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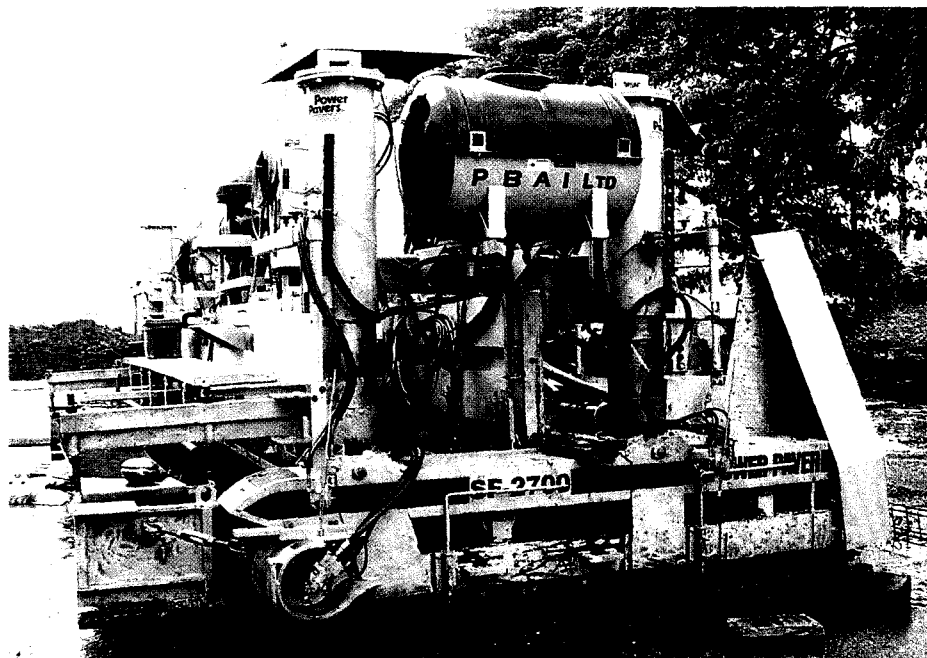
PBA INFRASTRUCTURE LTD.

32ND ANNUAL REPORT (2005-2006)



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32nd Annual Report





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Annual General Meeting - 29th September 2006. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.

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PBA INFRASTRUCTURE LIMITED



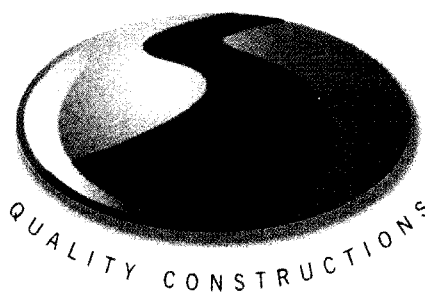
IN HOMAGE TO OUR VISIONARIES OUR INSPIRATIONS
AND OUR GUIDING LIGHT



Late Shri. Roshanlal Wadhawan



Late Shri. Pritamlal Wadhawan



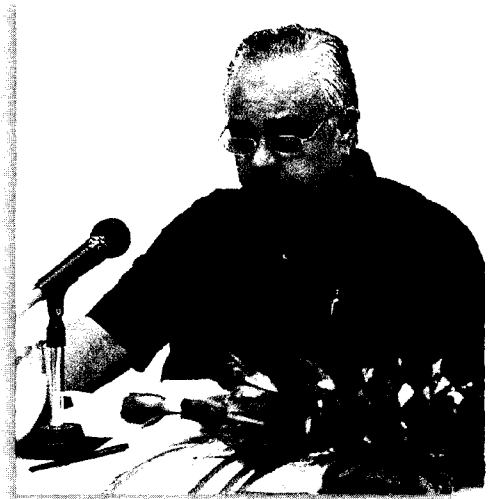
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FROM THE DESK OF THE CHAIRMAN



DEAR SHAREHOLDERS

I have pleasure in welcoming you all at the 32nd Annual General Meeting of the Company.

This has been an eventful year for the Company and its growth. We have once again reiterated our commitment for enhancing the shareholders value.

OUTLOOK

The Central Government is keen to implement the Public-Private Partnership (PPP) model, considering the fact that India is now a preferred destinations for foreign investments and growing significance of infrastructural development in the country. Most of the projects are being developed on BOT basis especially in road sector. The industry faces a change in the business outlook and opportunities.

Construction accounts for nearly 6 percent of Indian GDP (at current prices) and is the second biggest contributor, after agriculture. The sector is also the second largest employer offering either direct or indirect employment to nearly 32 millions.

