

# Era Infra Engineering Limited

BELIEVE IN  
DIFFERENCE



## About Era Infra Engineering Limited

Era Infra Engineering Ltd. (hereafter referred to as 'the Company' or 'Era Infra') is a fully integrated infrastructure development company participating in India's core infrastructure and construction sectors.

With the objective of capitalizing on the prospects unfolding in the infrastructure development space, the Company has well structured, robust and scalable business lines.



## CONTENTS

About us

01

Milestones

03

Financial Highlights

05

Achievements

07

Chairman's Letter

10

Corporate Information

15

## Diverse presence

A pan-India presence covering diverse sectors across the industry is the key strength of this fast-growing

## Proven track record

An ISO 9001:2000 and ISO 14001:2004 certified Company with over two decades of extensive experience in the field of infrastructure development, Era Infra has a proven track record of completing various projects in sectors like Power, Highways, Railways, Airports, Commercial Buildings etc. and has 70+ ongoing projects. The Company, in its growth odyssey, has serviced some of the most prestigious clients across both the public and private sectors.

## Listings

The equity shares of the Company are listed at the Bombay Stock Exchange Ltd. and the National Stock Exchange Ltd. The Global Depository Receipts (GDRs) are listed at the Luxembourg Stock Exchange and Foreign Currency Convertible Bonds (FCCBs) are listed at the Stock Exchange of Singapore.



Notices

16

Directors' Report

24

Management Discussion &  
Analysis

32

Corporate Governance  
Report

42

Auditors' Report

55

Financial Section

59

## Milestones

### Milestone

**1990**

- Era Constructions (India) Private Ltd. - as an individual business entity is formed.

### Milestone

**1992**

- Era Constructions (India) Private Ltd. converts into a public limited company and the name changes to Era Constructions (India) Ltd.

### Milestone

**1995**

- Proposes an Initial Public Offer and company becomes listed entity.
- Enters into public / government sector by bagging order from Airport Authority of India.

### Milestone

**1999**

### Milestone

**2003**

- Ventures into social infra by bagging projects in Industrial & Health Care sectors.
- Receives stringent ISO 9001 : 2000 Certification.

### Milestone

**2004**

- Enters low cost housing segment with the Delhi State Industrial & Infrastructure Development Corporation Ltd. (DSIIDC) project.
- Awarded the prestigious thermal power project by National Thermal Power Corporation Ltd., Sipat.



Milestone

**2005**

- Raises funds through Follow-on Public Offer (FPO).
- Diversifies presence by entering into the railway sector.

Milestone

**2006**

- Bags first BOT project from NHAI and ventures into highways.
- Lists on the Luxembourg Stock Exchange, Europe through its GDR offering.

Milestone

**2007**

- Rechristened as Era Infra Engineering Ltd.
- Raises funds through FCCB.

Milestone

**2008**

- EPC Division forays into the fast growing Sports Facilities sector by bagging multiple projects for Commonwealth Games 2010.
- Equipment Management Division flags off operations with the receipt of multiple constructions equipment leasing orders in the Delhi region.
- Ready Mix Division successfully commissions multiple plants across the NCR within first year of inception.
- Wins the Golden Peacock National Training Award at London for excellence in

Milestone

**2009**

- Reports stellar financial performance in an extremely challenging fiscal.
- Awarded second fastest growing construction company (large category) in India at the Annual Construction Awards organised by ASAPP Media.
- Awarded "Innovative Corporate in Infrastructure Development" at the

Milestone

**2010**

- Awarded two prestigious road contracts from NHAI.
- Bagged 1000MW Power Project from NTPC.
- Execution of four Commonwealth stadium projects.
- Entering into Transmission & Distribution of Power business line.

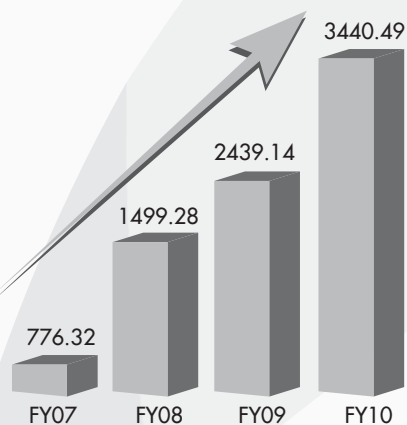


## At Era Infra, the future is bright

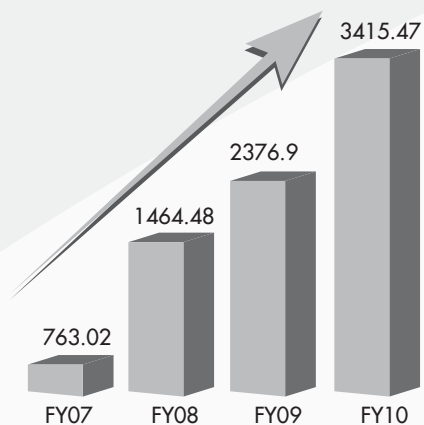
Era Infra has pan-India presence and has worked across sectors like infrastructure, power, railways, metro, roads/highways, aviation, social infra, refinery, low cost housing, and industrial sector. With diversifying projects currently under execution, the company is paving the way for India's brighter tomorrow.



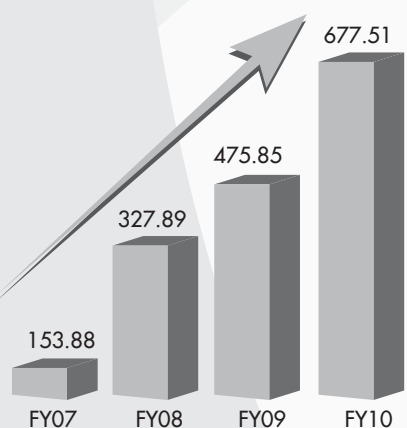
	FY07	FY08	FY09	FY10
	Rs. Cr.			
Total Income	776.32	1499.28	2439.14	3440.49
Net Sales	763.02	1464.48	2376.9	3415.47
PBDIT	153.88	327.89	475.85	677.51
PAT	79.12	121.37	202.61	279.41
EPS (Rs.) of Rs. 2 Each	8.50	10.91	16.11	17.49



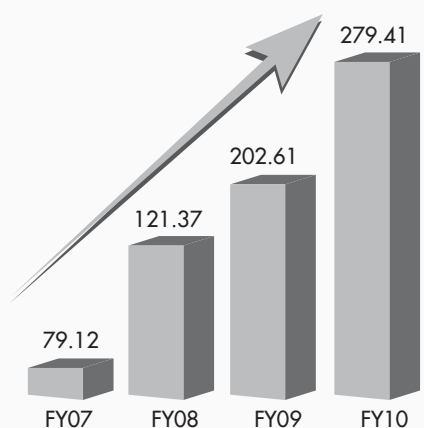
Total Income (Rs. Cr.)



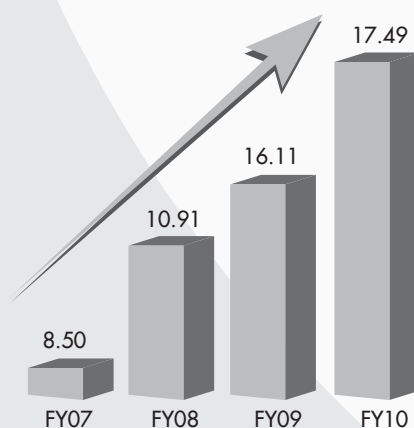
Net Sales (Rs. Cr.)



PBDIT (Rs. Cr.)



PAT (Rs. Cr.)



EPS (Rs.) of Rs. 2 Each

## A snapshot of some of the key contracts secured by the Company during 2009 – 2010

### Power Sector

#### **Bharat Heavy Electricals Limited**

Piling and Foundation works including supply of all materials except those proposed to be supplied by BHEL for 2 X 500 MW units (UNIT 6 & 7) at Anpara-D Thermal Power Plant at Anpara, Sonbhadra, UP.

#### **Bharat Heavy Electricals Limited**

Construction of general civil works for main plant and auxiliary plant buildings for unit no. 1 of 2 X 600 MW North Chennai TPS, Athipattu Tiruvallur Dist., Chennai.

#### **NTPC- Rail Bijlee Nigam**

Main plant, CW, make-up, offsite civil works chimney & chimney elevator, package for Nabinagar Thermal Power Plant Project ( 4 X 250 MW) at Nabinagar.





## Industrial Sector

### **Birla Tyres**

Construction of factory building for tyre unit-II at Balasore, Orissa.

### **Haryana Vidyut Prasaran Nigam Ltd.**

Preocurement of plant, design supply and installation of 132kv substation Kairu, Nangal Mohanpur & Pali against package G-07 "B".

### **National Aluminum Company Ltd.**

Civil & structural works and associated facilities at a smelter plant, Angul for Phase II Extension.

### **National Aluminum Company Ltd.**

Construction of buildings and associated works at Manesar.

### **Steel Authority of India Ltd.**

Structural work for setting up of basic oxygen furnace (BOF) & continuous casting shop at Bhilai Steel Plant, Bhilai, Chhattisgarh.

### **Steel Authority of India Ltd.**

Cast in situ RCC bored piling in SMS III complex at Bhilai Steel Plant, Chhattisgarh.



## Housing Sector

### **Central Public Works Department (CPWD)**

Development of Minto Road Area, SH: construction of 140 Nos. Type V & 104 Nos. Type VI flats at pocket-VI, DDU Marg, New Delhi.



## Social Infra

### **NDMC**

Civil, structural finishing & electrical works for new & existing subway in outer circle of Connaught Place for redevelopment of Connaught Place, New Delhi.



## Roads & Highways

### **EPC Contract for Muzaffarnagar-Haridwar**

Construction of four lane of NH-58 in the state of UP and Uttarakhand. 80 Km in length with three green fields bypass and also a bridge on Ganga river- Elephant Bridge on Muzaffarnagar- Haridwar Section.

### **EPC Contract for Haridwar-Dehradun**

Four laning of Haridwar Dehradun Section of NH-58 in the State of Uttarakhand. 39 Km in length.



## *Chairman's Letter*



With immense pleasure and satisfaction, I report that, posting a revenue growth of 41% and profit after tax surge of 38%, your Company convincingly marched ahead on its path of further progression and expansion. These results, while vindicating the Company's focused approach, are a clear endorsement of the strength of our short and long term strategies, which are centered around a philosophy of unwavering concentration on growth and transformation.

Infrastructure development has proven to be the core of a nation's progress and the ultimate stepping stone for our country to be a successful global leader. Armed with a deep-rooted understanding of this vital reality, and equipped with multiple strengths rooted in a far-sighted vision, your Company has clearly and consistently aligned its growth strategy to constant transformation of India's infrastructural strengths to scale them to global benchmarks of excellence.

During the year 2009 – 2010, your Company moved towards expanding its operations into newer sectors while consolidating its presence in existing sectors to scale new levels of operational success across businesses and divisions. The healthy order book is just one manifestation of your Company's success story. Strong execution skills and a commitment to deliver the best at all times were, in my opinion, the other key factors behind the sustained growth of your Company during fiscal 2009-2010. While the details of the operational highlights are covered in other parts of the report, here I would like to take you through some of the major developments that boosted the growth of your company to further strengthen our position in the fast-growing infrastructure space in the country.

## Contribution in various Infrastructure Sectors

Your company has continued to surge ahead towards consolidation of its presence in the power, roads and highways, urban infrastructure, commercial complexes, housing, industrial and institutional sectors. A large number of the projects received have come from the public sector. It is a strong endorsement indeed of the skills and strengths of your Company on the back of which we have succeeded in maintaining a robust growth. With more and more larger ticket projects being added to the portfolio, I am confident that we shall surge ahead to make the most of the unfolding opportunities in each of the sectors of its presence and foray into newer and bigger sectors too.

Your company is proud to successfully complete the Commonwealth Games projects for the stadiums in New Delhi. It has been our privilege and honour to be associated with the projects and the appreciation from the Ministry has added a few more feathers to our cap.

Going ahead, your company plans to move into the construction space in some of the most lucrative segments of Indian



With the Public-Private Partnership concept playing an increasingly important role in the Nation's infrastructure development, the opportunities in this space are huge, both within and outside India. Having forayed into this fast-expanding arena, your Company has constantly worked towards transforming its strategies to make them suitably aligned to the opportunity matrix in the BOT(Build, Operate & Transfer) space. Armed with extensive expertise and experience in construction of high-value projects across highways and railways, your Company is well on track towards achieving the COD of the various BOT & Annuity projects it is working on, namely Gwalior Bypass project, Hyderabad Ring Road project, Bahadurgarh - Rohtak project. In the current year, we have been awarded two major NHAI projects; Muzaffarnagar-Haridwar and Haridwar-Dehradun. In the coming year, the principal area of focus will be long term-BOT & BOOT projects comprising of automated parking lot, large scale housing projects, railway, freight corridor projects, hydropower, regional airports, ports and others.

Since inception of Era Machine Mart in early 2008, Era Machine Mart has been managing construction equipment needs of Era Infra Engineering Ltd and associate companies. Equipment owned by Era Machine Mart has given the edge to the company for fulfilling their equipment needs for their ultra mega projects.

Since last year, Era Machine Mart has been able to penetrate all the four zones by getting rental contracts from customers based in North, South, East & West. These customers include both corporate customers like L&T Limited-ECC Division, Shapoorji Pallonjee Co Ltd, Afcons Infrastructure Ltd, Soma Enterprises, Gannon Dunkerley Co Ltd, DS Constructions Ltd, C&C Constructions Ltd, Oriental Structural Engineers, Tania Constructions and other important customers like Rohan Rajdeep Tollways Ltd, Kalpataru, KazStroyService, Speedcrafts Limited, Yograj Infrastructure Ltd, etc.

