

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2007

To,  
The Shareholders,  
Bridge & Roof Co. (India) Limited, Kolkata.

Gentlemen,

The Directors have pleasure in presenting their 120th Annual Report and Statement of Audited Accounts for the financial year ended 31st March, 2007.

### PERFORMANCE :

The Company achieved a turnover of Rs. 612.67 crore during the year 2006-2007, being 20.06% higher than Rs.510.32 crore achieved during the previous year. The Profit Before Tax is Rs. 7.17 crore as compared to Rs. 3.11 crore in the previous year. Owing to stiff competition, the turnover and profit margins were under tremendous pressure but the Company with its sustained efforts was able to achieve a better performance compared to last year.

Activity-wise performance is reported below :

### PROJECT DIVISION :

Value of work done in the Project Division during the year is Rs. 588.35 crore as compared to Rs. 495.74 crore last year. Important projects which are successfully completed during the year include -



Erection, Testing and Commissioning of Boiler Main  
( 130 MT at Elevation 56M ) at 1x210 MW Mejia  
TPS ( Unit- IV ) of DVC

| Description   | Location     | Client | Value<br>(Rs. Crore) |
|---|--------------|--------|----------------------|
| Civil, Mechanical, Electrical & Instrumentation Works and laying of Product/ Hydrant Line.  | Chittaurgarh | IOCL   | 17.60                |
| Civil Works for Unit -2(Part-B) for GFEC Project.   | Mahul        | HPCL   | 20.85                |
| Development of Container Parking Yard, Construction of Heavy Duty Pavement with connected Road Infrastructure and Drainage inside General Cargo Berth of Haldia Dock Complex. | Haldia       | KPT    | 19.00                |
| Design, Detail Engineering, Supply, Fabrication, Erection & Testing of 6 (six) nos. Floating Roof Tanks including Tank foundations.   | Mangalore    | MRPL   | 27.43                |
| Civil & Structural Works for Unit-I for Green Fuel & Emission Control Project and Structural works for Revamp of Unit-II.   | Mahul        | HPCL   | 10.01                |
| Mechanical, Piping and Painting Works for Offsite-II for Panipat Refinery Expansion Project.  | Panipat      | IOCL   | 18.01                |
| Mechanical, Piping, Insulation, Painting and Fire Proofing for Sulphur Block for Panipat Refinery Expansion Project.  | Panipat      | IOCL   | 20.35                |

## HOWRAH WORKS :

During the year 2006-2007, value of production was Rs. 22.09 crore as compared to last year Rs. 10.78 crore thus achieving a quantum jump. Manufacturing work executed during the financial year includes completion of the following major orders received from various clients:

- » Manufacture and supply of 53 Nos. BOBYN Wagons, 10 Nos. BOXNHS Wagons and 36 Nos. BTPN Wagons for Indian Railways (Value Rs. 5.57 crore).
- » Fabrication and supply of 416 M.T. Chimney structures for Sagardighi Thermal Power Project for Dongfang Electric Corporation (Value Rs. 3.26 crore).
- » Manufacture and supply of 2 Nos. POT Shells for Aluminium Smelting Plant for National Aluminium Co.Ltd. (Value Rs. 0.43 crore)
- » Manufacture and supply of 13 Nos. MGML Standard Railways Rivetted Girder for Bangladesh Railways, having different spans (20ft, 40ft & 60ft) for Kaluka Inter Exports. (Value Rs.0.21 crore)
- » Circulating Gas Pipeline for Vishakhapatnam Steel Plant. (Value Rs.1.54 crore).
- » Manufacture and supply of 27 Nos. Bailey Bridges of different spans for Nepal Army, DGBR, Tripura PWD, H.P.PWD and many others (Value Rs.10.16 crore).
- » Manufacture and supply of 12 Nos. Bunk Houses for Reliance Energy Ltd., NTPC, W.B.P.D.C.L. and others (Value Rs.0.52 crore).