Construction is a capital-intensive activity. Broadly, the services of the sector can be classified into infrastructure development (54 percent), industrial activities (36 percent), residential activities (5 percent) and commercial activities (5 percent). Major construction work includes the setting up of road and

highway projects, power plants, railway lines, mineral plants and dams and undertaking irrigation and urban infrastructure projects.

The sector is growing at the rate of 15 percent per annum. The growth has been evenly spread across various infrastructure sectors but roads and urban infrastructure have been the key drivers.

India needs to invest \$330 billion in infrastructure over the next five years to sustain an average annual growth rate of 8 per cent. The Confederation of Indian Industry showed India needs to increase its spending on infrastructure projects to 8 per cent of its gross domestic product from 4.6 per cent now. That means investments in infrastructure must total \$331 billion (euro260 billion) over the next five years, it said in a statement and the road sector is likely to lead in terms of investment. India currently spends much less on infrastructure than China and other developing countries in the Asian region, and experts have often warned that its booming economy could falter because of inadequate ports, roads and power supplies.

In the current fiscal year ending in March 2007, India is expected to spend about \$47 billion (euro37 billion) on infrastructure. But the annual figure needs to be nearly doubled to \$84 billion (euro66 billion) by the year ending in March 2012 to sustain the current economic growth rate, which has averaged 8.1 per cent annually over the past three years.

PBA INFRASTRUCTURE LIMITED**YEAR UNDER REVIEW**

During the year under review your Company's maiden Public Issue of 5,001,362 Equity shares of Rs. 10 each at a premium of Rs. 50 was successfully launched. About 23475 new shareholders were added to the family of the shareholders at the time of Public Issue.

During the year under review, the company has achieved a turnover of Rs. 172.27 crores as against Rs. 130.00 crores for the previous year resulting up by 32%.

This year the profit before income tax is Rs. 11.62 crores as compared to Rs.8.54 crores in the previous year up by 36%.

The company has consistently maintained of a healthy order book position of Rs. 550 crores.

RISK MANAGEMENT

The management is focusing on effective risk management mechanism for monitoring the status of the significant risks and reviewing mitigation effectiveness. Meeting deadlines in terms of time and cost is of utmost significance and need of the day.

I wish to place on record my sincere appreciation for the unflinching commitment, support and value the contribution of all the colleagues, employees, workmen, Financial Institutions, Banks, Merchant Bankers, Lead Managers, business associates and Shareholders/Investors.

I once again thank you all for making it convenient to attend the meeting.

Ramlal Wadhawan

Chairman & Managing Director

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PBA INFRASTRUCTURE LIMITED

BOARD OF DIRECTORS AND MANAGEMENT

BOARD

Ramlal Wadhawan

Chairman & Managing Director

Balkrishan Wadhawan

Vice Chairman & Joint Managing Director

Narayan Ganesh Thatte

Executive Director

Narain Piramal Belani

Whole Time Director

NON - EXECUTIVE DIRECTORS

Anant Ramchandra Athavale

Ms. Vrinda Arun Chapekar

Perar Krishna Narasimha Kamath
Dharampal Uppal

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Registry Ltd

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai-400078

Tel: 25963838 Fax: 25946969

Email: isrl@intimespectrum.com

BANKERS

Canara Bank

Union Bank of India

State Bank of Patiala

LEGAL ADVISOR

Ajit Singh

Advocate

PRESIDENT

Suresh Kumar Bothra

EXECUTIVE PRESIDENT

Subhash Wadhawan

Rajesh Wadhawan

Deepak Wadhawan

Sunil Wadhawan

Vishal Wadhawan

COMPANY SECRETARY

Sudershan Kapur

REGISTERED OFFICE

611/3, V. N. Purav Marg,
Chembur, Mumbai - 400 071.

Tel.: 6797 3767 / 6797 3768

Fax: 2522 9699

Email: pbaltd@vsnl.net

Website: www.pbail.com

BRANCH OFFICE

214 - B, Arjun Centre,
Govandi Station Road,
Govandi, Mumbai - 400 088.

Tel.: 6797 8200 / 6797 8218

AUDITORS

Ajay B. Garg

Chartered Accountant

517-518, Shreekant Chambers,

V. N. Purav Marg, Chembur,

Mumbai - 400 071.

PBA INFRASTRUCTURE LIMITED**DIRECTOR'S REPORT**

Your directors have pleasure in presenting the 32nd Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March 2006.

