



QUALITY CONSTRUCTIONS

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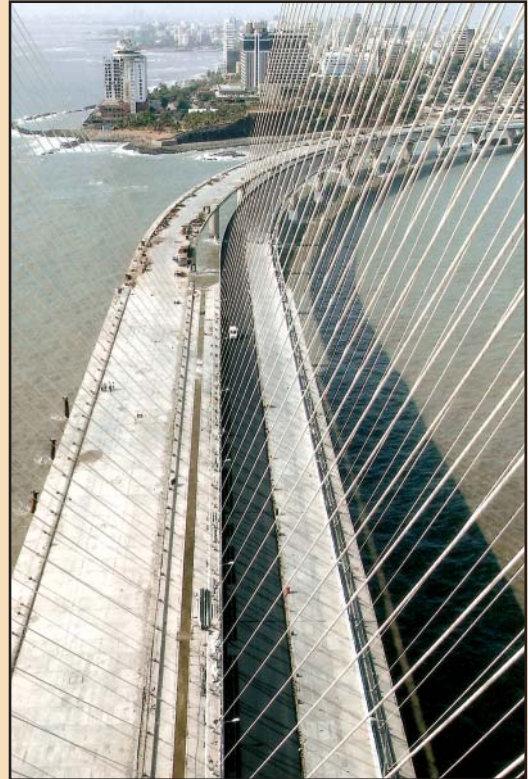
# PBA INFRASTRUCTURE LIMITED

We Connect Places

**36**<sup>th</sup>  
ANNUAL REPORT  
2009-2010



BITUMEN OVERLAY FOR WORLI BANDRA SEALINK



6 LANE ROAD CONSTRUCTED FOR MIHAN SEZ, NAGPUR



6 LANE CONCRETE PAVEMENT FOR MIHAN SEZ, NAGPUR



# 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

**Narain Pirimal Belani**  
Whole Time Director

**Deepak Ramlal Wadhawan**  
Executive Director

#### NON - EXECUTIVE DIRECTORS

Vrinda Arun Chapekar  
Sudharkar Madhav Thorat  
Dhananjay Anant Athavale

#### EXECUTIVE PRESIDENTS

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

#### CHIEF ACCOUNTS EXECUTIVE

Dinesh Narayan Kamath

#### LEGAL ADVISOR

Sujata Dhananjay Athavale

#### ADVISOR TO MANAGEMENT

Narayan Ganesh Thatte  
Prakash Kamalakar Koranne

### AUDITORS

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

### LINK INTIME INDIA PVT. LTD.

C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup(W), Mumbai – 400 078.  
Tel: 25946970 Fax: 25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### BANKERS

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

### 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-E, Mumbai – 400 071  
Tel: 67973767 Fax: 25229699  
Email: [pbaigrievance\\_redressal@vsnl.net](mailto:pbaigrievance_redressal@vsnl.net)  
Website: [www.pbail.com](http://www.pbail.com)

### BRANCH OFFICE

214-B, Arjun Centre, Govandi Station Road,  
Govandi, Mumbai - 400 088.  
Tel.: 6797 8200 Fax: 6797 8218

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Annual General Meeting - 30th September 2010. Shareholders are requested to kindly bring their copies of Annual Report to the meeting. Visit us at: [www.pbail.com](http://www.pbail.com) □ Email: [pbald@vsnl.net](mailto:pbald@vsnl.net) □ Tel: 022 67973767



## CHAIRMAN'S MESSAGE

**Dear Shareholders,**

It is my pleasure to welcome you all to the 36<sup>th</sup> Annual General Meeting of your Company. I recall informing you last year, at the AGM, as to how your Company was weathering the storm of the global recession. Today I am happy to say, that those testing and trying times are firmly behind us and we are back on a growth path.

Going forward, we are bound to face fresh and stiffer challenges but India has come out of this crisis stronger, leaner and future-ready. Surely, it augurs for better things and times going forward. What's heartening was the Central Government's accent on infrastructure development that accounts for over 46% of its total plan outlay.

I am happy to share with you that your Company too has scripted its own recovery much on the same lines as the Indian Economy.

### OUTLOOK

There are encouraging and significant signs of recovery and positive growth in international finance market in the current year 2010-2011.

Infrastructure industry including construction activities as a whole stands looking positive with the continued and whole hearted support extended by the policies of Govt. of India in the last budget. Hence though there was not much of positive impact on the bottom line for the year 2009-2010, this ought to occur more significant in 2010-2011. Besides we have embarked on an extensive cost cutting process which has helped us to trim various components of costs reflecting in healthier bottom lines. The Company provides integrated design, EPC and Management for Infrastructure Projects including Roads, Highways, Flyovers, Bridges, Skywalks and Airport terminals.

### YEAR UNDER REVIEW

PBA has added significantly to the top line by contracting through JVs. Thus this year total income of the Company increased from Rs.36765.05 lakhs to Rs.38590.08 lakhs thus registering a growth of about 5%. The net profit after tax stood at Rs.1227.00 lakhs as compared to Rs.1047.34 lakhs in the previous year, a quantum leap of over 17%, mainly achieved due to effective cost cutting

## PBA INFRASTRUCTURE LIMITED



measures adopted by your Company.

With a view to share the fruits of success with its shareholders, your Directors have thus recommended a dividend @ 20%.

Your Company has Projects in hand amounting to about Rs.750 crores in various parts of the country. The works are progressing satisfactorily. SPV Company Aurangabad Jalna Tollway Ltd is collecting tolls since 27th July, 2009 and toll collection is as per our estimates.

### FUTURE PROSPECTS

Both the Central and State Governments are undertaking very ambitious projects of highway construction during the coming years. Your Company expects to bag a number of contracts during the coming year and to significantly add to its turnover. In addition, your Company believes in organic growth and hence it also proposes to diversify its activities and enter at strategic point in time into the field of mining, irrigation and real estate developments in years to come. We will

continue to tread our successful path of the past and actively steer ourselves into profitable ventures in the future. In these efforts we solicit support, good wishes and co-operation from all stakeholders.

### ACKNOWLEDGMENTS

I take this opportunity to express my sincere thanks to all the Shareholders for their continued trust in the Board of Directors and the Management of the Company. On behalf of the Company I would like to express my gratitude to all our Customers, Dealers, Suppliers, our JV partners, Bankers, Financial Institutions and other Business Associates, Shareholders and Employees for their continued and invaluable support and co-operation in the year gone by and in the years to come.

With Best Wishes

(Ramlal R. Wadhawan)  
Chairman & Managing Director



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 36th Annual General Meeting of the Members of PBA Infrastructure Limited will be held on Thursday, the 30th September, 2010 at 11.30 a.m. at Gurukripa Banquets, Vasant Vihar Commercial Complex, Dr. CG Road, Behind RK Studios, Chembur, Mumbai - 400074 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010 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 declare a dividend on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Dr. (Mrs) Vrinda A. Chapekar, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

**“RESOLVED THAT** pursuant to Section 224 of the Companies Act, 1956, M/s Ajay B. Garg, Chartered Accountant (Membership No. 032538), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be fixed by the Board of Directors.”

### SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Dhananjay A. Athavale who was

appointed as an Additional Director w.e.f. 15 May, 2010, pursuant to section 260 of the Companies Act, 1956 and who holds office up to this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company whose period of office will be liable to retire by rotation.”

6. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and whereas pursuant to the recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the re-appointment of Mr. Ramlal R. Wadhawan as Chairman and Managing Director of the Company for a further period of 5 years with effect from 1 April, 2010 on the modified terms and conditions including remuneration as per the Agreement dated 15 May, 2010, with authority to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956, in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Ramlal R. Wadhawan.

**RESOLVED FURTHER THAT** Mr. Ramlal R. Wadhawan, be and hereby is appointed as Chairman & Managing Director and he is not entitled to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

## PBA INFRASTRUCTURE LIMITED



7. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and whereas pursuant to the recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the re-appointment of Mr. Balkrishan P. Wadhawan as Vice Chairman & Joint Managing Director of the Company for a further period of 5 years with effect from 1 April, 2010 on the modified terms and conditions including remuneration as per the Agreement dated 15 May, 2010, with authority to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956, in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Balkrishan P. Wadhawan.

**RESOLVED FURTHER THAT** Mr. Balkrishan P. Wadhawan, be and hereby is appointed as Vice Chairman and Joint Managing Director and he is not entitled to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

8. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and whereas pursuant to the recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is

hereby accorded to the re-appointment of Mr. Narain P. Belani as Whole Time Director of the Company for a further period of 5 years with effect from 1 April, 2010 on the modified terms and conditions including remuneration as per the Agreement dated 15 May, 2010, with authority to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956, in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Narain P. Belani.

**RESOLVED FURTHER THAT** Mr. Narain P. Belani, be and hereby is appointed as Whole Time Director and he is not entitled to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and whereas pursuant to the recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the re-appointment of Mr. Deepak R. Wadhawan, Executive Director of the Company for a further period of 5 years with effect from 1 April, 2010 on the modified terms and conditions including remuneration as per the Agreement dated 15 May, 2010, with authority to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956, in



such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Deepak R. Wadhawan.

**RESOLVED FURTHER THAT** Mr. Deepak R. Wadhawan, be and hereby is appointed as Executive Director and he is not entitled to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“**RESOLVED THAT** pursuant to sub-section (1B) of Section 314 of the Companies Act, 1956, subject to the approval of the Central Government and recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the Board of Directors of the Company to increase the salary of Mr. Subhash P. Wadhawan from:

- I) Rs.1,25,000/- p.m. to Rs.1,50,000/- p.m. for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011.
- II) Rs.1,50,000/- p.m. to Rs.1,75,000/- p.m. for the period 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.
- III) Rs.1,75,000/- p.m. to Rs.2,00,000/- p.m. for the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, Subject to the availability of profits, and if there be no profits then their salary be reduced by 10% for that period, as Executive President in charge of Projects holding office of profit under the Company, he being a relative of the Vice Chairman & Joint Managing Director, Mr. Balkrishan P. Wadhawan, pursuant to the terms and conditions including those relating to remuneration, as recommended by the Remuneration Committee.”

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

“**RESOLVED THAT** pursuant to sub-section (1B) of

Section 314 of the Companies Act, 1956, subject to the approval of the Central Government and recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the Board of Directors of the Company to increase salary of Mr. Rajesh R. Wadhawan, from:

- I) Rs.1,25,000/- p.m. to Rs.1,50,000/- p.m. for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011.
- II) Rs.1,50,000/- p.m. to Rs.1,75,000/- p.m. for the period 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.
- III) Rs.1,75,000/- p.m. to Rs.2,00,000/- p.m. for the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, Subject to the availability of profits, and if there be no profits then their salary be reduced by 10% for that period, as Executive President in charge of Projects holding office of profit under the Company, he being a relative of the Chairman & Managing Director, Mr. Ramlal R. Wadhawan, pursuant to the terms and conditions including those relating to remuneration as recommended by the Remuneration Committee.”

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

“**RESOLVED THAT** pursuant to sub-section (1B) of Section 314 of the Companies Act, 1956, subject to the approval of the Central Government and recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the Board of Directors of the Company to increase salary of Mr. Sunil R. Wadhawan, from:

- I) Rs.1,25,000/- p.m. to Rs.1,50,000/- p.m. for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011.
- II) Rs.1,50,000/- p.m. to Rs.1,75,000/- p.m. for the period 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.
- III) Rs.1,75,000/- p.m. to Rs.2,00,000/- p.m. for the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, Subject to the availability of profits, and if there be no profits then their salary be reduced by 10%



## PBA INFRASTRUCTURE LIMITED



for that period, as Executive President in charge of Projects holding office of profit under the Company, he being a relative of the Chairman & Managing Director, Mr. Ramlal R. Wadhawan, pursuant to the terms and conditions including those relating to remuneration, as recommended by the Remuneration Committee.”