Since beginning of Era Machine Mart, we have been adding new feathers as indicators for constant growth. Making an initial start, we now have a very good equipment base working across all four zones exclusively for rentals. This figure will be further increased by the end of financial year 2010-11, hoping to make Era Machine Mart among the top 3 equipment rental companies operating in India.





For being nearer to the customers, we will be adding at-least three rental stores in each of the zone parent workshops. This will help Era Machine Mart in achieving “Nearer to Customer” motto.

North Zone has always been an important zone for Era Machine Mart as it is the base zone. Era Machine Mart had supplied equipment on rentals to every construction activities happening in North Zone - Delhi Metro, IGI Airport, Yamuna Expressway, Power Plants, National Highways Road Projects, Oil & Gas Pipelines Work, Indian Railways, Mining & Crushing, Commonwealth Games, Infrastructure Development etc.

Due to the multiple construction of Steel Plants at Burnpur (for IISCO) and Jamshedpur (TISCO), Era Machine Mart has been able to penetrate the East Zone with a zest. West Zone and South Zone have been steadily strengthened the Era Machine Mart brand and have been working in various construction activities.

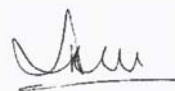


The RMC business of your Company seeks to address the growing demand and make the most of the huge potential for growth in this segment. With six plants already operational in strategic locations, this division has already established for itself a huge market. Together with this, 6 numbers of concrete pumps were also added. Special attention was also given to gear up the safety norms in our plants to minimize the risk of injury or accidents. Safety tools were deployed to ensure the safety norms.

The division was able to cater to the corporate sectors like: L&T, Omaxe Ltd., Ahluwalia Contracts, BPTP Ltd., Vardhman Developers, ATS, Supertech, Pradeshi Group, JBB Everest, etc. for the past one year.

Going ahead, the division aims to establish a pan-India presence over the next three to four years.

As stated by Margaret Thatcher, "You and I come by road or rail, but economists travel on infrastructure." The focus of your company will be in line with the vision of our economists and we hope to contribute to infrastructure and nation building... with a DIFFERENCE!



**H. S. Bharana**  
Chairman & Managing Director



## Corporate Information

**H S Bharana**  
Chairman & Managing Director

**J L Khushu**  
Whole-Time Director

**Arvind Pande**  
Director

**Anil Razdan**  
Director

**SD Sharma**  
Director

**SD Kapoor**  
Director

**A K Mehta**  
Director

**Rajiv Kumar**  
Company Secretary

**Auditors:**  
**G. C. Sharda & Co.**  
Chartered Accountants

**Bankers:**  
**Union Bank of India**  
Connaught Place, New Delhi  
(Lead Bank)

**State Bank of India**  
Connaught Place, New Delhi

**Bank of India**  
Parliament Street, New Delhi

**Canara Bank**  
Connaught Place, New Delhi

**Punjab National Bank**  
Connaught Place, New Delhi

**Bank of Maharashtra**  
South Extension, New Delhi

**Central Bank of India**  
Parliament Street, New Delhi

**Jammu & Kashmir Bank Ltd.**  
Lajpat Nagar, New Delhi

**United Bank of India**  
Nehru Place, New Delhi

**Indian Overseas Bank**  
Nehru Place, New Delhi

**Oriental Bank of Commerce**  
Connaught Place, New Delhi

**Punjab & Sindh Bank**  
Rajender Place, New Delhi

**State Bank of Indore**  
Connaught Place, New Delhi

**State Bank of Mysore**  
Nehru Place, New Delhi

**Corporation Bank**  
Greater Kailash, New Delhi



**Registered Office:**  
370-371/2, Sahi Hospital Road,  
Jungpura, Bhogal, New Delhi- 110014.

**Corporate Office:**  
153, Ground Floor, Okhla Industrial Estate,  
Phase III, New Delhi- 110020.

**Registrar & Share Transfer Agent:**  
**Beetal Financial & Computer Services Private Ltd.,**  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi-110062.

**Investors Help:**  
**E-mail: investorrelation@eragroup.in**



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA INFRA ENGINEERING LIMITED WILL BE HELD ON FRIDAY, THE 06TH DAY OF AUGUST, 2010, AT 3:30 P.M. AT EXECUTIVE CLUB, 439, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI-110074, TO TRANSACT THE FOLLOWING BUSINESSES:

### ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a director in place of Mr. Arvind Pande who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. A.K. Mehta who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s G.C. Sharda & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and fix their remuneration.

### SPECIAL BUSINESS:-

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Anil Razdan, be and is hereby appointed as a Director of the company, liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 198,309,310 and other applicable provisions, if any, and Schedule XIII of the Companies Act, 1956 consent of the company be and is hereby accorded for increase in salary and perquisites of Mr. J. L. Khushu, Whole Time Director of the company to Rs. 5,66,667/- per month (Rupees Five Lacs Sixty Six Thousand Six Hundred Sixty Seven Only) with effect from 01.01.2010, for remaining period of his appointment i.e. up to 30.09.2010."  
**"RESOLVED FURTHER THAT** all acts be and is hereby confirmed and ratified."
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 and Article of Association of the Company read with Section I Part II Schedule XIII of the Companies Act, 1956 consent of the company be and is hereby accorded to the appointment and remuneration of Mr. J. L. Khushu as Whole Time Director of the company for a tenure of two years effective from 01.10.2010 to 30.09.2012 on a remuneration i.e. salary and perquisites together up to Rs 6,75,029 /- per month (Rupees Six Lacs Seventy Five Thousand Twenty Nine only)".  
**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit, the salary and perquisites payable to Mr. J. L. Khushu shall not exceed such sums as may be allowed under Schedule XIII of the Companies Act, 1956, in any financial year."  
**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things in its absolute discretion, as it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give any effect to the foregoing resolution as may be otherwise considered by it to be in the best interest of the company."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-  
**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws, listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, Articles of Association and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India ("SEBI") and all other Concerned Authorities (hereinafter singly or

collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorized to create, issue, offer and allot equity shares and/or securities in one or more tranches, whether denominated in rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for a value of upto Rs.1,000 Crore (Rupees One thousand Crore only) including equity shares and/or Other Financial Instruments ("OFIS") through Qualified Institutions Placement ("QIP") basis to Qualified Institutional Buyers ("QIBs"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security [including Debentures or Bonds or Foreign Currency Convertible Bonds ("FCCBs")] being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or securities including Global Depository Receipts and American Depository Receipts representing equity shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any foreign currency(ies) by resident or non-resident / foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/ or otherwise) / Foreign Institutional Investors ("FIIs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/or other letter or circular ("Offer Document") and/or on private placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities, with or without voting rights in general meetings/ class meetings, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/ prepayment, number of further equity shares, to be allotted on conversion/ redemption/ extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the appropriate authority(ies), the Merchant Banker(s) and/or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force."

**"RESOLVED FURTHER THAT** the Relevant Date for determining the pricing of the securities [whether on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009] or issue of equity shares underlying the Global Depository Receipts or securities issued on conversion of FCCBs is the date of the meeting in which the Board decides to open the proposed issue or such date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time."

**"RESOLVED FURTHER THAT** within the aforesaid limit, approval of the Company be and is hereby given, to issue and allot Equity Shares or any other Securities convertible into equity shares through Depository Receipts/ Foreign Currency Convertible Bonds (FCCBs)/ Private Placement of Debentures including placement of such shares and securities through Qualified Institutions Placement ('QIP') basis to Qualified Institutional Buyers ("QIB") pursuant to Chapter VIII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to allot further shares, upto 15 (fifteen) percent of its issue size to the Stabilization Agent by availing the Green Shoe Option subject to the provision of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/ expenses as may be mutually agreed between the Company and the said Stabilization Agent."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilization Agent, Banker/Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission,

brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/ International Stock Exchanges."

**"RESOLVED FURTHER THAT** the Board and/or agency or body authorized by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/ International Markets."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of further equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such further equity shares ranking pari-passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

**"RESOLVED FURTHER THAT** subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors ("FIIs")/ Qualified Institutional Buyers ("QIBs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to make investments in the securities of other bodies corporate as they may in their absolute discretion deem beneficial and in the interest of the Company, exceeding sixty percent of the Companies paid-up capital and free reserves or hundred per-cent of its free reserves, whichever is more, as per the details given below:

Sr. No.	Name of Company	Amount (Rs. In Crores)
1.	Bareilly Highways Project Limited	100
2.	Era T&D Limited {Formerly known as Era Power Limited}	25
	<b>Total</b>	<b>125</b>

**RESOLVED FURTHER THAT** all acts done in the past by the Board of Directors and Management of the Company in this regard be and are hereby confirmed and ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be required for the purpose of giving effect to this resolution."

**By Order of the Board of Directors  
For Era Infra Engineering Limited**

**(Rajiv Kumar)  
Company Secretary**

**Place : New Delhi  
Date : 28.06.2010**

#### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of special businesses of the Notice is attached.
3. Members are requested to intimate their queries, if any, relating to the accounts at least seven days in advance of the Meeting so that the information can be made readily available and furnished at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 10th July, 2010 to 17th July, 2010 (both days inclusive).
5. In the case of joint holder(s), if more than one holder intends to attend the meeting, they may obtain additional admission slip(s) on request from the Registered Office of the Company on or before 3rd August, 2010.
6. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
7. Members attending the meeting are requested to bring their copy of Annual Report.
8. The Members are requested to notify any change of address to (i) The depository participant in respect of their electronic share account and (ii) The Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 in respect of their physical shares. Members are also requested to quote ledger folio no. or DP ID & Client ID in their correspondences.
9. Payment of Dividend, if declared at the meeting, will be made on or after August 11, 2010:
  - a) to all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on July 9, 2010.
  - b) to all the shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 17, 2010.
10. Payment of Dividend through ECS:
  - a) Members holding equity shares in physical form are advised to submit particulars of their bank account, viz. name and address of the bank, 9-digit MICR code of the Branch, type of the Account and Account No. to the Share Transfer Agent of the Company viz. Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.
  - b) Members holding shares in electronic form are advised to inform the particulars of their bank account to their respective depository participants.
11. **PURSUANT TO THE PROVISIONS OF SECTION 205A (5) OF THE COMPANIES ACT, 1956, DIVIDEND FOR THE FINANCIAL YEAR ENDED 31-03-2004 AND THEREAFTER WHICH REMAIN UNCLAIMED FOR A PERIOD OF 7 YEARS WILL BE TRANSFERRED BY THE COMPANY TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ESTABLISHED BY THE CENTRAL GOVERNMENT.**  
 MEMBERS WHO HAVE NOT SO FAR ENCASHED THEIR DIVIDEND WARRANTS FOR THE FINANCIAL YEAR ENDED 31-03-2004 OR ANY SUBSEQUENT FINANCIAL YEARS ARE REQUESTED TO APPROACH THE COMPANY FOR OBTAINING FRESH INSTRUMENT(S) IN LIEU OF EXPIRED DIVIDEND WARRANT(S). IT MAY ALSO BE NOTED THAT ONCE THE UNCLAIMED DIVIDEND IS TRANSFERRED TO THE SAID FUND, AS ABOVE, NO CLAIM SHALL LIE AGAINST THE COMPANY OR THE FUND IN RESPECT THEREOF.
12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
13. All documents as are mentioned either in Notice containing draft resolution or in explanatory statement attached to the Notice are open for inspection at the Registered Office during the business hours up to the date of this Annual General Meeting.
14. Details of Directors as required under clause-49 of the Listing Agreement are given as under:

Name of Directors	Mr. Arvind Pande	Mr. A.K. Mehta	Mr. Anil Razdan	Mr. J.L. Khushu
Date of Birth	07.09.1942	18.12.1949	07.12.1948	14.04.1942
Date of appointment	19.03.2005	20.08.1994	31.05.2010	30.11.2004
Expertise in specific areas	Mr. Arvind Pande is having 38 years of experience in management and administration. He has rich experience in handling administrative, financial and other related matters.	Mr. A K Mehta is having 40 years of experience in management & Administration. He has rich experience in handling administrative, financial and other related matters of various companies and has a good command over these functions.	Mr. Anil Razdan an Indian Administrative Service Officer of 1973 Batch, he was Secretary to the Government of India, Ministry of Power in 2007, 2008. He has held various significant assignments in the energy sector in the Government of India and the Government of Haryana.	Mr. J. L. Khushu has over 42 years of experience in project management of Roads, Bridges and building projects.
Qualifications	B.Sc, B.A. (Hons), M.A. (Eco) from Cambridge University, UK	Pre Engineering	B.Sc (Hons.) Physics and LL.B. from Faculty of Law, Delhi University	Master in Structural Engineering
Directorship in other Companies	<ol style="list-style-type: none"> <li>1. HDFC Bank Ltd.</li> <li>2. Sandhar Technologies Ltd.</li> <li>3. Visa Steel Ltd.</li> <li>4. Bengal Aerotropolis Projects Ltd.</li> <li>5. Coal India Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Era Buildsys Ltd.</li> <li>2. Era E-Zone (India) Ltd.</li> <li>3. Era Exports (India) Ltd.</li> <li>4. Era Landmarks Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bharat Electronics Ltd.</li> <li>2. Adhunik Power &amp; Natural Resources Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gwalior Bypass Projects Ltd.</li> <li>2. Hyderabad Ring Road Projects Private Ltd.</li> <li>3. West Hayana Highways Projects Private Ltd.</li> <li>4. Quillet Constructions Ltd.</li> <li>5. Kepi Constructions Ltd.</li> <li>6. Dehradun Highways Project Ltd.</li> <li>7. Haridwar Highways Project Ltd.</li> <li>8. Boconero Ltd.</li> <li>9. Golden Annum Holdings Ltd.</li> <li>10. Bareilly Highways Project Ltd.</li> </ol>
Shareholdings in the company as at 31.03.2010	Nil	Nil	Nil	Nil

By Order of the Board of Directors  
For Era Infra Engineering Limited

Place : New Delhi  
Date : 28.06.2010

(Rajiv Kumar)  
Company Secretary



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

### Item No. 6

Pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Anil Razdan was appointed as an additional director of the company with effect from 31.05.2010 by the Board of Directors at their meeting held on that date. He holds office up to the conclusion of this Annual General Meeting.

