

**Twelfth Annual Report  
2005-2006**



**BOMBAY BARODA ROADWAYS (INDIA) LIMITED**

**BOARD OF DIRECTORS :**

MR.JAIPRAKASH AGARWAL	-Managing Director
MR.RAMCHNADRAAGARWAL	-Director
MR.MAHENDRAKUMARAGARWAL	-Director
MR.LALITKUMARAGARWAL	-Director
MR.BHAVIN SHAH	-Director
MR.JASWANT D.SHARMA	-Director

**BANKERS:**

BANK OF BARODA  
IDBI BANK

**AUDITORS:**

ANIL K.LODHA & Co  
Chartered Accountants  
15, Leena Apartment,  
60 Feet Road,  
Bhayandar(W),  
Thane – 401 101.

**REGISTERED OFFICE:**

Unit No.4, B-Wing,  
Sita Estate, Ground Floor,  
Aziz Baug, Mahul Road,  
Chembur, Mumbai- 400 074.

**REGISTRARS & SHARE TRANSFER AGENT:**

ANKIT CONSULTANCY Private Limited  
2nd Floor, Alankar Point,  
Gita Bhawan Chouraha,  
A.B.Road, Indore (M.P)

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**NOTICE**

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of **BOMBAY BARODA ROADWAYS (INDIA) LIMITED** will be held on Thursday, 31st August, 2006 at the Registered Office of the Company at Unit No.4, B-Wing, Sita Estate, Aziz Baug, Mahul Road, Chembur, Mumbai-400 074 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit & Loss Account of the company for the year ended 31st March, 2006 and Balance Sheet as at the date along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramchandra Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bhavin A. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mahendrakumar Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors, M/s. ANIL K. LODHA & CO, Chartered Accountants, as auditors of the company to hold office from the conclusion of this Annual general meeting to the conclusion of the next annual general meeting & to authorize the board of Directors to fix their remuneration..

Place: Mumbai.

Dated: 04 August , 2006.

For and on behalf of the Board.

**REGISTERED OFFICE:**

Unit No-4, B-Wing,  
Sita Estate, Aziz Baug,  
Mehul Road, Chembur,  
Mumbai- 400 074.

**JAIPRAKASH AGARWAL**  
Managing Director.

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. The proxy may not be a member of the Company. The proxies in order to be effective must be delivered at the registered office of the company not less than 48 hours before commencement of the meeting.
2. The Register of the Members & Share Transfer Books of the company will remain closed from Monday 28th August 2006 to 31st August 2006 (Both days inclusive)
3. Member seeking any information or clarification on the Accounts are requested to send in written queries to the company at least one week before the date of the Annual General Meeting.. Replies will be provided only in respect of such written queries received at the meeting.
4. The Annual General Meeting and Attendance Slip will not be distributed at the Annual General Meeting Shareholders are requested to bring the same along with them.
5. Members are requested to intimate the change, if any, in their Registered Address directly to the company's Registered & share transfer agents.

**DETAILS OF DIRECTORS, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING, IS AS FOLLOWS:**

Name of the Director	Mr. Ramchandra Agarwal	Mr. Mahendra Kumar Agarwal	Mr. Bhavin Shah
Date of Birth	17/09/1956	15/07/1965	21/09/1966
Expertise in Specific Functional Areas	Finance	Marketing	Administrative
Qualifications	B.Com.	B.Com	D.E.E & D.B.M.
List of other companies in which directorship Held on as 31st March 2006	1. Agarwal trans-Petrochem Pvt. Ltd	1. Agarwal Translink Pvt Ltd	—
Chairman / Member Of the Committee of The Board of other Companies in which he is a Director as on 31'st March 2006	Member of 1. Audit Committee 2. Remuneration Committee	Member of 1. Audit Committee 2. Shareholder's Grievance	—

Place: Mumbai.

Dated: 04 August, 2006.

For and on behalf of the Board.