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

“**RESOLVED THAT** pursuant to sub-section (1B) of Section 314 of the Companies Act, 1956 subject to the approval of the Central Government and recommendations of the Remuneration Committee and Board Meeting held on 15 May 2010, approval of the Company be and is hereby accorded to the Board of Directors of the Company to increase salary of Mr. Vishal B. Wadhawan, from:

- I) Rs.1,25,000/- p.m. to Rs.1,50,000/- p.m. for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011.
- II) Rs.1,50,000/- p.m. to Rs.1,75,000/- p.m. for the period 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.
- III) Rs.1,75,000/- p.m. to Rs.2,00,000/- p.m. for the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, Subject to the availability of profits, and if there be no profits then their salary be reduced by 10% for that period, as Executive President in charge of Projects holding office of profit under the Company, he being a relative of the Vice Chairman & Joint Managing Director, Mr. Balkrishan P. Wadhawan, pursuant to the terms and conditions including those relating to remuneration, as recommended by the Remuneration Committee.”

For and on behalf of the Board of Directors

Ramlal R. Wadhawan  
Chairman and Managing Director

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

Place: MUMBAI  
Date : 13<sup>th</sup> August, 2010



## NOTICE TO SHAREHOLDERS

### Notes:

- **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company.**
- Proxy form duly stamped and executed in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.
- 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.
- Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of Board resolution, pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
- Members / Proxy holders are requested to bring their Attendance slip duly signed along with their copy of Annual Report to the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 25th September, 2010 to 30th September, 2010 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- In all correspondence with the Company or with its Share Transfer Agent, 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.
- 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.
- **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.**
- **Investors of the Company who have not yet encashed their unclaimed/unpaid amount of Dividend/Refund are requested to approach the Registrar and Share Transfer Agents of the Company.**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NO. 5

Mr. Dhananjay Anant Athavale was appointed as an Additional Director of the Company on 15 May, 2010 by the Board of Directors. According to the provisions of the Companies Act, 1956, he holds office as an Additional Director only up to the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a Member proposing the candidature of Mr. Dhananjay Anant Athavale for the office of the Independent Director of the Company.

The Board of Directors considers it prudent to co-opt Mr. Dhananjay Anant Athavale as a Director of the Company.

### ITEM NO. 6

Members of the Company are informed that Mr. Ramlal. Wadhawan was appointed as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2005. Accordingly, the period of his office expired on 31 March 2010. However the Board of Directors at its meeting held on 15 May 2010, has re-appointed Mr. Ramlal R. Wadhawan as Chairman and Managing Director of the Company for a further period of five years w.e.f. 1 April 2010 vide Agreement dated 15 May, 2010, subject to approval of the members to be accorded at the Annual General Meeting. Whereas pursuant to the recommendations of the Remuneration Committee, who recommended certain variations in the Agreement for the remuneration as follows:

a. Salary	i)	Rs.5,00,000/- per month for the period 1st April, 2010 to 31st March, 2011
	ii)	Rs.5,50,000/- per month for the period 1st April, 2011 to 31st March, 2012
	iii)	Rs.6,00,000/- per month for the period 1st April, 2012 to 31st March, 2013
	iv)	Rs.6,75,000/- per month for the period 1st April, 2013 to 31st March, 2014
	v)	Rs.7,50,000/- per month for the period 1st April, 2014 to 31st March, 2015

b. Other perquisites	As per the terms of the Company
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This Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the agreement and Memorandum of Concern or interest under Section 302 of the Companies Act, 1956.

The Directors recommend the resolution for approval of the shareholders.

Except Mr. Ramlal R. Wadhawan, Mr. Balkrishan P. Wadhawan and Mr. Deepak R. Wadhawan, no other Director has any interest or concern in the resolution.

### ITEM NO. 7

Members of the Company are informed that Mr. Balkrishan P. Wadhawan, was appointed as Vice Chairman & Joint Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2005. Accordingly, the period of his office expired on 31 March 2010. However the Board of Directors at its meeting held on 15 May 2010 has re-appointed Mr. Balkrishan P. Wadhawan as Vice Chairman & Joint Managing Director of the Company for a further period of five years w.e.f. 1 April 2010 vide Agreement dated 15 May, 2010, subject to approval of the members to be accorded at the Annual General Meeting. Whereas pursuant to the recommendations of the Remuneration Committee, who recommended certain variations in the Agreement for the remuneration as follows:

a. Salary	i)	Rs.3,00,000/- per month for the period 1st April, 2010 to 31st March, 2011
	ii)	Rs.3,50,000/- per month for the period 1st April, 2011 to 31st March, 2012
	iii)	Rs.4,00,000/- per month for the period 1st April, 2012 to 31st March, 2013
	iv)	Rs.4,50,000/- per month for the period 1st April, 2013 to 31st March, 2014
	v)	Rs.5,00,000/- per month for the period 1st April, 2014 to 31st March, 2015



b. Other perquisites As per the terms of the Company

This Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the agreement and Memorandum of Concern or interest under Section 302 of the Companies Act, 1956.

The Directors recommend the resolution for approval of the shareholders.

Except Balkrishan P. Wadhawan, Mr. Ramlal R. Wadhawan and Mr. Deepak R. Wadhawan no other Director has any interest or concern in the resolution.

#### ITEM NO. 8

Members of the Company are informed that Mr. Narain P. Belani was appointed as Whole Time Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2005. Accordingly, the period of his office expired on 31 March 2010. However the Board of Directors at its meeting held on 15 May 2010 has re-appointed Mr. Narain P. Belani, as Whole Time Director of the Company for a further period of five years w.e.f. 1 April 2010 vide Agreement dated 15 May, 2010, subject to approval of the members to be accorded at the Annual General Meeting. Whereas pursuant to the recommendations of the Remuneration Committee, who recommended certain variations in the Agreement for the remuneration as follows:

- |           |      |  |
|-----------|------|--|
| a. Salary | i)   | Rs.2,00,000/- per month for the period 1st April, 2010 to 31st March, 2011 |
|           | ii)  | Rs.2,30,000/- per month for the period 1st April, 2011 to 31st March, 2012 |
|           | iii) | Rs.2,70,000/- per month for the period 1st April, 2012 to 31st March, 2013 |
|           | iv)  | Rs.3,10,000/- per month for the period 1st April, 2013 to 31st March, 2014 |
|           | v)   | Rs.3,50,000/- per month for the period 1st April, 2014 to 31st March, 2015 |

b. Other perquisites As per the terms of the Company

This Explanatory Statement together with the accompanying Notice should be treated as an abstract of

the terms of the agreement and Memorandum of Concern or interest under Section 302 of the Companies Act, 1956.

The Directors recommend the resolution for approval of the shareholders.

No Director has any interest or concern in the resolution.

#### ITEM NO. 9

At the Annual General Meeting held on 30 September 2009 the Shareholders approved the appointment of Mr. Deepak R. Wadhawan as a Director of the Company. The Board of Directors at its meeting held on 15 May 2010 on the recommendation of the remuneration committee has approved his terms of re-appointment and remuneration.

He has a wide experience of more than 20 years in the field of civil construction activities. He devotes full time for the business and shoulders responsibilities of the Company with great expertise and knowledge.

Keeping in view his efforts and dedication towards work, the Remuneration Committee at its meeting held on 15 May, 2010 recommended the Agreement for the remuneration as follows:

- |           |      |  |
|-----------|------|--|
| a. Salary | i)   | Rs.1,50,000/- per month for the period 1st April, 2010 to 31st March, 2011 |
|           | ii)  | Rs.1,80,000/- per month for the period 1st April, 2011 to 31st March, 2012 |
|           | iii) | Rs.2,20,000/- per month for the period 1st April, 2012 to 31st March, 2013 |
|           | iv)  | Rs.2,60,000/- per month for the period 1st April, 2013 to 31st March, 2014 |
|           | v)   | Rs.3,00,000/- per month for the period 1st April, 2014 to 31st March, 2015 |

b. Other perquisites As per the terms of the Company

The Directors recommend the resolution for approval of the shareholders.

Except Mr. Ramlal R. Wadhawan, Mr. Balkrishan P.

## PBA INFRASTRUCTURE LIMITED



Wadhawan and Mr. Deepak R. Wadhawan, no other Director has any interest or concern in the resolution

### ITEM NO. 10 TO 13

The Board has recommended the increase of remuneration of Executive Presidents, who are involved in the day to day business activities and operations of the Company's Sites, Projects and are proposing the said increase for next three years, subject to approval of Central Government, the Members and any other regulating authorities .

Mr. Ramlal R. Wadhawan, Mr. Balkrishan P. Wadhawan and Mr. Deepak R. Wadhawan are interested in the passing of the resolution and no other directors are interested.

For and on behalf of the Board of Directors

Ramlal R. Wadhawan  
Chairman and Managing Director

Place: MUMBAI  
Date : 13<sup>th</sup> August, 2010



## DIRECTORS' REPORT

Your Directors are pleased to present the 36<sup>th</sup> Annual Report and the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2010 is summarized below: (Amount in Lacs)

	Current Year 2009-2010	Previous Year 2008-2009
Contract Receipts	34,344.83	35,905.24
Contract Receipts JV	4,068.16	524.63
Other Income	177.09	335.17
<b>Total Income</b>	<b>38,590.08</b>	<b>36,765.04</b>
Profit before Interest and Depreciation	5,867.63	5,832.03
Less : Interest	3,356.50	3,604.19
Less : Depreciation	764.32	748.75
Profit/(Loss) before tax	1,746.81	1,479.09
Less : Provision for tax	480.00	394.22
Less : Deferred Tax Liability( current year)	39.81	20.08
Fringe Benefit Tax	0	17.44
<b>Profit/(Loss) after tax</b>	<b>1,227.00</b>	<b>1,047.35</b>
<b>APPROPRIATIONS:</b>		
Proposed Dividend	270.01	270.01
Dividend Tax	45.89	45.89
Prior period item	NIL	NIL
Transfer to General Reserve	911.10	731.45
<b>Total</b>	<b>1,227.00</b>	<b>1,047.35</b>

### PERFORMANCE REVIEW AND OPERATIONS

During the year under review, Income from Operations increased to Rs.38590.08 Lakhs compared to Rs.36765.05 Lakhs in the previous financial year. Profit After Tax was Rs.1227.00 Lakhs compared to Rs.1047.35 Lakhs in the previous year.

The increase in profitability has been mainly achieved due to increased business achieved through JV Tie-ups and also due to the extensive cost cutting exercise undertaken by the Company at every levels.

Your Company has a healthy Order Book position of about Rs.750 Crores in hand as on date including Company's share in integrated joint venture projects. We are in process of bidding tender of many projects during the current financial year 2010-2011 to the extent of Rs.1000 Crores per month independently and also along with the Joint Venture Partners on a regular basis. Further decisions are awaited from various clients for tenders already submitted by the company directly or in

Joint Venture amounting to Rs.1500 Crores.

We are hopeful that we shall be able to meet the challenges and give our shareholders their dues.

### DIVIDEND

The Board of Directors are pleased to recommend a dividend of Rs.2/- per Equity Share on 13500562 fully paid Equity Shares of Rs.10/- each for the financial year ended March 31, 2010 subject to the approval of the shareholders in the ensuing AGM.

### CREDIT RATING

ICRA has assigned LB+ quality rating to the Company .

### ISO CERTIFICATION

All the Projects relating to Construction of Bridges and Roads are accredited with ISO 9001:2000 Certification.

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### 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 31<sup>st</sup> March, 2010, by the Company stood at Rs.367.11 lakhs. The Company has also accepted deposits from the Directors and Shareholders the balance of which stood as at 31<sup>st</sup> March, 2010 at Rs.438.49 Lakhs.

### DIRECTORS

Mr. Dhananjay A. Athavale was appointed as an Additional Director effective May 15, 2010. In terms of Section 260 of the Companies Act, 1956 he shall hold office only up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing his candidature for the office of Director liable to retire by rotation.

Dr. (Mrs) Vrinda A. Chapekar, Independent Director is liable to retire by rotation at ensuing Annual General Meeting. She offers herself for re-appointment and therefore, the Board recommends her re-appointment at the ensuing Annual General Meeting.

Further, the approval of Shareholders pursuant to applicable Sections of the Companies Act, 1956 read with Schedule XIII thereof, is sought w.e.f. 1<sup>st</sup> April, 2010, for the re-appointment of Mr. Ramlal R. Wadhawan - Chairman & Managing Director, Mr. Balkrishan P. Wadhawan - Vice Chairman & Joint Managing Director, Mr. Narain P. Belani - Whole Time Director and Mr. Deepak R. Wadhawan - Executive Director for a period of five years. The brief resume and other details relating to the directors, who are to be re-appointed as stipulated under Clause 49(IV)(G) of the Listing Agreement, are furnished in the Corporate Governance Report forming part of the Annual Report.