In pursuance of provisions of section 257 of the Companies Act, 1956, the company has received a notice from a shareholder along with a deposit of Rs. 500/- proposing the name of Mr. Anil Razdan for the office of Director.

Mr. Anil Razdan an IAS (Indian Administrative Service) of 1973 Batch, He is B.Sc (Hons.) Physics and LL.B. form Faculty of Law, Delhi University. He was the Chairman of the Indian Member Committee of the World Energy Council and is presently chairing the global study of the World Energy Council on Energy for Mega Cities.

Mr. Razdan has a well rounded experience in various facets of public affairs, economy and administration, particularly in energy matters at the Centre and State level.

He has served on the Boards of Public sector giants like ONGC, Indian Oil Corporation, Gail (India) Limited.

The Board of Directors recommends the resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

None of the Director except Mr. Anil Razdan himself is interested in the resolution.

### Item No. 7 & 8

The Board of Directors at their meeting held on 27.02.2010, considering the overall contribution of Mr. J. L. Khushu, Whole Time Director, to the growth the Company, revised his salary including perquisites to Rs. 5,66,667/- (Rupees Five Lacs Sixty Six Thousand Six Hundred Sixty Seven) p.m. with effect from 01-01-2010 till the remaining period of his tenure i.e. upto 30.09.2010. The said increase has been approved by the remuneration committee in its meeting held on that date.

Further, the Board approved his appointment as a Whole Time Director of the company for a further period of two years, with effect from 01.10.2010 to 30.09.2012 on the salary including perquisites up to Rs. 6,75,029/- (Rupees Six Lacs Seventy Five Thousand Twenty Nine) p.m. as detailed hereinafter which are in pursuance of schedule XIII and other applicable provisions of the Companies Act, 1956.

Pursuant to the provisions of Schedule XIII the appointment and remuneration of Mr. J. L. Khushu requires approval of shareholders by way of an Ordinary Resolution. The appointment and remuneration payable to Mr. J. L. Khushu was duly approved by the Remuneration Committee of Directors in its meeting held on 28.06.2010.

The terms and conditions of the appointment and remuneration of Mr. J. L. Khushu will be as under:

- i. **Tenure** : Two years w.e.f. 01.10.2010
- ii. **Basic salary** : Rs. 2,16,724/-
- iii. **Housing** :
  - (a) The expenditure incurred by the company in hiring unfurnished accommodation will be subject to the ceiling of 60% of Basic Salary.
  - (b) In case no accommodation is provided by the company, the Whole Time Director shall be entitled to House Rent Allowance subject to the ceiling laid down as above.
- iv. **Medical Reimbursement**: Reimbursement of medical expenses incurred for self and family subject to the ceiling of maximum of Rs. 8.33% of basic salary.
- v. **Leave Travel Allowance** : 8.33% of basic salary.
- vi. **Conveyance** : 25% of basic salary.
- vii. **Special Allowance** : 35% of basic salary.
- viii. **Bonus/ Exgratia Payment**: Entitled to Bonus/ Exgratia payment subject to maximum of 20% of basic salary.
- ix. **Gratuity**: 4.81% of basic salary.

Performance Linked Incentive (PLI): subject to maximum of 50% of basic salary (01.10.2010 to 30.09.2012).

## Explanation

Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.

Mr. J. L. Khushu is a Master in Structural Engineering. He is a retired Chief Engineer from Ministry of Urban Development, Government of India.

He is associated with the company for the last 6 years and heading Construction division of the company. Under his dynamic leadership, your company has grown tremendously.

The resolution as set out in item No. 8 of the accompanying notice together with Explanatory Statement are and should be read as an abstract required to be given under Section 302 of the Companies Act, 1956 in respect of appointment of Mr. J. L. Khushu.

None of the directors except Mr. J. L. Khushu himself is concerned or interested in the resolution.

The Board of Directors recommends the above resolution for your approval.

## Item No.9

At the previous (19th) Annual General Meeting held on August 08, 2009, the Shareholders authorized the Company to issue further shares upto Rs.1,000 crores in accordance with the provisions of Chapter XIII-A of the erstwhile SEBI (DIP) Guidelines, 2000. vide a SEBI notification, the provisions of the SEBI (DIP) Guidelines have been substituted by Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations, 2009"). As per the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the shareholders' resolution dated August 08, 2009, is valid for one year i.e. upto August 07, 2010. The Company is looking to make the placement to QIBs before the expiry of the validity of the aforesaid resolution. However, in case the company is unable to proceed with the issue, fresh approval of the shareholders by passing of special resolution under Section 81 (1A) of the Companies Act, 1956 have to be obtained in terms of the provision of Chapter VIII of the SEBI (ICDR) Regulations, 2009.

The Company requires funds to strengthen the financial position by augmenting the long term resources for financing capital expenditure, funding long term working capital requirements, making loans, advances, investments and general corporate purposes. The Company therefore proposes to raise funds for an amount upto Rs.1,000 crore by issue of equity shares and/or any other financial instruments convertible into equity through Qualified Institutional Placement under SEBI (ICDR) Regulations, 2009 and/or through issuance of securities in the international markets by way of FCCBs/ ADRs/ GDRs etc. Therefore, the Board of Directors of your Company has recommended the resolution in Item No. 9 contained herein to be passed by the shareholders, so as to enable it to make further issue of equity shares and/or other securities which will include issue on QIP basis.

## Pricing (as defined in Regulation 85)

As per the provisions of Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

## Relevant Date

The relevant date for the purpose of Regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorized by the Board of the Company decides to open the proposed issue. Pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed Qualified Institutions Placements made by the Company in the same financial year shall not exceed 5 times the net worth of the Company as per the audited balance sheet of the previous financial year. For making any further issue of shares to any person/s other than existing Equity Shareholders of the Company, approval of shareholders is required to be obtained by way of passing a Special Resolution pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 ("the Act").

All the Directors may be deemed to be interested to the extent of shares which may be allotted to the Directors or their relatives and associate persons/body corporates.

The Board of Directors recommends the Special Resolution set out in Item No. 9 of the Notice for the approval by the members.

#### Item No.10

According to the provisions of Section 372A of the Companies Act, 1956, prior approval of the Company by way of a Special Resolution is required, if the Company proposes to make investment, loans, guarantees exceeding 60% of paid up share capital and free reserves or 100% of free reserves whichever is higher.

1. The company, in association with Open Joint Stock Company-SIBMOST, Russia, has secured a prestigious order from National Highways Authority of India (NHAI). Accordingly a Special Purpose Vehicle (SPV) Company, namely Bareilly Highways Project Limited was incorporated with the following objects:

"To carry on the Business of Design, Engineering, Finance, Construction, Operation & Maintenance of 4- Laning of Bareilly-Sitapur Section of NH-24 from KM 262.000 to 413.200 in the State of Uttar Pradesh under NHDP Phase III on Design, Build, Finance, Operate and Transfer ("DBFOT") Toll Basis".

Your Company is having an equity stake of 74% in the company.

For the purpose of execution of this capital intensive project, the Company shall be required to make further investments, in trenches, in the SPV Company.

The investment to the tune of Rs. 100 Crores in Bareilly Highways Project Limited is proposed for your approval.

2. The Board of Directors of the Company at their meeting held on 30th March, 2010 has decided to foray into Power Transmission & Distribution business through its wholly owned subsidiary "Era T&D Ltd. (earlier Era Power Limited).

Era T&D Ltd is setting up Transmission Tower Manufacturing facility at Nagpur. The Company is also undertaking business of construction of Power Substations, execution of electrical Transmission & Distribution contracts.

The management of the Company feels that for the smooth functioning of operations of Era T & D Limited, the Company shall be required to make investments in various trenches. Further making such investments is a common corporate practice to support the functioning and working of the Subsidiaries/ Associate Companies.

In the present instance, the bond is more severe as your company is the promoter/ major shareholders in the company. Besides, the companies is a source of business of your company.

None of the Directors, except Mr. J.L. Khushu and Mr. Surya Dutta Sharma who are the Directors of Bareilly Highways Project Limited and Mr. H.S. Bharana who is a Director in Era T&D Limited are interested in the resolution.

Your Directors recommend the passing of the above resolution as Special Resolution.

**By Order of the Board of Directors  
For Era Infra Engineering Limited**

**Place : New Delhi  
Date : 28.06.2010**

**(Rajiv Kumar)  
Company Secretary**



# Director's Report

Your Directors have pleasure in presenting the 20th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

## Financial Results:

Summarized financial results of the Company for the year under review are as below:

(Rs. in lacs)		
PARTICULARS	Year Ended 31st March, 2010	Year Ended 31st March, 2009
Total Income	344,048.73	243,914.27
Profit before depreciation & tax	42,109.39	30,301.52
Depreciation	7,151.27	4,594.21
Profit before tax	34,958.12	25,707.31
Provision for tax		
- Current	5,931.86	3,620.12
- Deferred Tax	6,739.81	3,249.84
- MAT Credit/Fringe Benefit Tax	(1,109.34)	42.38
- Tax adjustment for earlier years	281.22	(1,466.49)
Profit after tax	23,114.57	20,261.46
Extra Ordinary Items (Net)(Profit on Buy Back of FCCB's)	4,826.21	-
Proposed Dividend together with Tax thereon	850.79	672.44
Transfer to General Reserve	2,790.00	2,026.00
Exchange Difference on FCCB'S (AS-11) Revised	-	2,540.26
Transfer to Debenture Redemption Reserve	390.00	(2,130.00)
Surplus carried to Balance Sheet	57,828.54	33,918.55

## Financial Performance

The turnover of the Company for the year ended 31st March, 2010, reported a sharp increase of 41.05% rising to Rs. 344,048.73 lacs from Rs. 243,914.27 lacs in the previous year.

Profit before depreciation and taxation was Rs. 42,109.39 lacs and after providing Rs. 7,151.27 lacs towards depreciation and Rs 11,843.55 lacs towards tax, the net profit amounts to Rs. 23,114.57 lacs.

## Business Performance

Era Infra Engineering is an integrated infrastructure development company. The Company is primarily engaged in construction activities of power projects, roads, railways & other infrastructure projects. It has a strong presence in the construction sector with an impressive track record.

The Company has completed various projects since inception for renowned clients like NTPC, PGC, NHPC, RVNL, BHEL, IRWO, NBCC, PWD, NALCO, RVNL, Airport Authority of India, Delhi Metro Rail Corporation Limited, Central Public Works Departments to name a few. The company has received repeat orders from reputed clients like NTPC, Gujarat Ambuja, Rajasthan Spinning, Birla Tyres, Indian Glycols, National Dairy Development Board, Bharat Heavy Electrical Limited etc. The key factor that has contributed to the company's success is in-house technical expertise and strong project management capabilities, which ensures timely execution of the projects within budgeted costs and continued emphasis on maintaining quality standards.

The Company is professionally managed with well-qualified and experienced personnel in all areas including engineering, finance and administration combined with a full-fledged Enterprise Resource Planning (ERP) and MIS system. The Company has on its roll over Two thousand nine hundred one employees, which includes Seven hundred sixty one experienced and skilled engineers.

The Order Book of Company has increased from approx Rs 7250 Cr. in 2009 to over Rs. 8395 Cr. as on 31<sup>st</sup> March, 2010 across sectors, to be implemented over a period of next two to three years. All ongoing projects are monitored on a regular basis by the senior management based at Delhi and Noida offices. The company has aggressively invested in an in-house ERP system, which encompasses different areas of efficient construction management with greater efficiency, accuracy and predictability.

In tandem with the growth momentum of the earlier years, your company has strengthen its position in the market by stepping in diversified segments, in this financial year they are focusing more on the complex projects with longer duration which will truly portrays the in-built capability of your company.

A few of the projects for this financial year are as followed:

Project	Details	Duration
Steel Authority of India Ltd.	Structural work for setting up Basic Oxygen Furnace (BOF) & Continuous Casting Shop at Bhilai Steel Plant, Bhilai, Chhattisgarh.	24 months
Steel Authority of India Ltd.	Cast in Situ RCC Bored Piling in SMS III Complex at Bhilai Steel Plant ,Chhattisgarh.	22 months
Central Public Works Department (CPWD)	Development of Minto Road Area (SH: Construction of 140 Nos. Type V & 104 Nos. Type VI flats at pocket-VI, DDU Marg, New Delhi.	22 months
Bharat Heavy Electricals Limited	Piling and Foundations works including Supply of all Materials except those proposed to be supplied by BHEL for 2 X 500 MW units (UNIT 6 & 7) at Anapara-D Thermal Power Plant at Anapara Sonebhadra, UP.	16 months
Bharat Heavy Electricals Limited	Construction of General Civil Works for Main Plant and Auxiliary Plant Buildings for Unit No. 1 of 2 X 600 MW North Chennai TPS, Athipattu Triuvallur Dist. Chennai.	20 months
NTPC- Rail Bijlee Nigam	"Main Plant, CW, Make-up, Offsite Civil Works Chimney & Chimney Elevator" Package for Nabinagar Thermal Power Plant Project ( 4 X 250 MW) at Nabinagar.	31 months
Prasar Bharti	Construction of Soochna Bhawan, Phase-V at CGO Complex, Lodhi Road, New Delhi.	24 months
NDMC	Civil, structural finishing & electrical works for new & existing subway in outer circle of Connaught place for redevelopment of Connaught place, New Delhi.	14 months
EPC Contract for Muzaffarnagar-Haridwar	Construction of four lane in the state of UP and Uttarakhand. 80 Km in length with three green fields bypasses.	30 months
EPC Contract for Haridwar-Dehradun	Four laning of Haridwar Dehradun Section in the state of Uttarakhand. 39 Km in length. Also a bridge on Ganga River-Elephant Bridge.	24 months

Presently the company has three strategic divisions which help the company in maintaining its growth momentum.