BOBYN Type Railway Wagon manufactured at Howrah Workshop

Although considerable improvement has been made with respect to the performance in the previous year, further enhancement in production could not be achieved mainly due to the following issues :-

- a) Non supply of free issue matching Steel sections, Bogies, Couplers and Wheels by Railway Authority as per the job requirement for production of Wagons.
- b) Infrastructure available for the manufacture of all three types of Wagons remaining idle for a considerable period due to non-availability of order from Railway Board at a time, commensurating with production capacities.
- c) Inadequate working capital for maintaining inventory in respect of raw steel and bought out components mainly for production of Bailey Bridges, as per contractual delivery schedule.

## OPERATING RESULTS :

Salient features of Company's financial performance for the year under report vis-à-vis last year are as under :

|                        | (Rs. in Crore) |           |
|------------------------|----------------|-----------|
|                        | 2006-2007      | 2005-2006 |
| Income                 | 612.67         | 510.32    |
| Gross Margin           | 28.55          | 20.51     |
| Interest               | 12.40          | 11.37     |
| Depreciation           | 8.98           | 6.03      |
| Profit Before Tax      | 7.17           | 3.11      |
| Provision for Taxation | 2.70           | 1.73      |
| Profit After Tax       | 4.47           | 1.38      |

#### **DIVIDEND :**

The Directors recommend a dividend of 0.25% (zero point two five percent) per Equity Share of Rs. 10/- each for the financial year ended 31st March, 2007, which if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 14th September, 2007.

#### **CAPITAL :**

Authorized capital of the company is Rs. 60 crore consisting of 6 crore Equity Shares of Rs. 10/- each.

Paid-up capital of the company as on 31st March, 2007, stands at Rs. 39.99 crore comprising of 3,99,87,155 equity shares of Rs. 10/- each, of which 3,99,27,155 equity shares are held by the Holding Company, Bharat Yantra Nigam Ltd.

Consequent upon the sanction of capital restructuring scheme of the company by Government of India, Company received an amount of Rs.15 crore towards Plan Equity vide Order No. 3(7)/2004-PE.IV dated 2nd September 2005. The said amount, being pending for allotment of shares have been shown as "Capital Suspense".

#### **CAPITAL EXPENDITURE**

Company has incurred capital expenditure of Rs. 31.67 crore during the year mainly towards purchase of construction equipment.

#### **FOREIGN EXCHANGE EARNINGS & OUTGO**

There is no Foreign Exchange Earnings of the Company during the year. The expenditure in Foreign Currency for import of raw materials, capital goods etc. amounted to Rs. 643.34 lakh as indicated in 'Notes Forming Part of the Accounts, Schedule 8.2, 1(d), (e) and (f)'.

#### **PLAN ASSISTANCE**

Pursuant to Capital Restructuring Scheme sanctioned by Government of India on 2nd September 2005 for the Company, balance Rs.30 crore Plan Assistance has been received from Government of India Rs.15 crore as Plan Equity and Rs.15 crore as Plan Loan during the year (Previous year Rs.30 crore).

#### **ORDER BOOKING POSITION :**

Despite severe competition mainly from Private Sector companies, the Company with its sustained efforts secured order worth Rs. 1103.03 crore during the year 2006-2007 compared to Rs. 708.88 crore in previous year.



Upper Dam Diversion Culvert Works for Purulia Pumped Storage Project for Taisei Corporation



Effluent Treatment Plant at Jamnagar Petrochemical Project of Reliance Industries Ltd.