Your Directors express their profound grief on the sudden demise of Shri Manohar Nayak, Independent Director on April 30, 2010.

Mr. Sunil R. Wadhawan, Director has resigned from the Board effective January 29, 2010.

Mr. Anant Athavale and Mr. PKN Kamath, Independent Directors have resigned from the Board effective March 31, 2010.

The Board placed on record its deep sense of appreciation for the invaluable contributions made by Late Mr. Manohar Nayak, Mr. Sunil Wadhawan, Mr. Anant Athavale, Mr. PKN Kamath during their tenure as Directors of the Company.

### 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, 2010, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) 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 your Company at the end of the financial year 2009-10 and of the profit of your Company for the year ended on March 31st, 2010.
- iii) the Directors have 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; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### AUDITOR AND AUDITORS' REPORT

The Auditor Mr. Ajay B. Garg, Chartered Accountant, holds office until the conclusion of the ensuing Annual General Meeting and being eligible, is recommended for re-appointment.

The Company has received letter from the Auditor to the effect that his re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that he is not disqualified for re-appointment within the meaning of Section 226 of the said Act.

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

### PARTICULARS OF EMPLOYEES

In terms of the provisions of Sections 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, the names and particulars of employees are set out in annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all



the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company.

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

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were NIL and Rs.5,16,333.00 as compared to nil and Rs.1,65,675.00 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

Industrial Relations, at all divisions of the Company were very cordial and peaceful throughout the year.

#### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on Corporate Governance is attached to this

Report along with the Management Discussion and Analysis statement.

#### INSURANCE

Properties and Assets of the Company are adequately insured.

#### SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

#### ACKNOWLEDGMENTS

The Board acknowledges with gratitude the co-operation and assistance provided to your Company by all government authorities, financial institutions, banks, transfer agents, consultants, solicitors and advocates and takes this opportunity to thank them for their continued support and encouragement. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the year under review. Your Directors are thankful to the shareholders and depositors for their continued patronage.

For and on behalf of the Board of Directors

Ramlal R. Wadhawan  
Chairman & Managing Director

Place : Mumbai  
Dated : 13<sup>th</sup> August, 2010

## ANNEXURE TO THE DIRECTORS' REPORT

### STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES), RULES, 1975.

Name	Designation/Nature of Duties	Remuneration (Rs. Lakhs)	Experience (Years)	Date of commencement of employment	Last employment held, Designation
Ramlal Wadhawan	Chairman and Managing Director	36,00,000	46	01-Nov-1982	First Employment
Balkrishan Wadhawan	Vice-Chairman and Jt. Managing Director	28,40,000	41	15-Jun-1976	First Employment

For and on behalf of the Board of Directors

Ramlal R. Wadhawan  
Chairman and Managing Director

Place: Mumbai  
Dated: 13<sup>th</sup> August, 2010



## REPORT ON CORPORATE GOVERNANCE

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

### 1. Company's philosophy on Code of Governance

Corporate Governance sets forth guidelines for managing and sustaining a transparent, information-oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholder thereby enhancing shareholder value.

### 2. Board of Directors

#### a) Composition of the Board

The strength of the Board was nine Directors as on 31<sup>st</sup> March, 2010, comprising of Chairman & Managing Director, Vice Chairman & Joint Managing Director, one Whole-time Director, one Executive Director, five Non-Executive Directors. Five of the Non-Executive Directors are Independent Directors.

#### b) Number of Board Meetings

Nine (9) Board Meetings were held during the year ended 31<sup>st</sup> March, 2010. The dates are - 29<sup>th</sup> April, 10<sup>th</sup> June, 31<sup>st</sup> July, 12<sup>th</sup> August, 30<sup>th</sup> September, 31<sup>st</sup> October and 30<sup>th</sup> December in the calendar year 2009 and 29<sup>th</sup> January and 23<sup>rd</sup> March in the calendar year 2010.

#### 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 :

Names of the Directors	Nature of Director-ship	Board Meetings attended during the year	Attendance at the last AGM	No. of other Directorships
Mr. Ramlal R. Wadhawan	PD	9	Yes	1
Mr. Balkrishan P. Wadhawan	PD	9	Yes	3
Mr. Narain P. Belani	WTD	5	Yes	–
Mr. Deepak R. Wadhawan	ED	7	Yes	–
Mr. Sunil R. Wadhawan #1	WTD	6	Yes	–
Mr. Anant R. Athavale #2	ID, NED	2	No	1
Mr. P. Krishna N. Kamath #3	ID, NED	6	No	1
Ms. Vrinda A. Chapekar	ID, NED	7	Yes	–
Mr. Sudhakar M. Thorat	ID, NED	7	Yes	–
Mr. Manohar S. Nayak	ID, NED	5	No	–

#1- resigned on 29<sup>th</sup> January 2010.

#2 and #3 letter of resignation was received and their resignations were accepted in the meeting of the Board of Directors held on 15<sup>th</sup> May, 2010.

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

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



## 2. Code of Conduct:

The Board members and Senior Management personnel have affirmed compliance with the Code. A declaration to the effect signed by Mr. Ramlal R. Wadhawan, Chairman & MD 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 statements 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 31<sup>st</sup> March, 2010, the Audit Committee of the Company comprises of three Independent 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 five (5) times during the year 2009-2010 i.e. on 29<sup>th</sup> April 2009, 31<sup>st</sup> July 2009, 12<sup>th</sup> August 2009, 31<sup>st</sup> October 2009, in the calendar year 2009 and 29<sup>th</sup> January 2010, in the calendar year 2010.

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

Names of Directors	No. of Meetings	Meetings Attended
Mr. Anant R. Athavale	5	1
Mr. P Krishna N Kamath	5	4
Mr. Balkrishan Wadhawan	5	1
Mr. Sudhakar M.Thorat	5	4
Mr. Manohar S. Nayak	5	4

### b) Remuneration Committee:

**Terms of Reference:** The Remuneration Committee has been constituted to recommend remuneration package to CMD, Vice-Chairman & Jt MD, Whole Time Director, Executive Director and Executive Presidents of the Company.

**Composition:** As on 31<sup>st</sup> March, 2010, the Remuneration Committee of the Company comprises of three Independent Non- Executive Directors.

**Meetings:** This Committee has met one time during the year 2009-2010. The date is 12<sup>th</sup> August 2009 in the calendar year 2009.

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

Names of Director	No. of Meetings	Meetings Attended
Mrs. Vrinda A Chapekar	1	1
Mr. P Krishna N Kamath	1	1
Mr. Sudhakar M.Thorat	1	1

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## c) Shareholder's Grievance Committee:

Composition: As on 31<sup>st</sup> March, 2010, the Shareholders' Grievance Committee of the Board comprises of three Directors. The committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheets, non-receipt of declared dividends etc.

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

Names of Director	No. of Meetings	Meetings Attended
Mr. P Krishna N Kamath	1	0
Dr. (Mrs)Vrinda A Chapekar	1	1
Mr. Deepak Wadhawan	1	1
Mr. Sudhakar M. Thorat	1	1

Complaints / Queries were received during the year review were disposed off. There were no pending complaints / transfers as on 31<sup>st</sup> March, 2010.

## 4. Disclosure regarding appointment/re-appointment of Directors:

### A) Dr. (Mrs) Vrinda A. Chapekar :

**Date of Birth** : 11 November, 1942  
**Date of Appointment** : 1<sup>st</sup> July, 2004  
**Qualifications** : Phd. in Environmental Science

**Expertise in specific functional areas:** Dr. (Mrs) Vrinda A. Chapekar was a Professor of Environmental Engineering at VJTI, Mumbai. Presently she is rendering Advisory Services on issues pertaining to Environmental Sciences.

**Directorships held in other Public Companies (excluding foreign companies):** NIL

**Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders / Investors Grievance Committee):** NIL

**Number of Shares held in the Company:** NIL

### B) Mr. Dhananjay Anant Athavale :

**Date of Birth** : 6 July, 1963  
**Date of Appointment** : 15 May, 2010  
**Qualifications** : B.Sc., LLB

**Expertise in specific functional areas:** Mr. Dhananjay Anant Athavale has pursued B.Sc. and LLB from Mumbai. Mr. Dhananjay A. Athavale commenced practice in law in 1989 and since then has been practicing in the High Court, Bombay. He is also on the panel of the Union of India and Department of Income Tax. He has been handling various matters for the Central Government and the Income Tax Department.

**Directorships held in other Public Companies (excluding foreign companies):** NIL

**Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders / Investors Grievance Committee):** NIL

**Number of Shares held in the Company:** NIL



- C) **Mr. Ramlal R. Wadhawan** :
- Date of Birth** : 10 June, 1941
- Date of Appointment** : 1 November 1982
- Qualifications** : H.S.C.

Mr. Ramlal R. Wadhawan, is in construction activities for last 46 years. His leadership led to improved systems of projects and financial management, investments in most modern fleet of machines/equipments for large projects and a relentless pursuit of excellence in quality of project construction and engineering. He took initiatives to drive the company towards professionalism. He exercises overall control and supervision over various activities of the Company under the overall policy guidelines of the Board of Directors.

**Directorships held in other Public Companies**

(excluding foreign companies) : Aurangabad Jalna Toll Way Limited

**Memberships/ Chairmanships of Committees of other Public Companies (Includes only Audit and Shareholders /Investors Grievance Committee) NIL**

**Number of Shares held in the Company:** 4738350

- D) **Mr. Balkrishan P. Wadhawan** :
- Date of Birth** : 13 August, 1950
- Date of Appointment** : 15 June 1976
- Qualifications** : H.S.C.

**Expertise in specific functional areas:** Mr. Balkrishan P. Wadhawan, is in charge of Company Finances, Planning and Administration of the Corporate Office of the Company. He has an experience of almost 41 years in civil construction activities. He is directly involved in planning resource management, quality aspect and maintaining the projects.

**Directorships held in other Public Companies**

(excluding foreign companies) :

1) Aurangabad Jalna Toll Way Ltd.

2) Pai Papers & Allied Inds. Ltd.

**Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee) NIL**

**Number of Shares held in the Company:** 802280

- E) **Mr. Narain P. Belani** :
- Date of Birth** : 9<sup>th</sup> May, 1948
- Date of Appointment** : 1<sup>st</sup> March, 1989
- Qualifications** : DIPLOMA IN CIVIL ENGINEERING

**Expertise in specific functional areas:** Mr. N. P. Belani, is a Diploma Certificate holder in Civil Engineering from Bombay University. He has an experience of over 40 years in civil construction activities. He has successfully executed various projects such as Runways, Highways, Land development and bridges with various Departments all over the country. These works include rigid pavement works with concrete batching

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plant and also for flexible pavements with modern machinery like asphalt batch mix plants, sensor pavers, vibratory rollers etc. Mr. Belani is mainly looking after technical aspects of various projects undertaken by the company.

**Directorships held in other Public Companies (excluding foreign companies):** NIL

**Memberships/ Chairmanships of Committees of other Public Companies (Includes only Audit and Shareholders / Investors Grievance Committee):** NIL

**Number of Shares held in the Company:** 20038

<b>F) Mr. Deepak R. Wadhawan</b>	:	
<b>Date of Birth</b>	:	3 <sup>rd</sup> September 1966
<b>Date of Appointment</b>	:	1 <sup>st</sup> January, 2009
<b>Qualifications</b>	:	H.S.C.

**Expertise in specific functional areas:** Mr. Deepak R. Wadhawan, is in-charge of various projects like Highways, Roadways and including BOT projects. He had supervised, monitored and successfully commissioned the BOT project namely Aurangabad-Jalna Road, under an SPV company formed in the name of Aurangabad-Jalna Toll Way Limited. He is also involved in procurement of inputs, latest technology machineries and running and maintenance of the same.

