

**THE BRAITHWAITE BURN & JESSOP CONSTRUCTION
COMPANY LIMITED**

Directors' Report

To

The Shareholders

Your Directors have pleasure in presenting the 72ND Annual Report on the Company's Operation and Performance together with Audited Accounts for the financial year ended 31st March,2007.

2.0 HIGHLIGHT

2.1 During the year under review, orders aggregating to Rs 125.11 Crores have been received.

Your company, in its endeavor to increase order book for construction of Steel Bridges was successful in securing contracts for Ghargaria and Gangadhar Bridge, Bogibeal Approach, Re-Gardering of Ulhas, Baitarani Bridge etc from Indian Railways . The contract for construction of Second Bridge over Mahanadi in the State of Orissa from RVNL, valued at Rs.121.29 crores being executed by your company jointly with Gammon India Limited through BBJ-Gammon Joint Venture, has progressed substantially to the satisfaction of the clients.

The potential market for Steel Bridge is likely to pick up with the Railways preparing for construction of Rail-cum-road Bridges over River Ganga in

Patna and Munger. Your company has taken steps for participation in the bidding process with all its Technology, know-how and years of experience .

Your Company successfully completed the Cuttack- Raghunathpur Bridge, tourist Complex in Berhampur and Piling /Sub structure work for Metro Railways. With the experience of completing the prestigious Delhi – Metro Railway Project over busy crossings in Metro Cities, the Company expects to undertake similar projects in Mumbai, Bangalore and in Kolkata

2.2 Your Company completed another year of excellent performance. The Gross earnings of your company for the year ended 31st March,2007 stood at Rs. 7376.98 lakhs as against Rs 5924.54 Lakhs in the corresponding previous year thus registered a growth of 25 % over the last year.

During the year under review, the company achieved Pre tax profit (before extra ordinary and prior period items) of Rs. 182.13 Lakhs and registered impressive growth of 108% over previous year while Post tax net profit increased to Rs 122.40 Lakhs from corresponding previous year at Rs 48.97 Lakhs .

3.0 FINANCIAL PERFORMANCE

3.1 A summary of Financial Performance of the company for the financial year 2006-2007 vis-à-vis 2005-2006 is given below:-

PARTICULARS	Rs./Lakhs	
	2006-2007	2005-2006
Gross Earnings	7376.98	5924.54
Gross Margin	240.95	119.04
Depreciation	21.66	17.46
Profit before Government & other interest	219.29	101.58
Government & other Interest:	37.16	14.02
Profit/(Loss) for the year (before Prior Period adjustment & Extra-Ordinary items)	182.13	87.56
Prior Period adjustment	(0.78)	(0.62)
Extra Ordinary Item	(42.47)	(32.95)
Net Profit Before Tax	138.88	53.99
Tax(Incl. Fringe Benefit Tax)	16.48	5.02
Net Profit After Tax	122.40	48.97

4. 0 FINANCIAL AND CAPITAL STRUCTURE

4.1 The capital structure of the Company as on 31st March,2007 compared to the previous year is indicated below:-

PARTICULARS	Rs.in lakhs	
	As on	As on

	31-3-2007	31-3-2006
Authorised capital	<u>2000.00</u>	<u>2000.00</u>
<u>SOURCES:</u>		
<u>Own</u>		
Issued and subscribed capital (includes shares pending allotment)	1701.50	1701.50
Reserves & surplus	(519.60)	(642.00)
<u>Borrowed</u>		
Zero rate debentures (Pending allotment)	1214.62	1214.62
Loan from Govt. of India/ BBUNL	100.00	100.00
Interest Accrued & Due	13.27	-----
Secured Loan From Bank	857.90	227.45
TOTAL:	3367.69	2601.57
Represented by:		
Net fixed assets	242.57	133.01
Net current assets	3092.22	2346.64
Investment	0.60	0.60
Deferred Revenue Expenditure (Not written off/adjusted)	32.30	67.70
TOTAL:	3367.69	2601.57

5.0 ORDER BOOK

5.1 The Orders in hand as on 1.4.2007 stood at Rs.168.00 Crores. During the year, under review orders worth Rs.73.00 Crores billable were executed. Steps have been taken to further improve the order Book for the year 2007-2008

6.0 DIVERSIFICATION & FUTURE OUT LOOK

6.1 Your company continued to make efforts to explore the potentials in the area of construction of marine structures and other civil projects.

6.2 The company's continued efforts also enabled it to secure a contract for construction of nine Storied Building from Benfish Govt. of West Bengal. The experience of the company at Chakgariah enabled the company to receive contract for construction of 2nd Workers Quarters at ISFPC at Chakgaria and your Company's efforts were on to explore other jobs of similar nature in future. Thrust on diversification for construction of riverine /marine structure has been given. Presently the company is constructing a jetty in Kakdeep under Govt of West Bengal.

6.3 Your company has also started providing consultancy services for Bridge erection and dismantling work and the company has procured a consultancy job in Srilanka for USD 90000

6.4 Steps have been taken by your company for integrated computerization of the process of accounts and it's related functions.

7.0 HUMAN RESOURCES

7.1 The cordial industrial relation in the company prevailed at all levels during the year under review. Your company continued to recognize its people as core assets and life line of your organization. A number of measures have been taken by your company to encourage welfare activities. The manpower as on 31.3.2007 was 93 No as against 91 No as on 31.3.2006.

