

38th

ANNUAL REPORT

2011-2012



ISO 9001:2000 | ISO 18001:2007 | ISO 14001:2004

PBA INFRASTRUCTURE LIMITED

Green Initiative in Corporate Governance

Dear Shareholder,

In case you have not registered your e-mail address for receiving communication from Company in electronic mode, you may submit the Registration Form given below at the venue of the Annual General Meeting or send it to the Registrar And Transfer Agents. Shareholders holding shares in demat mode are requested to register their e-mail address with the Depository Participant.

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No. / DP ID & Client ID : _____

Name of the 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I/ We Shareholder(s) of PBA Infrastructure Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail id in your records for sending communication through e-mail.

Date : _____

Signature : _____

Note : Shareholder(s) are requested to keep the Company/ Depository Participant informed as and when there is any change in the e-mail id.

BOARD OF DIRECTORS AND MANAGEMENT

BOARD

Ramlal Roshanlal Wadhawan
Chairman & Managing Director

Balkrishan Pritamlal Wadhawan
Vice Chairman & Joint Managing Director

Narain Pirimal Belani
Whole Time Director

NON-EXECUTIVE DIRECTORS

Vrinda Arun Chapekar
Sudhakar Madhav Thorat
Dhananjay Anant Athavale

EXECUTIVE PRESIDENTS

Rajesh Ramlal Wadhawan
Deepak Ramlal Wadhawan
Sunil Ramlal Wadhawan

VICE-PRESIDENT (ACCOUNTS & FINANCE)

Swaminathan Iyer (*joined on 5.3.2012*)

LEGAL ADVISOR

Sujata Dhananjay Athavale

ADVISORS TO MANAGEMENT

Narayan Ganesh Thatte
Prakash Kamlakar Koranne

AUDITORS

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

BANKERS

Canara Bank
Union Bank of India
State Bank of Patiala
Karur Vysya Bank Ltd.
Punjab & Sind Bank

REGISTRAR AND SHARE TRANSFER AGENTS.

Link Intime India Pvt. Ltd.
C-13 Pannalal Silk Mills Compound.,
L.B.S Marg, Bhandup (West), Mumbai – 400 078.
Tel: 25946970 Fax : 25946969
Email: rnt.helpdesk@linkintime.co.in

ADVOCATE

Ajeet Singh
1st Floor, 17, Sai Chambers, Sector 11, Plot No. 44,
CBD Belapur, Navi Mumbai - 400 614

REGISTERED OFFICE

611/3, V.N Purav Marg, Chembur (East),
Mumbai – 400 071
Tel : 67973767, 67753700 Fax : 25229699
Email : pbald@vsnl.net
Website : www.pbail.com

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PBA INFRASTRUCTURE LIMITED

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Members of PBA Infrastructure Limited will be held on Saturday, the 29th September, 2012 at 3.00 p.m. at The Chembur Gymkhana, Phase II, 16th Road, Chembur, Mumbai - 400071 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dhananjay Athavale, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Ajay B. Garg, Chartered Accountants as the Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

4. Appointment of Mr. Ramlal Wadhawan, as Chairman and Managing Director on attaining the age of 70 years.

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution :

“RESOLVED THAT in partial modification of Resolution No. 6 passed at the 36th Annual General Meeting of the Company held on 30th September, 2010 for appointment of Mr. Ramlal Wadhawan, Chairman and Managing Director for a term of 5 years ending 31st March, 2015 consent be accorded to the continuation of the appointment of Mr. Ramlal Wadhawan as Chairman and Managing Director on the same terms and conditions as per the Agreement dated 15th May, 2010 on attaining the age beyond 70 years on 10th June, 2012.

For and on behalf of the Board of Directors

Ramlal R. Wadhawan

Chairman and Managing Director

Place : Mumbai

Date : August 13, 2012

NOTES

1. **A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the Proxy need not be a member of the Company.** The instrument appointing a Proxy in order to valid must be duly filled in all respects and should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Brief profile of the Chairman and Managing Director is given as an Additional Information which forms part of the Notice.
4. Members / Proxy holders are requested to bring their Attendance slip duly signed along with their copy of Annual Report to the meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 25th September, 2012 to Saturday, 29th September, 2012 (both days inclusive).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
7. In all correspondence with the Company or with its Share Transfer Agent M/s Link Intime India Private Limited, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.
8. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc, to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the Members.

9. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 7 days in advance so as to enable the Company to keep the information ready.

10. Pursuant to the provisions of Sub-section 5 of Section 205A of the Companies Act, 1956 the amount of Dividend which remain unclaimed or unpaid for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said section, is required to be transferred to the Investor Education And Protection Fund (IEPF) established by the Central Government. Accordingly the Unclaimed Dividend in respect of the Financial year 2005-2006 is due for transfer to the IEPF in October 2013. Members, who have not yet claimed their Dividend for the financial year 2005-06 or for any subsequent financial years, are requested to claim the same from the Company. No claims shall lie against the said fund or the company in respect of the amount of dividend remaining unclaimed or unpaid after the said transfer to IEPF.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr. Ramlal Roshanlal Wadhawan is the Promoter Chairman of the Company.