**Directorships held in other Public Companies (excluding foreign companies):** NIL

**Memberships/ Chairmanships of committees of other public companies (Includes only Audit and Shareholders / Investors Grievance Committee):** NIL

**Number of Shares held in the Company:** 255870

## 5. Details and Remuneration of Directors :

The aggregate value of salary and perquisites paid for the year ended 31<sup>st</sup> March, 2010 to the directors are as follows :

Names of Directors	Sitting Fees (Rs.)	Salary & Perks (Rs.)	Total(Rs.)
Mr. Ramlal R. Wadhawan	NIL	36,00,000/-	36,00,000/-
Mr. Balkrishan P. Wadhawan	NIL	28,40,000/-	28,40,000/-
Mr. Narain P. Belani	NIL	18,00,000/-	18,00,000/-
Mr. Deepak R. Wadhawan	NIL	16,11,579/-*	16,11,579/-
Mr. Sunil R. Wadhawan	NIL	16,11,583/-*	16,11,583/-
Mr. Anant R. Athavale	1,44,000/-	NIL	1,44,000/-
Mrs. Vrinda A. Chapekar	1,44,000/-	NIL	1,44,000/-
Mr. P. Krishna N. Kamath	1,44,000/-	NIL	1,44,000/-
Mr. Sudhakar M. Thorat (w.e.f May 2009)	1,32,000/-	NIL	1,32,000/-
Mr. Manohar Nayak (w.e.f July 2009)	1,08,000/-	NIL	1,08,000/-

\* Part of the salary included in salary wages and other expenses.



## 6. Annual General Meeting

Details of the last three Annual General Meeting of the company:

Year	Location	Date	Time
2008-2009	Hotel Oasis, Opp. Tata Inst. of Social Science, Sion -Trombay Road, Deonar, Mumbai - 400 088.	30.09.2009	11.30 a.m.
2007-2008	Hotel Oasis, Opp. Tata Inst. of Social Science, Sion -Trombay Road, Deonar, Mumbai - 400 088.	26.09.2008	11.30 a.m.
2006-2007	Chembur Gymkhana, Phase II, 16th Rd., Chembur, Mumbai 400 071.	27.09.2007	11.00 a.m.

The shareholders have passed all the resolutions set out in the respective notices.

### Postal Ballot

No special resolution was passed through Postal Ballot at the last Annual General Meeting. No special resolution through Postal Ballot at the forthcoming Annual General Meeting.

## 7. DISCLOSURES :

- There are no materially significant related party transactions i.e. transaction, material in nature, with its promoters, directors, their relatives or management, subsidiaries of the Company etc. having potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- Though the Company does not have a Whistle Blower Policy in place, the Company encourages the employees to freely express their views on various issues faced by them and the HR head follows up the same for necessary resolution. The employees have access to the Audit Committee.
- All the mandatory items of Clause 49 have been complied with and covered in this report. In respect of Non Mandatory requirement of Clause 49, the Company has complied with appointment of the two Non executive Directors as members of Remuneration Committee. The composition of this Committee has been detailed earlier in this report.

## 8. Means of Communication :

- Quarterly Results:** The Un-audited Quarterly Financial Results (Provisional) are announced within one month by the end of each quarter. However for the quarter ended 31.03.2010, the Un-audited quarterly results were announced within 45 days from the end of the quarter as per amendments to Clause 41 of the Listing Agreement. They are published in one English newspaper and another vernacular newspaper.
- News Releases and Other Results:** All official news releases and financial results are communicated by the Company through Bombay Stock Exchange and National Stock Exchange website [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)
- Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD & A) Report forms part of the Annual Report.

**Chairman's Speech:** Chairman's Speech is part of Annual Report.

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## 9. General Shareholders Information :

<b>Company Registration Details</b>	: CIN No : L45200MH1974PLC017653.
<b>Date, Time and Venue of AGM</b>	: Thursday, 30 <sup>th</sup> September, 2010 at 11.30 a.m. at Gurukripa Banquets, Vasant Vihar Commercial Complex, Dr. CG Road, Behind RK Studios, Chembur, Mumbai- 400074.
<b>Dates of Book Closures</b>	: Saturday, 25 <sup>th</sup> September, 2010 to Thursday, 30 <sup>th</sup> September, 2010. (both days inclusive)
<b>Financial Year</b>	: 1 <sup>st</sup> April 2009- 31 <sup>st</sup> March 2010
<b>Dividend payment date</b>	: <b>7th October, 2010</b>
<b>Listing on stock exchange</b>	: The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited
<b>Stock Code</b>	: BSE 532676 / NSE pbainfra
<b>ISIN No.</b>	: INE160H01019
<b>Email ID for Investor Grievance pursuant to Clause 47(f) of the Listing Agreement</b>	: pbaigrievance_redressal@vsnl.net

### Shareholding Pattern as on 31.3.2010:

Category	Sub-category	No. of Securities held
Promoter's holding	Indian Promoters	8544567
	Foreign Promoters	0
	Persons Acting in Concert	0
	Sub Total	8544567
Institutional Investors	Mutual Funds & UTI	0
	Banks, FIs, Insurance Co.s, Central /State Govt./Non-Govt. Institutions	0
	FII	0
	Sub-Total	0
Others	Private Corporate Bodies	608622
	Indian Public	4078009
	NRI/OCBs	72257
	Any Other	197107
	Sub Total	4955995
	Grand Total	13500562

### The Distribution of Shareholdings as on 31.03.2010 is as follows:

No. of equity shares held	No. of Folios	%	No. of shares	%
1 - 500	15618	91.83	2054469	15.22
501 - 1000	809	4.76	662913	4.91
1001 - 2000	311	1.83	474044	3.51
2001 - 3000	91	0.54	231617	1.72
3001 - 4000	43	0.25	151900	1.13
4001 - 5000	37	0.22	177922	1.32
5001 - 10000	53	0.31	388727	2.88
10001 - ABOVE	45	0.26	9358970	69.31
Grand Total	17007	100.00	13500562	100.00

**Listing Fees:**

The Company has paid the listing fees to all stock exchanges for the period 2010-2011.

**Stock Price Data:**

Market Price Data:

Month	BSE		NSE	
	High	Low	High	Low
April 2009	39.00	25.50	38.00	23.00
May 2009	66.50	32.15	66.75	31.20
June 2009	68.80	50.25	70.70	50.30
July 2009	64.40	46.00	64.90	45.30
August 2009	76.95	57.05	77.00	56.70
September 2009	84.00	66.10	84.20	66.10
October 2009	80.25	61.80	80.50	61.25
November 2009	77.50	61.30	77.05	60.75
December 2009	74.90	67.05	74.90	67.90
January 2010	81.50	63.60	81.75	63.00
February 2010	72.95	60.65	72.95	60.30
March 2010	72.10	63.25	72.05	64.55

**10. Share Transfer System :**

Application for transfer of shares held in the physical form are received at the company's investors services division (Registrar and Transfer Agent). All valid transfers are processed and effected normally within 15 days from the date of receipt. The shareholders are given an option to convert the shares into dematerialized form and letters to that effect are sent to all shareholders. Based on their response, the share certificates are either sent to their addresses or dematerialized with intimation to the shareholders' designated Depository Participants. The entire process, is, however, completed normally; within a period of 30 days from the date of receipt of an application.

**11. Financial Calendar (Tentative) For Results:**

1st Quarter ending 30 <sup>th</sup> June, 2010	by 15 <sup>th</sup> August 2010
2nd Quarter ending 30 <sup>th</sup> September, 2010	by 15 <sup>th</sup> November 2010
3rd Quarter ending 31 <sup>st</sup> December, 2010	by 15 <sup>th</sup> February 2011
4th Quarter ending 31 <sup>st</sup> March, 2011	by 15 <sup>th</sup> May 2011

**12. Compliance Certificate on Corporate Governance:**

The Company has obtained a Certificate from Ajay Garg, Practicing Chartered Accountant regarding Compliance of Conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed.

**13. CEO and CFO Certification**

The Chairman and Managing Director and the Vice Chairman & Joint Managing Director of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the listing agreement and the same is annexed.

FOR & ON BEHALF OF THE BOARD

**Ramlal R. Wadhawan**  
Chairman & Managing Director

**Balkrishan P. Wadhawan**  
Vice Chairman & Joint Managing Director

PLACE : Mumbai  
DATED : 13<sup>th</sup> August, 2010



## PBA INFRASTRUCTURE LIMITED



# DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company.

It is hereby affirmed that all the Directors and Senior Managerial Personnel have complied with the Code of Conduct framed by the Company and confirmation to that effect has been obtained from the Directors and Senior Management.

FOR PBA INFRASTRUCTURE LTD.

Ramlal R. Wadhawan  
Chairman & Managing Director

PLACE : Mumbai  
DATED : 13<sup>th</sup> August, 2010

## CERTIFICATE OF CHAIRMAN & MANAGING DIRECTOR AND VICE-CHAIRMAN & JOINT MANAGING DIRECTOR

We have reviewed the financial statements and the cash flow statement for the financial year 2009-10 and certify that :

- (a) These statements to the best of our knowledge and belief :
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in PBA Infrastructure Ltd and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have also indicated to the Auditors and the Audit Committee:

- (i) Significant changes in internal control during the year.
- (ii) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) We are not aware of any fraudulent activities in the Company
- (iv) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any)
- (v) We further declare that all Board members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

**Ramlal R. Wadhawan**  
Chairman & Managing Director

**Balkrishan P. Wadhawan**  
Vice Chairman & Joint Managing Director

Place : Mumbai  
Date : 13<sup>th</sup> August, 2010



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

### AUDITORS' CERTIFICATE

#### To the Members of PBA Infrastructure Limited

We have examined the compliance of the conditions of Corporate governance by M/s **PBA Infrastructure Ltd.** for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliances of conditions of Corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Subject to aforesaid , in our opinion and to the best of information and explanation given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India , we have to state that the Registrar and Share Transfer Agents of the Company have certified that they have maintained the records to show the investor's grievances against the Company and that as at 31<sup>st</sup> March 2010, there were no investors grievances remaining unattended / pending for more than 15 days .

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Ajay B. Garg**  
Chartered Accountant

**A Garg**  
Mem. No 032538

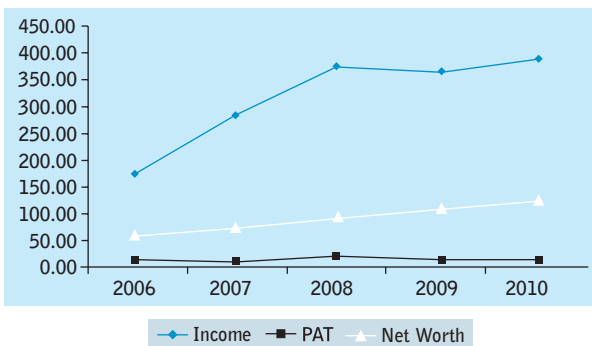
Place: Mumbai,  
Dated : 13<sup>th</sup> August, 2010



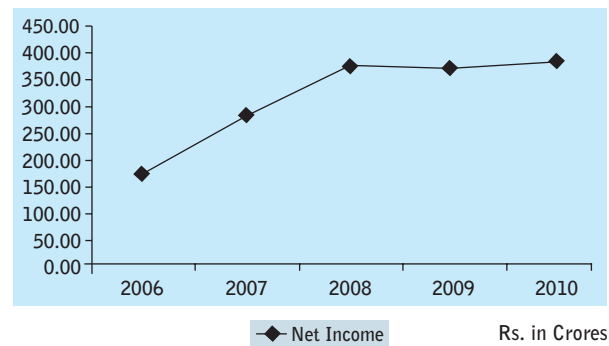
## OUR PERFORMANCE

### Five Years at a Glance

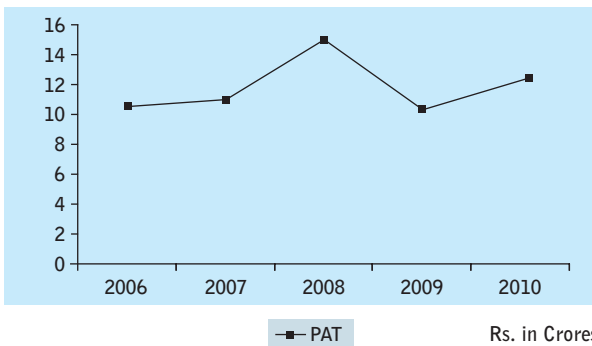
Item / Year	Year ended 31 <sup>st</sup> March				
	(Rs. in crores)				
	2006	2007	2008	2009	2010
Net Income	172.72	290.60	373.58	367.65	385.90
Profit after Tax (PAT )	10.27	10.91	14.95	10.47	12.27
PAT / Sales %	5.95	3.75	4.00	2.85	3.18
Cash Accruals	13.73	15.99	20.66	17.96	19.91
Paid Up Capital	13.50	13.50	13.50	13.50	13.50
Total Net Worth	67.13	75.68	93.22	97.20	107.06
Fixed Assets/Gross Block	89.18	118.50	136.24	142.71	144.57



