

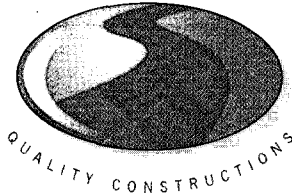
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PBA INFRASTRUCTURE LTD.

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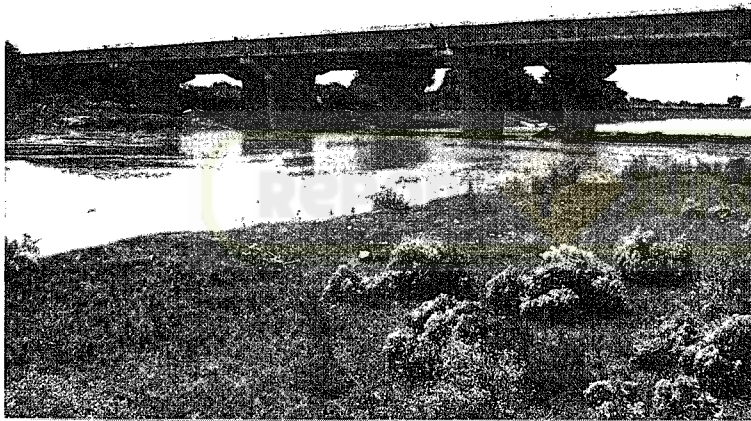
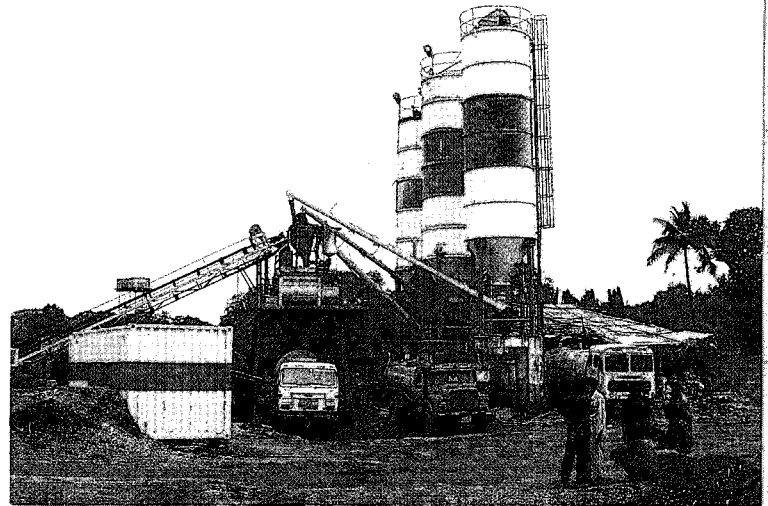
33rd
ANNUAL
REPORT
2006-2007

Journey Towards Prosperity



33rd ANNUAL REPORT 2006-2007

Concrete batching plant at
Mihan, Nagpur.



Bridge over Gomati River
at Lucknow bye-pass.



Kerb laying machine
at Srinagar bye-pass.

Journey Towards Prosperity

PBA INFRASTRUCTURE LIMITED

Regd. Office: 611/3, V. N. Purav Marg, Chembur, Mumbai-400071.

**This Attendance Slip Duly Filled In To Be Handed
Over At The Entrance Of The Meeting Hall***DP ID: FOLIO NO.: CLIENT ID: Name of the member: _____
Name of Proxy (in block letters, to be filled in if the proxy attends instead of the member)

No. of shares held: _____

I hereby record my presence at the 33rd Annual General Meeting of the company to be held at The Chembur Gymkhana, Phase II, 16th Road, Chembur, Mumbai - 400 071 on Thursday, 27th September 2007 at 11.00 a.m.

Member's/Proxy's Signature.....

Joint shareholders may obtain additional slip on request
*Applicable for investors holding shares in electronic form.**PBA INFRASTRUCTURE LIMITED**

Regd. Office: 611/3, V. N. Purav Marg, Chembur, Mumbai-400071

*DP ID: FOLIO NO: CLIENT ID:

I/We _____ being a member/members of PBA

INFRASTRUCTURE LIMITED hereby appoint _____

or failing him _____

as my/our proxy to vote for me/us and on my/our behalf, at the 33rd Annual General Meeting of the company, to be held at The Chembur Gymkhana, Phase II, 16th Road, Chembur, Mumbai - 400 071 on Thursday, 27th September 2007 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2007

One Rupee
Revenue
Stamp

Note: This proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company at Mumbai not less than 48 hours before the commencement of the meeting. The proxy need not be a member of the company

*Applicable for investors holding shares in electronic form.

