

## DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009

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

Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you the Annual Report on the working of the Company, together with the Audited Accounts for the year ended 31st March 2009.

### PERFORMANCE :

The Company achieved a record turnover of Rs.940.32 crores during the year 2008-2009, being 31.55% higher than Rs.714.79 crores achieved during the previous year. The Profit Before Tax was Rs.33.26 crores as compared to Rs. 11.27 crores in the previous year. In spite of downturn in economy and recession during the end of financial year 2008-09, the Company with its sustained efforts was able to achieve an outstanding and commendable performance.

Activity-wise performance is reported below:

### PROJECT DIVISION :

Value of work done in Project activities during the year is Rs. 900.53 crores as compared to Rs. 678.68 crores last year. Important projects which are successfully completed during the year include -



Heater work at HPCL, Vizag

Description	Location	Client	Value (Rs.Crores)
Supply (Except FIM), Design, Fabrication, Erection and Testing of 31 Tanks in RTF unit at Jamnagar Export Refinery Project and RTF A/G Sleeper Piping with Associated Structure and Equipments.	Jamnagar	RPL	104.70
Civil & Structural Works for HCU / DHDT (Part-B)	Bina	BORL	39.26
Civil, Structural, Architectural & Finishing Work of BOP auxiliaries for 2X250 MW Unit- 1 & 2	Korba	BHEL	18.12
Civil Works in Main Plant Area of 2 X 250 MW Guru Hargobind Thermal Power Project (GHTP) Stage-II at Lehra Mohabbat, Bathinda	Bathinda	BHEL	17.62
Piling and General Civil & Mechanical Works for 20 MW Captive Co-generation Plant	Chennai	CPCL	15.11
Construction of Perimeter Security Fence around acquired Project Boundary at Site 'C' (Partly) and 'E' for Project Seabird (Civil Works Package-VIII, Part-I)	Karwar	Indian Navy	14.60
Civil & Structural Works for Utilities & Offsites (Part - A & B2) of Visakh Refinery Clean Fuel Project.	Vizag	HPCL	14.50

## HOWRAH WORKS :

During the year 2008-2009, value of production was Rs. 34.57 crores as compared to Rs. 31.95 crores last year. Manufacturing work executed during this financial year includes the completion of the following major orders received from various clients:

- ❑ Manufacture and supply of 20 Nos. BOXN-HS, 27 Nos. of BTPN & 25 Nos. of BOBYN Wagons for Indian Railways. (Value Rs. 3.12 crores).
- ❑ Manufacture and supply of 2296 MT of Bailey Bridge components against 37 Nos. Orders for different spans for DGBR, Tripura PWD, Arunachal Pradesh PWD, Bhutan Govt. & Private sectors, H.P. PWD and many others. (Value Rs. 26.33 crores).
- ❑ Fabrication and Supply of 1191 MT of Railway Bridge Girders of different spans for East Central & Eastern Railway. (Value Rs. 8.55 crores)
- ❑ Fabrication & Supply of Boiler Ducts for Power Projects, of 298 MT total weight for BHEL. (Value Rs. 1.95 crores)
- ❑ Fabrication of TIN BATH BOTTOM CASING for Glass Factory in Gujarat (81 MT) for M/s Fives Steins India Projects Pvt. Ltd. (Value Rs. 0.65 crores)
- ❑ Manufacture and supply of 20 Nos. (564 MT) Pot Shells for Aluminium Smelting Plant at Angul for NALCO. (Value Rs. 4.98 crores)
- ❑ Manufacture & Supply of 44 Nos. Bunk Houses for Reliance Energy, DVC, NTPC, Meja Urja Nigam, Tehri Hydro Development Corporation, South Eastern Railway etc. (Value Rs. 2.25 crores)



A record achievement in order booking for Howrah Works Division has been made during the year 2008-09, value being Rs.99.04 crores, which is 95.3% higher than the order booking value (i.e. Rs. 50.71 crores) for the year 2007-08. The order booking value could have been further increased in 2008-09 incase implementation of certain projects were not stalled/ deferred in the countries like Iceland & Angola.

This remarkable achievement has been made possible due to sufficient order booking for Bailey Bridges, Pot Shells and Railway Wagons. The following hindrances prevented Howrah from achieving further achievement and meeting the targeted figure of Rs. 61.63 crores in the year 2008-09.

