NOTES ON ACCOUNTS (Contd.)

24. Fixed Assets Register is maintained according to office & factory location wise. Fixed assets are verified as per phased programme in accordance with company's policy and no discrepancy has been noticed.

25. Earnings per Share	As at 31.3.2010	As at 31.3.2009
a) Profit after tax	Rs. 1,73,35,469	Rs. 2,23,10,329
b) Total number of equity shares outstanding at the end of the year	4,20,04,700	4,20,04,700
c) Basic earning per share(a/b)	Rs. 0.41	Rs. 0.53

26. Related party disclosures

A. Related Parties and their relationships

Key management personnel

Mr. Debashish Basu, *Managing Director*

B. Transactions with related party

	As at 31.3.2010	As at 31.3.2009
Remuneration	Rs. 13,62,986	Rs. 9,93,020

27. In view of the continuous support from Govt. of India and profit made consecutively for last 5 years, the financial statements have been prepared on a going concern basis even though the net worth is negative.

28. The assets are mostly old and accumulated depreciation as on 31.03.2010 is Rs.11,51,60,970 (Rs.11,02,18,131) hence possibility of loss through impairment of old assets, if any is sufficiently covered by depreciation and no additional loss burden is considered for impairment during the financial year 2009-10.

29. Particulars in respect of goods Manufactured :

Class of Goods	Licensed Capacity	Installed Capacity	Actual Production
HT, LT Panel & Circuit Breakers/Isolators (Nos)	2065 (2065)	1375 (1375)	1167 (1403)
Lube blending & filling (KL)		10000 (10000)	1687 (1687)*

*Produced on behalf of third party

30. (a) Particulars in respect of Sale of Goods Manufactured :

Class of Goods	Unit of Quantity	Sales	
		Quantity	Value (Rs.)
Switchgear – Panel	Nos.	1141* (1431)	26,60,28,441 (38,68,34,995)
Spares			2,53,71,245 (5,69,33,070)
Repair Jobs	—	—	9,09,69,018 (7,15,05,918)
Others (including Scrap)	—	—	69,76,282 (74,16,267)
Total Sales including Excise Duty			38,91,44,986 (52,26,90,250)

*Sales Qty. exclude 29 nos. SG Panels value Rs. 79,84,159.00 transferred to Projects Division.



SCHEDULE - 23

B. NOTES ON ACCOUNTS (Contd.)

(b) Particulars in respect of Processing Charges :

Class of Goods	Unit of Quantity	Sales	
		Quantity	Value (Rs.)
Lubricating Oil	(Kls)	1484 (1,687)	44,33,326 (37,36,888)

(c) Particulars in respect of Stock of Goods Manufactured :

Class of Goods	Unit of Quantity	Opening		Closing	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Switchgear - Panel	Nos.	60	1,27,45,719	57	1,30,45,806 (#)
		(88)	(2,10,23,741)	(60)	(1,27,45,719)
Spares			14,20,628		14,94,554
			(44,72,794)		(14,20,628)
Lubricating Oil	KL	-	-	-	-
		(-)	(-)	(-)	(-)

i) Closing stock of lubricant oil in terms of value has not been furnished since the same are lying in stock on behalf of third parties for processing and filling.

Excludes the value of wireless video surveillance systems amounting to Rs.4,53,403.00.

31. Value of Raw Materials, Components, Stores and Spare Parts consumed :

	Value (Rs.)	Percentage
Imported	58,12,190 (95,49,545)	2.60 (3.72)
Indigenous	21,73,92,255 (24,73,52,703)	97.40 96.28
	22,32,04,445 (25,69,02,248)	100 (100)