PBA INFRASTRUCTURE LIMITED



BOARD OF DIRECTORS AND MANAGEMENT

BOARD

EXECUTIVE DIRECTORS

Ramlal Roshanlal Wadhawan
Chairman & Managing Director

Balkrishan Pritamlal Wadhawan
Vice Chairman & Joint Managing Director

Narayan Ganesh Thatte
Executive Director

Narain Pirimal Belani
Whole Time Director

NON - EXECUTIVE DIRECTORS

Anant Ramchandra Athavale
Ms. Vrinda Arun Chapekar
Perar Krishna Narasimha Kamath
Dharampal Gurudas Uppal

MANAGEMENT TEAM

PRESIDENT

Suresh Kumar Bothra

EXECUTIVE PRESIDENTS

Subhash Pritamlal Wadhawan
Rajesh Ramlal Wadhawan
Deepak Ramlal Wadhawan
Sunil Ramlal Wadhawan
Vishal Balkrishan Wadhawan

COMPANY SECRETARY

B. Narayan S. Baliga

AUDITORS

Ajay B. Garg
Chartered Accountant
517-518, Shreekanth Chambers, V. N. Purav Marg,
Chembur, Mumbai - 400 071.

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
Standard Chartered Bank

LEGAL ADVISOR

Ajit Singh
Advocate

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

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Annual General Meeting - 27th September 2007. Shareholders are requested to kindly bring their copies of Annual Report to the meeting. Visit us at: www.pbail.com • Email: pbaltd@vsnl.net • Tel: 022 67973767



PBA INFRASTRUCTURE LIMITED



CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

DEAR SHAREHOLDERS

I extend my warm greetings to all of you and have great pleasure in presenting the 33rd Annual Report and the Audited Statement of Accounts 2006-2007.

OUTLOOK

The growth story of our nation continues and the Indian economy has posted a GDP over 8% in the year 2006. The Budget presented by the Finance Minister on 28th February 2007 has given an impetus to the infrastructure sector. The economy of our nation has been on the ascent with many segments of the economy showing unprecedented growth rates. This has resulted in demand for better connectivity of roads throughout India especially the North - South and East West corridors of National Highways.

I strongly believe that the infrastructure industry is in a strong cycle. After many many years, we are seeing such a momentum. And it is all flowing from the country's overall economic growth as well as rise in disposable incomes. The boom has been unprecedented because India has a huge backlog to build out to begin with, which has been further strengthened by increased demand.

YEAR UNDER REVIEW

I am happy to report that your company has achieved a turnover of Rs. 286.22 crores as against Rs.

167.58 crores in the previous year, thereby registering a growth of over 70% over the previous year. The operating profit has jumped from Rs. 11.62 crores in the previous year to Rs. 15.25 crores this year. Despite increase in operating costs like rise in the prices of cement and steel, the growth has been over 30% as compared to the last year. However, the profit after tax has marginally increased from Rs.10.27 crores to Rs.10.91 crores due to rise in interest costs and provision for deferred taxes. The profit after tax has fallen largely due to withdrawal of Section 80-IA of the Income Tax Act, 1961. The bottom line of all construction companies has been affected by the removal of this Section and PBA is no exception to it. Your company despite facing extreme competition from major players in the field is still in a position to secure large orders and execute the same efficiently.

The company has bagged an order from Public Works Department of the Government of Maharashtra under the World Bank Project Division for building a road between Aurangabad and Jalna on BOT basis. This order is being executed by us in Joint Venture with Sadbhav Engineering Ltd. and we have therefore formed SPV (Special Purpose Vehicle) by the name Aurangabad Jalna Tollway Ltd. to execute this project.

RISK MANAGEMENT

In order to capitalise on the opportunities ahead, your Company has decided to diversify into quarrying activities and has therefore taken on lease/purchased

PBA INFRASTRUCTURE LIMITED



quarrying sites at Bhiwandi, Aurangabad & Nagpur and is looking for further such sites so as to start commercial operations and thus tap new opportunities to augment total income.

