

THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION COMPANY LIMITED

Directors' Report

To

The Shareholders

It gives your Directors immense pleasure in presenting the 76th Annual Report on the Company's Operation and Performance together with Audited Accounts for the financial year ended 31st March, 2011.

2.0 HIGHLIGHT

2.1 The year that went by has been pivotal . End of Two Thousand Ten marked beginning of a new decade . A midst of looming risk in the global economy with multiple concern of Euro Zone Debt Crisis, slowing down of US Economy, Price elevation of consumables are primarily the signs of over heating of economy for year 2010-2011. Weathering all perils , our economy remained firm with promised rate of growth with the time tested policy of the Govt and cumulative impact of reform process and policy initiatives of major issues of economic concerns . With all the vital imperatives , your Company in turn with its limited means, could maintain its growth momentum both in terms of Sales Turn Over and Profitability. With ambitious plan at the anvil, your Company is committed to surge ahead in quest for further development during the 12th Plan Period .

Excellence both in the Marketing front and innovation in executions of Contract continued to be a core area of your Company . During the year , your company was successful in securing commendable progress in execution of a number of ongoing Projects besides technically challenging Bridge contract for Mahananda, Jaldhaka- Torsha, and Gandak Bridge etc to name a few amongst others . Progress of execution of Ganga Bridge Project at Munger in Bihar remained satisfactory through out the financial year under the supervision of sincere and talented team of engineers.

With all limitations and constraints , your Company could complete the work of construction of Allahabad Bank Building and Benfish Building at SaltLake- Kolkata. Besides completion of construction work for Drainage system at Tripura , the Building work at Tripura are all set to be accomplished as per planned schedule with satisfaction of the Clients. Your Company expects further Order of the like nature in the near future from these Clients .

Your Company completed yet another year of excellent performance. The Gross earnings of your company for the year ended 31st March,2011 stood at Rs. 14,731.07 lakhs as against Rs 8420.65 Lakhs in the corresponding previous year recording substantial rate of growth than envisaged by the Company for the year under review .

During the year , the company achieved Gross Profit of Rs. 753.32 Lakhs before charging Interest, Prior Period Charges, Extra-Ordinary Items, Tax and Depreciation. Profit before Interest amounting to Rs 645.30 Lakhs during the year is indeed a touch stone for your Company's crossing the MOU target set for the year under review so also for earlier years .

It was another success for Your Company to maintain impressive growth rate over previous year with Post Tax Net Profit of Rs 359.57 Lakhs earned over the last year .

3.0 FINANCIAL PERFORMANCE

3.01 A summary of Financial Performance of the company for the financial year 2010-2011 vis-à-vis 2009-2010 is given below:-

PARTICULARS	2010-2011	Rs./Lakhs
		2009-2010
Gross Earnings	14731.07	8420.65
Gross Margin	753.32	588.82
Depreciation	108.02	71.58
Profit before Government & other interest, EOI & Prior Period Items	645.30	517.24
Government & other Interest:	90.09	70.97
Profit/(Loss) for the year (before Prior Period adjustment & Extra-Ordinary items)	555.21	446.27
Prior Period adjustment	18.76	17.24
Extra Ordinary Item	87.38	96.54
Net Profit After Tax	359.57	275.98

4.0 FINANCIAL AND CAPITAL STRUCTURE

4.1 The capital structure of the Company as on 31st March,2011 compared to the previous year is indicated below:-

PARTICULARS	Rs.in lakhs	
	As on 31-3-2011	As on 31-3-2010
Authorised capital	3000.00	3000.00
<u>SOURCES: Own</u>		
Issued and subscribed capital	2026.50	2026.50
Reserves & surplus	519.86	166.12
<u>Borrowed</u>		
Zero rate debentures	1214.62	1214.62
(Pending allotment)		
Loan from Govt. of India	235.95	275.00
Interest Accrued & Due	131.30	85.09
Secured Loan From Bank	1123.46	772.79
TOTAL:	5251.69	4540.12
Represented by:		
Net fixed assets	815.80	641.01
Net current assets	4435.29	3898.51
Investment	0.60	0.60
TOTAL:	5251.69	4540.12

DIVIDEND

4.2 It is a pleasure to inform you that in keeping the trend of the last year, the Board of Directors of your Company at its 114th Meeting has recommended for declaration of dividend of Rs 5.00 Lakhs on the Paid up Capital of the Company as on 31-03-2011 subject to your approval of the same in the ensuing Annual General Meeting and compliance of the provisions of the Companies Act 1956 and the Rules made there under.