**JAIPRAKASH AGARWAL**  
Managing Director.

**BOMBAY BARODA ROADWAYS (INDIA) LIMITED.****DIRECTOR'S REPORT**

The Director's have great pleasure in presenting this Twelfth Annual Report and Audited Accounts for the Year ended 31st March, 2006.

**FINANCE REVIEW:****FINANCIAL YEAR**

	2005-2006 (Rs. In Lacs.)	2004-2005 (Rs. In Lacs.)
Total Income	614.20	455.93
Total Expenditure	366.96	357.76
Profit before Interest & Depreciation	247.27	98.17
Interest 49.69	10.69	
Depreciation	126.04	48.03
Profit Before Tax	71.49	39.45
Provision for taxation		
a) Current tax	5.60	3.03
b) FBT	0.80	
c) Deferred tax	234.84	79.75
Profit after Tax	(169.75)	(43.33)
Balance brought forward from earlier year	(75.93)	(32.60)
Balance carried to Balance sheet	(245.68)	(75.93)

**PERFORMANCE REVIEW:**

During the year our company have increased total income by 34% than that of the of last year. Also during the year the company has installed another windmill at Dhulia (Maharashtra) in addition to the one windmill at Jaisalmer (Rajasthan) which has already been installed in last year and earned total income of Rs.110 Lacs.

**DIVIDEND:**

The Board of Directors has not recommended any Dividend this year.

**PUBLIC DEPOSITS:**

The Company has not accepted any deposits from the public during the year.

**LISTING OF SHARES:**

The equity shares of the company are listed on the Stock Exchange, Mumbai. (BSE code 531921) the listing fees for the year 2006-07 has been duly paid.

**CORPORATE GOVERNANCE:**

In terms of corporate governance disclosure as required by clause 49 of the listing agreement, details are provided in this reports as Annexure II. The certificate from the company's Auditors confirming the compliance of conditions of corporate governance as stipulated in clause 49. Report of the Listing Agreement with the Stock Exchanges is also annexed.

**Management Discussion and Analysis report :**

Management discussion and analysis report as required under the listing agreement with the stock exchange is annexed as Annexure III forming part of this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

1. In the preparation of annual accounts for the year ended, March 31, 2006 the applicable Accounting Standards have been followed. There are no material departures from the applicable accounting standards;
2. The Directors 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 under review and of the profit of the Company for that year;

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3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the attached statement of accounts for the year ended March 31, 2006 on a going concern basis.

**AUDIT COMMITTEE:**

The Company has an Audit Committee comprising of one Executive Director and three Non-Executive Directors of the Company viz Shri.Jaiprakash Agarwal, Shri.Lalitkumar Agarwal, Shri.Mahendrakumar Agarwal and Shri.Bhavin Shah. The Board of Directors have appointed Shri.Jaiprakash Agarwal as the chairman of the committee.

**INDUSTRIAL RELATIONS:**

Industrial relation continued to be cordial during the year.

**DIRECTORS:**

Mr. Ramchandra Agarwal, Mr. Mahendrakumar Agarwal, & Mr. Bhavin A. Shah retire by rotation & being eligible offer themselves for re-appointment.

**AUDITORS:**

The Auditors of your company M/s. ANIL K.LODHA & CO. Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

**(A) Conservation of Energy and Technology Absorption:**

The information required to be given U/s 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is not applicable since the company is not engaged in manufacturing business.

**(B) Foreign Exchange Earning and Outgo:**

During the year under review, the company did not have any Foreign Exchange Earning or Outgo.

**PARTICULARS OF EMPLOYEES:**

As required by the provisions of section 217(2A) of the Companies Act, 1956 as amended, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure 'A' to this Report.

**ACKNOWLEDGMENT:**

The Directors wishes to express their gratitude to the Banks, Clients and all the business associates for their continuous support to the company and to the shareholders for the confidence reposed in the Company's Management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

Place: Mumbai.

For and on behalf of the Board.

Dated: 4th August, 2006.