Major Orders booked during the year :

**PROJECTS :**

| Description   | Location           | Client | Value<br>(Rs. Crore) |
|---|--------------------|--------|----------------------|
| Construction of all Civil, Steel Structure & Architecture works in main plant area and BOPs related to buildings and foundations for 2 x 125 MW Units at Barsingsar TPP.  | Bikaner            | BHEL   | 54.44                |
| Civil & Structural Works for HCU / DHDT (Part-B).   | Bina               | BORL   | 42.48                |
| Crude Oil Storage Tanks (8 Nos. SDFR 68m dia x 20m ht.) & Associated Works at Crude Oil Terminal  | Vadinar            | BORL   | 61.89                |
| Construction of Administrative Block, Library Block and Five Schools including Internal Water Supply and Sanitary Installations, Internal Electrical Works, Firefighting and External Development at GGSIPU Campus. | Dwarka             | GGSIPI | 82.78                |
| Civil & Structural Work for Offsites (Part-B) of Visakh Refinery Clean Fuel Project.  | Vizag              | HPCL   | 22.33                |
| Fabrication and Erection of Double Deck Floating Roof Crude Oil Storage Tanks for SPM Project.  | Puthuvypeen, Kochi | KRL    | 29.63                |
| Mechanical Equipment Erection Work (ISBL + OSBL + Heavy + Critical) & ISBL + Titanium Piping Erection Work.   | Haldia             | MCPI   | 41.80                |
| Civil Work for Seamless Tube Mill for VSP Expansion.  | Vizag              | RINL   | 43.43                |
| Civil Work for RMHP (Area 1) (Zone-1) for VSP Expansion.  | Vizag              | RINL   | 64.12                |
| Supply (Except FIM), Design, Fabrication, Erection and Testing of 31 Tanks in RTF unit for Jamnagar Export Refinery Project.  | Jamnagar           | RPL    | 65.40                |
| Civil & Structural works of various buildings structures for Aluminium Smelter Project.   | Jharsuguda         | VAL    | 87.67                |
| Assembly and Erection of 304 Nos. Pots including supply of M.S. Gratings, Pot Hood, etc.  | Jharsuguda         | VAL    | 25.23                |
| Civil and bored piling construction work for steel plant requirement at Kalinganagar Industrial Complex.  | Duburi             | VSL    | 37.02                |

#### HOWRAH WORKS :

| Description   | Client  | Value<br>(Rs. Crore) |
|---|---|----------------------|
| Manufacture and supply of Bailey Bridges of different spans for Bhutan Government, Nepal Army, LANCO Infratech, Tripura PWD, H.P.PWD and many others. | Various Clients                                     | 20.41                |
| Manufacture and Supply of 15 Nos. POT Shells for Aluminium Smelting Plant.  | National Aluminium Co. Ltd.                         | 3.32                 |
| Fabrication and supply of 416 M.T. Chimney structures for Sagardighi Thermal Power Project  | Dongfang Electric Corporation                       | 3.26                 |
| Manufacture and Supply of 30 Nos. BOXN-HS Wagon.  | Indian Railways                                     | 0.76                 |
| Manufacture & Supply of 14 Nos. Bunk Houses.  | Reliance Energy Ltd., NTPC, W.B.P.D.C.L. and others | 0.61                 |

#### ENERGY CONSERVATION :

Energy Audit has been conducted by External Experts. This being a continuous process, various steps for improvement have been undertaken, in line with the recommendations of Energy Audit Report.

#### TECHNOLOGY, R&D AND QUALITY :

The Company has been continuously pursuing to update technology and upgrade quality standards alongwith R&D efforts. It has already established successful operations in many diversified areas such as Cross Country Pipeline, Mechanized Construction of Highways and Expressways, Metro Rail at Delhi, Furnace and Heaters, Main Boiler Work in Thermal Power Station, Storage Silos for Alumina, Bailey Bridge, Railway Wagons, Water Supply and Sewerage Systems, LSTK Projects.

The Company has taken up the programme for updating of Quality Management System. The Company has already been awarded ISO : 9001-2000 Certificates in Tank Construction and Manufacture of Bailey Bridge and Wagons. The Surveillance Audit has been carried out successfully periodically by External Auditor M/s. DNV.

In compliance with the requirements of Section 217(1)(e) of the Companies Act, 1956 the particulars of Research and Development, Technology Absorption and Adaptation are appended in Annexure to the report (Form B).