5.0 ORDER BOOK

The Orders in hand as on 31-03-2011 stood at Rs 756.51 Crores . During the year, under review orders worth Rs. 152.60 Crores were executed and Billed. Steps have been taken to further improve the order Book for the year 2011-2012

6.0 DIVERSIFICATION & FUTURE OUT LOOK

6.1 Your Company with it's limited means already diversified into the related area of civil projects of varied nature. Completion of Construction of Buildings, Drainage Work and infrastructure work etc were a few amongst others helped for your Company to make significant contribution to the bottom line and Profitability .

6.2 In quest of diversification move , relentless efforts are put in to secure other allied job of Civil nature following the track record of it's past performance in the similar line . Completion of Civil job ahead of the schedule being a note of achievement for your Company to reckon with , your Company expects to get more Orders in days to come with greater value addition and to re-structure the Brand image for your Company .

Upon direction of the Govt , your Company together with a leading PSU in Construction line has jointly participated in the Railways Tender of High Value to explore the benefit of techno-economic synergy amongst the Companies through MOU process . Besides being technically compatible, the process would in course of time become beneficial for the Companies and the consortium as well to forge ahead with value addition .

6.3 In further move to the process of diversification , your company has taken stride in developing various Infrastructure Projects under Railways so also under the State Govt. The exposure of your Company in this direction would go a long way to secure more Projects .

6.4 Your Company is in the process of implementation of integrated computerization.

7.0 HUMAN RESOURCES

Industrial Relation being a life line of your company, remained peaceful and cordial during the year under review.

Employee Value Addition and enrichment of ethical standards being the core area of concern, your Company encouraged employee welfare activities for development of Intrinsic values and to build a bond with your Company in the way of work with mutual participation and reciprocal understanding. In the process, Training in various areas and skill was imparted to the employees to keep them abreast with the sweeping change in technologies and skill up-gradation.

8.0 CORPORATE GOVERNANCE:

With the adoption of DPE - Corporate Governance Guidelines by the Board, your Company is striving to secure higher degrees of accountability, transparency , responsibility and fairness in all aspects of operations and functions.

DPE - Corporate Governance Guidelines are being followed by your Company with all it's commitments, writs and principles in pursuit of excellence in Business Plan and strategic decision making process to enhance shareholders value ,growth and good Governance .

The information stipulated under Corporate Governance Guidelines is given in the Annexure and form part of the Report .

8.01 AUDIT COMMITTEE:

Your Company, in pursuit of excellence in the procedure and compliance of Audit standard and as a part of Corporate Governance process, continue to hold Meeting of Audit Committee regularly to ensure transparency, accountability, integrity and ensure compliance of various laws.

The said Audit Committee in the process met four times during the year to review. The Internal Audit Plan, Internal control mechanism and Issues of financial and operational system are made more structured to take on to all kinds of future challenges with dare and solidarity in keeping with the writs of the Companies Act 1956.

8.02 : ENVIRONMENT AND POLLUTION CONTROL

Being a core area, Environment and Pollution Control was given a major thrust during the year under review. Besides periodical check, system has been made in operation to monitor the level of Carbon and emission of other gases from the Plants in use at various Production Sites. The emission level in Carbon stands minimized through adoption of better know-how and technologies available.

The move taken by your Company was noteworthy as during the course of the year no Notice or Show Cause was ever received from the Authorities or Regulators alleging non compliance of relevant Laws and lead your Company to remained eco-friendly to the Community and it's people at large.

9.0: CORPORATE SOCIAL RESPONSIBILITIES

- Your Company remained committed, pro-active and compliant in the area of Corporate Social Responsibilities. During the financial year under review, amount as budgeted and approved were spent through Govt sponsored NGOs of repute for social well being of the backward, distraught and distressed.
- Your Company being visionary, and responsive further committed to the instructions of the Govt in this direction and expects to increase it's voluntary activities in the other area with in the means available in the years to come in repaying it's commitment to the society for social well being.

9.01: ENCOURAGEMENT / ASSISTANCE TO MSME:

In accordance with Govt Guidelines, your Company has been procuring items from MSME's like previous years. Aids and Supports by whatever name called were extended to the Social Welfare Organisations through selective sourcing / procurement of materials and services from them in need in phased manner.

10.0: CONSERVATION OF ENERGY AND TECHNOLOGY

By means of a laid down Energy Policy, your Company has taken policy initiative for conservation of Energy through newer and improved means. Regular maintenance of Plants at Site and periodical overhauling of other operational equipments received perpetual attention through improved process and maintenance practices. Amongst others, reduction of fuel consumption and corresponding enhancement of fuel efficiency received impetus to recon with.

The information stipulated under Section 217(1)(e) of the Companies Act 1956 read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the Annexure and form part of the Report.