- 1) Non-availability of free issue materials (mainly Bogies) from Railway Authorities matching with production schedule for wagons. Railway Board is constantly being pursued on this issue.
- 2) Non-availability of matching quantity of raw steel plates/ sections from SAIL as per our requirement for production of Bridge Girders, Boiler Ducts & Bailey Bridges also. Continuous follow-up is made with SAIL for timely supply of the same under intimation to customers and where permissible (like I-section for Bailey Bridges).

However, situation has since improved and the Company has been able to deliver Bailey Bridge components to customers like Tripura PWD, HSCL, Arunachal Pradesh PWD etc., well before the scheduled delivery time because of maintaining stocks of relevant materials and advance fabrication activities right from the middle of 2008-09.

## OPERATING RESULTS :

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

(Rs. in crores)

	2008-2009	2007-2008
Income	940.32	714.79
Gross Margin	70.85	44.68
Interest	22.38	18.22
Depreciation	15.21	15.19
Profit Before Tax	33.26	11.27
Provision for Taxation	11.58	5.09
Profit After Tax	21.68	6.18

## DIVIDEND :

The Directors recommend a dividend of 1% (One percent) per Equity Share of Rs. 10/- each for the financial year ended 31st March, 2009, 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, 2009.

## CAPITAL :

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

Paid-up capital of the company as on 31st March, 2009, stands at Rs. 54.99 crores comprising of 5,49,87,155 equity shares of Rs. 10/- each, of which 5,46,27,155 equity shares are held by the President of India.

## CAPITAL EXPENDITURE :

Company has made capital expenditure of Rs.11.26 crores during the year mainly towards purchase of construction equipment.

## FOREIGN EXCHANGE EARNINGS & OUTGO :

Foreign Exchange Earnings during the year was Rs.970.08 Lakhs. Expenditure in Foreign Currency for import of raw materials, capital goods etc. amounted to Rs. 896.94 Lakhs as indicated in 'Notes Forming Part of the Accounts, Schedule 8.2, 1(d), (e) and (f)'.

## ORDER BOOKING POSITION :

Despite severe competition mainly from Private Sector companies, the Company with its sustained efforts secured order worth Rs. 947.81 crores during the year 2008-2009 from Private as well as Public Sector clients.

The Company got its first ever order on "Depository type of work " from IIT, Kharagpur for Construction of Buildings, Hostels etc.



Oil Storage Tank at Reliance, Jamnagar



Bridge Regirdering over River Diana for  
N.F.Railway

Major Orders booked during the year:-

#### PROJECTS :

Description	Location	Client	Value (Rs.Crores)
Construction of Certain Buildings/Hostels, Residential Quarters and other Infrastructures within the Premises / Campus of IIT Kharagpur, West Bengal.	Kharagpur	IIT	150.00
Fabrication and Erection of Tanks with Associated Civil at COT.	Mundra	HMPL	113.00
Complete work of Erection and Commissioning of Boiler, Rotating Machines, Duct, ESP, Critical Piping, Misc. Piping, etc. of 2X500 MW Units at Durgapur Steel Plant TPS.	Andal (Durgapur)	BHEL	96.97
Construction of Permanent Houses for Tsunami affected people of Nancowry and Katchal Islands.	Andaman (Nancowry / Katchal)	CPWD	56.98
Civil and Structural works for Offsites in DHDS Area for Capacity Expansion cum modernization Project Ph-II (CEMP-Ph-II) of BPCL Kochi.	Kochi	BPCL	34.15
Civil Works for Substructure & Superstructure for the project Barnaparichay - The Book Mall B+G+7 Storied Building at the premises of College Street Municipal Market.	Kolkata	BSHDL	32.87
Processing, Supply & Transportation to Site of Approved Hot Mix Product (Project - 4 Laning of Palsit - Dankuni Section of NH-2 in the state of West Bengal).	Palsit	EEPL	30.42
Civil Work of External Lignite Handling System (ELHS) at Surat Lignite Power Plant 2x125 MW Units 1&2.	Surat	GIPCL	29.92
Mechanical Works for Bina Despatch Terminal.	Bina	BPCL	29.73
Mechanical Works for DCU for Bina Refinery Project.	Bina	BORL	29.62