Mr. Ramlal R. Wadhawan was re-appointed as Chairman and Managing Director at the 36th Annual General Meeting of the members of the Company held on 30th September, 2010 for a period of 5 years ending 31st March, 2015. As part of the initiative to create enduring guidance for the Company, the Board of Directors of the Company at their meeting held on 13th August, 2012 have approved the continuation of the appointment of Mr. Ramlal R. Wadhawan as Chairman and Managing Director on the same terms and conditions as per the Agreement dated 15th May, 2010, who has attained the age beyond 70 years on 10th June, 2012. Your Directors recommend the resolution set forth in Item No. 4 for approval of the members. None of the Directors are deemed to be concerned or interested in the above resolution.

For and on behalf of the Board of Directors

Ramlal R. Wadhawan
Chairman and Managing Director

Place : Mumbai
Date : August 13, 2012

DIRECTORS' REPORT

Your Directors are pleased to present the 38th Annual Report together with the Audited Accounts for the financial year ended March 31, 2012.

1. FINANCIAL RESULTS :

The financial performance of the Company, for the year ended 31st March, 2012 is summarized below:

(Amount in Lacs)

	2011-2012 (Current Year)	2010-2011 (Previous Year)
Revenue from Operations	27118.25	27687.97
Other Income	2420.22	646.57
Total Income	29538.47	28334.54
Profit before Interest and Depreciation	5575.93	5388.87
Less : Interest	3377.29	3281.87
Less : Depreciation	852.75	778.23
Profit/(Loss) before Tax	1345.89	1328.61
Less : Provision for tax	310.00	343.76
Less : Deferred Tax Liability (current year)	4.33	30.87
Profit/(Loss) after tax	1031.56	953.97
Write back of Provision	40.96	0
Proposed Dividend	0	135.00
Dividend Tax	0	21.90
Prior period item	0	0
Transfer to General Reserve	1072.41	797.07

PERFORMANCE REVIEW AND OPERATIONS

During the year under review, there has been a marginal increase in the Income from Operations, mainly due to the divestment of the Company's Shareholding in Aurangabad Jalna Toll Way Limited. However there has been a drop in contract Receipts to Rs.27118.25 Lacs in the current year from Rs.27687.97 Lacs in the previous year. Profit after Tax stood at Rs.1031.56 Lacs compared to previous year Rs.953.97 Lacs.

Your Company's performance and financial position was adversely affected due to slow down in infrastructure, high level of working capital requirement, huge investment in equipments, high interest cost and blockage of receivables at Government level and arbitration. The company has availed short term loans/equipment finance. The shorter repayment period

of these loans has resulted stress on the cash flows of the company. The company's operations were just adequate to service its interest obligations.

In view of the above it was necessary to restructure debts of the company to ensure that debt servicing can be sustained out of operational cash flows of the company. To overcome these difficulties the company embarked on debt restructuring under CDR mechanism. Your Board of Directors at their Board Meeting held on 10th December, 2011, therefore took steps to initiate process for availing relief in terms of Restructuring of Advances by Banks / Corporate Debt Restructuring (CDR) Mechanism by making representation to the Lead Bank i.e. Canara Bank and got the approval of CDR on 31st March, 2012. Under the CDR certain term loans have been restructured with

moratorium in repayment of installments and certain relief has been provided in the interest.

This year has been very tough for our Company with the overall pressure on the Infrastructure Industry. Your Company explored avenues by quoting for new work by tying with Joint Ventures. The Company has a Order Book position of around Rs.900 crores and is also in the process of bidding for new contracts in JV.

DIVIDEND

As per the conditions mentioned in the Master Restructuring Agreement of CDR Package as well as constraints by the Consortium Bankers of the Company, your Directors regret their inability to propose any dividend for the year 2011-12.

ISO CERTIFICATION

All the Projects relating to Construction of Bridges and Roads are accredited with ISO 9001:2000, 18001:2007, 14001:2004 Certification.

FIXED DEPOSITS

The Company has not accepted any public deposits during financial year 2011-2012. As on March 31, 2012, the Company had deposits aggregating Rs.482.60 lacs. The Company has also accepted deposits from the Directors and Shareholders the balance of which stood as at 31st March, 2012 at Rs. 1034 lacs.

DIRECTORS

Mr. Dhananjay A. Athavale, Independent Director of your company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' 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:-

- i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed and there has been no material departures from the same;
- ii) the selected accounting policies were applied consistently and the Directors 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 March 31, 2012 and of the profits of the Company for the year ended on that date.
- iii) proper and sufficient care has been taken 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; and
- iv) the annual accounts have been prepared on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT

M/s Ajay B. Garg, Chartered Accountants, Mumbai bearing ICAI Membership No. 032538, Statutory Auditors of your Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Act, and that they are not disqualified for such re-appointment within the meaning of section 226 of the Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory.

PARTICULARS OF EMPLOYEES

Information in accordance with the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules 1975, as amended, regarding employees to the Directors Report is as follows.