PERFORMANCE

During the year under review, your Company has achieved contract receipts to the tune of Rs.16757.68

FINANCIAL RESULTS

(Amount in Lacs)

	Current Year 31.03.2006	Previous Year 31.03.2005
Contract Receipts	16757.68	12431.16
Other Income	515.09	570.03
	17272.77	13001.19
Profit before Interest & Depreciation	2411.26	1861.39
Less : Interest	936.19	732.62
Less : Depreciation	313.49	274.57
Profit/(Loss) before tax	1161.58	854.20
Less : Provision for tax	95.72	68.51
Less : Deferred Tax Liability(current year)	32.17	127.37
Fringe Benefit Tax	6.75	
Profit/(Loss) after tax	1026.94	658.32
APPROPRIATIONS:		
Proposed Dividend	202.50	127.49
Dividend Tax	28.40	16.66
Prior period item	NIL	NIL
Transfer to General Reserve	796.04	-
Total	1026.94	658.32

DIVIDEND

Your Directors are pleased to recommend a dividend, out of the profits for the year, at the rate of 15% on 1,35,00,562 equity shares, of Rs.10 each, fully paid-up, for the year ended 31st March, 2006. The dividend, if approved by the shareholders, at the ensuing Annual General Meeting, will absorb Rs.202.50 Lacs.

DEFERRED TAX LIABILITY

The Company has adopted the new and mandatory Accounting Standard 22, i.e. "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India.

Lacs as compared to that of Rs. 12431.63 Lacs during the corresponding previous year.

The profits, before charging depreciation and tax, for the year under consideration stood at Rs. 2411.26 Lacs, as against that of Rs. 1861.39 Lacs in respect of the previous financial year. The net profits, after charging interest, depreciation and deferred tax liability, stood at Rs. 1026.94 (Previous Year Rs. 658.32).

The Company has a very healthy order book position to the extent of about Rs. 550 Lacs, including the orders-in-hand to be executed along with other Joint Venture partners. The networth of the Company has increased substantially and that has enabled it to undertake projects on BOT basis.



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PBA INFRASTRUCTURE LIMITED

The need and support to infrastructural development by the Central as well as State Governments and local bodies has continued to provide opportunities to your Company which is set to achieve higher turnover in the current year, thereby resulting into better profitability and growth.

During the year under review, the Company has Commenced work on Toll collection of JNPT Road, Bhagwada Toll at Vapi and is in process of bidding for more such works.

The Company plans to bid for Projects of about Rs. 1000 crores in the current year under BOT Scheme and also offer bid for Projects of about Rs. 750 crores to maintain and further augment the Order book position.

The projects lined up for execution during the current year would be in the vicinity of about Rs. 220 crores during the current year.

ISSUE OF SHARES

During the year, the Company had launched its maiden Public issue offer and issued 50,01,652 Equity Shares of Rs.10/- at a premium of Rs. 50/- each. The shares are listed at Mumbai Stock exchange and National Stock Exchange Limited, Mumbai on 24.11.2005.

IPO FUNDS UTILISATION

The Company had, during the financial year ended March 31, 2006 raised a sum of Rs. 30 crores by way of Initial Public Offer. The Company has utilized a sum of Rs. 16.75 crores as Long Term Margin for working capital, and Rs. 11.45 crores for additions to the fixed assets, Rs. 1.80 crores towards issue expenses.

FIXED DEPOSITS

The Company has accepted and/or renewed, during the year under consideration, fixed deposits from the public and the balance of such deposits held, as at 31st March, 2006, by the Company stood at Rs.346.98 Lacs. The Company has also accepted deposits from the Directors the balance of which stood, as at 31st March, 2006, Rs.185.91 Lacs.

There were no matured deposits, remained outstanding, unpaid or unclaimed, as at 31st March, 2006.

DIRECTORS

In accordance with the Article 131 of the Articles of Association of the Company, Mrs. V.A.Chapekar , Director of the Company, retire by rotation and however, being eligible, offer herself for re-appointment at the ensuing Annual General Meeting of the shareholders of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed: -

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- that 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 and of the profit or loss of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts, on a going concern basis.

AUDITORS

M/s. Ajay B. Garg, Chartered Accountant, the Auditor to the Company, retire at the ensuing Annual General Meeting of the shareholders of the Company, but is however, eligible for re-appointment as such.

The Board of Directors have obtained a confirmation from them that, if re-appointed, their appointment will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment as such.