Paver Finisher with Sensor in operation for construction of NH- 9 over 48 KM from Nandigama to Vijayawada in Andhra Pradesh for NHAI

## HUMAN RESOURCE DEVELOPMENT :

The development of human resources is a dynamic part and parcel of Company's business strategy. Training and motivation of employees, identified as most effective means for human resource development, continues to be the driving source behind all HRD initiatives taken in the Company. Apart from the usual performance and potential appraisal systems, increased emphasis is being given to identify the specific areas of improvement in tune with ever evolving operational requirements of the Company, leading to a focused training plan. During the year 48 programmes have been conducted covering 97 employees.



Cone Roof Product Storage Tank at Kandla F.S.T. for IOCL

## REPRESENTATION OF SC/ST :

Representation of SC, ST, OBC and Physically Disabled persons in the overall employees strength continued to be maintained approximately at the same levels as reported during past years except due to attritions and up gradation of few employees in senior management group.

## PROGRESSIVE USE OF HINDI :

The Company is making continuous efforts to implement various Directives regarding the Progressive use of Hindi, to the extent possible, in terms of the Government's Annual Programme. To review the progress achieved in this area, OLIC Meetings are held on regular basis. In order to fulfill the target of imparting Hindi training to non-Hindi knowing employees, Hindi Classes are arranged in the Company's premises. 299, 266 and 237 employees had passed the Hindi 'Prabodh', 'Praveen' and 'Pragya' Exams respectively till 31st March 2007. To motivate employees to use Hindi, one Hindi word/phrase with its English equivalent is written on boards and displayed at prominent places in the office premises. Various Hindi Competitions/Programmes were conducted during "Hindi Fortnight", i.e. from 14th to 28th September, 2006.

## AUDIT COMMITTEE :

The Board of Directors constituted an Audit Committee comprising Shri Mukesh Jha, Director (Finance), Shri Subhojit Dutta, Director (Project Management), Dr. C.R.Samadder, Part-time Non-official Director and Shri M. Pal Chaudhuri, Part-time Non-official Director as Chairman of the Audit Committee. Audit Committee was again reconstituted in December, 2006 after appointment of Shri S.Siddharth as Part-time Official Director representing Administrative Ministry (HI&PE), Government of India vice Shri Manoj Kumar Singh. Three meetings of the Audit Committee were held during the Financial Year 2006-07.

## DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state as follows :

1. that in the preparation of the Annual accounts for the financial year ended March, 31, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that they 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 or loss of the Company for that period;
3. that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. that they had prepared the annual accounts on a going concern basis.

**DIRECTORS :**

Pursuant to Order No. 7(32)/2002-PE.IV dated 11th September 2006 received from the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry), Government of India, it was resolved that Shri A. K. Jain, Managing Director of Bharat Pumps & Compressors Ltd. be entrusted with the additional charge for the post of Chairman & Managing Director of BYN, accordingly he also holds the charge for the post of Chairman of the Company for a period of Six months w.e.f. 11.09.06 which was extended for a further period of six months with effect from 11th March 2007 or until further orders, whichever event occurs earlier, vide Order No. 7(32)/2002-PE.IV dated 01.03.2007.

Pursuant to Order No. 7(3)/98-PE.IV dated 28.08.2006 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri S.Siddharth was appointed as Part-time Official Director on the Board of the Company with effect from 28th August, 2006 vice Shri Manoj Kumar Singh.

Pursuant to Order No. 3(15)/2005-PE.IV dated 01.02.2007 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri Mukesh Jha was entrusted the post of Managing Director of the Company with effect from 1st May, 2007, subsequent to the superannuation of Shri P.K.Biswas on 30th April 2007 (Afternoon). The Board placed on record its appreciation for the valuable services rendered by Shri P.K. Biswas during his tenure of service as Managing Director of the Company. Shri Mukesh Jha was also entrusted the additional charge of the post of Director(Finance) of the company for a period of three months or till such time the regular appointment is made, or until further orders, whichever is earlier vide Order No. 3(12)/2006-PE.IV dated 09.05.2007.