Name	Designation/ Nature of Duties	Remuneration (₹ Lakhs)	Experience (Years)	Date of commencement of employment
Ramlal Wadhawan	Chairman and Managing Director	66	48	1-Nov-1982



PBA INFRASTRUCTURE LIMITED

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 the Board of Directors) Rules 1988, with respect to these matters, excepting foreign exchange earning outgo, is deemed to be not applicable to your Company, since the Company is engaged into the activity of engineering civil construction, not having involved in material use of power or energy or any advanced or sophisticated technology.

However the management is always been striving hard for the introduction of modern machinery and equipments in the operations of the Company.

The foreign exchange earnings and expenditure of the Company during the year under review were Nil and Rs.245,230/- as compared to Nil and 15,1825/ in the previous year respectively.

PERSONNEL AND WELFARE

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

INDUSTRIAL RELATIONS

The Industrial Relations continued to be generally peaceful and cordial at all the departments of the Company.

CORPORATE GOVERNANCE REPORT AND 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.

INSURANCE

Properties and Assets of the Company are adequately insured.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

ACKNOWLEDGEMENTS

Your Directors would like to acknowledge and place on record their sincere appreciation to all Stakeholders - Clients, Financial Institutions, Banks, Central and State Governments, various Corporations, the Company's valued Investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the Employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

Ramlal R. Wadhawan
Chairman & Managing Director

Place : Mumbai
Date : August 13, 2012

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, report on Corporate Governance is given below:

Company's philosophy on corporate governance envisages transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

1. Board of Directors

a) Composition of the Board

The strength of the Board was Six Directors as on 31st March, 2012, comprising of Chairman & Managing Director, Vice Chairman & Joint Managing Director, one Whole-time Director, three Non-Executive Directors. Three of the Non-Executive Directors are Independent Directors.

b) Number of Board Meetings

Nine (9) Board Meetings were held during the year ended 31st March, 2012. The dates are - 6th May, 14th May, 22nd June, 12th August, 30th September, 14th November, 10th December in the calendar year 2011 and 14th February, 30th March in the calendar year 2012.

c) Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director:

Name of the Director	Nature of Director-ship	Board Meetings attended during the year	Whether attended last AGM	No. of other Director-ship
Mr. Ramlal R. Wadhawan	PD	8	Yes	-
Mr. Balkrishan P. Wadhawan	PD	9	Yes	1
Mr. Narain P. Belani	WTD	3	Yes	-
Mr. Deepak R. Wadhawan #	ED	3	No	-
Mrs. Vrinda A. Chapekar	ID, NED	7	No	-
Mr. Sudhakar M. Thorat	ID, NED	8	Yes	-
Mr. Dhananjay A. Athavale	ID, NED	5	Yes	-

- resigned on 12.08.2011

PD - Promoter Director, WTD - Whole Time Director, ED - Executive Director, ID - Independent Director, NED - Non Executive Director

The day to day management of the company is conducted by the Chairman & Managing Director and Vice Chairman & Jt. Managing Director subject to supervision and control of Board of Directors.

2. Code of Conduct:

The Code of Conduct, has been formulated for the Board Members and Senior Management Personnel. All the Board Members and Senior Management Personnel have confirmed compliance with the said Code of Conduct. A declaration signed by Mr. Ramlal Roshanlal Wadhawan, Chairman & Managing Director to this effect forms part of this Report.

3. Committees of the Directors

a) Audit Committee:

Terms of Reference: The terms of reference of the Audit Committee include overseeing the Company's financial reporting process and disclosure of financial information by the Management, reviewing the quarterly and annual financial statement before submission to the Board for approval, reviewing with the Management, the performance of the Statutory Auditors and adequacy of internal control systems and all other matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges.

Composition: As on 31st March, 2012, the Audit Committee of the Company comprises of Two Independent Directors Non-Executive Directors. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Meetings: This Committee has met four (4) times during the year 2011-2012 i.e. on 14th May 2011, 12th August 2011, 14th November 2011, 14th February 2012.

Attendance of each Member at the Audit Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Sudhakar M.Thorat	4	4
Vrinda A. Chapekar	4	4
Balkrishan P. Wadhawan	4	4

b) Remuneration Committee:

The Committee comprises of the following members:

Name of Director	Designation
Mr. Sudhakar M. Thorat	Chairman
Mrs. Vrinda A. Chapekar	Member
Mr.Dhananjay A. Athavale	Member

No meeting of the committee was held during the year 2011-2012

c) Shareholder's Grievance Committee:

The Shareholder's Grievance Committee was constituted to redress the shareholders' grievances/ complaints relating to transfer and transmission of shares, non-receipt of annual report, dividend, share certificate etc and to provide the responses to the queries, if any raised by the investors. The Committee also considers the matters which can aid better investor service and relations.

Composition: After recomposition on 12th August, 2011, the Shareholders' Grievance Committee of the Board comprises of three Independent Directors.

Attendance of each Member at the Shareholder's Grievance Committee meetings held during the year:

Name of Director	No. of Meetings	Meetings attended
Mrs. Vrinda A. Chapekar	4	4
Mr. Sudhakar M. Thorat	4	4
Mr. Dhananjay A. Athavale	4	4