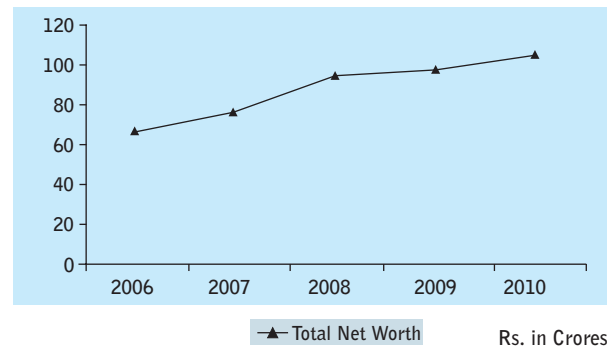
\* including Contracts in Joint Ventures. Rs. in Crores



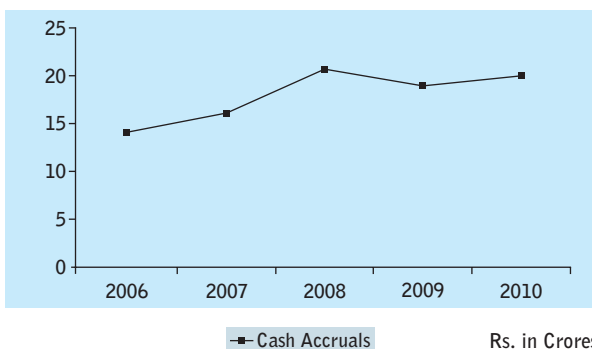
Rs. in Crores



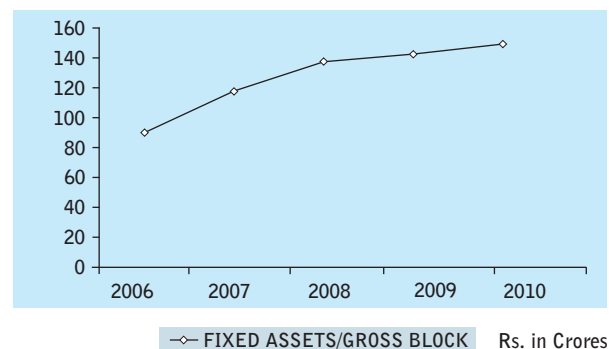
Rs. in Crores



Rs. in Crores



Rs. in Crores



Rs. in Crores



## MANAGEMENT DISCUSSION & ANALYSIS

### The Real Economy

For the year 2009-10, India displayed resilience and strength to withstand the global turmoil, after a fairly serious scare in 2008-09. The estimate from the Central Statistical Organization (CSO) suggests that GDP growth for 2009-10 will be 7.2%. It may even touch 7.5%. Whatever the number it is clear that India has recovered and is poised to be back on its 8% plus annual growth trajectory. In line with improved economic activity and confidence in the Indian economy, infrastructure growth has also improved from 3% in 2008-09 to 5.4% in 2009-10. The Government of India has started actively pushing large scale infrastructure development in key sectors. As a result we are poised for quantum growth in Infrastructure activities in 2010-11.

### Performance Highlights - 2009-10

The year 2009-2010 was a challenging year for PBA where most of its business faced significant headwinds, liquidity was a concern and capital a constraint in the face of exceptionally tough stance taken by the financial institutions. In spite of the hurdles PBA's performance in the year was remarkable due to cost cutting, hard-work and determination to deliver a decent performance.

### Management of Risk & Concerns

The Company is exposed to different types of risks such as credit risk, market risk (including liquidity risk, interest rate risk and foreign exchange risk), operational risk and legal risk. The Company monitors credit and market risks, as well as portfolio and operational risk through the oversight of senior management personnel in each of its business segments. Legal risk is subject to the review of the Company's legal department and external advisors. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company aims to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

### Internal Control Systems & Their Adequacy

The Company has a proper and adequate system of internal controls so that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly. Internal controls are

supplemented by an extensive programme of review by management, internal discussion, corrective actions if any required and documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets.

### Discussion on Financial Performance and Operation Performance

During the year under review the Company's Net Profit after Tax is Rs.1227.00 lacs as compared to Rs.1047.35 lacs in the previous year. Your Directors are continuously putting in efforts for realizing higher value in the next financial year.

### Outlook

It is expected that the government would remain committed to development in infrastructure facilities, globalization and carrying out economic reforms which would lead to rise in demand for infrastructure and other related activities. Consistent growth in Global as well as Indian economy points out to a bright future for the Construction and Infrastructure Industry.

### Social Commitment

Your Company has commitment for fulfilling its responsibilities towards the enrichment of the society.

### Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, reduction in number of viable infrastructure projects, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, exchange rate fluctuations, interest and other costs.

# PBA INFRASTRUCTURE LIMITED



## AUDITORS' REPORT

To,  
The Members of  
PBA Infrastructure Limited

1. We have audited the annexed Balance Sheet of **PBA INFRASTRUCTURE LIMITED** as at 31st March 2010 and also the annexed profit & Loss account and Cash flow statement of the Company for the year ended on that date. These financial statements are the responsibility of the management of the company. Our responsibility is to express opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order, 2003 as amended by Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act 1956, and on the basis of such checks as we may have considered appropriate and according to the information and explanations given to us, we set out in annexure a Statement on the matters specified in the paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
  - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the company so far as appear from our examination of these books.
  - c. The Balance Sheet and the profit & Loss account and the Cash flow Statement dealt with by the report are in agreement with the books of account.
- d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Sub Clause [3c] of Section 211 of the Companies Act, 1956.
5. Based on the basis of the written representations made by all the Directors of the company as on 31<sup>st</sup> March 2010 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the company do not, prima facie, have any disqualification as referred to in clause (g) sub-section (1) to the Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with the Notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a. In the case of the Balance Sheet of the state of affairs of the company as at 31st March 2010 and
  - b. In case of Profit & Loss account, of the profit for the year ended on that date.
  - c. In case of Cash flow Statement, of the cash flows for the year ended on that date.

**For Ajay B. Garg**  
Chartered Accountant

**A Garg**  
Mem. No 032538

Place: Mumbai,  
Dated :13<sup>th</sup> August, 2010



**Annexure referred to in paragraph 3 of the Auditors' Report to the members of PBA Infrastructure Limited on the accounts for the year ended 31<sup>st</sup> March 2010.**

**1. In respect of Fixed Assets :**

- a. The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
- b. During the year, majority of the fixed assets have been physically verified by the management on the basis of phased programme of verification of the assets over a reasonable time. No material discrepancies were noticed on verification of the assets made during the year.
- c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

**2. In respect of inventories :**

- a. The management has conducted physical verification of inventory at reasonable intervals.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- c. The company is maintaining proper records of inventory and as explained to us there were no material discrepancies noticed on physical verification of inventory, as compared to the book records.

**3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956 :**

- a. The company has taken loans from 4 parties covered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs 438.49 lakhs.
- b. The Company has not granted loans to parties covered in the register maintained under Section 301.

c. In our opinion, the rate of interest and other terms and conditions on which the loans has been obtained and or given from the parties listed in register maintained under Sec. 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.

d. The parties have repaid the Principal amounts as stipulated and have been regular in Payment of interest.

e. There are no overdue amounts more than one lakh.

4. In our opinion and as per the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and nature of its business with regards to purchases of materials, stores, plant and machinery equipment and other assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.

**5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :**

a. In our opinion and according to the information and explanations given to us, transactions that need to be entered into the Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

b. So far we have been able to ascertain, the company has entered into transactions for purchase of goods and materials and sale of goods, materials and services in pursuance of contract or agreements entered in the Register maintained under Section 301 of the Companies Act, 1956 as aggregating during the year to Rs.500,000/- or more in respect of each party. These transactions have been made at prices which are reasonable having regard to prevailing market prices available with the company for such goods and services or the prices at the relevant time.

**6. In respect of Fixed Deposits :**

In our opinion and as per information and explanation given to us the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975,

# PBA INFRASTRUCTURE LIMITED



with regards to the deposits accepted from the public.

## 7. In respect of internal audit systems :

In our opinion, the Company has an internal audit system commensurate with the size and its nature of business.

8. To the best of our knowledge and according to information given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 in respect of any of the products of the Company.

## 9. In respect of statutory dues :

a. According to the records of the company, the Company is generally regular in depositing undisputed statutory dues including the Provident Fund dues, ESIS dues, Income tax, Sales tax and other statutory dues applicable to it with the statutory authorities.

b. According to information and explanation given to us, there are no undisputed amounts payable in respect of income Tax, Sales Tax, Value Added Tax, and Excise and customs duty which have remained outstanding as on 31st March 2010 for a period of more than six months from the date they become payable.

c. According to information and explanations given to us, following statutory dues which have not been deposited as on 31<sup>st</sup> March 2010 on account of dispute.

Nature of statutory dues	Forum where dispute is pending	Period to which it relates	Amount (Rs.)
Income Tax Act, 1961	Commissioner of Income Tax (Appeals)	A.Y. 2002-03	5,85,960
Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y. 2004-05	15,25,423
Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y.2006-07	96,81,975
Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y.2007-08	1,34,02,437
Income Tax Act	Commissioner of Income Tax (Appeals)	A.Y.2008-09	1,26,37,302
			<b>3,78,33,097</b>

## Sales Tax and VAT Matters :

Following is the amount of dues payable determined by the Sales Tax authorities for the relevant Financial year, for which the Company has preferred

an Appeal against the respective Assessment orders :

Financial Year	Forum where dispute is pending	Sales Tax dues/ (Rs. In lakhs)	Works Contract Dues (Rs. In lakhs)	Status
2003-04	Deputy Commissioner of Sales Tax	58.45	35.99	Assessment Completed *
2004-05	Deputy Commissioner of Sales Tax	7.68	101.90	Assessment Completed *

\* as explained in notes to account.

10. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

11. According to information and explanations given to us, and based on the documents and records produced before us, and on the basis of the management representation on which we have placed reliance, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.

12. According to information and explanations given to us, and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Order are not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Therefore the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

14. In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.

15. Based on our audit procedures and according to information and explanations given to us the company has not given guarantees for loans taken by others from a Bank or financial institution.

16. According to the information and explanations given to us and on an overall examination of the Balance



## PBA INFRASTRUCTURE LIMITED

- Sheet of the Company, and on the basis of the management representation on which we have placed reliance, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, and on the basis of the management representation on which we have placed reliance, we are of the opinion that no funds raised on short term basis have been used for long term assets.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any monies by way of issue of debentures.
20. During the year the company has not raised any money by public issue and accordingly the provisions of clause 4 (xx) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For Ajay B. Garg**  
Chartered Accountant

**A Garg**  
Mem. No 032538

Place: Mumbai ,  
Dated : 13<sup>th</sup> August, 2010



# PBA INFRASTRUCTURE LIMITED



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>I SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	A	135,005,620	135,005,620
Reserves and Surplus	B	862,345,146	771,235,354
Deferred Tax Liabilities	....	73,303,749	69,322,608
Loan Funds			
Secured Loans	C	1,832,012,832	1,680,950,021
Unsecured Loans	D	980,073,522	1,114,472,853
<b>TOTAL</b>		<b>3,882,740,869</b>	<b>3,770,986,456</b>
<b>II APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	E	1,445,671,855	1,427,163,115
Less : Depreciation	....	445,723,195	371,085,960
Net Block	....	999,948,660	1,056,077,155
Investments	F	404,269,800	311,702,800
Current Assets, Loans & Advances	G	3,282,677,403	3,335,255,328
Less : Current Liabilities & Provisions	H	804,154,994	935,655,085
Net Current Assets	....	2,478,522,408	2,399,600,243
Deferred Revenue Exp. Not w/off			
Public Issue Expenses	....	0	3,606,259
<b>TOTAL</b>		<b>3,882,740,869</b>	<b>3,770,986,456</b>

### NOTES TO THE ACCOUNT

As per Our Report of even date

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Ramlal R. Wadhawan  
Chairman & MD