Shri S.Siddharth and Dr.C.R.Samadder retire by rotation and being eligible offer themselves for re-appointment.

**STATUTORY AUDITORS :**

The Government of India appointed M/s. Santosh Jain & Co., Chartered Accountants, Kolkata and M/s. Jain Saraogi & Co., Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Accounting Year 2006-2007 under Section 619(2) of the Companies Act, 1956.

**ACKNOWLEDGEMENT :**

The Board takes this opportunity to express its deep sense of appreciation and gratitude for the support, guidance and assistance received from the Department of Heavy Industry, the Ministry of Heavy Industries & Public Enterprises, State Government, Bankers, the Holding Company (BYN) and valued clients, customers, Comptroller & Auditor General of India and above all to the employees for their dedication and commitment. The Directors are confident of receiving their support and co-operation in the coming years.

For and on behalf of the Board of Directors  
Bridge & Roof Co. (India) Limited

Dated : 18th August, 2007, Kolkata

A. K. Jain  
Chairman

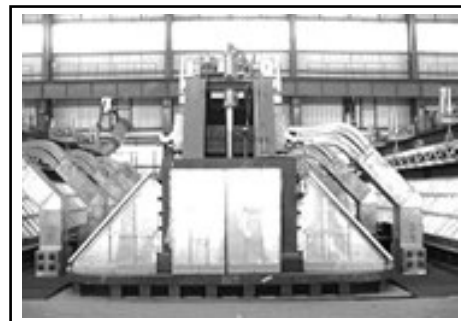
## ANNEXURE TO THE DIRECTORS' REPORT

### FORM 'B'

### RESEARCH, DEVELOPMENT AND DIVERSIFICATION FOR THE YEAR 2006-2007

#### 1. Specific areas where Research, Development and Diversification carried out:

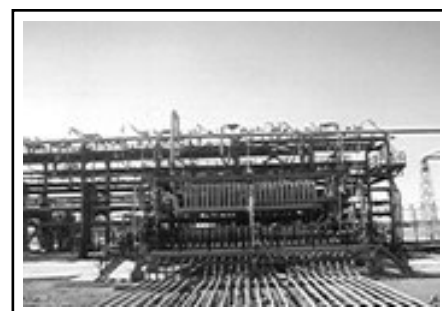
- Cross country Pipeline.
- Mechanized Construction of Highways and Expressways.
- Storage Silos for Alumina.
- Main Boiler Work in Thermal Power Station.
- Furnaces and Heaters.
- Manufacturing of Railway Wagons.



Finished POT Assembly (POT Shell and Super Structure) with Tapping Door for BALCO at Korba, Chattisgarh

#### 2. Benefits derived as a result of Research, Development and Diversification :

- Receiving Order for Cross Country Pipeline.
- Receiving Order for Highways and Expressways.
- Receiving Order for Bailey Bridge.
- Receiving Order for Furnace and Heaters.
- Receiving Order for Soil Densification by Vibro-Flot Method.
- Receiving Order for Main Boiler Work.
- Receiving Order for different types of Wagon.



Construction of Group Gathering Station ( GGS- VII ) on Turnkey Basis at Gandhar Field of ONGC

#### 3. Future R & D Plan

- LPG Bullet Tank.
- Fire Fighting System.
- Modernisation of Steel Plants.
- Flyover Construction.

#### 4. Expenditure in R & D in 2006-2007

|         |                        |
|---------|------------------------|
| Capital | Rs. 1,81,416.00        |
| Revenue | Rs. 4,97,396.00        |
|         | <u>Rs. 6,78,812.00</u> |



Civil & Structural Works at 1x500 MW Sanjay Gandhi Thermal Power Plant at BHEL Birsinghpur

#### 5. Technology Absorption and Adaptation

|                        |   |                                      |
|------------------------|---|--------------------------------------|
| Pumped Storage Project | Our associate is Stup Consultants P. Ltd. | Technology absorption is in progress |
|------------------------|---|--------------------------------------|