**Engineering, Procurement and Construction (EPC) Division:** This division is in a growth phase, the order book position has improved considerably over the years and it has bagged orders from prestigious clients like NTPC, Airport Authority of India, Delhi Metro Rail Corporation Limited, Naya Raipur Development Authority etc.

**BOT & EPC Division:** This division predominantly looks after the procurement & engineering designing part and has bagged orders for expansion of Haridwar-Dehradun and Haridwar-Muzaffarnagar highway to the stretch of 120 kms. In future they are planning to bag orders for underground Automated Car Parking, Bus Terminals, Highways, Railways, Airports etc.

**Equipment Management and Concrete (EMC) Division:** This division has two verticles: Ready Mix Concrete (RMC) Division and Equipment Management Division (EMD).

RMC is the concrete delivered at site or into a purchaser's vehicle, in a plastic condition and requiring no further treatment before being placed in the position in which it is to set and harden. Major infrastructure and power projects are most likely to have dedicated batching plants at their site and will have substantial volume. RMC generally denotes commercial ready mix concrete and of course real estate will be a major consumer of commercial RMC.

The company in its RMC Division has started six RMC units and expects to establish 60 units across pan India within next two to three years. In the first phase of launch of this business the company has started manufacturing activities at following sites i.e. Greater Noida, Sahibabad, Manesar and Faridabad & Murthol. All these sites have huge potential.

Equipment Management Division (EMD): In today's infrastructure development sector the demand for construction equipments are huge. To tap this huge opportunity and making efficient use of large equipment base the company has started this division. The aim of starting this division is to make revenue by using the equipments in most efficient manner and further to provide the strength to internal execution.

Today the company is a known name in the field of Infrastructure projects contributing to the Infrastructure development of modern India. The Company has transformed from a mere construction company to a major player in the Roads, Bridges, Power sector building, to BOOT and BOT projects. Successful completion of projects in hand is a habit of the company. No major Labour disputes, no Strikes/Labour unrest is a something which speaks about the other good attributes of the company.

### Dividend

The Directors recommend a Dividend of Rs.0.40/-per Equity Share (20 per cent) for the financial year 2009-10. If the dividend, as recommended by the Board of Directors, is approved at this AGM, payment of such dividend will be made on or after August 11, 2010.

### Material Changes

There are no material changes and commitments, affecting the financial position of the company between the end of financial year of your company and the date of this Report.

### Public Deposits

Public Deposits of the Company as on 31st March, 2010, was Nil as compared to Rs. 2.08 lacs as at 31st March, 2009. There were 6 cases of unclaimed deposits amounting to Rs. 1.05 lacs as at 31st March, 2010. The Company has been continuously taking appropriate steps to repay the unclaimed deposits.

### Directors

Mr. A.K. Mehta and Mr. Arvind Pande retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Anil Razdan was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 31st May, 2010. Mr. Anil Razdan an Indian Administrative Service Officer of 1973 Batch, he was Secretary to the Government of India, Ministry of Power in 2007, 2008. He has held various significant assignments in the energy sector in the Government of India and the Government of Haryana. His appointment as a director is recommended to the shareholders of the Company for their approval.

Mr. J.L. Khushu has been re-appointed as the Whole Time Director by the Board of Directors at its meeting held on 28th June, 2010, for a period of two years w.e.f. 1st October, 2010.

The appointments of A.K. Mehta, Mr. Arvind Pande, Mr. Anil Razdan as directors and Mr. J.L. Khushu as whole time director require the approval of the members at the ensuing Annual General Meeting.

#### Auditors

M/s G. C. Sharda & Co., Chartered Accountants, the Statutory Auditors, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and your Board recommends their reappointment as Auditors of the Company. The company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

#### Audit Committee

The Audit Committee consists of four members namely Mr. A.K. Mehta, Mr. S.D. Sharma, Mr. J.L. Khushu and Mr. Arvind Pande out of which three are independent. Mr. A. K. Mehta is the Chairman of Audit Committee. All members of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts.

#### Auditor's Report

Annexure referred to in paragraph 3 of Auditor's Report [point no. (xix)]: *the company is in the process of creation of securities for 2000 non convertible debentures.*

#### Subsidiary Company

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors Report, Balance Sheet and Profit and Loss Account of our thirteen subsidiary companies.

We believe that the Consolidated Financial Statements present a more comprehensive picture rather than the standalone financial statements. We therefore applied to the Ministry of Corporate Affairs, Government of India and sought exemption from the requirement to present detailed financial statements of each subsidiary. The Ministry of Corporate Affairs, Government of India has granted exemption vide its letter dated ref N047/522/2010/C-III dated 09/06/2010.

In compliance with the terms of the exemption we have presented summary financial information for each subsidiary which includes Capital, Reserves, Total Assets, Total Liabilities, Investment (except in case of Subsidiaries), Turnover, Profit before taxation, Provision for taxation, Profit after taxation and Proposed dividend.

As permitted by SEBI guidelines and The Companies Act, 1956, we have included consolidate financial statements of your company in this Annual Report. The detailed financial statements and audit reports of the subsidiaries are available for inspection at the registered office of the Company and upon written request from a shareholder, we will arrange to send the full balance sheet, profit and loss account and auditor's report to the said shareholder.

#### Listing

The Equity shares continue to be listed on the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). Both these Stock Exchanges have nation wide terminals and therefore, shareholders/investors are not facing any difficulty in trading the shares of the Company from any part of the Country. The Company has paid annual listing fee for 2010-11 to the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and annual custody fee to National Securities Depository Limited and Central Depository Services (India ) Limited. The GDR's issued by the Company are listed at Luxembourg Stock Exchange, Luxumberg and FCCB's issued are listed at Singapore Stock Exchange, Singapore.

#### Corporate Governance & Management Discussion & Analysis

A Company holds fiduciary relationship with its stakeholders and community, here the Board of Directors of the Company act as trustee to all the stakeholders of the Company to enhance the stakeholder's value and protect their interest. Your Company is committed to benchmark itself with global standards in all areas including appropriate standards for Good Corporate Governance. Towards this end, an effective Corporate Governance System has been put in place in the Company which also ensures that the provisions of Clause 49 of the Listing Agreement are duly complied with. A report on Corporate Governance, and Management Discussion and Analysis, along with Certificate on its compliance from Mr. R.S. Bhatia, Company Secretary in Practice is enclosed with this Annual Report.

### Overseas Joint Venture

Your Company holds minority stake in M/s SPA Group Era India Algeria, a company which is engaged in construction activity.

### Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company has no activity relating to conservation of energy as prescribed under the rules, however all steps are taken to conserve energy at all levels of operations wherever possible.

Further your Company is not using any foreign technology.

The foreign exchange earning /outgo during the year are as under:

(Rs. in lacs)

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	51.65	1619.71
Foreign Exchange Outgo	7753.84	4255.37

### Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in Annexure A and form part of this report.

### Directors Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is confirmed that:

1. The applicable accounting standards have been followed by the Company in preparation of the annual accounts for the financial year ended 31st March, 2010.
2. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2010 and of the profit of the Company for the financial year ending 31st March, 2010.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared accounts for the financial year ended 31st March, 2010 on a going concern basis.

### Acknowledgement

Your Directors take this opportunity to place on record their appreciation towards bankers, clients and all the business associates for their continuous support to the Company and to the shareholders for the confidence reposed in the Company management. The directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

Place : New Delhi  
Date: June 28, 2010

For and on Behalf of the Board  
(H.S. Bharana)  
Chairman & Managing Director

## ANNEXURE A TO THE DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMING PART OF THE DIRECTORS REPORT FOR THE FINANCIAL YEAR ENDING MARCH 31, 2010

A. Employed through out the year and in receipt of remuneration not less than Rs. 24,00,000 for the year

S. NO.	NAME	AGE (in years)	QUALIFICATION	DESIGNATION	NATURE OF DUTIES	EXPERIENCE (in years)	DATE OF JOINING	REMUNERATION (in Rs.)	THE LAST EMPLOYMENT HELD BY SUCH EMPLOYEE BEFORE
1.	AJAY GARG	45	BA, DIP IN MATERIAL MANAGEMENT	GENERAL MANAGER	CPC	23	03-OCT-00	3438610	ERA CONSTRUCTIONS (I) LIMITED
2.	AJAY KUMAR MISHRA	46	PGDBA FINANCE	PRESIDENT	OMG	25	01-DEC-08	7165103	ERA POWER (I) PVT LIMITED
3.	ALOK KHANNA	46	B.E. - CIVIL - 85	CHIEF OPERATING OFFICER	TECHNICAL	25	01-APR-09	3614732	OMAXE LIMITED
4.	AWADHESH KUMAR	46	B.E. - CIVIL	CHIEF OPERATING OFFICER	TECHNICAL	23	01-NOV-08	4411000	UM INFRASTRUCTURE LTD
5.	JAWAHAR LAL KHUSHU	68	B.E. - CIVIL + M.E. (STRUCT)	WHOLE TIME DIRECTOR	OMG	45	1-OCT-05	7378007	CPWD
6.	JOY SAXENA	50	FCA AICWA PGDBA	GROUP CHIEF FINANCIAL OFFICER	OMG	25	24-JUN-08	10764889	DLF LIMITED
7.	LALIT PRAKASH	45	B.E. - CIVIL - 87	CHIEF OPERATING OFFICER	TECHNICAL	23	28-NOV-08	4060417	ALPHA G CORPORATION PVT. LTD.
8.	MANISH BHATTI	39	MBA (MARKETING), MSC.	ASSISTANT VICE PRESIDENT	CORPORATE AFFAIRS CELL	15	1-NOV-08	3164218	SEEMAANARAINC
9.	N.K SINHA	62	B.SC (ENGG) 70	VICE PRESIDENT	OMG	40	22-SEP-08	3690107	CPWD
10.	NIRMAL KANT	45	B.E. - CIVIL-88	ASSISTANT VICE PRESIDENT	TECHNICAL	23	20-JUL-04	3441913	RS BUILDERS & ENGINEERS
11.	PRABHASH SINGH	65	MBA - 90/M.TECH 81	PRESIDENT	DESIGN	42	7-MAY-08	4075922	GURU GOBIND INDRAPASTHA UNIVERSITY

Cont....

12.	PRADEEP KATHURIA	56	B.E.-MECHANICAL	CHIEF EXECUTIVE OFFICER	CMG	34	13-SEP-07	6714275	PUNJ LLOD LIMITED
13.	SANJAY GUPTA	42	FCA	VICE PRESIDENT	FINANCE AND ACCOUNTS	22	30-OCT-92	4944114	MC BHANDARI & CO.
14.	SUNIL GUPTA	47	B. TECH CIVIL-85	VICE PRESIDENT	TECHNICAL	21	1-JUN-07	3876551	AHUJA BUILDERS
15.	TULSI DAS ARORA	43	DIPLOMA IN CIVIL, AMIE A. B.TECH, MBA	CHIEF EXECUTIVE	TECHNICAL OFFICER	22	22-JUN-93	7070083	ALL INDIA FEDERAL CORPORATION SHIPPING MILLS
16.	VINAY SINGH	41	B E - CIVIL- 90	GENERAL MANAGER	TECHNICAL	14	12-DEC-05	2937830	VISHVA SHANTI BUILDERS (I) LIMITED

**B. Employed for part of the year and in receipt of remuneration not less than Rs. 2,00,000 per month**

1.	AJAY KUMAR MANOCHA*	45	B E - CIVIL - 87, PG IN CONTRACT MGMT - 95	ASSISTANT VICE PRESIDENT	TECHNICAL	23	13-OCT-09	845633	ENERGO CONSTRUCTION PVT. LTD.
2.	AMIT KUMAR CHATTERJI	62	B E - CIVIL	VICE PRESIDENT	CMG	40	01-FEB-10	404984	CONSOLIDATE CONSTRUCTION CONSORTIUM LTD
3.	CHANRANJIT SINGH*	47	C A	VICE PRESIDENT	INTERNAL AUDIT	21	15-JUL-09	1457811	ANAND AUTOMOTIVE SYSTEMS LIMITED
4.	DEVI PRASAD SATPATHY	54	MOT - SECOND CLASS	VICE PRESIDENT	CORPORATE PROCUREMENT	28	11-FEB-10	389879	D S CONSTRUCTIONS
5.	HANS R. ARORA*	52	B.COM (H)- 78+C.A.- 86	VICE PRESIDENT	FINANCE AND ACCOUNTS	26	29-MAY-08	254324	ANAND NISHIKAWA COMMERCIAL LIMITED
6.	MALAY KUMAR BANERJEE*	57	B E- MECHANICAL 74, M B A - 79	PRESIDENT	TECHNICAL	36	01-MAY-09	1762525	LANCO
7.	NARENDER RAWAL	52	CA - 86	VICE PRESIDENT	FINANCE AND ACCOUNTS	28	21-JAN-10	821392	PUNJ LLOYD LIMITED

Cont....