For Ajay B. Garg  
Chartered Accountant

Deepak R. Wadhawan  
Executive Director

Ajay Garg  
Proprietor  
M. No. 032538

Narain P. Belani  
Whole-Time Director

Place: Mumbai  
Dated : 13<sup>th</sup> August, 2010



# PBA INFRASTRUCTURE LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>INCOME</b>			
Contract Receipts	I	3,434,483,018	3,590,524,873
Contract Receipts-JV	....	406,816,294	52,462,597
Other Income	J	10,609,269	24,977,427
Interest	....	7,100,154	8,539,956
<b>TOTAL</b>		<b>3,859,008,735</b>	<b>3,676,504,853</b>
<b>EXPENDITURE</b>			
Work Cost	K	2,662,720,324	2,797,701,055
Work Cost-JV	....	393,412,373	48,378,031
Salaries , Wages and Other Expenses	L	101,026,525	86,781,907
Selling, Administrative & Others	M	106,470,696	150,481,045
Interest	N	335,649,734	360,419,379
Managerial Remuneration	....	8,616,166	9,960,000
Depreciation	....	76,432,020	74,874,927
		<b>3,684,327,837</b>	<b>3,528,596,344</b>
<b>PROFIT BEFORE INCOME TAX</b>	....	174,680,898	147,908,509
Provision For Taxation	....	48,000,000	39,422,573
Deferred Tax Liability	....	3,981,141	2,007,489
Fringe Benefit Tax	....	0	1,743,788
<b>NET PROFIT AFTER TAXES</b>		<b>122,699,757</b>	<b>104,734,659</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend	....	27,001,124	27,001,124
Dividend Tax	....	4,588,841	4,588,841
Balance Carried to Balance Sheet		<b>91,109,792</b>	<b>73,144,694</b>
<b>Earning Per Share</b>			
Net Profit After Taxes	....	122,699,757	104,734,659
Weighted average number of Shares	....	13,500,562	13,500,562
Basic and diluted Earning Per Share (Rs)		9.09	7.76

### NOTES TO THE ACCOUNT

As per Our Report of even date

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Ramlal R. Wadhawan  
Chairman & MD

For Ajay B. Garg  
Chartered Accountant

Deepak R. Wadhawan  
Executive Director

Ajay Garg  
Proprietor  
M. No. 032538

Narain P. Belani  
Whole-Time Director

Place: Mumbai  
Dated : 13<sup>th</sup> August, 2010

# PBA INFRASTRUCTURE LIMITED



## SCHEDULES TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
<b>SHARE CAPITAL</b>	A		
Authorised : 250,00,000 Equity Shares of Rs.10/- each (Previous Year 250,00,000 Equity Shares of Rs.10/- each)	....	250,000,000	250,000,000
		250,000,000	250,000,000
Issued ,Subscribed and Paid up Capital : 13,500,562 Equity Shares of Rs. 10/- each .... (Previous year 13,500,562 Equity Shares of Rs. 10/- each)		135,005,620	135,005,620
		135,005,620	135,005,620
<b>RESERVES AND SURPLUS</b>	B		
Profit and Loss A/c Opening Balance	....	2,000,000	2,000,000
Add :Profit during the year transferred	....	91,109,792	73,144,694
	....	93,109,792	75,144,694
Less: Transferred to General Reserves	....	91,109,792	73,144,694
		2,000,000	2,000,000
<b>Securities Premium Account</b> Opening Balance		266,412,900	266,412,900
Add: Additions during the year		0	0
		266,412,900	266,412,900
General Reserve Opening Balance	....	502,822,454	429,677,760
Add: Transfer from P & LA/c	....	91,109,792	73,144,694
		593,932,246	502,822,454
Total		<b>862,345,146</b>	<b>771,235,354</b>



# PBA INFRASTRUCTURE LIMITED

## SCHEDULES TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

Amount in Rupees

SCHEDULE	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE	C		
<b>SECURED LOANS :</b>			
<b>1. Bank overdraft</b> Against hypothecation of Bills and/or other collaterals	....	607,427,897	473,096,523
<b>2. Secured Loans</b> Secured by hypothecation of various machineries and equipments.	....	218,604,484	248,004,560
<b>3. Secured loans</b> Against EMD.	....	159,031,547	216,599,651
<b>4. Secured Long Term Loans</b> Against hypothecation of assets and/or other collaterals	....	846,948,905	743,249,287
The above loans are also secured by personal guarantees of the Directors Refer Note No 6 to the accounts		<b>1,832,012,832</b>	<b>1,680,950,021</b>

\* Secured Long Term Loans include Rupee Term Loans of Rs.25.00 cr and Rs.31.17 cr which have been converted from rupee term loan into Foreign Currency (USD) Term Loan with tenor of 66 months and 42 months respectively with roll over facility every six months.

SCHEDULE	D		
<b>UNSECURED LOANS:</b>			
From Directors & shareholders	....	43,849,254	44,592,258
Fixed Deposit from Public	....	36,711,701	38,124,744
Long term Contractual Deposits	....	260,448,227	140,860,741
Machinery Advances	....	4,461,522	64,201,476
Mobilisation Advance **	....	402,328,610	295,679,551
Intercorporate Deposit ***	....	41,981,884	124,662,449
Short term Bank Loan ****	....	190,292,323	406,351,634
		<b>980,073,522</b>	<b>1,114,472,853</b>

\*\* Mobilisation advances are released by the employers against bank guarantees.

\*\*\* Intercorporate deposits are against demand promissory notes.

\*\*\*\* Short term bank loans are also secured by personal guarantees of the Directors.

# PBA INFRASTRUCTURE LIMITED



## SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2010 AS PER COMPANIES ACT 1956

### Schedule E

Amount in Rupees

S. No.	Name of Assets	Rate	Gross Block				Depreciation					Net Block		
			As on April 1st, 2009	During the period		As on 31-Mar-2010	On Opening Balance	On Additions & Sales	Total DEP For the Year	Deletion on sale	As on 31-Mar-2010	As on 31-Mar-2009	As on 31-Mar-2010	
				Additions	Sales									
1	Trucks/Dumpers	11.31%	96,224,101	0	0	96,224,101	10,882,946	0	10,882,946	0	62,021,589	45,085,458	34,202,512	
2	Roller	4.75%	27,510,443	0	0	27,510,443	1,306,746	0	1,306,746	0	8,825,294	19,991,895	18,685,149	
3	Motor Cars/Jeeps/Scooters	9.50%	57,785,553	0	2,523,146	55,262,407	5,249,929	55,820	5,305,749	1,794,786	31,077,374	30,219,142	24,185,033	
4	Office Equipments	4.75%	10,404,572	93,788	0	10,498,360	494,217	3,941	498,158	0	2,896,648	8,006,082	7,601,712	
5	Shuttering Plates	4.75%	4,552,182	0	0	4,552,182	0	0	0	0	4,486,148	66,034	66,034	
6	Furniture	6.33%	7,026,678	0	0	7,026,678	444,789	0	444,789	0	2,381,824	5,089,643	4,644,854	
7	Computers	16.21%	8,098,125	217,030	0	8,315,155	1,312,706	17,041	1,329,747	0	6,045,418	3,382,454	2,269,737	
8	Lab. Equipments	4.75%	4,368,527	0	0	4,368,527	207,505	0	207,505	0	2,234,772	2,341,260	2,133,755	
9	Machinery	4.75%	1,177,279,221	9,429,017	0	1,186,708,238	55,920,763	463,155	56,383,918	0	319,712,712	913,950,427	866,995,526	
10	Office Flats	1.63%	4,445,621	0	0	4,445,621	72,464	0	72,464	0	3,687,106	830,979	758,515	
11	Land	0.00%	27,113,780	11,292,051	0	38,405,831	0	0	0	0	0	27,113,780	38,405,831	
12	Shed	0.00%	2,354,312	0	0	2,354,312	0	0	0	0	2,354,312	0	0	
	Current Year		1,427,163,115	21,031,886	2,523,146	1,445,671,855	75,892,064	539,956	76,432,020	1,794,786	445,723,195	1,056,077,155	999,948,660	
	Previous Year		1,362,469,773	65,718,342	1,025,000	1,427,163,115	72,895,499	1,979,428	74,874,927	0	371,085,960	1,066,258,740	1,056,077,155	



# PBA INFRASTRUCTURE LIMITED

## SCHEDULE TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE	F		
<b>INVESTMENTS</b>			
(At cost, unless otherwise specified)			
Trade unquoted:			
9,65,796 Fully Paid equity Shares of Rs.10/- each (previous year 9,65,796) of Aurangabad Jalna Tollway Ltd, a Company under same management being associate Company		403,968,800	311,401,800
Non Trade, Quoted:			
600 fully paid Equity Shares of Canara Bank	....	21,000	21,000
Investment in SBI Infrastructure Fund	....	200,000	200,000
National Savings Certificate	....	80,000	80,000
		<b>404,269,800</b>	<b>311,702,800</b>
Note:			
Unquoted Investments			
Book Value	....	403,968,800	311,401,800
Quoted Investments			
Book Value	....	301,000	301,000
Market Value	....	514,670	403,500

# PBA INFRASTRUCTURE LIMITED



## SCHEDULES TO BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE	G		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A Current Assets</b>			
<b>Work in Progress</b>	....	738,378,496	744,640,400
As taken, valued and certified by the Director			
<b>Sundry Debtors</b>			
(Unsecured, Considered good)			
Debts Outstanding for a period exceeding			
Six months	....	351,396,264	178,996,856
Other Debts	....	852,152,855	865,286,630
<b>Cash &amp; Bank Balances</b>			
Cash in Hand	....	9,723,425	6,766,130
<b>Balances with Scheduled banks</b>			
In Current Accounts	....	80,555,559	41,824,320
In Fixed Deposits *	....	83,570,813	117,976,098
* Fixed deposit is towards margin against bank guarantees issued			
<b>B Loans &amp; Advances</b>			
(Unsecured, Considered good)			
Advances recoverable in cash or in kind or for value to be received and or pending adjustments	....	1,166,899,991	1,347,105,449
Project Mobilisation		0	32,739,445
<i>Refer Note No. 11 to the Accounts</i>		<b>3,282,677,403</b>	<b>3,335,335,328</b>

SCHEDULE	H		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A Current Liabilities:</b>			
Sundry Creditors*	....	453,043,045	331,890,771
Other liabilities	....	125,054,774	55,519,765
Advances Received	....	185,595,815	108,178,071
* Refer Note No.12 for due to Micro and Small Enterprises		<b>763,693,633</b>	<b>495,588,607</b>
<b>B Provisions:</b>			
For Others**	....	13,460,237	413,065,354
For Dividend	....	27,001,124	27,001,124
** Provision for tax is net, Refer Note No.11 to the accounts		<b>804,154,994</b>	<b>935,655,085</b>



## PBA INFRASTRUCTURE LIMITED

### SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2010

Amount in Rupees

	SCHEDULE	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
SCHEDULE	I		
<b>INCOME</b>			
<b>Projects - Company</b>			
Contract Receipts	....	3,434,483,018	3,590,524,873
Contract Receipts -- JV *		406,816,294	52,462,597
		<b>3,841,299,312</b>	<b>3,642,987,470</b>
<b>OTHER INCOME</b>	J		
Miscellaneous Receipts	....	4,149,382	19,472,510
Hire Charges Received	....	1,257,014	3,697,663
Interest Received	....	7,100,154	8,539,956
Profit on Contracts from JV	....	5,202,874	1,807,254
		<b>17,709,423</b>	<b>33,517,383</b>
SCHEDULE	K		
<b>WORK COST</b>			
Opening Work In Progress	....	744,640,400	842,549,025
Add : Construction and Operating Exp	....	2,656,458,420	2,699,792,430
		3,401,098,820	3,542,341,455
Less : Closing Work in Progress	....	738,378,496	744,640,400
		<b>2,662,720,324</b>	<b>2,797,701,055</b>