#### HOWRAH WORKS :

Description	Client	Value (Rs.Crores)
Manufacture / fabrication and supply of Eight Wheeler BG Bogie Rail Wagon (i)100 Nos. BOXN-HL Type - Stainless Steel (ii) 128 Nos. BOST-HS (iii) 250 Nos. BOBYN Type.	INDIAN RAILWAY	40.09
Manufacture, Supply, Inspection & Transportation of various spans of Bailey Type Unit Bridge 3.27 Mtrs. width for IRC Class 40R Loading.	PWD	18.74
Supply & Fabrication of welded / rivetted steel plate girders as per standard RDSO drawing for new line, doubling and gauge conversion projects including transportation to the site for quantity 418.64 MT.	E.C. RLY. /S.E.RLY	17.94
Fabrication & Supply of 71.231 MT and 313.80 MT of Boiler Ducts Components required for Maithon-1 project / 10 Nos. Carbon Steel POT Shells for Smelter Phase-II.	BHEL	8.03

## HOWRAH WORKS :

Description	Client	Value (Rs.Crores)
Manufacture, Supply & Inspection of various types and spans of Bailey Bridges, Parts and Components.	PC,LITL,MP,L&T, OTC, OTHER, BGMCP, PHPP, NEEPCO, DGBR	7.06
Manufacture, Fabrication, Supply, Inspection & Transportation of various spans of Bailey Type Unit Bridge with Anti Skid Steel Decking suitable for IRC Class 24-R loading.	HSCL	3.06
Manufacture, Supply and Transport of Components for 1 set of 120 ft. Bailey Type Unit Bridge	DGBR	2.87
Manufacture and supply of various types Bunk House of specific Sizes	NTPC/DVC/BPC/ MUNPL/THDCL/ S.E.RLY/REL	1.84

## ENERGY CONSERVATION :

Continuous efforts to conserve energy are being taken by adopting various measures like person to person campaign to put-off lights, fans, A.C. Machines etc., wherever possible, and systematic periodical overhauling of all electrically operated machines. Energy Audits are also being conducted by External Experts followed by necessary corrective actions, as applicable.

## TECHNOLOGY, R&D AND QUALITY :

The Company has been continuing to execute wide and diverse range of high quality Products/ Services utilizing electronically controlled automatic Plants & Equipments. In the present competitive market, the need to continuously update technology, alongwith R&D efforts, has been recognized by the Company as supreme importance and the activities in these areas are being pursued with great strength. The Company has already established its successful operation in the earlier diversified area, such as Railway Wagons, Highways and Expressways, EPC/LSTK Projects, POT Shells, Cross Country Pipeline, Furnaces and Heaters. Efforts are continued in other areas such as Flyover Construction, Pumped Storage/Hydel Projects, Fire Fighting System, Modernisation of Steel Plants, Cross Country Pipeline. The Company also has developed Quality Management System of Tank Construction, Manufacture of Bailey Bridge and Wagons. The Company has already been awarded ISO : 9001-2000 Certificates in Tank Construction, Manufacture of Bailey Bridge and Wagons. The Surveillance Audit has been carried out successfully periodically by External Auditor M/s. Det Norske Veritas.

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 Schedule (Form B) forming part of this report.

## 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 & 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 plan.

Resultantly, Company's philosophy on corporate governance guided by transparency, accountability and integrity, being practiced over the years, has translated into rejig of Enterprise Resource Planning system. As a part of core HR strategy, promotion policy & procedures have been consolidated in order to have a more effective blend of organizational priorities with individual aspirations of its employees. The core idea of the Human Resource department of the company is to nurture the talent management and to optimise the latest development of information technology in Human Resource. In tune with the dynamic market scenario, a strategic training plan was put into operation following which 120 employees were imparted training focused on specific areas, besides standard on-the-job training procedures.

The Company has not lost a single working day on account of strike or lock-out during the year.



## REPRESENTATION OF SC/ST AND DISABLED :

With minimal recruitment due to the effect of enhanced age of superannuation, the representation of SC, ST, OBC and Disabled persons in the overall employees strength continued to be maintained approximately at the same levels as reported during past years, barring some minor changes occurring due to other modes of attritions and up-gradation of employees.

The representation figures of aforesaid categories of employees of the Company are annexed in format (Annexure I)- forming part of this Annual Report.