8.	PK. GANGOPADHYAY	63	M.TECH STRUCTURAL ENGINEERING IN 1970 FROM IIT KHARAGPUR	PRESIDENT	SPV	39	1-FEB-10	868089	SOMA ENTERPRISES LTD
9.	PREM PARKASH	65	AMI-69	ADVISOR- PROJECTS	TECHNICAL	47	21-SEP-09	1591183	DODSAL ENGINEERING CONSTRUCTION PVT LTD.
10.	PURAN CHAND ARORA	54	B.E. CIVIL-69	SR. VICE PRESIDENT	CORPORATE PROCUREMENT	35	6-JAN-10	946160	CPWD
11.	RAJESH JAIN	40	C.A - 96	ASSISTANT VICE PRESIDENT	FINANCE AND ACCOUNTS	15	1-JAN-10	1050238	ERA LANDMARKS LIMITED
12.	RAJIV BHUDHIRAJA*	42	B E - MECHANICAL	GENERAL MANAGER	CPC	21	21-MAY-09	1344192	SHOBHA GROUP
13.	RAJKUMAR M SHIRAO	44	B E - CIVIL - 88	SR. VICE PRESIDENT	CMG	22	28-JAN-10	1230394	RELIANCE
14.	RAMA KANT GUPTA	51	B.E. (H) CIVIL-80+M. TECH(STRUCTURES)-82+ PG DIPLOMA MGMT-95	VICE PRESIDENT	TECHNICAL	28	1-AUG-09	2211802	IRCON INTERNATIONAL LTD.
15.	RAMESH KUMAR GUPTA	47	B E - CIVIL -84	VICE PRESIDENT	TECHNICAL	25	1-JUL-08	1260001	BCEOM
16.	RANJAN KUMAR GHOSH	55	B.SC ENGG.- ELECT. 76	ASSISTANT VICE PRESIDENT	TECHNICAL	31	15-DEC-09	1093234	DLF LAING OROURKE
17.	ROOPESH JHA*	36	B E - CIVIL	ASSISTANT VICE PRESIDENT	TECHNICAL	16	19-OCT-09	1100437	PARSVANATH DEVELOPERS LTD
18.	S.AMIRTHALINGAM	57	B.E CIVIL- 75 ,ANNAMALAI UNIVERSITY	VICE PRESIDENT	TECHNICAL	35	27-JAN-10	899670	ESSEL INFRA PROJECTS LTD
19.	SHARAD RAJVANSHI	40	MBA MARKETING INDORE	CHIEF OPERATING OFFICER	OPERATIONS	19	23-JUL-09	2310673	VINERGY BITUMEN J V PVT LIMITED
20.	SHISHPAL SINGH*	51	B E - CIVIL - 83	VICE PRESIDENT	TECHNICAL	27	21-SEP-09	1057526	ENGINEERS INDIA LIMITED

**(\*) Resigned during the year**

**Notes:**

1. None of the employees are related to any Director of the Company.
2. None of the employees holds 2% or more of the paid-up Equity Share Capital of the Company.
3. The nature of Employment in all above cases is contractual.



## MANAGEMENT DISCUSSION & ANALYSIS

Infrastructure development is the most crucial factor for India's economic and social development. If we are talking about a double digit India's GDP growth for next 10-15 years we have to invest in the infrastructure development to achieve and sustain this growth. India has the necessary human and natural resources for becoming world's leading economy but without infrastructure these assets cannot be adequately utilized.

Last twenty years of our journey has been quite enriching for the company and for all of us. It has been a continuous process of learning and today we are comfortably placed among our peers with a diversified and substantial order book. We have grown multifold and have been able to sustain this growth because of the dedicated and committed efforts of the entire team. From a small construction company we have matured ourselves in a large and diversified infrastructure organization. We have shown stellar business and financial performance year-on-year and have forayed into different business segments of the infrastructure sector.

### Economic and Industry Overview

Supported by strong fundamentals and the Central Government's proactive measures India has been the most resilient and efficient economy to come out of the economic crisis. India's GDP growth for 2009-10 is estimated at 7.2 per cent. With an assumption of sustainable good performance of the industry and services sectors, the latest RBI projection placed the real GDP growth at 8.0 per cent for the year 2010-11. According to the latest IMF projection, India will grow at 8.8 percent during the year 2010.

Central and State Governments are also realizing the need of good infrastructure. In the next 10-year period, if we take the estimates of the Union Government, India needs US\$1 trillion (from 2007-2017 spread over the 11th and 12th Plan periods) for building new roads, ports, airports, power plants, sewage treatment and related urban infrastructure. We need US\$500 billion over the next five years itself (more than 50% of India's GDP) to create new infrastructure to meet the 9% growth target.

The construction industry has entered a phase of quantum growth in last 5-10 years. This has been necessitated by the urgency to address the inadequacies in infrastructure, which has been universally recognized as a major constraint in the path of economic growth and development. To make the growth process more inclusive, the 11th Five year Plan indicates a strong focus on infrastructural investment, social development, agriculture and rural development. Construction of houses and roads involves about 75% and 60% of civil construction respectively. Building of airports and ports has construction activity in the range of 40-50%. For industrial projects, construction component ranges between 15-20%.

The country's core sector, comprising six key infrastructure industries, accelerated by 5.5 per cent year on year in April 2010, compared with 3.7 per cent in April 2009, according to the data released by the Union Ministry of Commerce and Industry.

Further, investment in the infrastructure sector is expected to be around US\$ 425.2 billion during the Eleventh Five Year Plan (2007-12), as against US\$ 191.3 billion during the Tenth Plan. Meanwhile, private investment into the sector is also projected to increase to US\$ 157.3 billion in the Eleventh Plan, as compared to US\$ 47.84 billion in the Tenth Plan. This investment is likely to be fulfilled through public-private-partnership (PPP) projects that are based on long-term concessions.

Clearance has been given to nine new investment proposals of around US\$ 1.05 billion by the State Level Single Window Clearance Authority (SLSWCA). A committee on infrastructure under Prime Minister will conduct quarterly review of development of power, road, ports, civil aviation and railways sectors: announced the Planning Commission of India recently. Further, the Cabinet Committee on Infrastructure (CCI) will handle specific infrastructure cases that may require necessary policy correction or solving issues affecting projects.

## Roads

India has one of the largest road networks in the world, aggregating to about 3.34 million kilometers at present. The country's road network consists of National Highways, State Highways, Major District Roads, other District roads and Village Roads. The road network comprises of 70,548 km of National Highways, 1,31,899 km of State Highways, 4,67,763 km of Major District Roads and about 26,50,000 km of Other District and Rural Roads.

The upgradation of 12,109 km has been approved by the Government under NHDP Phase - III at an estimated cost of Rs. 80,626 Cr. In addition to the above-mentioned approved projects, there is a proposal for two-laning with paved shoulder for 20,000 km of National Highways under NHDP Phase-IV. The Government has also approved six laning of 6,500 km of NH's comprising 5,700 km of GQ and balance 800 km of other sections of NH's under NHDP phase- V at a cost of Rs. 41,210 Crores. The Government has approved construction of 1,000 km of expressways with full access control on new alignments at a cost of Rs.16,680 Cr. under NHDP Phase VI and the construction of ring roads including improvement of NH Links in city, grade separated intersections, flyovers, elevated highways, ROBs, underpasses and service roads at a cost of Rs. 16,680 Cr. under NHDP Phase-VII.

An in-principal approval for converting 10,000 km of state roads to national highways has been given by the Empowered Group of Ministers (EGoM). It is estimated that around US\$ 3.3 billion would be required over the next five years to undertake this project.

Further, the Cabinet Committee on Infrastructure (CCI) has approved four highway projects of about US\$ 543.8 million on June 10, 2010. These projects would cover states such as Gujarat, West Bengal, Bihar, Uttar Pradesh and Madhya Pradesh.

In the union budget 2010, Allocation for road transport increased by over 13 per cent from Rs. 17,520 Cr. to Rs 19,894 Cr.

## Railways

Railways play an important role in the overall development of country's economy and various proposals are made in this regard in the budget for 2010-11. The Railways has taken following initiative to do the overall development of various businesses:

- Extension of Kolkata Metro.
- Railway line to be extended from Bilaspur in Himachal Pradesh to Leh in Jammu and Kashmir.
- Andaman and Nicobar Islands to get railway line from Port Blair to Diglipur.
- Gangtok to be connected by rail from Rangpo.
- Thrust on expansion in 2010-11 with allocation of Rs.4,411 Cr.
- 10 automobile ancillary hubs to be created.
- North-south, east-west dedicated freight corridors to be created.
- Construction of high-speed passenger rail corridors envisaged.
- Construction of more underpasses, besides road over bridges.
- Upgrade of 94 stations.
- Besides various proposals had been made in the 2009 railway budget for creating better rail infrastructure.
- Freight business: Blue print prepared for High Density Network: phased execution of capacity augmentation including dedicated freight corridors, doubling third and fourth lines bypasses, flyovers, automatic signaling works etc. over 7 years at least of about Rs. 75,000 Crs.
- Dedicated freight corridor: A 2,700 Km - long railway line project at an investment of more than Rs. 28,000 Crs which consists of 1,232 Km long Eastern Corridor (from Ludhiana to Sonnagar) in Phase-I and 1,469-Km- long Western Corridor from Jawahar Lal Port area (Mumbai to Dadri/Tuglakabad) in Phase II.

Allocation for railways increased from Rs.15,800 Cr. in B.E. 2009-10 to Rs.16,752 Cr. in B.E. 2010-11.

Foreign investors are also increasingly getting attracted in the railway sector and are making substantial investments. According to the Department of Industrial Policy and Promotion (DIPP), the Foreign Direct Investment (FDI) inflow into railways related components has been US\$ 109.56 million from April 2000 to March 2010.

## Airports

The domestic airlines flew about 4.78 million passengers in May 2010, an increase of almost 22 per cent over the number carried in the same period in the previous year. The Union Minister of State for Civil Aviation stated that the country will become the top five civil aviation markets in the world in the next five years. India is the ninth largest civil aviation market in the world at present.

The Airports Authority of India (AAI), the agency responsible for civil aviation infrastructure, is likely to spend over US\$ 1.01 billion on the modernization of non-metro airports in the current year. Aircraft manufacturing companies, Boeing and Airbus, remain upbeat over India's aviation growth potential. Airbus has forecast that India will need 1,032 new aircraft worth US\$ 138 billion by 2028, while Boeing has forecast that the country will require 1,000 aircraft worth US\$ 100 billion over the next two decades.

A new terminal (terminal three) will be inaugurated in July at Delhi Airport. Cost of construction of this Terminal is about US\$ 2.7 billion. The terminal, spread over 5.4 million square feet, has 78 gates, 97 automated walkways, 95 immigration counters, 20,000 square meters (215,000 square feet) of retail space and parking for 4,300 cars. The facility begins handling international flights and will boost the airport's capacity to 60 million passengers a year.

Mumbai Airport posted its highest ever monthly passenger traffic in its history in December 2009. According to Mumbai International Airport (MIAL), the Chhatrapati Shivaji International Airport (CSIA) saw a record 2.53 million passengers in December 2009. This number is the highest-ever passenger volume handled by the airport in its history, with the previous high standing at 2.38 million passengers in January 2008.

## Power

The Eleventh Plan target for additional power generation capacity of 78,577 MW which is more than the total capacity added in the previous three plans.

Ultra Mega Power Project (UMPP) at Chattisgarh, Karnataka, Maharashtra, Orissa and Tamilnadu are in the pipeline.

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) to be continued during the Eleventh Plan with a capital subsidy of Rs. 28,000 Cr. Plan allocation for power sector excluding RGGVY doubled from Rs.2,230 Cr. in 2009-10 to Rs.5,130 Cr. in 2010-11.

As per CII A T Kearney Study, Investments of about US\$ 250 billion will need to be made in the power sector in the next 8-9 years to fuel planned growth. The demand for power is expected to grow at a steady rate of 7.5-8% annually till 2017, leading to the addition 80,000-85,000 MW of new capacity.

The wind energy segment would continue to grow at 15-20% per annum with new opportunities in offshore capacities and large capacity turbines. The Power Ministry has set a target to add 78,700 MW of electricity generation capacity during the current five year plan. Currently, India generates about 1.50 lakh MW of power.

Recent Government Policy initiatives:

- Emphasis on Biomass.
- Wind power potential - success story for rapid development. More than 3800 MW added in the last four years.
- At over 5500 MW, Wind capacity 4th largest in the world.
- Development of Mini and Micro hydro electric projects.
- Solar power needs intensive R&D for cost reduction. Extensive development of solar dependent on CDM benefits to offset present high cost.

- Nuclear power presently 3,900 MW. Share of nuclear power to be enhanced. No CO<sub>2</sub> emissions.
- Mastery in fuel cycle and technology.
- Fuel Constraint.
- Rapid increase in share of nuclear power, depending on International Cooperation

### Urban Infrastructure

With almost 300 million Indians living in urban areas, the country has the second largest urban population in the world. It comprises about 30% of the total population and contributes to over 60% of the country's GDP. Essential Infrastructure facilities need to be provided to this growing urban population.

- The country has over 3,700 towns and cities. The urban population of the country has been growing at a rapid pace of over 31% over the last decade. This is significantly higher than the growth of the rural population (approximately 18 %).
- Employment in urban areas registered a growth of around 38% (over the last decade), substantially exceeding the rural employment growth rate of around 16%.
- A large number of Indian cities and towns need adequate infrastructure facilities, specifically in the areas of water management, roads, transportation, housing, sanitation, sewage etc.
- The government has initiated a number of steps to improve the physical and economic infrastructure and improve facilities in urban areas. In addition to the basic infrastructure projects, a number of urban transportation projects have also been taken forward, e.g. metro rails.

In Union Budget 2010-11, allocation for urban development increased by more than 75 per cent from Rs.3,060 Cr. to Rs.5,400 Cr. Rs.1,270 Cr. has been allocated for Rajiv Awas Yojana as compared to Rs.150 Cr. last year.

### Government Initiatives

The Infrastructure Finance Companies (IFC) are being included in the category of Non-Banking Finance Company (NBFC) by the Reserve Bank of India (RBI). The IFCs would require a capital adequacy ratio of 15 per cent and the similar criteria of NBFCs would be applied to IFCs as well. Further, RBI stated that at least 75 per cent of the assets of these institutions should be used in infrastructure and their net owned funds should be US\$ 64.6 million or more.