\*Refer Note No.1 (i) to the accounts



# PBA INFRASTRUCTURE LIMITED



## SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

Amount in Rupees

	SCHEDULE	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>CONSTRUCTION AND OPERATING EXPENSES</b>			
Materials	....	1,286,143,695	1,328,728,083
Sub Contracting Charges	....	686,728,679	640,218,420
Toll payments	....	0	5,883,694
Labour Charges	....	341,716,899	347,981,826
Transport Charges	....	102,752,912	147,360,411
Incentive Wages	....	9,037,851	8,704,568
Electricity Charges	....	14,924,141	16,353,884
Truck and Machinery Repairs	....	7,623,830	10,701,962
Truck Running Charges	....	22,771,531	17,353,679
Royalty Charges	....	33,142,636	20,887,542
Machinery Hire Charges	....	13,980,307	5,945,942
Water Charges	....	4,802,207	6,000,576
Motor Car Charges	....	2,009,684	3,107,045
VAT/Works Contract Tax	....	130,824,048	140,564,798
		<b>2,656,458,420</b>	<b>2,699,792,430</b>

SCHEDULE	L		
<b>SALARIES, WAGES AND OTHER EXPENSES</b>			
Salaries , Bonus and Ex Gratia	....	82,037,545	68,951,178
Contribution to P.F. & Gratuity	....	10,798,476	10,321,533
Staff Welfare	....	8,190,504	7,509,196
		<b>101,026,525</b>	<b>86,781,907</b>



## PBA INFRASTRUCTURE LIMITED

### SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

Amount in Rupees

	SCHEDULE	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>SELLING ,ADMINISTRATIVE &amp; OTHERS</b>	<b>M</b>		
Rent	....	8,461,484	11,158,822
Professional Fees	....	13,790,325	23,721,858
Repairs and Maintenance	....	2,235,925	1,759,573
Insurance	....	13,779,350	12,045,854
Tender Fees	....	1,934,488	2,236,719
Miscellaneous Expenses	....	13,111,443	15,657,636
Bank Charges	....	14,707,396	12,076,911
Security charges	....	4,808,138	4,255,577
Telephone charges	....	2,805,136	2,949,516
Printing and Stationery	....	904,971	595,452
Advertisement	....	293,821	597,280
Donation	....	624,500	1,105,935
Laboratory Charges	....	2,065,364	1,616,624
Conveyance	....	2,754,101	2,428,053
Sales Promotion Expenses	....	3,037,001	3,199,625
Commission and Brokerage	....	3,392,307	2,853,090
Derivative Loss	....	0	39,161,662
Foreign Exchange Loss	....	9,993,795	5,442,578
Foreign Travelling	....	516,333	165,675
Travelling Expenses	....	3,166,574	3,432,721
Auditors Remuneration	....	413,625	413,625
Loss on sale of fixed assets	....	68,360	0
Public Issue Exp W/off	....	3,606,260	3,606,259
		<b>106,470,696</b>	<b>150,481,045</b>
<b>INTEREST</b>	<b>N</b>		
Bank	....	227,790,495	239,484,374
Finance Charges	....	45,610,805	54,251,877
Other Interest	....	43,756,728	45,913,950
Interest on Mobilisation advance	....	18,491,706	20,769,178
		<b>335,649,734</b>	<b>360,419,379</b>

# PBA INFRASTRUCTURE LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Amount in Rupees

<b>A CASH FLOW FROM OPERATIONAL ACTIVITY</b>	
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS :	174,680,898
ADJUSTMENTS FOR :	
Depreciation	76,432,020
Prelim. Exp W/Off	3,606,260
Loss on sale of fixed assets	68,360
Finance Charges	335,649,734
	<u>590,437,272</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	
ADJUSTMENTS FOR :	
(Increase)/Decrease in Trade receivables	(159,265,632)
(Increase)/Decrease in Inventories	6,261,904
(Increase)/Decrease in Loans and Advances	212,864,903
Increase /(Decrease) in Trade Payables	190,687,283
Increase /(Decrease) in Advances received	77,417,744
Increase /(Decrease) in Other Liabilities	(399,605,117)
	<u>518,798,356</u>
CASH GENERATED FROM OPERATIONS	518,798,356
Direct Taxes Paid	(48,000,000)
NET CASH GENERATED FROM OPERATIONS	470,798,356
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Additions to Investments	(92,567,000)
Sale of Fixed Assets	660,000
Additions to Fixed Assets	(21,031,886)
	<u>(112,938,886)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
PROCEEDS FROM BANK BORROWING	
- For Working Capital	76,763,269
- For Term Loan	74,299,542
Proceed of Share Issue	-
Other Income	-
Dividend paid	(27,001,124)
Dividend Tax Paid	(4,588,841)
Finance Charges Paid	(335,649,734)
Increase in Loans and Advances recd	(134,399,331)
	<u>(350,576,219)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	7,283,251
OPENING CASH AND CASH EQUIVALENTS	166,566,548
CLOSING CASH AND CASH EQUIVALENTS	173,849,798

We have examined the attached Cash flow statement of M/s. PBA Infrastructure Ltd. annexed to and forming part of the accounts for the year ended 31st March 2010. The statement has been prepared by the Company in accordance with the requirement of the Listing agreement Clause 32 with The Stock Exchange, Mumbai and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our Report to the members of the Company.

For Ajay B. Garg  
Chartered Accountant

Ajay Garg  
Proprietor  
M. No. 032538

Place: Mumbai  
Dated: 13<sup>th</sup> August, 2010



## SCHEDULE - O

### NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st March 2010.

#### 1. Statement of Significant Accounting Policies

- a. Basis of accounting: The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standards stated in Companies Accounting Standards Rule, 2006 (as amended) and the relevant provision of the Companies Act, 1956. Except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- b. Fixed Assets and Depreciation :
  - i. All the fixed assets purchased are stated at cost of acquisition except in case of those assets which are revalued.
  - ii. Depreciation on fixed assets is provided on "Straight line Method", at the rates prescribed by Schedule XIV to the Companies Act, 1956.
  - iii. Depreciation on revalued assets is provided at the rate specified u/s-205(2) (b) of the Companies Act, 1956 or estimated useful life, whichever is higher.
  - iv. Depreciation on fixed assets added/dropped off during the year is provided on prorata basis with reference to the date of addition/disposal.
  - v. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over the remaining useful life.
- c. Sundry Debtors / Loans and Advances: Sundry Debtors / Loans and Advances are stated net of provision for identified doubtful debts/advances. Sundry Debtors and Loans and Advances has been taken at the reconciled amount for the parties from which the balance confirmation was received and for the rest balances are taken as per book balance. As and when the confirmations with respect to the balances will be received the reconciliations will be done and the adjustments, if any, on this account will be made. In the opinion of the management, subject to reconciliations referred above, the debts and Loans and advances to the extent as stated are considered good in the Balance Sheet are fully recoverable.
- d. Investments: The Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as other investments
- e. Cash and cash equivalents: Cash and cash equivalents in the cash flow statements comprise Cash at bank and cash in hand and short term investments with an original maturity of three months or less
- f. Derivative Instruments: As per the ICAI announcement, derivative contracts, other than those covered under AS - 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effects on the underlying hedge item, is charged to the income statement.
- g. Foreign Currency Transactions:
  - a) Initial currency transaction: Foreign exchanges are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
  - b) Conversion: Foreign currency monetary items are reported using closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the value were determined.
  - c) Exchange Difference: Exchange difference arising on the settlement /conversion of monetary items is recognized as income or expenses in the year in which they arise.
- h. Revenue Recognition: i) In respect of Construction contracts and in manner specified under Accounting Standards AS-7 on Construction Contracts, Revenue is recognized on Percentage completion method based on the Bills submitted, certified and sanctioned by the appropriate authorities. The relevant cost is recognized in accounts in the year of recognition of the revenue.

## PBA INFRASTRUCTURE LIMITED



- ii) The total costs of contract are estimated by the Company and are based on technical and other estimates. The auditors have relied on such assumptions.
- i. Contract Receipts - Joint venture: Proportionate Consolidation method of accounting and reporting is followed in respect of Joint venture entered into by the Company. The Income from such joint venture is recognized proportionately on the basis of Bills submitted, certified and sanctioned by the appropriate authorities. The actual expenses for such Project in Joint Venture are accounted on the basis of the Profit sharing ratio.
- j. Valuation of work in progress: i) The work in progress has been determined by the Management at the estimated realizable value. ii) The value of work in progress comprises of value of material and expenses incurred at site including estimated profits thereon in terms of guidelines provided under Accounting Standards AS 7 on Construction Contracts.
- k. Borrowing costs: Borrowing costs are accounted on accrual basis. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- l. Taxation: a. Tax expenses comprise of current & deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income Taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier year. b. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the Balance sheet date.
- m. Impairment of Assets : As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:
- The provision for impairment loss required, if any, or
  - The reversal required of impairment loss
- recognised in previous periods, if any, Impairment loss is recognised when the carrying amount of asset exceeds its recoverable amount.  
Recoverable amount is determined:
- In the case of an individual asset, at higher of net selling price and the value in use.
- n. Retirement Benefits :
- i) The retirement benefit in the form of Provident Fund and Pension Schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to profit and loss account of the year.
  - ii) Gratuity in respect of past and present services of employees is being accounted for on accrual basis based on actuarial valuation.
  - iii) No separate provision has been made in respect of leave encashment as the same is paid to the employee as and when it is claimed.
- o. Provisions: Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
- i. The company has a present obligation as a result of past event
  - ii. A probable outflow of resources is expected to settle the obligation; and
  - iii. The amount of obligation can be reliably estimated
- Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the management estimates required to settle the obligation at the balance sheet date.
- p. The cash flow statement is prepared in the manner set out in Accounting Standards 3. Cash and cash equivalents presented in the cash flow statement consists of cash on hand and balances with banks.
2. Disclosure as per Accounting Standard AS -15: Defined Contribution Plan: Company contribution to Provident fund is charged to profit and loss account of the year when the contributions to the respective funds are due.
- i. Defined Benefit Plan: Gratuity liabilities are provided for based on actuarial valuation. The Actuarial valuation is done on Projected Unit Credit method. Actuarial gains or losses are recognized immediately in the statements of the profit and loss account as income or expense.



The assumptions, workings based on which gratuity liability is recognized and provided for is as below:

**A) Assumption:** Current Year

Particulars	Details
Discount rate	8.00%
Salary escalation rate	5.00%
Rate of return (expected) on plan assets	Nil (as no fund)
Withdrawal rate	1% (throughout)
Benefits	As per Gratuity Act, taking limit of Rs.3.50 lakhs
Expected average remaining service	25 years

Retirement age : 60 years

**B) Amounts to be recognized in the balance sheet:**

Particulars	Amount (Rs.)
PVO at the end of year	88,71,396
Fair value of plan Assets at the end of year	0
Funded status	(88,71,396)
Unrecognized Actuarial Gain/(Loss)	0
Net Asset/(Liability) recognized in the balance sheet	(88,71,396)

**C) Expense recognized in the statement of Profit and Loss account:**

Particulars	Amount (Rs.)
Current Service Cost	13,46,828
Interest Cost	7,81,661
Expected Return on Plan Assets	0
Net Actuarial Gain/(Loss) recognized for the year	(28,23,751)
Expense recognized in the statement of Profit and Loss account	(6,95,262)

**D) Movements in the Liability recognized in Balance Sheet :**

Particulars	Amount (Rs.)
Opening Net Liability	99,74,858
Expenses as above	(6,95,262)
Contribution paid	(4,08,200)
Closing Net Liability	88,71,396

**3. Earnings per share**

In terms of Accounting Standards 20, the calculation of EPS is given below

Particulars	2009-10	2008-09
Profit after taxation as per accounts (Rs. )	122,699,757	104,734,659
Weighted Average Number of equity shares outstanding during the year	13,500,562	13,500,562
Nominal Value of share (Rs)	10	10
Basic & Diluted EPS (Rs)	9.09	7.76

**4. Contingent liability not provided for:**

- i) The value of Bank guarantees given by the company for various purposes outstanding as on 31.3.2010 is Rs.17256.19 lakhs (Previous year Rs.15760.99 Lakhs). The company has given counter guarantee for the same amount.
- ii) Disputed Income tax demanded for which appeal is pending before the relevant Appellate Authorities is Rs.378.33 lakhs as detailed in para 9 below.