**JAIPRAKASH AGARWAL**  
Managing Director.

**ANNEXURE -A TO THE DIRECTORS' REPORT**

Particulars as per section 217 (2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March 2006.

Name	Designation	Qualification	Age(Yrs)	Date of Joining	Experience in years	Gross Remuneration	Previous Employment
Mr.Jaiprakash Agarwal	Managing Director	B'Com	48	28.12.1994	25	6,00,000/-	Self Employed

**BOMBAY BARODA ROADWAYS (INDIA) LIMITED.****ANNEXURE- II TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Corporate Governance .**

Corporate Governance is a dynamic concept thriving under constantly changing environment. Corporate Governance encompasses good corporate practices, laws, procedures, standards and implicit rules that determine a Management's ability to take sound decisions with respect to its various stakeholders viz. its shareholders, creditors, partners, associates, employees and the Government. The objective of Corporate Governance is to maximize long-term shareholder value through an open and transparent disclosure regime enabling every stakeholder to have access to fullest information about the Company and its functioning. Your Company is firmly of the view that Corporate Governance is not an end in itself but a facilitator in maximizing the objective of shareholder's value. Any Corporate which embodies principles of Corporate Governance like openness, transparency, ownership fairness in its functioning is bound to maximize shareholder value and also its own corporate values.

In keeping with the above, your Company reaffirms its commitment to excellence in Corporate Governance and constantly strives to benchmark itself against the best, in its relentless pursuit to attain the highest standards of corporate values and ethics. This is done with the objective of generating long-term economic value for the shareholders, whilst concurrently respecting the interest of other stakeholders.

The Company has complied with the provisions of the amended Clause 49 of the Listing Agreement of the Stock Exchange (which came into effect from January 1, 2006), which deals with the compliance of Corporate Governance requirements. The same are detailed below :

**2. Board of Directors****a) Composition of the Board**

The Board comprises of One Executive Director and Five Non-Executive Directors. The Chairman of the Board is an Executive Director and one third of the Board comprises of independent Directors.

The composition of the Board and other relevant details relating to Directors as on 31.03.2006 are given below:

Category & Designation	Name of Director	No. of Other Directorship & Committee membership / Chairmanship.			
		Public Co. membership	Pvt Co. membership	Committee Chairmanship	Committee Membership
Promoter & executive	Mr.Jaiprakash Agarwal Managing Director	—	1	—	—
Independent Non-executive	Mr.Lalitkumar Agarwal Director	2	1	—	3
Independent None executive	Mr.Mahendrakumar Agarwal- Director	—	1	—	—
Independent Non-executive	Mr.Ramchandra Agarwal Director	—	1	—	—
Independent Non-executive	Mr.Bhavin A. Shah Director	—	—	—	—
Independent None executive	Mr.Jaswant D. Sharma Director	—	—	—	—

**b) Appointment/Re-appointment of Directors:**

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Ramchandra Agarwal, Mr. Mahendrakumar Agarwal and Mr.Bhavin Shah shall retire by rotation at the forthcoming Annual General Meeting.

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The Board has recommended to the shareholders the re-appointment of Mr. Ramchandra Agarwal, Mr. Mahendrakumar Agarwal and Mr. Bhavin Shah as Directors. The detailed resume of the aforesaid proposed appointees is provided in the notice of the Annual General Meeting.

**c) Board Meetings and Annual General Meeting:**

During the financial year 2005-06, Five Board Meetings were held on – 17th June, 2005, 29th June, 2005, 30th July, 2005, 31st October, 2005 and 31st January, 2006. The last Annual General meeting of the company was held on 30th September, 2005. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:-

Director	No of meetings		Attended last AGM
	Held	Attended	
Shri Jaiprakash Agarwal	7	7	Yes
Shri Lalitakumar Agarwal	7	7	Yes
Shri Mahendrakumar Agarwal	7	7	Yes
Shri Ramchandra Agarwal	7	3	Yes
Shri. Bhavin Shah	7	5	Yes
Shri. Jaswant D. Sharma	7	2	No

**d) Code of Conduct**

The Board has laid down a code of conduct for all Board members and senior management of the company.