With growth in the infrastructure sector, we are facing a severe shortage of skilled manpower, thereby resulting in higher employment costs as well as high employee turnover. We are therefore in the midst of extreme pressure in acquiring talented work force to take charge of our various projects across sites spread throughout the nation.

I also extend the Board's appreciation and gratitude to our vendors, customers, Banks and financial institutions, business associates, shareholders and investors and every staff member whose untiring efforts has made PBA Infrastructure Ltd., one of India's

premier infrastructure companies. We are making all round efforts to raise the growth in contract receipts and achieve better results in the future. If the investment climate for infrastructure continues as in the recent past, I am confident that our untiring efforts and the initiatives taken by the company to widen its horizons will yield better results.

I wish to thank you for your ongoing support and commitment. Like you, I look forward to another exciting year in India and I am sure I can continue to count on your collective support in all our endeavours.

With best wishes,

Ramlal R. Wadhawan
Chairman & Managing Director

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PBA INFRASTRUCTURE LIMITED

DIRECTOR'S REPORT

Your directors have pleasure in presenting the 33rd Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March 2007

31st March 2007 as compared to Rs.1.50 per Equity Share of Rs. 10 each for the previous year.

Financial Results

(Amount in Lacs)

	Current Year 31.03.2007	Previous Year 31.03.2006
Contract Receipts	28622.61	16757.68
Other Income	437.26	515.09
	<u>29059.87</u>	<u>17272.77</u>
Profit before Interest & Depreciation	3433.94	2411.26
Less : Interest	1480.47	936.19
Less : Depreciation	428.92	313.49
Profit/(Loss) before tax	1524.55	1161.58
Less : Provision for tax	339.12	95.72
Less : Deferred Tax Liability(current year)	79.65	32.17
Fringe Benefit Tax	15.01	6.75
Profit/(Loss) after tax	1090.77	1026.94
APPROPRIATIONS:		
Proposed Dividend	270.01	202.50
Dividend Tax	45.81	28.40
Prior period item	NIL	NIL
Transfer to General Reserve	774.95	796.04
Total	1090.77	1026.94

PERFORMANCE REVIEW

During the year under review income from operations increased by 70.8% to 286.22 crores from Rs.167.58 crores in the previous year. The company achieved operating profit of Rs. 15.25 crores against 11.62 crores in the previous year, registering an increase of 31.2% over last year. The net profit after charging interest, depreciation and deferred tax liability stood at 10.91 crores.

DIVIDENDS

Your directors are pleased to recommend a dividend of Rs.2.00 per Equity Share on 1,35,00,562 fully paid Equity Shares of Rs.10 each for the financial year ended

OPERATIONAL PERFORMANCE

The general business environment continues to remain robust backed by healthy growth in the economy which in turn is driving the growth of the infrastructure sector. Growing economy, expanding service sector, rising disposable income and pragmatic government policies have all lent momentum to the rapidly growing sector. The company will pursue its policy of geographic expansion across various regions of the country to achieve its goal of strategic growth in terms of volume as well as geographical spread. Your company has expertise and capability in building quality roads and bridges. It has also taken up new objects like toll collection and quarrying to augment its income.

PBA INFRASTRUCTURE LIMITED



Our order book would be more than Rs.675 crores and turnover will be clocking around Rs.400 crores plus, while next years target is around Rs.550 crores

The company plans to bid for projects in the current year under the BOT scheme to further augment its order book position.

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 2007, by the Company stood at Rs.271.96 Lakhs. The Company has also accepted deposits from the Directors the balance of which stood at Rs.54.09 Lakhs as at 31st March 2007.

There were no matured deposits, remaining outstanding, unpaid or unclaimed, as at 31st March 2007.

DIRECTORS

In accordance with Article 131 of the Articles of Association of the Company, Mr. Anant R Athavale & Mr. Dharampal G Uppal, Directors of the Company retire by rotation and however, being eligible, offer themselves 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 Director's Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- that the directors have 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 as at the end of the financial year and of the profit or loss of the Company for that period;
- that the directors have 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 have prepared the annual accounts on a going concern basis

AUDITORS

Mr. Ajay B. Garg, Chartered Accountant, the Auditor of the Company, retires at the ensuing Annual General Meeting of the shareholders of the Company, and is however, eligible for re-appointment.