8.0 CONSERVATION OF ENERGY AND TECHNOLOGY

8.1 Energy conservation with special thrust is under continuous process through improved maintenance practices. Actions have been taken to reduce fuel consumption by judicious use and preventive maintenance of plants at erection sites.

9.0 FOREIGN EXCHANGE EARNINGS AND OUTGO

The additional information on Foreign Exchange earnings and out go stipulated Under Section 217 (1)(e) of the Companies Act,1956 is set out in the annexed statement and forms part of this report..

10.0 VIGILANCE

10.1 During the year under review, vigilance activities were managed effectively under supervision of Bharat Bhari Udyog Nigam Limited, the holding company.

11.0 REPORT OF THE STATUTORY AUDITORS & COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF 2006-2007

AUDITORS

11.2 M/s. Rashmi & Co., Chartered Accountants, Kolkata were appointed as Statutory Auditors of the Company for the year 2006-2007 by the Comptroller and Auditor General of India as per provision of Section 619(2) of the Companies Act,1956.

11.1 The observations of the Statutory Auditors on the Accounts for the year 2006-2007 are self explanatory and have been adequately explained in the notes on accounts. Management's replies on the Report of the Statutory Auditors are Annexed to this report.

11.2 The Comptroller & Auditor General of India has given certificate to the Auditors Report of the company U/S 619 (4) of the Companies Act,1956 on the accounts of the company for the year ended 31-3-2007 as conveyed by their letter annexed to this report.

12.0 PARTICULARS OF EMPLOYEES U/S 217 OF THE COMPANIES ACT,1956 & DIRECTORS' RESPONSIBILITY STATEMENT

12.1 None of the employees are covered by the provisions of Section 217 (2A) of the Companies Act,1956.

DIRECTORS RESPONSIBILITY STATEMENT

12.2 In terms of Section 217(2AA) of the Companies Act,1956 your Directors subscribed to the Directors Responsibility Statement and declare that:

- (i) in preparation of the Annual Accounts the applicable Accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the Financial Year 2006-2007 and the Profit & Loss Account for the said period.
- (iii) the Directors 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 fraud and other irregularities.

- (iv) the annual accounts had been prepared on going concern basis.

13.0 IMPLEMENTATION OF RAJBHASHA

13.1 The company continued its efforts on the implementation of Rajbhasha through different in house programmes. They were organised at regular intervals during the year.

14.0 BOARD OF DIRECTORS

14.1 Sri D. Ray Moulik, Chairman & Managing Director, Bharat Bhari Udyog Nigam Ltd., continued to remain as Chairman of your company upto 31-12-06 . Sri P.K.Biswas was appointed as Chairman by the Govt vide order no 8(6)/93. PE III Dated 09-02-07 and continued to remain Chairman in the Board of your Company up to March 31, 2007.

Sri S. Baul remained as Managing Director of your company during the year under review. Sri Vikram Gulati , Director, Department of Heavy Industries, Ministry of Heavy Industries & Public Enterprises, Govt. of India appointed as Director by Govt. vide Order No. 8(3)/97-PE-III (Vol-II) dated 23-04 -07 along with Sri S.P.Mehta , Formar General Manager, Northern Railways appointed as Director in the Board of your Company by Govt vide order No 8(15)/2004-PE-III dated 07-02-07 .

Sri P.K.Biswas , Chairman ceased the office as such with effect from 01-04-07 and Gopal Singh, Dy. Secretary DHI ceased office with effect from 23-04-07 ratified by the Board at it's 94th Meeting held on 27-06-07.

15.0 ACKNOWLEDGEMENT

15.1 Your Directors wish to place on record their gratitude and sincere thanks to the various Ministries of the Govt. of India, particularly, the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Indian Railways, Kolkata Port Trust, Delhi – Metro Rail Corporation, Rail Vikash Nigam Ltd and Govt. of West Bengal for their continued co-operation and valuable assistance provided to the company.

15.2 Your Directors wish to place on record their appreciation of the continued support and guidance provided by Bharat Bhari Udyog Nigam Ltd., the holding company, and the assistance received from other sister subsidiaries.

15.3 Your Directors are happy to acknowledge the co-operation and commitments of all employees and their contribution in improving the performance of your company. Their unstinted support has been and continues to be integral to your Company's ongoing success and holding its premier position in the field of Bridge Construction Industry at the national level.

For and on behalf of the Board of Directors

S.BAUL

MANAGING DIRECTOR

Dated the 3rd October ,2007

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended March 31, 2007.

A. CONSERVATION OF ENERGY:

- (a) Energy Conservation measures taken:)
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- (b) Additional investment and proposals, if any being implemented for reduction of consumption of energy:) Energy conservation has been) given a special thrust. Actions) have been taken to reduce fuel) consumption by judicious use and) preventive maintenance of plants) at erection sites.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :)
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B. TECHNOLOGY ABSORPTION

Your company has been certified as a ISO 9002 company in respect of site erection of Steel Bridges.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current Year <u>Rs.Lakhs</u>	Previous Year <u>Rs.Lakhs</u>
Earnings on account of exports etc.	Nil	Nil
Outgo on account of imports etc.	<u>Nil</u>	<u>Nil</u>