## IMPLEMENTATION OF THE JUDGEMENTS/ORDERS OF THE CAT :

The Company is yet to be notified as covered under the jurisdiction of Central Administrative Tribunal, in order to implement its judgements/orders

## PROGRESSIVE USE OF HINDI :

The Company, through its Official Language Implementation Committee is constantly endeavoring to enhance awareness of employees regarding "Progressive Use of Hindi" in the Company's day-to-day workings and to fulfill various other requirements as per Ministry's Annual Programme and other Government Directives received from time-to-time. Meetings of Hindi Implementation Committee are held once in each quarter to review and monitor the progress achieved in this regard. Regular Hindi Classes are conducted in the premises of the Company for imparting Hindi training to the non-Hindi knowing employees. So far 322, 292 and 260 employees had passed the Hindi 'Prabodh', 'Praveen' and 'Pragya' Examinations respectively. 'Cash Awards' and 'Personal Pay' are granted to the employees, for passing the Hindi Examination as per Government norms.



Indian National Science Academy at New Delhi

"Rajbhasha Pakhwada" was observed from 14th to 28th September, 2008 and various Hindi Programmes/Competitions etc. were organized during the 'Pakhwada'. To create interest amongst employees, one Hindi word/phrase with its English equivalent is written on white boards and displayed at prominent places in the office premises. The Company is a 'Working Committee Member' of the Town Official Language Implementation Committee (PSUs) - Calcutta (CALTOLIC), Government of India in its "Half Yearly Meeting-cum-Rajbhasha Shield Puraskar Vitaran Samaroh", held on 26-08-2008 for better implementation of Hindi in the Company.

## AUDIT COMMITTEE :

The Board of Directors reconstituted the Audit Committee in December 2008 comprising Shri R.Manohar appointed as Part-time Official Director representing Administrative Ministry (HI&PE), Government of India vice Shri R.P.Goel, Shri C.Choudhuri, appointed as Director (Finance) of the company vide Order No.3(8)/2007-PE-IV dated 23.09.2008 received from the Ministry of Heavy Industries & Public Enterprises, Dept. of Heavy Industry, Government of India, and consequent upon expiry of term of Shri M.Pal Chaudhuri as Part-time Non-official Director of the Company with effect from 21.10.2008, vide Letter No. 7(4)/99-PE-IV dated 29.09.2005 received from the Ministry of Heavy Industries & Public Enterprises, Dept. of Heavy Industry, Government of India, wherein, Dr.C.R.Samadder was appointed the Chairman of the Audit Committee. Three meetings of the Audit Committee were held during the Financial Year 2008-09. In July 2009, the Audit Committee was further reconstituted on expiry of tenure of Dr.C.R.Samadder, comprising of the following available members Shri Mukesh Jha, Chairman-cum-Managing Director, Shri C.Choudhuri, Director (Finance), and Shri R.Manohar, Part-time Official Director, as Chairman of the Audit Committee.

## 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, 2009, 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 judgements 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.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has established adequate internal control systems in respect of major areas of operations with regard to all the sites of the company under execution. Such controls are aimed at promoting operational efficiencies, achieving saving in cost and overhead in respective business operations.

The Company is in the process of implementation of ERP system, a unique business process integration software from Oracle in a phased manner.

## **DIRECTORS :**

Pursuant to Order No. 3(4)/2004-PE.IV dated 26.09.2008 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, the additional charge of the post of Director (Project Management) of the company held by Shri Mukesh Jha with effect from 29.02.2008 was further extended for a period of three months with effect from 01.10.2008, or till the appointment of a regular incumbent, or until further orders, whichever is the earliest. Pursuant to Order No. 3(4)/2004-PE.IV dated 03.03.2009 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, the additional charge of the post of Director (Project Management) of the company held by Shri Mukesh Jha had been further extended for a period of six months with effect from 01.01.2009, or till the regular incumbent joins, or until further orders, whichever is the earliest.

Pursuant to Order No. 7(3)/1998-PE.IV dated 5th August 2008 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri R.Manohar was appointed as Part-time Official Director on the Board of the Company with effect from 5th August, 2008 vice Shri R.P.Goel.

Pursuant to Order No.7(4)/99-PE-IV dated 29.09.2005 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, the tenure of Shri M.Pal Chaudhuri, as Director of the company expired on 21st October 2008.