11.0: 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..

12.0 VIGILANCE

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

13.0 REPORT OF THE STATUTORY AUDITORS & COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF 2010-2011

AUDITORS

13.01 M/s. I.B.Chakraborty & Co., Chartered Accountants, Kolkata were appointed as Statutory Auditors of the Company for the year 2010-2011 by the Comptroller and Auditor General of India as per provision of Section 619(2) of the Companies Act,1956.

13.02 The observations of the Statutory Auditors on the Accounts for the year 2010-2011 are self explanatory and have been adequately explained in the notes on accounts.

13.03 The Comptroller & Auditor General of India by letter dated September 06, 2011 has given comments on the Accounts of your Company for the financial year 2010-2011 under section 619(4) of the Companies Act 1956 and conveyed it's decision not to review the Report of the Statutory Auditors on the Accounts of the Company for the year as aforesaid and as such have no comment to make under section 619(4) of the Companies Act 1956. The letter received from them is annexed to this Report .

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

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

14.0: DIRECTORS RESPONSIBILITY STATEMENT

14.01 Pursuant to Section 217(2AA) of the Companies Act,1956 and on the basis of explanation and information given by the executives of the Company and on the basis of discussion with the Statutory Auditors, your Directors subscribed to the Directors Responsibility Statement and declare that:

(1) ...in preparation of the Annual Accounts the applicable Accounting standards had been followed along with proper explanation relating to material departures.

(2) ...the Directors had selected such accounting policies and applied them consistently and made judgment 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 2010-2011 and the Profit & Loss Account for the said period.

(3) ...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.

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

15.0: IMPLEMENTATION OF RAJBHASHA

The implementation of Rajbhasha through different in house programmes remained to be the core area . Besides few programmes, efforts were taken by your company to do more in the coming year.

16.0 : BOARD OF DIRECTORS

Sri Pramod Kumar continued to remain as Director and Ex-Officio Chairman of the Board of your Company up to October 30, 2010 . Shri S.Baul , MD, BBJ took over charge of the Office of Chairman & Managing Director , BBUNL effective from November 01, 2010 by Order of DHI vide no 8(14)/2006.PE-III dated 13-10-2010.

Sri Baul however continued to remain Managing Director of your company during the year under review along with Sri Shashank Goel , Joint Secretary , Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Govt. of India appointed as Director.

Sri S.K.Das, Director Finance , BBUNL Shri Neeraj Mishra , Director Technical BBUNL were appointed as Director in the Board of your Company pursuant to the Order of DHI vide no. 8(15)/2004.PE III dated 17-02-2011.

17.0 : ACKNOWLEDGEMENT

17.01 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 , Rail Vikash Nigam Ltd and Govt. of West Bengal, Govt of Tripura , Canara Bank, State Bank of India and other Banks for their continued co-operation and valuable assistance provided to the company.

17.02 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.

17.03 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)
Chairman

Dated: August 16, 2011

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, 2011.

A. CONSERVATION OF ENERGY:

- | | |
|--|--|
| (a) Energy Conservation measures taken: | (a) The Company has framed Energy Conservation Policy. The Policy ensures Regular and Preventive maintenance of Plants & Equipments at Sites. The Policy is reviewed at periodical interval at the Corporate level |
| (b) Additional investment and proposals, if any being implemented for reduction of consumption of energy: | (b) Nil |
| (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 : | (c) Adoption of measures stated under a above was responsive as it contributed overall savings in the energy cost of the Company at relevant point of time . |

B. TECHNOLOGY ABSORPTION

(a) Your company was certified as a ISO 9001: 2008 company in respect of site Fabrication and Erection of Steel Bridges.

(b) EXPENDITURE ON R&D

	Current Year <u>Rs.Lakhs</u>	Previous Year <u>Rs.Lakhs</u>
Capital	Nil	Nil
Revenue	Nil	Nil

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	?
Outgo on account of imports, Training etc.	Nil	?

ANNEXURE TO THE DIRECTORS' REPORT

• REPORT ON CORPORATE GOVERNANCE :

This Report is in accordance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Govt Of India , Ministry of Heavy Industries and Public Enterprises , Department of Heavy Industry in May 2010

