



REVIEW OF ACCOUNTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH, 2005

Note: Review of Accounts has been prepared without taking into account qualifications contained in the Statutory Auditor's Report.

1. FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the last 3 years:-

(Rupees in Crore)

	2002-2003	2003-2004	2004-2005
<u>Liabilities</u>			
a) Paid up Capital			
i) Government	120.00	120.00	120.00
ii) Others	--	--	
b) Reserves & Surplus			
i) Free Reserves and Surplus	--	--	--
ii) Share Premium Account	--	--	--
iii) Capital Reserves	--	--	--
c) Borrowings			
i) From Government of India	--	--	--
ii) From Financial Institutions	--	--	--
iii) Foreign Currency Loans	--	--	--
iv) Cash Credit	--	0.17	--
v) Others	35.72	35.72	35.72
vi) Interest Accrued and due	89.51	89.45	89.46
d) i) Current Liabilities and Provisions	684.73	811.20	1012.86
ii) Provision for Gratuity	18.80	20.27	22.68
e) Deferred Tax Liability	--	0.88	0.87
TOTAL	<u>948.76</u>	<u>1077.69</u>	<u>1281.59</u>



Assets	2002-2003	2003-2004	2004-2005
f) Gross Block	26.26	26.72	29.57
g) Less: Depreciation	17.41	16.85	16.06
h) Net Block	8.85	9.87	13.51
i) Capital Work-in-Progress	--	--	--
j) Investment	--	0.15	0.15
k) Current Assets, Loans and Advances	835.11	971.12	1185.69
l) Deferred Tax Assets	--	6.72	6.95
m) Miscellaneous Expenditure not written off	--	--	0.92
n) Accumulated Loss	104.80	89.83	74.37
	948.76	1077.69	1281.59
TOTAL			
o) Working Capital {k-d(i)-c(vi)}	60.87	70.47	83.37
p) Capital Employed (h+o)	69.72	80.34	96.88
q) Net Worth {a+b(i)+b(ii)-m-n}	15.20	30.17	44.71
r) Net Worth per Rupee of Paid up Capital (in Rupees)	0.13	0.25	0.37

Note: Ratio of debts to Paid up Capital was 0.30 each in 2002-2003, 2003-2004 and 2004-2005

2. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs. 16.38 crore from internal and external sources were generated and utilised during the year as given below:-

I) Sources of Funds

(Rupees in Crore)

i) Funds from Operation:-

Profit after tax	15.46
Add: Depreciation	0.80
Less: Profit on sale of Fixed Assets(Net)	0.29

15.97

ii) Sale Proceeds of Fixed Assets

0.41

TOTAL

16.38



II) Utilisation of Funds

i) Increase in Working Capital(including increase in Gratuity Provision)	10.49
ii) Additions to Fixed Assets (including Capital Work-in-Progress)	4.56
iii) Decrease in Borrowings	0.17
iv) Increase in Deferred Tax Assets	0.24
v) Increase in Misc. Expenditure	0.92

TOTAL	16.38

3. WORKING RESULTS

The working results of the Company for the last 3 years are given below:-

(Rupees in Crore)

Particulars	2002-2003	2003-2004	2004-2005
i) Value of Work Done (including Sales)	465.20	624.06	765.78
ii) Less: Excise Duty	--	--	--
iii) Net Value of Work Done	465.20	624.06	765.78
iv) Other or Miscellaneous Income	16.51	26.97	30.61
v) Profit/Loss (-) before Prior Period Adjustments and Interest	16.10	9.99	34.36
vi) Prior Period Adjustments Income/ Expenditure(-)	3.21	1.29	0.96
vii) Interest	11.88	0.61	10.09
viii) Profit Before Tax	7.43	10.67	25.23
ix) Less: Tax Provision	0.25	1.54	10.01
x) Add: Deferred Tax Credit	--	5.84	0.24
xi) Profit after tax	7.18	14.97	15.46



4. RATIO ANALYSIS

Some important financial ratios on the financial health and working of the Company at the end of the last 3 years are as under:-

(In percentage)

	2002-2003	2003-2004	2004-2005
A.			
<u>Liquidity Ratio</u>			
i) Current Ratio (Current Assets to Current Liabilities and Provisions and Interest accrued and due but excluding Provisions for Gratuity [k/d(i)+c(vi)].	107.86	107.82	107.56
ii) Quick Assets Ratio [Sundry Debtors, Loans & Advances and Cash & Bank balances to Current Liabilities (excluding Provisions but Including interest accrued and due on borrowings)]	98.09	98.38	99.60
B. <u>Debt Equity Ratio</u>			
Long term Debt to Equity [c(i) to(v) but excluding short term loans / q]	235	118.40	79.89
C. <u>Profitability Ratios</u>			
a) Profit before tax to :			
i) Capital Employed	10.66	13.28	26.04
ii) Net Worth	48.88	35.37	56.43
iii) Value of Work Done	1.60	1.71	3.29
b) Profit after tax to Paid Up Capital	5.98	12.48	12.88
c) Earning per Share (in Rupees) Share of Rs.1000 each (including preference shares)	59.87	124.77	128.82



5. SUNDRY DEBTORS

(a) The Sundry Debtors and Value of Work Done in the last 3 years ended 31st March, 2005 are given below:-

As at the end of	(Rupees in Crore)				
	Considered Good	<u>Sundry Debtors</u> Considered Doubtful	Total	Value of Work Done	Percentage of Sundry Debtors to Value of Work Done
2002-2003	372.05	23.24	395.29	465.20	84.97
2003-2004	381.81	24.55	406.36	624.06	65.12
2004-2005	380.17	25.23	405.40	765.78	52.94

(b) The age-wise break-up of Sundry Debtors as on 31st March, 2005 is as below:-

Debtors outstanding for

(Rupees in Crore)

i) Less than one year	134.37
ii) One year and more but less than two years	22.73
iii) Two years and more but less than three years	12.02
iv) Three years and more	236.28

TOTAL

405.40

Place: New Delhi
Dated: 16 September, 2005

Sd/-
(Vijaya Moorthy)
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