Pursuant to Order No.3(8)/2007-PE-IV dated 23.09.2008 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri Chandan Choudhuri was appointed as Director (Finance) of the Company and has taken charge with effect from November 22nd, 2008.

Pursuant to Order No. 7(4)/99-PE-IV dated 2.5.2006 received from the Ministry of Heavy Industries & Public Enterprises, Dept. of Heavy Industry, Govt. of India, the tenure of Dr.C.R.Samadder as Director of the company expired with effect from 11th May 2009.

Board placed on record its appreciation for the valuable services rendered by Shri M.Pal Chaudhuri and Dr.C.R.Samadder during their tenure of service as Director of the Company.

Pursuant to Order No.3(8)/2008-PE-IV dated 24.07.2009 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri Subhojit Dutta was reinstated to the post of Director (Project Management) of the Company with effect from 01.03.2008.

## **MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA :**

Bridge & Roof Co. (India) Ltd. has been signing a Memorandum of Understanding (MOU) with Department of Heavy Industry, Government of India. The performance of the Company for the year 2008-09 qualifies for 'Excellent' rating basis self evaluation.

## **VIGILANCE:**

Vigilance department under the guidance of Chief Vigilance Officer has strived to emphasize in its activities an environment of proactive vigilance, the importance of transparency and adherence to systems and procedures as per the norms prescribed by CVC, DPE and DOPT from time to time keeping in view, the ever changing environment of the construction industry in mind. The emphasis has been more on preventive vigilance rather than mere fault finding in acts and omissions arising out of commercial decision making.

## **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 2008-2009 under Section 619(2) of the Companies Act, 1956.

## **ACKNOWLEDGMENTS :**

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, 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**

Dated : 24<sup>th</sup> August, 2009, Kolkata

**(MUKESH JHA)**  
**CHAIRMAN-CUM-MANAGING DIRECTOR**

## ANNEXURE TO THE DIRECTOR'S REPORT FORM 'B'

### RESEARCH, DEVELOPMENT AND DIVERSIFICATION YEAR 2008-2009

1. Specific areas where Research, Development and Diversification was carried out :-
  - a) Storage Silos for Alumina.
  - b) Furnace and Heaters.
  - c) Highways and Expressways.
  - d) Boiler Work in Thermal Power Station
  - e) Manufacturing of Railway Wagons.
  - f) Manufacture of POT Shells for non-ferrous Industry.
2. Benefits derived as a result of Research, Development and Diversification :-
  - a) Receiving Order for Aluminium Bus Bar Work for Smelter Project.
  - b) Receiving Order for Replacement of Convection Section & Stack for Heaters.
  - c) Receiving Order for Vertical Cylindrical Heaters.
  - d) Receiving Order for Boiler Work.
  - e) Receiving Order for POT Shells.
  - f) Receiving Order for different types of Railway Wagons.
3. Future R&D Plan :-
  - a) Optimum Utilisation of Material Handling Devices (Work Study).
  - b) Pumped Storage/Hydel Projects.
  - c) Modernisation of Steel Plants.
  - d) Fire Fighting System.
  - e) Manufacture of Pressure & non-pressure Vessels.
  - f) Cross Country Pipeline
  - g) Flyover Construction
  - h) Construction of Higher Diameter Tanks (Above 79 M)
4. Expenditure in R&D in 2008-2009 :-

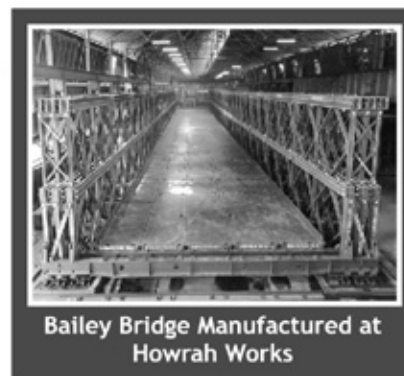
Capital : Rs. NIL  
Revenue : Rs. 8,87,000/-

**TOTAL : Rs.8,87,000/-**

5. Technology Absorption and Adaptation :-



POT Shells



Bailey Bridge Manufactured at Howrah Works



Construction of Highway for Government of Gujarat

Residual Design and Detail Engineering for EURO-IV Heater LSTK Project	Our Engg. Associate STRUCTO-MECH CONSULTANTS	Technology Absorption is in progress.
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