While presenting the Union Budget this year, the Finance Minister has announced the allocation of US\$ 37.7 billion, around 46 per cent of the total plan outlay of US\$ 81 billion for 2010-11 to infrastructure sectors. In the last fiscal, this proportion was about 30 per cent.

The Government of India has envisaged capacity addition of 100,000 MW by 2012 to meet its mission of power to all. Recently, a ministerial group discussing large power plants with a capacity to generate 4,000 MW of power has approved, in principle, a proviso requiring such plants that will be awarded in the future to use local power generation equipment. The move is expected to provide a fillip to domestic manufacturing. The decision on so-called ultra mega power plants, or UMPPs, will also benefit domestic power generation equipment manufacturers such as state-owned Bharat Heavy Electricals Ltd (BHEL) and Larsen and Toubro Ltd (L&T), which has a joint venture with Mitsubishi Heavy Industries Ltd (MHI) of Japan. At least three joint ventures, between Toshiba Corp. of Japan and JSW Group; Ansaldo Caldaie SpA of Italy and GB Engineering Enterprises Pvt. Ltd; and Alstom SA of France and Bharat Forge Ltd are looking to start manufacturing power equipment in India.

Further, the government is also implementing the National Solar Mission, aimed at setting up 20,000 MW of solar power capacity by 2020.

The Asian Development Bank (ADB) has approved a financial assistance for US\$ 200 million under the Assam Power Sector Enhancement Investment Programme. The project has some innovative features like franchisee-based distribution, off-grid electrification with renewable energy, reduction in CHG emissions through efficiency gains.

The Road Transport and Highways Ministry has proposed priority sector status for road development, allowing private highway developers more funds from banks.

### Era Infra Engineering Limited - Engineering, Procurement & Construction (EPC) Division

The surge in construction activity has led to exponential growth in infrastructure development across the country. This has naturally resulted in an increase in demand in construction activities, raising the potential bar manifold, which in turn has enabled the EPC Division of your company to foray into some of the most lucrative and growing segments of the infrastructure space. This division executes infrastructure development contracts across the spectrum for both external customers as well as for captive consumption.

#### EPC - Future Strategy

This Division is now looking at diversifying further by addressing projects across newer infrastructure segments such as refineries, hydroelectricity, irrigation and ports, multilevel car parking, which are considered to be among the fastest growing segments of the Indian Infrastructure Industry. The EPC Division shall continue to consolidate its presence in the existing sectors through execution of more large-sized projects and by entering into more strategic alliances to further enhance its pre-qualification strengths.

**Presence Across Other Sectors:** Apart from the important forays, the Division has also established a significant presence across other key vital sectors including steel, housing, highways, airport, railways etc.

Sector	Project	Details	Duration
Industries	Birla Tyres	Construction of factory building for tyre unit-II at Balasore, Orissa.	14 months
	Haryana Vidyut Prasaran Nigam Ltd.	Procurement of plant, design supply and installation of 132kv substation kairu, nangal mohanpur & pali against package G-07 "B".	10 months
	National Aluminum Company Ltd.	Civil & structural works and associated facilities at a smelter plant. Angul for Phase II Extension	7 months
	National Aluminum Company Ltd.	Civil & structural works in an aluminum refinery, Damanjodi for Phase II Expansion.	7 months
	National Automotive Testing, R&D	Construction of Buildings and associated works at Manesar.	10 months
	Steel Authority of India Ltd.	Structural work for setting up Basic Oxygen Furnace (BOF) & Continuous Casting Shop at Bhilai Steel Plant, Bhilai, Chhattisgarh.	24 months
	Steel Authority of India Ltd.	Cast in Situ RCC Bored Piling in SMS III Complex at Bhilai Steel Plant, Chhattisgarh.	22 months
Housing	Central Public Works Department	Development of Minto Road Area (SH: Construction of 140 Nos. Type V & 104 Nos. Type VI flats at pocket-VI, DDU Marg, New Delhi.	22 months

Sector	Project	Details	Duration
Power	Bharat Heavy Electricals Ltd.	Piling and Foundations works including Supply of All Materials except those proposed to be supplied by BHEL for 2 X 500 MW units (UNIT 6 & 7) at Anapara-D Thermal Power Plant at Anapara Sonebhadra, UP.	16 months
	Bharat Heavy Electricals Ltd.	Construction of General Civil Works for Main Plant and Auxiliary Plant Buildings for Unit No. 1 of 2 X 600 MW North Chennai TPS, Athipattu Triuvallur Dist. Chennai.	20 months
	NTPC- Rail Bijlee Nigam	"Main Plant, CW, Make-up, Offsite Civil Works Chimney & Chimney Elevator" Package for Nabinagar Thermal Power Plant Project ( 4 X 250 MW) at Nabinagar.	31 months
Building	Prasar Bharti	Construction of Soochna Bhawan, Phase-V at CGO Complex, Lodhi Road, New Delhi.	24 months
Social Infra	NDMC	Civil, structural finishing & electrical works for new & existing subway in outer circle of Connaught place for redevelopment of Connaught place, New Delhi.	14 months

### Era Infra Engineering Limited - BOT & EPC Division

Encouraged by the success of private participation in the infrastructure development space, the government expects a substantial increase in the share of private sector investments in infrastructure - from 19% of total in the 10th plan to around 30% of the total in the 11th plan. The government, on its part, has made an effort to facilitate the entry of private enterprise in infrastructure development through changes in the legal framework and through unbundling of different segments of infrastructure, so that the public and the private sectors can take up the components most suited to their capacities.

### Overview

Your company's BOT & EPC Division chose to focus on the fast-growing highways, railways, power, bus terminals, underground parking, airports and other infrastructure development projects. This Division is focused on Engineering (basic and detailed), Procurement (of man, material and machinery) & Construction (execution of works contracts).

### The strategy has paid off and the Division has in hand several prestigious projects including:

#### Project

EPC Contract for Muzaffarnagar-Haridwar

#### Details

Construction of four lane of NH - 58 in the state of UP and Uttarakhand. 80 Km in length with three green fields bypasses. Also a bridge on Ganga river, Elephant Bridge on Haridwar-Dehradun section.



EPC Contract for Haridwar-Dehradun

Four laning of Haridwar - Dehradun section of NH - 58 in the state of Uttarakhand, 39 Km in length.

### BOT & EPC - Future Strategy

To become a large and diversified infrastructure company it was felt necessary to add in our portfolio long term assets which will not only give a constant cash flow to the company but will also stabilize and balance our business dynamics. Today we have many large BOT road projects which will be completed over the next couple of years.

Apart from road BOT projects, we are now looking at other new arenas like automated parking lots, large-scale housing projects, railway freight corridor projects, hydropower, regional airports, ports, bus terminals, among others.

To take our plans forward, we have formal strategic alliances with foreign players from Switzerland and Ukraine for taking up EPC contracts in this segment.

The company is also formulating bidding strategies for the airport and port segment and is identifying opportunities and prospects for joint development partners in Africa, UAE and Korea to competitively connect to these markets.

In addition to the above initiatives, Era also intends to expand its presence in large value railway projects, roads and other segments, where it has already demonstrated its strengths.

### Era Infra Engineering Limited - Equipment Management & Concrete (EMC) Division

#### Equipment Management

Gauging the critical role of contemporary equipment in facilitating excellent project execution, Era Equipment Management seeks to address the ever growing demand for procurement, operations & maintenance and rentals of construction equipment. The Division caters to the demand for high-end machinery for both captive consumption and external clients through regional equipment hubs under the style and name of Era Machine Mart.

#### Overview

Prudently leveraging the expertise and experience of its parent company, this Division has successfully forayed into the southern, eastern & western regions of India

Orders Bagged	Details
Order from Alpine Samsung HCC JV.	For providing various equipments like Transit Mixer, Wheel Loader and Motor Grader for their DMRC, New Delhi project.
Order from Alpine HCC JV	For supply of equipments like Transit Mixer and Wheel Loader for their DMRC, New Delhi project.
Order from Gammon India Ltd	For providing various machines and equipments for their NHAI road project at Gaya, Bihar.
Order from Larsen & Toubro	For providing a Hydraulic Piling Rigs Machine for their Tata Steel Plant project at Jamshedpur, Jharkhand and IISCO Steel Plant Project at Asansol, West Bengal.
Order from Pallonji & Co. Ltd.	For providing Hydraulic Piling rig machines for their IISCO Steel Plant Project at Asansol, West Bengal.

## Future Strategy

Strong upturn in Industrial and Infrastructure capital expenditure will continue to create demand-supply gap for modern equipment & maintenance services, which will benefit the Division. To exploit this opportunity we would make further investments in this division. We plan to invest more than Rs. 500 Cr. in this division over the next two financial years to strengthen our equipment bank.

## Ready Mix Concrete (RMC) Division

To keep pace with the growth in construction activities across the country, there is a growing need for timely delivery of quality Ready Mix Concrete within easy reach of the construction sites. Era Infra has set up its RMC Division to meet this increasing demand and is focused on commercial sale of RMC.

## Overview

Era RMCs development plan has kick-started on a strong note and the division is currently operating with six commercial plants as on the date of this report:

S.No	Project Name	Addresss
1	Greater Noida (UP)	I-43/44, Site-V, Surajpur Industrial Area, Kasna , Gr.Noida, U.P.
2	Sahibabad (UP)	A-43/2, Site -IV, Sahibabad Industrial Area , Ghaziabad (U.P.)
3	IMT - Manesar Site (H.R)	Near , J.K.Lakshmi Plant, Bhangrolla Vill., IMT-Manesar, HR
4	Faridabad-78	C/o Redwood Residency, Era Landmark (i) Ltd, Sector-78, Faridpur Village, Faridabad (Haryana)
5	Faridabad (H.R.) - I	Village-Kanwra, Next to Richa Knit, Old Faridabad, Jasana Road, Nahar Par, Faridabad (Haryana)
6	Murthal	Rect. & Killa Nos 54/20/2, 54/21/1 & 55/16/2/1 , Village Dhaturi, Sonapat (Haryana)

## Future Strategy

This division is looking for more & more complex projects and with its six plants in operation they are all set for an excellent growth. In future they are planning to open 60 more units on pan India basis to strengthen its presence in the market in three to four years time period.

## Risk and Concerns

The contracting and construction markets in our country are competitive and require substantial resources and capital investment in equipment, technology and skilled personnel. We are increasingly moving towards larger projects with stringent pre-qualification requirements where intense competition is expected to continue and may even increase as a result of the entry of foreign construction companies into the Indian market. This is likely to lead to significant challenges to our maintaining historical growth rates and acceptable profit and margins. Our contracts are awarded after a competitive bidding processes and satisfaction of other prescribed pre-qualification criteria.

Our exposure to BOT Projects, particularly in the area of Road and Transportation wherein revenues from toll-based projects are a function of actual traffic volume, has increasingly led to additional risks associated with such projects, including traffic volume risks, availability risks and financial closure risks. Adverse deviations between actual traffic volumes from projected volumes, delays in completion of related projects components or failure to achieve a financial closure could result in significant loss of revenue.

### Internal Control Systems

Company has adequate internal control procedures & systems to commensurate with the nature and size of its business. The Company's internal control system primarily covers aspects such as:

1. Company over operating parameters and various factors relating to production.
2. Efficient use and protection of resources.
3. Accuracy and Promptness of financial reporting.
4. Compliance of laws and regulations.

Company has a well-defined organizational structure, well documented policies, guidelines and clearly defined authority levels.

### Risk Management

The assets of your Company are adequately secured/ covered under appropriate policies and your management reviews it from time to time.

### Financial Performance (Operational Results 2009-10 vs 2008-09)

(Rs. in lacs)

Particulars	2009-10	2008-09	% Change
Total Income	344,048.73	243,914.37	41.05
Interest & Financial Charges	25,641.82	17,283.33	48.36
Expenses	276,297.53	196,329.43	40.73
Depreciation	7,151.27	4,594.21	55.65
Total Expenditure	309,090.61	218,206.97	41.65
Profit Before Tax (PBT)	34,958.12	25,707.31	35.98
Provision for Tax	11,843.55	5,445.85	117.47
Profit After Tax (PAT)	23,114.57	20,261.46	14.08
Equity Capital	3583.33	2,871.00	24.81
Reserve & Surplus	142,123.36	85,018.24	67.16
Earnings per Share :			
Basic	17.49	16.11	
Diluted	17.49	16.11	

### Material Developments in Human Resources

To meet new challenges, we count on our dedicated competent human resource comprising engineers, management and financial professionals, the invaluable tools that have facilitated our Company's progression into fast growing and highly profitable sectors helped embark on sustained research and development and rolled out comprehensive marketing programs. The Company is proud of its creative personnel team comprising highly experienced, skilled and committed employees and it recognizes the invaluable contribution made by each of them. At present there are two thousand nine hundred and one (2901) employees in the company. There was no strike or labour unrest during the period under review.

We have also introduced a performance linked incentive scheme to motivate our employees, as also to increase the productivity of the people. This is a monthly scheme to drive the workforce of the company towards maximizing their contribution to the best interest of the organization. This will not only help in motivating the employees in terms of monetary benefits but will also boost their competence and capabilities towards their work performance.

### Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations includes economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax, corporate and other laws and other incidental factors.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE COMPLIANCE REPORT FOR THE YEAR 2009-2010

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

As part of Era Group, the Company's philosophy is to conduct business at highest ethical standards, transparent governance practices, highest standards of professionalism, honesty and integrity for the growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. The Company believes that large organizations have both an economic and social purpose and the principles of Corporate Governance are applied to achieve both these goals. Since shareholders are residual claimants, the value creation and sustainability of all the other stakeholders viz. customers, creditors, employees, vendors, community and the Government (of countries in which the company operates) are of paramount significance to the Company and its shareholders. The Board would therefore have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are well protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavours to strike the right balance with its various stakeholders. At the highest level, the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward. Keeping in view the Company's size, complicity, operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors;
- Ensuring timely flow of information to the Board and its Committees for meaningful and focused discussions in the meeting;
- Independent verification of the Company's financial reporting;
- A sound system of internal control to mitigate the risks;
- Timely and balanced disclosure of all material information to all the stakeholders along with safeguarding the confidentiality of all information received by virtue of their position;
- Act in compliance with all applicable laws and regulations of all the relevant regulatory and other authorities, in letter and spirit;
- Transparency and accountability; and
- Equitable and fair treatment to all its stakeholders including employees, customers, vendors, shareholders and investors.

Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place system, process and technology.

We present hereunder our report on compliance of governance conditions specified in Clause 49 of the Listing Agreement(s).

### 2. Board of Directors and Board Procedure

The Company is managed and controlled through a professional Board of Directors ("BOARD") comprising of a combination of mandate executive and non-executive independent directors. The composition of the Board of the Company is in conformity with the provisions of clause-49 of the Listing Agreement with the stock exchange(s).

### 3. Composition of the Board as on the date of this report

- i) The Board presently consists of seven directors, four of whom are non-executive independent directors as per existing provisions of clause-49 of the listing agreement. Independent Directors provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49. Mr. H.S. Bharana, Chairman of the Company is an Executive Director & Promoter of the Company.

Category of Directors	No. of Directors	Percentage to total no. of Directors
Executive Directors	2	28.57%
Non-Executive Independent Directors	4	57.14%
Non Executive Directors	1	14.29%
TOTAL	7	100%

- ii) The independent directors do not have any material pecuniary relationship (other than receiving sitting fees for attending the Board Meetings) or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the directors.

- iii) None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees, across all the companies in which he is a director. The necessary disclosures regarding committee positions have been made by the directors.

The details of attendance of each director at the Board Meeting (BM), Audit Committee Meeting (ACM), Shareholders/ Investors Grievance Committee Meeting (SIGCM) and last AGM held during the financial year 2009-10 and details of number of outside directorship and committee positions held by each of the director as on the date of this report is given in Table 1 below:

Table 1

S. No.	Name of Director	Status	Attendance at Board, Committee Meetings, AGM				Directorship and Committee Position		
			No. of BMs	No. of ACMs	No. of IGCMs	Last AGM	Directorship	Committee Positions	
								Chairman	Member
1.	Mr. H.S. Bharana	Executive Director	13	-	4	Yes	14	1	4
2.	Mr. J.L. Khushu	Executive Director	12	5	4	No	10	1	2
3.	Mr. A.K. Mehta	Independent and Non-Executive Director	12	5	-	Yes	4	3	1
4.	Mr. Arvind Pande	Independent and Non-Executive Director	11	5	-	No	5	3	2
5.	Mr. S.D. Sharma	Independent and Non-Executive Director	10	4	4	Yes	8	1	1
6.	Mr. S D Kapoor	Independent and Non -Executive Director	10	-	-	Yes	5	2	5
7.	Mr. Anil Razdan(*)	Non -Executive Director	-	-	-	-	2	-	-

(\*) Mr. Anil Razdan appointed as an additional director of the company w.e.f 31st May 2010.

#### Notes:

1. For the Purpose of calculating committee membership of the Directors, Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for above purposes.
2. Only Audit Committee, Shareholders/Investors Grievance Committee are considered for the purpose of Committee positions as per listing agreement.

#### Board Meetings:

During the year 2009-2010, the Board of Directors met Thirteen times on:

21.04.2009, 08.05.2009, 05.06.2009, 13.07.2009, 20.07.2009, 31.07.2009, 12.10.2009, 31.10.2009, 21.12.2009, 23.01.2010, 06.02.2010, 27.02.2010 and 30.03.2010 complying with Clause 49 of the Listing Agreement, the Board has adhered to the time gap of four months between two meetings.

#### Board Procedures:

It has always been the Company's policy and practice that apart from matters requiring Board approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations etc. are regularly placed before the Board.

The Schedule of each of the Board meeting is decided well in advance and communicated to the Directors. Board meetings are generally held at the Corporate Office of the Company at Okhla, New Delhi.

The agenda along with the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Group Chief Financial Officer is invited to all the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

All relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record/ approved by the Board.

#### Appointment and Re-appointment of Directors:

Mr. Arvind Pande and Mr. A.K. Mehta retire by rotation at this Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Approval of Mr. J. L. Khushu's reappointment as a Whole Time Director and Mr. Anil Razdan's appointment as a regular director of the Company is recommended to be made at the ensuing AGM.

As required under Clause 49 of the Listing Agreement, brief resume of directors being appointed/reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and their shareholding in the company are furnished, by way of note in the Notice calling the Annual General Meeting.

#### 4. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are, interalia, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management



- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and

#### **Composition, member's names and chairperson:**

- The audit Committee comprises of four members namely Mr. A.K. Mehta, Mr. S.D. Sharma, Mr. J.L. Khushu and Mr. Arvind Pande, out of which three are independent. Mr. A. K. Mehta is the Chairman of Audit Committee. All members of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts.
- The Chairman of the Audit Committee attended the last Annual General Meeting of the Company.
- During the period under review five Audit Committee meetings were held on 21st April 2009, 13th July 2009, 20th July 2009, 31st October 2009 & 23rd January 2010. Further a meeting of audit committee was held on 31st May, 2010 for recommending audited financial results for the financial year ended 31st March 2010.
- The Committee meetings are generally held at the Company's Corporate Office and is usually attended by the Statutory Auditors, Company Secretary, and Group C.F.O. as invitees to the Meetings. The Business and Operation

Heads are invited to the meetings, as required. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Audit function headed by the Chief Internal Auditor, reports to the Audit Committee to ensure its independence.

- The Committee relies on the expertise and knowledge of management, the internal auditors and the independent Statutory Auditor in carrying out its oversight responsibilities. It also uses external expertise, if required. Management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.
- M/s G.C.Sharda & Co., Chartered Accountants, the Statutory Auditors, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

#### 5. Remuneration Committee (non-mandatory)

The Remuneration Committee comprises of 3 Independent and Non-Executive Directors namely Mr. A.K. Mehta, Mr. Arvind Pande and Mr. S.D. Sharma. Mr. A.K. Mehta is the Chairman of the Remuneration Committee. The Committee is entrusted with the responsibility of finalizing the remuneration of executive directors. The Committee considers the remuneration after taking into consideration, inter alia, various factors such as qualification, experience, expertise of the director prevailing remuneration in the corporate world and financial positions of the company etc.

During the financial year 2009-2010, two meetings of remuneration committee were held on 13th July 2009 for considering the appointment & remuneration of Mr. H.S. Bharana (which was duly approved by the shareholders at the 19th Annual General Meeting of the Company held on 08th August, 2009) and on 27th February, 2010 for increasing the remuneration of Mr. J. L. Khushu, Whole-Time Director of the company. Further a meeting was held on 28th June, 2010 for considering the appointment and remuneration of Mr. J.L. Khushu.

#### Executive Directors

Details of remuneration paid to the Executive Directors for the financial year, 2009-2010 is given below: (in Rs.)

Particulars	Mr. H.S Bharana	Mr. J.L. Khushu
Basic Salary	52,70,000	21,18,780
Perquisites	34,61,350	30,83,667
Contribution to PF and Other Funds	632,400	-
<b>Total</b>	<b>93,63,750</b>	<b>52,02,447</b>

#### Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board of Directors and Committees. The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any executive and/or non-executive director. No severance fees is payable on termination of appointment.

#### 6. Shareholders/Investors Grievance Committee

The Shareholders/Investors' Grievance Committee comprises of three members namely Mr. H.S. Bharana, Mr. J.L. Khushu and Mr. S.D. Sharma. Mr. S.D. Sharma is the Chairman of the Shareholders/ Investors Grievance Committee.

The committee meetings were held during the year on 21st April, 2009, 20th July, 2009, 31st October, 2009 and 23rd January, 2010.

The committee empowered to oversee the redressal of shareholders investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, dematerialization of shares, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints.

During the year the company received 47 shareholders complaints and all of them were resolved to the satisfaction of the shareholders. No complaint is pending as on the date of this report.

Mr. Rajiv Kumar, Company Secretary is the compliance officer of the company, can be contacted at rajiv.k@eragroup.in.

## 7.(i) General Body Meetings

Location and time of last three years General Meetings are as follows;

Year	Type	Venue	Date	Time	Special Resolutions passed
2006-07	Annual General Meeting	Sri Satya Sai, International Centre, Lodhi Road, Institutional Area, Lodhi Road, New Delhi-110003	28.09.2007	02:30 p.m.	Nil
2007-08	Extra-Ordinary General Meeting	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016	26.05.2007	05:00 p.m.	a) Issue of Equity Shares/ warrants on preferential basis  b) Investment up to extent of Rs. 90 Crores in the capital of M/s. Gwalior Bypass Project Limited
2007-08	Annual General Meeting	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016.	29.09.2008	02:30 p.m.	a) Making Loan/ Investment and Giving Guarantee to A.R.K. Transmission & Distribution Limited and ARK Vidhyut Urja Limited  b) Making Investment upto Rs. 25 Crores in India Reality Excellence Fund  c) Making Investment upto Rs. 20 Crores in Axis Infra Structure1  d) To increase the salary and perquisites of Mr. H.S. Bharana, Chairman & Managing Director of the company.
2008-09	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	08.08.2009	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956.  b) Increasing the FII limits to 65% of the paid up equity share capital of the company.

## (ii) Postal Ballot

During the Financial Year 2009-10, the following resolutions were passed as Special Resolutions through postal ballots:

### a) Postal Ballot dated 08th May, 2009

- Under section 81 (1A) of the Companies Act, 1956 for issue and allotment of convertible warrants to the promoters and/or non promoters on preferential basis.
- Under Section 293(1)(a) of the Companies Act, 1956 for Mortgaging/ Creating Charge over the properties of the Company.

The result of the postal ballot was declared on 13th June, 2009. All the resolutions were passed with requisite majority.

### b) Postal Ballot dated 22nd February, 2010

- Under Section 372A for making investments and providing Corporate Guarantees.
- Section 293(1)(a) for mortgaging/ creating charge over the properties of the Company.
- Section 293(1)(d) raising the borrowing powers of the Company.

The result of the postal ballot was declared on 06th April, 2010, and the resolutions were passed with requisite majority. Mr. R.S. Bhatia, Company Secretary in Practise, was appointed as the scrutinizer for conducting the aforesaid Postal Ballots. Mr. Rajiv Kumar, Company Secretary of the Company was responsible for conducting the said Postal Ballots in a fair and transparent manner. The Postal Ballots were conducted as per the rules framed by Government in this regard.

## 8. Disclosures

- No transaction of material nature has been entered into by the company with its promoters, directors or management or relatives etc. that may have potential conflict with the interest of the company.
- Related Party Transactions:  
The details of transactions with related parties are placed before the audit committee on quarterly basis. The same are disclosed by way of a Note No. 17(C)(iv) of Schedule 'O' Part B under the head "Notes to Accounts" in the Financial Statements for the financial year ended 31.03.2010.
- Disclosure of Accounting Treatment:  
The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company.
- Issue of Equity Shares on Preferential Allotment Basis upon Conversion of Warrants Issued on 26th June, 2009:  
During the year, the Company has made an allotment of 2,10,00,000 equity shares and 1,40,00,000 equity shares of Rs. 2/- each on 10th October, 2009 and 24th October 2009 respectively at a price of Rs. 85/- per share (Including premium of Rs. 83/-)  
The said equity shares were allotted upon the conversion of 3,50,00,000 convertible warrants of Rs. 2/- each issued to the aforesaid allottees on 26th June, 2009 at Rs. 85 per warrant (Including a premium of Rs.83/-).
- Proceeds from Preferential Issue:  
The Company has utilized the proceeds of Rs. 2,97,50,00,000/- from conversion of warrants into equity shares as under:

Sr. No.	Particulars	Amount (In Rs.)
1.	Long Term Working Capital & General Corporate Purpose	2,97,50,00,000
	Total	2,97,50,00,000

- Compliance by the Company:  
There were no instances of non-compliance or penalty structures 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.
- Number of Shares Held by Non-Executive Directors:  
None of the Non-Executive Director hold any shares of the company.

## 9. Compliance with other mandatory requirements

### i) Management Discussion and Analysis

Management Discussion and Analysis are given elsewhere in this Annual Report.

### ii) Subsidiary Companies

At the end of the financial year 2009-2010 the Company has nine direct subsidiaries, two step subsidiaries and two foreign subsidiaries.

### iii) Details about Material Subsidiaries and Transactions

There was no material subsidiary as at 31.03.2010.

Details of transactions with subsidiaries are given in Note No. 11 of Schedule 'O' Part B i.e. Notes to accounts in Balance Sheet as at 31.03.2010.

### iv) Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

### v) CEO/ CFO Certification

A Certificate from Chairman and Managing Director and Group CFO on the financial statements of the Company was placed before the Board.

### vi) 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 management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

## 10. Compliance with Non-Mandatory requirements

### i) Remuneration Committee

The board has set up a Remuneration Committee details whereof are furnished at Sr. No. 5 of this report.

### ii) Whistle Blower Policy

Though the Company does not have a Whistle Blower Policy. However it is ensured that every personnel has approach to the Audit Committee as and when he so desire.