32. Value of Imports on C.I.F. basis :

	2009-10	2008-09
Raw Materials	21,88,357	1,14,96,302



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SCHEDULE - 23

B. NOTES ON ACCOUNTS (Contd.)

33. Particulars of Raw Materials Consumed :

	Unit	As at 31.03.2010		As at 31.03.2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
1) Non-Ferrous Ingots					
Copper	Tonnes	79	24566146	86	26206332
Brass, Aluminium etc.	Tonnes	9	1961380	12	2808687
			26527526		29015019
2) Steel Rod, Bar Sheets & Plate etc.	Tonnes	407	14359624	538	21126916
3) Stamping	Tonnes	15	1706885	19	1904788
	Nos.	16020	4121755	18,386	5083100
			5828641		6987888
4) Items for VCB	Nos.	24414	53421686	34593	50691621
5) Perma Wood Wedges & OCB items	Nos.	103099	13741853	124161	16362141
6) Major items for VCB-LE / LA & Loco	Nos.	223302	13718331	172332	21088687
7) SX Oil Switch	Nos.	148	593910	-	-
8) Enamelled Copper Wire	Tonnes	35	14900636	31	13678430
9) Hardners, Resins & Araldite	Tonnes	80	6143177	112	7333691
	KLs	5	294401	5	302727
			6437577		7636418
10) Insulating Materials	Tonnes	2	748287	3	646991
	Metre	350613	3198161	306398	2882780
	Roll	19987	2393653	28706	2040374
			6340099		5570145
11) Relays, Meter, CT & PT					
Relay	Nos.	2383	13590085	2573	18518404
Meter & Selector Switch	Nos.	9109	7455589	6868	7564814
Current Transformer	Nos.	0	0	15	240424
Potential Transformer	Nos.	9	124091	85	1225099
		11501	21169765	9541	27548741
12) Mild Casting	Nos.	16369	1119362	17630	2621543
13) Porcelain Insulators	Nos.	201	56853	3516	1207446
14) Paints	Tonnes	10	983163	11	1048479
	KLs	3	236970	2	180017
			1220133		1228496
15) Packing	Sets	702	945239	1138	1389319
	PC	908	181235	1584	328502
	FT	47541	531275	39015	490483
			1657750		2208304
16) Fastner & Other Items (none of the individual item represents 10% of the total consumption)			42110700		46015919
			223204445		252987714

Raw Materials consumption & Employee Cost exclude Rs. 42,12,195 (Rs.36,81,351) charged under other heads of accounts.

**SCHEDULE - 23****B. NOTES ON ACCOUNTS (Contd.)**

34. During the year non-moving stock have been identified by the Management and is valued at Rs.72,62,507 (Rs. 59,03,031). As per company's policy that is being consistently followed, the value of the above which is included in the closing stock is considered at a realisable value of Rs. 35,83,139 (Rs. 28,09,759) as on 31.03.2010. Consequently a further amount of Rs.5,86,096 (Rs. 5,76,730) has been charged as consumption during the year.(Refer accounting policy schedule 22A Clause 7(4))
35. The Switchgear works of the company is situated at Hide Road Kolkata, land of which is leasehold property in the name of Balmer Lawrie & Co. Ltd., erstwhile holding company. The lessor of which the Kolkata Port Trust (KPT). Rs. 64,13,707 (Rs. 60,43,838) has been provided in Current year's Rent (Sch-19).
36. The building and shed on leasehold land from Bhukailash Raj estate situated at 14,Mayurbhanj Road,Kolkata-700023 had been let out to M/s Andrew Yule & Co.Ltd.(Tenant Company) along with the other infrastructural facilities w.e.f June 1,1969. M/s Andrew Yule & Co. Ltd. vide letter dated 2.6.1997 informed that they had purchased land and building from Bhukailash raj estate in October 1996. The matter was referred to Committee of Disputes on 7.6.1997. On July 31, 2001, the Committee of Disputes directed M/s Andrew Yule & Co. Ltd., to make payment of outstanding rent to Biecco Lawrie Limited, till October 1996 and settle the matter mutually amongst the administrative ministries of both the Companies. Since the matter is under dispute and the recoverability of the dues are uncertain the company has not raised any bills in this regard during the financial year 2009-10 (NIL).
37. The Commissioner of Customs (Appeals) in terms of his order-in-Appeals No. KOL/CUS/CKP/473/09 dated July 13,2009 has allowed interest on the delayed refund of Rs 99,89,938 (Rupees Ninety Nine Lakhs Eighty Nine Thousand Nine Hundred Thirty Eight) for the period only from 19.02.2003 to 19.09.2003 .The Commissioner of Customs (Port) Calcutta has filed an appeal before CESTAT, against this order for payment of interest.The appeal is yet to be disposed off.The companys claim in this regard is Rs. 6197886 (Rupees Sixty One Lakhs Ninety Seven Thousand Eight Hundred Eighty Six Only) which will be taken up in the course of hearing of the appeal . The income,if received, will be admitted in the year of receipt.
38. The company has made investments in debenture stocks of Rs.2000 in Series A and Rs.500 in Series B of Woodland Medical Centre Ltd. The original certificates for the said investments are not available with the company currently. The company has corresponded with the Woodland Medical Centre Ltd. for issue of the duplicate certificates.