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

Yours Directors recommend their re-appointment as auditors at the ensuing Annual General Meeting.

PERSONNEL

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employee) Rules, 1975 as amended to date is not attached as there are no employees who are in receipt of remuneration in excess of the prescribed limits.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The information required 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 with respect to these matters, excepting foreign exchange earning and outgo, is deemed to be not applicable to your company, since the company is presently engaged into the activity of engineering civil construction, not involving material use of power or energy or any advanced or sophisticated technology.

However, the management has always been striving hard for the introduction of modern machinery and equipments in the operations of the Company. However, the expenditure in foreign currency in respect of foreign travels, during the year under review, aggregated to Rs. 2,22,764/- (Previous Year



PBA INFRASTRUCTURE LIMITED

Rs. 1,83,547/-). Further, there were no earnings in foreign currency during the year under consideration.

PERSONNEL AND WELFARE

Industrial Relations continue to be generally peaceful and cordial throughout the year.

Your Directors express their sincere appreciation for the dedicated efforts put in by employees at all levels in ensuring continued improved performance of your company during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Your company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence and maximising long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the stock exchange, a compliance report on Corporate Governance has been annexed hereto and forms part of the Annual Report. The company is in compliance with the requirements and disclosures that have to be made in this regard. The Auditor's certificate on compliance with Corporate Governance requirements by the company forms part of the said report.

AUDITOR'S REPORT

The observations made by the Auditors in their report has been clarified in the relevant notes forming part of the accounts, which are self explanatory and need no further elaboration.

INSURANCE

Properties and Assets of the Company have been adequately insured.

ACKNOWLEDGEMENTS

Yours directors place on record their appreciation of the assistance and support extended by all government authorities, financial institutions, merchant bankers,

lead managers, registrar and transfer agents, banks, consultants, solicitors, shareholders and debenture holders of the company. Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company at all levels.

For and on behalf of the Board

Ramlal R. Wadhawan
Chairman & Managing Director

Place: Mumbai
Dated: 30.07.2007

PBA INFRASTRUCTURE LIMITED



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all spheres of its operations. PBA is committed to achieve and maintain good standards of corporate Governance.

2. BOARD OF DIRECTORS

The Board consists of eight Directors out of which four are whole time Directors while the remaining four are independent and non-executive Directors. The Company complies with the stipulation that 50% of the composition of directors are independent if the Company has a whole time director as Chairman.

Names of the Directors	Category of Directorship
Mr. Ramlal R. Wadhawan	Chairman & Managing Director
Mr. Balkrishan P. Wadhawan	Vice Chairman & Jt Managing Director
Mr. Narayan G. Thatte	Executive Director
Mr. Narain P. Belani	Whole Time Director
Mr. Anant R. Athavale	Non Executive Director
Mr. Dharampal G. Uppal	Non Executive Director
Ms. Vrinda A. Chapekar	Non Executive Director
Mr. P. Krishna N. Kamath	Non Executive Director

3. NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD

Thirteen Board Meetings were held in 2006-2007. The dates on which the meetings were held are 04.04.06, 29.04.06, 25.05.06, 03.06.06, 29.07.06, 28.08.06, 18.09.06, 29.09.06, 28.10.06, 24.11.06, 22.12.06, 27.01.07, and 27.02.07.

4. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING:

Names of the Directors	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of other Directorships
Mr. Ramlal R. Wadhawan	Chairman & Managing Director	12	Y	1
Mr. Balkrishan P. Wadhawan	Vice Chairman & Jt Managing Director	13	Y	1
Mr. Narayan G. Thatte	Executive Director	10	Y	1
Mr. Narain P. Belani	Whole Time Director	7	Y	—
Mr. Anant R. Athavale	Non Executive Director	11	Y	1
Mr. Dharampal G. Uppal	Non Executive Director	11	Y	—
Ms. Vrinda A. Chapekar	Non Executive Director	5	N	—
Mr. P. Krishna N. Kamath	Non Executive Director	10	N	1

5. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement read with Section 292A of the Companies Act, 1956. The Audit Committee consists of two Independent