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Whole-Time Director forms a part of this Annual Report.

**3. Audit Committee.**

**a) Constitution of Audit Committee:**

The Committee comprises three Non-executive Directors majority of whom are independent directors. All members of the Committee are financially literate.

**b) Composition of Audit Committee and Number of meetings attended:**

During the Financial year 2005-06, Four audit Committee Meetings were held on 29th June, 2005, 30th July, 2005, 31st October, 2005 and 31st January, 2006. The Composition of the Audit Committee and the number of meeting attended were as under:

Director	Designation Held	No. of meetings Attended
Shri Jaiprakash Agarwal	Chairman	2
Shri Mahendrakumar Agarwal	Member	4
Shri Lalitakumar Agarwal	Member	2
Shri Ramchandra Agarwal	Member	2
Shri Bhavin Shah	Member	1

**c) Attendees:**

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Chief Financial Officer and Financial Controller attend such meetings. The Statutory Auditors and Internal Auditors are also invited to these meetings.

**d) The Terms of Reference of the Audit Committee:**

The terms of reference of the Audit Committee as defined by the Board are as under:

(vi)



**BOMBAY BARODA ROADWAYS (INDIA) LIMITED.**

- 1) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- 2) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 3) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 4) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 5) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
- 6) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 7) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 8) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 9) Discussion with internal auditors on any significant findings and follow up there on.
- 10) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 11) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 13) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

## e) Powers of the Audit Committee:

The Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.



**4) Remuneration Committee****a. Constitution of Remuneration Committee:**

The Remuneration Committee was re-constituted on 30th July 2005. Presently, the committee comprises of three members. All the members are Non-Executive Directors.

**b. Composition of Remuneration Committee and the number of meetings attended:**

During the financial year 2005-06, one meeting of the remuneration committee was held on. 30th July '2005.

**c. Terms of reference:**

The committee has the mandate to review and recommend compensation payable to the executive directors and senior management of the company. It shall also administer the company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans. The committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.

**d. Remuneration Policy**

The Remuneration Committee of the Board constituted in compliance with the SEBI guidelines has framed the compensation structure for the working Directors and the Committee reviews the same from time to time based on certain performance parameters, like growth in business as well as profitability and in line with the best practices prevailing in the industry.

**e) Details of Remuneration, Commission and Sitting fees paid to all Directors in financial year 2005-2006.****1) Whole-time Directors**

The details of payment to the Whole-time Directors for the financial year 2005-06 are as follows:

Whole-time Director	Salary	Commission
Mr. Jaiprakash Agarwal	6,00,000 p.a.	NIL

**2) Non Whole-time Directors**

The details of payment to the Whole-time Directors for the financial year 2005-06 are as follows:

Director	Salary	Commission
Mr.Lalitkumar Agarwal	4,80,000 p.a.	NIL
Mr. Ramchandra Agarwal	4,80,000 p.a.	NIL

**3) Sitting Fees paid to the Directors Rs.14,000/-****5. SHAREHOLDER/INVESTOR GREIVANCE TRANSFER COMMITTEE:****a) Constitution and Composition of Shareholders' Grievance Committee:**

The Shareholders' / Investors' Grievance Committee has been constituted to look into investor's complaints like transfer of shares, etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr.Jaiprakash Agarwal an Executive Director. five Shareholders' / Investors' Grievance Committee Meetings were held during the financial year 2005-06, on 29th June'2005, 22nd September'2005, 10th March'2006, 13th March'2006 and 14th March'2006. The present composition of the Shareholders/Investors' Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation	No. of Meeting Attended
Mr.Jaiprakash Agarwal	Chairman	5
Mr.Mahendrakum Agarwal	Member	4
Mr.Lalitkumar Agarwal	Member	1
Mr.Bhavin Shah	Member	1