BIECCO LAWRIE LIMITED

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SCHEDULE - 23

B. NOTES ON ACCOUNTS (Contd.)

39. Segment Information for the year ended March 31, 2010

(Amount in Rs.)

	Switchgear	Electrical Repairs	Projects	Others	Total
Revenue (Net)					
External Sales	300057921	90769018	261354343	4628326	656809608
Excise Duty	(23774461)				(23774461)
Less : Inter Segment Sales	7984159		(7984159)		—
Total	284267619	90769018	253370184	4628326	633035147
Result :					
Segment Results (PBIT)	(70387324)	32041670	47557917	(935248)	8277015
Interest Expenses					(8221305)
Interest Income					4819444
Unallocable Income					12543489
Taxation					(83174)
Net Profit	(70387324)	32041670	47557917	(935248)	17335469
Segment Assets	262221431	66810120	203097199	4375000	536503750
Unallocated Corporate Assets					250163629
Total Assets					786667379
Segment Liabilities	86102859	8684470	152031567	22962324	269781220
Unallocated Corporate Liabilities					579826045
Total Liabilities					849607265
Capital Expenditure	1173026	241900		1248917	2663843
Depreciation	3767998	555266		2385387	6708651

40. Previous year's figures have been regrouped/rearranged/recast where ever necessary, in order to make them comparable with current year's figures except in respect of minor items. Previous year Figures have been shown in brackets.

For **Agarwal Maheswari & Co.**

Chartered Accountants

FRM No. 3104030E

D. R. Agarwal

Partner (M. No : 051484)

Kolkata, Dated : 21st August, 2010

Debashish Basu Managing Director

U. C. Nangia Director

S. Bhattacharya Company Secretary

Kolkata, Dated : 21st August, 2010

**Balance Sheet Abstract and Company's General Business Profile**
(As per Schedule VI, Part IV of the Companies Act, 1956)**I. Registration Details**

Registration No.	3559	State Code :	21
Balance Sheet Date	31.03.2010		

II. Capital Raised during the year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs thousands)

Total Liabilities	894,278	Total Assets	894,278
Source of Funds :		Application of Funds :	
Paid-up Capital	420,047	Net Fixed Assets	58,287
Reserves and Surplus	3,070	Investments	2
		Deferred Tax Assets	36,714
Secured Loans	65,570	Net Current Assets	313,218
Unsecured Loans	405,591	Misc. Expenditure	-
		Accumulated Loss	486,057

IV. Performance of Company (Amounts in Rs thousands)

Turnover	650,398 *
Total Expenditure	632,979
Profit/(Loss) Before Tax	17,419
Profit/(Loss) After Tax	17,335
Earnings per share (Rs.)	0.41
Dividend	NIL

* Turnover includes other income

V. Generic Names of three Principal Products/Services of the Company

Item Code No. (ITC Code)	853590/853630	Product Description	Mfg. of Control & Switch Gear
Item Code No. (ITC Code)	271000	Product Description	Lube Blending & Filling