Company's Philosophy on Guidelines on Corporate Governance	The Company's Philosophy on Corporate Governance is aimed at : Enhancing long term Shareholders value and Company's wealth generating capacity through <ul style="list-style-type: none">Assisting top Management in taking sound business decisions and prudent Financial ManagementAchieving transparency and professionalism in all decisions and activities of the CompanyAdhering to disclosure CompliancesAchieving excellence in Corporate Governance by :<ol style="list-style-type: none">conforming to the prevalent guidelines on Corporate Governance and excelling in wherever possibleSetting high ethical standards in conduct of business complying with laws and regulationsReviewing periodically the existing system and controls for further improvements				
Board of Directors	All Directors of the Board of the Company are appointed by the President of India . The total numbers of Directors on the Board of the Company are given hereunder . Reference has been made to the Govt for appointment of Directors to bring the Board in line with the Govt Guidelines for Corporate Governance				
Board Composition	Numbers of Directors	Name			
		Shri Pramod Kumar Director & Ex-Officio Chairman (Up to 30-10-2010)			
		Shri S.Baul , Managing Director Director & Ex-Officio Chairman and Chairman & Managing Director Bharat Bhari Udyog Nigam Limited (From 01-11-2011)			
		Shri Shashank Goel Joint Secretary – DHI , Govt Nominee			
		Shri Neeraj Mishra , Director Tech – BBUNL Director			
		Shri S.K.Das Director Fin – BBUNL Director			
Meetings Held (Board & Audit Committee)	Board Meeting Held During the year	01	June 30, 2010		
		02	Sep 04, 2010		
		03	Dece 10 2010		
		04	Mar 05, 2011		
	Audit Committee Meeting Held During the year	01	June 30, 2010		
		02	Sep 04, 2010		
		03	Dec 10, 2010		
		04	Mar 05, 2011		

Attendance to the Meetings (Board & Audit Committee)	Name	Number of Meeting Attended		Attendance at the Last Annual General Meeting held on Dec 10, 2010
		Board	Audit Committee	
	Shri Pramod Kumar	02	02	
	Shri S.Baul ,	04	04	
	Shri Shashank Goel	04	03	
	Shri S.K.Das	04	01	
	Sri Neeraj Mishra	04	01	Yes
Committee of Board of Directors		The Board has only Audit Committee for the time being . The details of such Committee are as under		
Audit Committee	Role and the Terms of Reference :	Matters specified under para 4.2 of the Guideline on Corporate Governance for Public Enterprises. The Committee acts as link between the Management ,the Statutory and Internal Auditors and the Board of Directors and assesses financial reporting system		

Composition , Meetings & Attendance	Name of Directors		Meeting attended - 2010-2011	
	Shri Pramod Kumar		Meeting held -04	Attended - 02
	Shri S.Baul ,		Meeting held -04	Attended - 04
	Shri Shashank Goel		Meeting held -04	Attended - 02
	Shri S.K.Das		Meeting held -04	Attended - 01
	Shri Neeraj Mishra		Meeting held -04	Attended - 01
Code of Conduct		The Draft Code of Conduct for Members of the Board and Senior Management is laid down by the Board is under process of compilation		
General Body Meetings Particulars of last three Annual General Meetings	Fin Year	Date	Time & Venue	Special Resolutions(s)
	2007-2008	Sept 29, 2008	15:00 Hours BBUNL , Alipore Kolkata	Nil
	2008-2009	Nov 10, 2009	15:00 Hours BBUNL , Alipore Kolkata	Nil
	2009-2010	Dec 10, 2010	11:00 Hours BBUNL , Alipore Kolkata	Nil
Disclosures	Transactions of material nature with Directors or their relatives that may have potential conflict with the Interest of the Company		Nil	
	Related Party Transactions (AS 18)		Disclosed in appropriate Schedule attached to Accounts for the year ended March 31, 2011	
	Details of non-compliances by Company or strictures imposed on it		NIL	
	Whistle Blower Policy and affirmation that no personnel has		The Company being not listed , does not have Whistle Blower	

	been denied access to Audit Committee	Policy. None was denied access to Audit Committee
	Details of Compliance of the requirements of these Guidelines	Complied . Appointment of required numbers of Independent Directors has been taken up with the Govt
	Details of Presidential Directives issued by Central Govt & their Compliance during the year & last three years	No Directives are pending for compliance
	Items of Expenses debited in Books of Accounts not for business purposes	Nil
	Expenditure incurred which are personal in nature and incurred for the Board of Directors & Top Management	Nil
Means of Communications	Shares issued by the Company being not listed in any Stock Exchange , quarterly Results are not published in the News Papers. Annual Audited Financial Results are displayed on the Company's website <u>Address for Correspondence</u> 27, Sir Rejendra Nath Mukherjee Road . Kolkata – 700001	
Audit Qualifications	The effort of the Company is to move towards a regime of unqualified Financial Statements	
Training of Board Members	The Company propose to consider this in future	
Whistle Blower Policy	The Company propose to consider this for employees in future	
Corporate Governance Audit	Audited by Statutory Auditors . Certificate of the Statutory in effect thereon is received	