**5. Payment to Auditors :**

Particulars	2009-10(Amount in Rs.)	2008-09(Amount in Rs.)
Audit Fee	4,13,625	4,13,625

**6. a) Term loans :**

- i) Term loans amounting to Rs. 8469.49 lakhs (previous year Rs.7432.49 lakhs) from the financial institutions and banks together with interest and other charges thereon, are secured by a mortgage of a part of the company's immovable assets, both present and future, and by way of pledge of shares of promoters, besides personal guarantees of Directors .
- ii) Out of term loan of Rs.8469.49 lakhs a sum of Rs.5617.50 lakhs (USD 1,23,38,018) is Foreign Currency Term Loan.
- iii) This foreign currency term loan of \$ 1,23,38,018 (equivalent to Rs.5617.50 lakhs) is hedged by forward contracts of similar amount for Foreign Exchange Currency Fluctuation if any. The Foreign Exchange loss of Rs.10.92 lakhs as on March 31, 2010 is charged to the Profit and loss account and a provision is made to the tune of Rs.89.01 for the remaining loss on the above transaction.

- b) Cash credit facility from bank (outstanding amount of Rs.6074.28 lakhs) together with interest and other charges thereon, are secured by hypothecation of stock and book debts of the company.
- c) Short Term Loans of Rs.1902.92 lakhs from banks together with interest thereon , are secured by way pledge of shares of promoters, against bills due besides personal guarantees of Directors.

**7. Other additional Quantitative information pursuant to para 3,4-C , and 4-D of part - II of Schedule VI of the Companies Act, 1956 is not ascertainable and**

# PBA INFRASTRUCTURE LIMITED



amenable and hence not included in the Report.

## 8. Managerial Remuneration

Particulars	2009-10 (in Rs.)	2008-09 (in Rs.)
Salary, Allowance, PF, etc.	86,16,166	99,60,000

## 9. Income tax matters

Particulars	2009-10 (Rs. In lakhs)
Total demand raised for income tax assessments completed up to FY 2007-08 and contested in appeal by the Company	378.33
Tax Paid against above demand up to FY 2007-08	92.99

## 10. Sales Tax and VAT Matters :

Following is the amount of dues payable determined by the Sales Tax authorities for the relevant Financial year, for which the Company has preferred an Appeal against the respective Assessment orders :

Financial Year	Sales Tax dues/ (Refund) (Rs. In lakhs)	Works Contract Dues (Rs. In lakhs)	Status
2003-04	58.45	35.99	Assessment Completed *
2004-05	7.68	101.9	Assessment Completed *
2005-06	(76.84)		Assessment Pending
2006-07			
2007-08			
2008-09	(42.45)		Assessment Pending

\* For the FY 2003-04 and FY 2004-05 the Company had filed appeal for re-assessment. Plea of the Company has since been upheld and these assessments have since been cancelled and dates have been fixed for de-novo assessment.

For the period 2005-06 to 2007-08 a sum of Rs76.84 lakhs has been claimed as refund by the Company for which assessment is yet to be completed. Similarly for the financial year 2008-09 a sum of Rs.42.45 lakhs has been claimed by the Company as refund for which assessments is yet to be completed.

11. Set off of advance tax and prepaid taxes against provisions made: The advance tax, Tax deducted at Source and other prepaid taxes and provisions thereof are shown as Net of Taxes (both for VAT and Income tax) for the earlier years. (Details as per para 9 & 10)

12. In absence of incomplete information from the vendors with regards to their registration (filling of

Memorandum) under The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006 ), the Company is unable to compile the full information required to be disclosed herein under section 22 of the said Act. However based on confirmations received from some vendors the outstanding dues of small scale industrial undertaking to whom the company owes and which are outstanding for more than 30 days is Rs. 117.55 lakhs. The list with names is enclosed in Annexure 1. The total outstanding dues of creditors other than the small scale industrial units are Rs. 4412.88 lakhs.

13. Segment Reporting: a) The main business activities of company are that of execution of Infrastructure development Project through fixed price contracts. The same is considered as single segment by the Company in terms of guidelines provided in Accounting Standard 17. b) During the year under review, the company has been operating in India and the same is considered as single geographical segment for the purpose of disclosures.

14. Disclosures for transactions with related parties as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India are as follows :

### a. Particulars of Joint Venture and/or concerns where control exists :

Nature	Sr.No	Name Of The Party
Jointly Controlled Operations	1	Sadbhav - Prakash Joint Venture
	2	PBA - TBA Joint Venture
	3	Prakash - Atlanta Joint Venture
	4	PBA - Sadbhav Joint Venture
	5	PBA RPS Joint Venture
	6	PBA Consite Joint Venture
Jointly Controlled Entity	7	Aurangabad Jalna Tollway Limited

### b. Key Management Personnel

Sr.No	Name of the person	
1	Mr. Ramlal R. Wadhawan	Chairman & MD
2	Mr. Balkrishan P. Wadhawan	Vice Chairman & Jt. MD
3	Mr. Narain P. Belani	Whole Time Director
4	Mr. Deepak R Wadhawan	Executive Director
5	Dr. (Mrs) Vrinda A Chapekar	Independent Director
6	Mr. Sudhakar Thorat	Independent Director
7	Mr. Dhananjay Athavale	Independent Director
8	Mr. Subhash Wadhawan	Executive President
9	Mr. Rajesh Wadhawan	Executive President
10	Mr. Sunil Wadhawan	Executive President
11	Mr. Vishal Wadhawan	Executive President



### Disclosure of transaction between the Company and Related Parties:

The details of transactions executed between the Company and related parties during the financial year 2009-10 is as per Annexure 2 attached. The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

15. Details for Value of Imported and Indigenous Raw materials and spare parts and components consumed and % thereof is not included as the same is not applicable. Raw Materials Rs NIL Lakhs ( Previous Year NIL )
16. Expenditure in Foreign currency during the financial year on account of Royalty, Know how fees, professional and consultation fees, interest and other matters :
- Travel Rs. 5,16,333 ( previous year Rs. 1,65,675)
  - Provision for foreign exchange loss Rs.99,93,795 (previous year Rs.54,42,578)
17. The amount remitted during the year in Foreign currency on account of :
- Dividend NIL ( previous year NIL)
  - No. of Non Resident Shareholders NIL ( Previous year NIL)
18. Earnings in foreign Currency :
- Exports of goods calculated on F.O.B. basis - NIL ( previous year NIL ).
  - Royalty, Know how, professional fees and Consultation fees - NIL ( Previous year NIL ).
  - Interest and Dividend - NIL ( Previous year NIL )
  - Other Income - NIL ( Previous year NIL )
19. The Company has also carried out work in Joint Venture with M/s Tech Build Associates. The company's share of profit is Rs 52,02,874 ( previous year Rs. 18,07,254).
20. The balances on all personal accounts are subject to confirmation by the parties and reconciliation, if any.
21. As required by Accounting Standard 22 " Accounting for Taxes on Income" issued by the Institute Of Chartered Accountants Of India, which is mandatory in nature, the Company has recognized Deferred taxes which result from the timing difference between the Book Profits and Tax Profits. As a result the deferred tax credit for the year aggregating Rs.39.81 lakhs has been recognised in the Profit and Loss Account.

The break up of net Deferred tax Calculation is as under :

	2009-2010 (Amount in Rs.)	2008-09 (Amount in Rs.)
Opening Balance Dr/(Cr) ( A )	(6,93,22,608)	(6,73,15,119)
(Deferred Tax Liability): Timing difference in depreciable assets for the current year (B)	(52,06,908)	(32,33,256)
Deferred Asset: Timing difference on account of public issue expenses incurred in earlier years, written off in the current year ( C )	12,25,767	12,25,767
Net Deferred Tax Liability for the current year ( D )	(39,81,141)	(20,07,489)
Closing Balance ( E = A+B-C)	(7,33,03,749)	(6,93,22,608)

22. In the opinion of the management, the current assets, loans and advances are approximately stated if realized in the ordinary course of business. The provisions for current liabilities and all other liabilities is adequate and not in excess of the amount reasonably necessary.
23. Previous year's figures have been shown regrouped / rearranged, where considered necessary.

In terms of our report of even date attached

**For Ajay B. Garg**  
Chartered Accountant

**A Garg**  
Mem. No 032538

Place: Mumbai,  
Dated :13<sup>th</sup> August, 2010

### Annexure 1 :

The list of small scale industrial undertaking to whom the company owes and which are outstanding for more than 30 days :

- Allen Buildwell Private Limited
- Kaushik Enterprise
- Onsar Chemicals Pvt Ltd
- Pramax Confab Pvt Ltd
- Black Cat Enterprise
- Solid Refinery
- RMC Readymix Pvt Ltd
- Chokesy Chemicals Pvt Ltd



# PBA INFRASTRUCTURE LIMITED



## Annexure 2 : Disclosure of transactions between the company & Related Party as per Accounting Standard - 18

Nature of transactions	Key Managerial Personnel		Associates and Joint ventures		Relatives of the Key Managerial Personnel exercising significant influence		Enterprises in which key management personnel exercise significant influence		Total	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Contract Receipts			215,061,387	958,717,869				30,201,675	215,061,387	988,919,544
Sales			3,903,012				3,281,067	122,063	7,184,079	122,063
Purchases				734,625			25,507,873	40,593,228	25,507,873	41,327,853
Transport charges							2,662,950	5,684,864	2,662,950	5,684,864
Sub contract charges			620,384,131	1,066,160,833			109,025,897	45,173,235	729,410,028	1,111,334,068
Rent Paid	3,655,200	7,088,000			396,000	364,000			4,051,200	7,452,000
Interest Paid	3,620,284	2,367,521			914,354	668,689	2,050,841	470,367	6,585,479	3,506,577
Amount Receivable			20,748,324	7,084,430					20,748,324	7,084,430
Amount Payable			3,336,656	47,250,747					3,336,656	47,250,747
Managerial remuneration	18,088,105	15,705,838							18,088,105	15,705,838
Directors sitting fees	672,000	472,000							672,000	472,000

The above information has been determined to the extent such parties have been identified on the basis of information provided by the company, which has been relied by the Auditor.



## BALANCE SHEET EXTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I REGISTRATION DETAILS</b>	
Registration No.	17653
State Code	11
Balance Sheet date	31 <sup>ST</sup> March 2010
<b>II CAPITAL RAISED DURING THE YEAR</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus	Nil
Private Placement	Nil
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
	Rs in Lakhs
Total Liabilities	38827.41
Total Assets	38827.41
<b>a. Sources of Funds</b>	
Paid up Capital	1350.05
Reserves and Surplus	8623.45
Deferred Tax Liabilities	733.04
Secured Loan	18320.13
Unsecured Loan	9800.74
<b>b. Application of Funds</b>	
Net fixed assets	9999.49
Investments	4042.70
Net Current Assets	24785.22
Misc. Expenditure	NIL
<b>IV. PERFORMANCE OF THE COMPANY</b>	
Turnover	38412.99
Total Expenditure	36843.28
Profit before tax	1746.81
Earning per share	Rs. 9.09 per share
Dividend Rate	20%
<b>V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICE OF THE COMPANY :</b>	
<b>Product Description</b>	<b>Item Code</b>
Civil Construction	45203

**PBA INFRASTRUCTURE LIMITED**

Regd. Office: 611/3, V. N. Purav Marg, Chembur (E), 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 36<sup>th</sup> Annual General Meeting of the company held at Gurukripa Banquets, Vasant Vihar Commercial Complex, Dr. CG Road, Behind RK Studios, Chembur, Mumbai - 400074 on Thursday, 30<sup>th</sup> September 2010 at 11.30 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 (E), Mumbai-400071

\*DP ID: FOLIO NO: CLIENT ID : 

I/We being a member/members of PBA INFRASTRUCTURE LIMITED hereby appoint Mr. \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing him Mr. \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf, at the 36<sup>th</sup> Annual General Meeting of the company, to be held at Gurukripa Banquets, Vasant Vihar Commercial Complex, Dr. CG Road, Behind RK Studios, Chembur, Mumbai - 400074 on Thursday, 30<sup>th</sup> September 2010 at 11.30 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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 time for holding the meeting. The proxy need not be a member of the company

\*Applicable for investors holding shares in electronic form.

124 TPH ASPHALT BATCHMIX PLANT  
INSTALLED AT SAWANTWADI



45° SKEW BRIDGE CONSTRUCTION AT SAWANTWADI



150 TPH 3 STAGE STONE CRUSHING UNIT





## **PBA INFRASTRUCTURE LIMITED**

Regd. Office: 611/3, V. N. Purav Marg, Chembur-E, Mumbai - 400 071.

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Email: pbatd@vsnl.net Website: www.pbail.com