Debashish Basu *Managing Director*

U. C. Nangia *Director*

Kolkata, Dated : 21st August, 2010

S. Bhattacharya *Company Secretary*



In Retrospect

		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
I. Physical Performance								
A. Production								
Switchgear-Panels	Nos.	996	1134	1247	1401	1297	14031	1167
B. Sale of Goods Manufactured								
Switchgear Panels	Rs./Lakhs	1792.98	2219.02	3022.11	3922.4	3994.99	3868.35	2660.28
	Nos.	982	1102	1231	1357	1309	1431	1141
Spares	Rs./Lakhs	625.74	958.52	852.05	502.36	600.73	569.33	253.71
Repair Jobs	Rs./Lakhs	212.76	298.88	460.21	446.76	580.87	715.06	909.69
Others including Scrap	Rs./Lakhs	9.01	54.55	48.18	58.31	55.63	74.16	69.76
Lubricating Oil	(Value) Rs./Lakhs	62.07	63.69	61.97	35.54	24.73	37.37	44.38
	(Quantity) Kls	3928	4142	3884	2253	1582	1687	1484
Alluminium Rolling Oil	Ltrs.	—	—	—	—	—	—	—
C. Electrical Project Activities Projects	Rs./Lakhs	139.28	280.40	478.09	267.57	502.77	470.72	2613.54
D. IT & Other Services	Rs./Lakhs	—	53.57	12.63	26.64	42.85	55.68	18.76
E. Purchase and Sale of Trading Goods								
Paraffin Wax								
— Purchase	(Value) Rs./Lakhs	—	—	—	—	—	—	—
	(Quantity) MTs	—	—	—	—	—	—	—
— Sale	(Value) Rs./Lakhs	—	—	—	—	—	—	—
	(Quantity) MTs	100	—	—	—	—	—	—
Superior Kerosene Oil								
— Purchase	(Value) Rs./Lakhs	11.80	—	—	—	—	—	—
	(Quantity) Kls	50	—	—	—	—	—	—
— Sale	(Value) Rs./Lakhs	12.28	—	—	—	—	—	—
	(Quantity) Kls	50	—	—	—	—	—	—
Bitumen								
— Purchase	(Value) Rs./Lakhs	15.31	—	—	—	—	—	—
	(Quantity) MTs	198	—	—	—	—	—	—
— Sale	(Value) Rs./Lakhs	16.44	—	—	—	—	—	—
	(Quantity) Kls	198	—	—	—	—	—	—
Bituminous Compound								
— Purchase	(Value) Rs./Lakhs	—	—	—	—	—	—	—
	(Quantity) MTs	—	—	—	—	—	—	—
— Sale	(Value) Rs./Lakhs	—	—	—	—	—	—	—
	(Quantity) Kls	—	—	—	—	—	—	—
II. Financial Highlights	Rs./Lakhs							
Sales & Other Income		2649.58	3538.57	4508.19	4759.85	5495.61	5379.64	6503.98
Profit / (Loss) before Depreciation, Interest and Misc. Expenditure		(47.48)	324.13	382.19	385.20	457.48	369.71	323.64
Depreciation		66.42	61.27	55.49	54.99	54.57	61.64	67.08
Interest		144.96	108.25	78.50	79.01	80.94	78.42	82.21
Misc. expenditure written-off		37.18	26.74	26.36	20.33	—	—	—
Net Profit / (Loss)		((296.05)	127.87	221.84	230.87	321.97	223.10	173.35
III. Key Indicators	Rs./Lakhs							
Share Capital		4200.47	4200.47	4200.47	4200.47	4200.47	4200.47	4200.47
Reserves		30.70	30.70	30.70	30.70	30.70	30.70	30.70
Net Worth Positive / (Negative)		(2308.93)	(2181.07)	(1728.36)	(1959.23)	(1025.86)	(802.75)	(629.40)
Borrowings		3656.35	3962.14	3922.39	3971.59	3964.68	3996.15	4055.90
Gross Block		1564.47	1547.71	1550.40	1630.61	1645.96	1728.35	1734.47
Net Block		711.63	665.48	618.39	644.33	605.42	626.17	582.86
Capital Work-in-Progress		—	—	—	—	—	—	—
IV. Manpower	Nos.	542	518	482	450	429	418	406