## 11. Means of Communication

The unaudited quarterly results for the quarters ended 30.06.2009, 30.09.2009, 31.12.2009 and audited results for the year ended 31.03.2010 were published in Navbharat Times, Jansatta, Times of India and The Economic Times in following manner:

Quarters	Date of Board Meeting	Date of Press Release and Newspaper
April-June, 2009	20/07/2009	22nd July, 2009 'The Economic Times'
July-September, 2009	31/10/2009	22nd July, 2009 'The Times of India'
		22nd July, 2009 'Nav Bharat Times'
October-December, 2009	23/01/2010	2nd November, 2009 'The Economic Times' (Hindi)
		2nd November, 2009 'The Times of India'
April 2009- March, 2010	31/05/2010	25th January, 2010 'The Economic Times'
		25th January, 2010 'Nav Bharat Times'
		02nd June, 2010 'The Economic Times'
		02nd June, 2010 'The Times of India'
		02nd June, 2010 'Nav Bharat Times'

The official press releases of Company are displayed on the website of The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## 12. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

Date	:	6th August, 2010
Time	:	3.30 p.m.
Venue	:	Executive Club 439, Village Shahoorpur P.O. Fatehpur Beri, New Delhi-74.

### b) Financial Calendar : April 2010 to March 2011.

Results for the quarter ending June 30, 2010	By mid of August 2010
Results for the quarter ending September 30, 2010	By mid of November 2010
Results for the quarter ending December 31, 2010	By mid of February 2011
Results for the quarter/year ending March 31, 2011	By mid/end of May 2011
Annual General Meeting for the year ending March 2011	Latest by end of Sept 2011

### c) Book Closure Period: 10.07. 2010 to 17.07. 2010 (both days inclusive).

### d) Dividend: A dividend @ Rs. 0.40 /- per share (20%) has been recommended by the Board of Directors for the financial year 2009-10 and is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Payment of Dividend, if declared at the meeting, will be made on or after 11th August, 2010:

- i) to all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on July 9, 2010.
- ii) to all the shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 17, 2010.

### e) Listing on Stock Exchanges

The company's Equity Shares are listed on the following Stock Exchanges in India:

- The Bombay Stock Exchange Limited  
1st Floor, New Trading Ring, Rotunda Building,  
PJ Towers, Dalal Street, Fort, Mumbai-400001.
- National Stock Exchange of India Limited  
Exchange Plaza" Bandra-Kurla Complex,  
Bandra (E), Mumbai-400051.

Further, the GDR's issued by the company are listed at:

- Luxemburg Stock Exchange,  
11, av de la Porte-Neuve.  
L-2227, Luxembourg.

and the FCCB's issued by the company are listed at:

- Singapore Stock Exchange  
2 Shenton Way  
# 19-00 SGX Centres 1  
Singapore 068804.



Listing fees including for the year 2009-10 has been paid on due dates to all the Stock Exchanges in India.

**f) Market Price Data**

Monthly High & Low closing quotation of shares traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited are as follows:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2009	87.90	70.15	87.85	69.65
May, 2009	118.05	75.10	118.30	75.10
June, 2009	121.05	100.75	121.30	100.85
July, 2009	159.55	109.55	159.75	109.60
August, 2009	160.50	150.5	160.45	150.45
September, 2009	173.90	152.85	173.55	152.65
October, 2009	196.95	169.70	196.90	169.65
November, 2009	210.95	180.05	210.80	179.70
December, 2009	209.75	196.30	209.55	196.30
January, 2010	212.10	197.10	212.20	197.00
February, 2010	207.90	198.70	207.90	198.70
March, 2010	225.70	211.20	225.75	211.30

**g) Stock Code**

Stock Code/Symbol for the Equity Shares of the Company at BSE and NSE are 530323 and ERAINFRA respectively.

**h) Registrar and Share Transfer Agent**

M/s Beetal Financial & Computer Services Private Limited has been appointed as Registrar and Share Transfer Agent of the Company.

The shareholders are advised to approach M/s Beetal Financial & Computer Services Private Limited at the following address for any share and demat related queries and problems:

Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir behind Local Shopping Centre, New Delhi-110062.

Tel: 011-29961281, 29961282 Fax: 011-29961284 E-Mail ID: beetal@beetalfinancial.com; investor@beetalfinancial.com.

Website: www.beetalfinancial.com.

**i) Share Transfer System**

Transfer of Equity Shares are handled by Beetal Financial & Computer Services Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Beetal Financial & Computer Services Private Limited at the above address in order to enable Beetal Financial & Computer Services Private Limited to process the transfer. The share transfer committee normally attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within 21 days from the date of receipt of request.

**j) Distribution of shareholding/shareholding pattern**

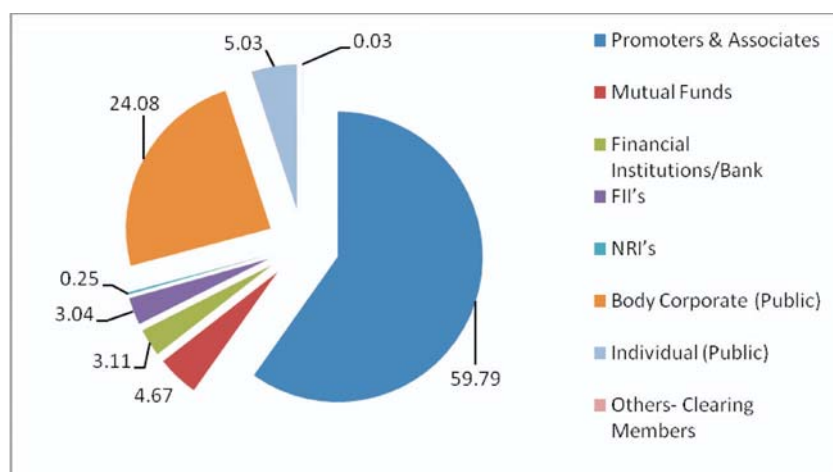
**DISTRIBUTION SCHEDULE**

(As at 31.03.2010)

Shareholding of nominal value of Rs	Shareholders		Share Amount	
	Number	% to total	In Rs.	% to total
Upto 5,000	17468	97.01	1,12,53,444	3.1405
5,001- 10000	253	01.41	19,11,172	0.5334
10,001 - 20,000	114	0.63	17,08,004	0.4767

20,001 - 30000	39	0.22	9,69,410	0.2705
30,001 - 40000	20	0.11	7,09,786	0.1981
40,001 - 50,000	6	0.03	2,80,430	0.0783
50,001 - 1,00,000	20	0.11	14,56,974	0.4066
1,00,001 and above	87	0.48	34,00,43,430	94.8960
<b>Total</b>	<b>18007</b>	<b>100.00</b>	<b>35,83,32,650</b>	<b>100.0000</b>

**Graphical Representation of the Shareholding Pattern as on 31st March, 2010**



#### k) Dematerialization of Shares

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely National Securities Depository Limited and Central Depository Services (India) Limited. The company's ISIN No. for both the depositories is INE039E01020.

As on 31st March, 2010; 17,80,01,986 Equity Shares constituting 99.35% of total equity of the Company were held in dematerialized form with NSDL & CDSL.

#### l) Convertible Warrants and FCCBs

- On 10th October, 2009, the Company has converted 2,10,00,000 convertible warrants of Rs. 85 each into 2,10,00,000 equity shares of Rs.2/- each at a premium of Rs. 83/-.
- On 24th October, 2009, the Company has converted 1,40,00,000 convertible warrants of Rs. 85 each into 1,40,00,000 equity shares of Rs.2/- each at a premium of Rs. 83/-.
- The Company raised 750 Zero Coupon Foreign Currency Convertible bonds due 2012 (FCCBs) of USD 100,000 each aggregating USD 75 million at par on January 24, 2007. These bonds have maturity period of 5 years 1 day. The bonds are convertible into shares, as per the terms of the issue, as laid down in Letter of Offering dated 17th January 2007. The conversion price of Rs. 793/- per share of Rs. 10/- each was determined on 24th January, 2008. The conversion price was adjusted to Rs. 158.60/- per share owing to split of face value of shares from Rs. 10/- per share to Rs. 2/- per share w.e.f. 24th September, 2008.
- The company has bought back FCCB's worth USD 21.3 million and converted 136 FCCB's worth USD 13.6 million till the date of this report. The details of FCCBs conversion are as follows:

Date of Allotment	Number of FCCB's converted (US \$ 1,00,000 each)	Number of Equity Shares Allotted	Conversion Price
20.02.2009	19	5,32,262	158.60
16.06.2009	5	1,40,069	158.60
21.12.2009	1	28,013	158.60
06.02.2010	10	2,80,138	158.60
25.03.2010	6	1,68,083	158.60
12.04.2010	1	28,013	158.60
03.05.2010	90	25,21,248	158.60
25.05.2010	3	84,041	158.60
28.06.2010	1	28,013	158.60
<b>TOTAL</b>	<b>136</b>	<b>38,09,880</b>	<b>158.60</b>

A total of 401 FCCB's are outstanding as on the date of this report.

m) **Compliance Officer**

Mr. Rajiv Kumar is the compliance officer of the company.

n) **Plant Location**

Construction Projects are executed projects at the clients locations. The only manufacturing facilities company has in its RMC division. As on 31.03.2010 the RMC manufacturing plants are situated at:

1. Sahibabad (UP) A-43/2, Site -IV Sahibabad Industrial Area, Ghaziabad (UP)
2. Greater Noida UP 1-43/44, Site-V Surajpur Industrial Area, Kasna, Gr. Noida, UP
3. Faridabad (H.R.)-II C/o Redwood Residency, Sector-78, Faridpur Village, Faridabad (Haryana)
4. IMT-Manesar Site (H.R.) Near, J.K. Lakshmi Plant, Bhangrolla Vill, IMT-Manesar Haryana
5. Murthal (Dathuri) (Haryana), Rect. & Killa No's 54/20/2, 54/21/1 & 55/16/2/1, Village Dhaturi., Sonapat (Haryana)
6. Faridabad (H.R.)-1 Village-Kanwara, Old Faridabad, Jasana Road, Nahar Par, Faridabad (Haryana).

o) **Address for Correspondence:**

**Registered Office :**

Era Infra Engineering Limited.

370-371/2, Sahi Hospital Road, Jungpura, Bhogal, New Delhi -110 014.

Tel: 011- 43637000. E-mail: rajiv.k@eragroup.in. Web site: www.eragroup.co.in.

**DISCLOSURES BY THE MANAGEMENT**

During the year 2009-10, there have been no transactions of material nature entered into by the Company with the Management or their relatives that may have potential conflict with interest of the Company. None of the Non- Executive Directors have any pecuniary material relationship or transaction with the Company for the year ended March 31, 2010 and have given undertaking to that effect.

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended 31st March 2010.

For Era Infra Engineering Limited

Place : New Delhi

Date : 28.06.2010

H.S. Bharana  
(Chairman & Managing Director)

#### CHAIRMAN AND MANAGING DIRECTOR / HEAD OF FINANCE CERTIFICATION

We, H.S. Bharana, Chairman & Managing Director and Joy Saxena, Group CFO of Era Infra Engineering Ltd., to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such 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 disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's board of directors (and persons performing the equivalent functions):
  - i. All deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - ii. Significant change in internal controls during the year covered by this report;
  - iii. All significant changes in accounting policies during the year if any that the same have been disclosed in the notes to the financial Statements;
  - iv. Instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system.

Place : New Delhi

(H.S. Bharana)

(Joy Saxena)

Date : 28.06.2010

Chairman & Managing Director

Group CFO

#### COMPLIANCE

#### COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF ERA INFRA ENGINEERING LIMITED

I have examined the compliance of conditions of corporate governance by Era Infra Engineering Limited, for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and impediments thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the Corporate Governance as stipulated in the above mentioned listing Agreement.

I 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.

R.S. Bhatia

Place: New Delhi.

Company Secretary in Practice

Date : 28.06.2010

CP. No. : 2514

## AUDITORS' REPORT

The Members,  
Era Infra Engineering Limited  
New Delhi

1. We have audited the attached Balance Sheet of Era Infra Engineering Limited as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books ;
  - iii) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
  - iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with this report comply with the accounting standards referred to in sub-section (3C) section 211 of the Companies Act, 1956 ;
  - v) On the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
    - a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
    - b) in the case of Profit & Loss Account, of the profit of the company for the year ended on that date, and
    - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For G.C. SHARDA & CO.**  
Chartered Accountants

**CA. Vandna Gopal Sharda**  
Partner  
M. No. : 091051  
FRN : 500041N  
Place : New Delhi.  
Date : 31st May, 2010

## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ERA INFRA ENGINEERING LIMITED

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the year, the company has not disposed off any substantial part of fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable in relation to the size of the company.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the company has granted unsecured loans to nine companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,158.09 lacs and the year end balance of loans granted to such parties was Rs. 983.85 lacs.
- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) In our opinion and according to the information and explanations given to us, the company is receiving the principal amounts as stipulated and is receiving interest regularly.
- (d) According to the information and explanations given to us, there is no overdue amount of loans granted to companies, listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4(iii) (e) to (g) of the Order are not applicable in respect of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to execution of contracts, sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls nor have any such weaknesses been brought to our notice.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts, arrangements or transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



- (vi) In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India in respect of deposit accepted and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to that extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of any of activities of the company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess have been generally regular deposited with the appropriate authorities.
- (b) Accordingly to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of disputes and the forum where the dispute is pending , are as under:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Period to which Amount relates	Forum where dispute is pending
1	Uttar Pradesh Trade Tax	Entry Tax Demand	2.31	2005-2006	The Joint Commissioner, (Appeal) Trade Tax, Ghaziabad
2	West Bengal Commercial Tax	VAT Demand	42.20	2004-2005	Dy. Commissioner, Commercial Tax, Kolkata
3	Deptt of Trade & Taxes, Govt. of NCT of Delhi	Sales Tax Demand	25.07	2005-2006	Appellate Tribunal, New Delhi
4	Punjab Excise & Taxation	Sales Tax Demand	1.85	2007-2008	Dy. Commissioner, (Appeal) Excise & Taxation Patiala
5	Custom Excise & Service Tax	Service Tax Demand	2.69	2005-2006	Appellate Tribunal, New Delhi
6	Custom Excise & Service Tax	Service Tax Demand	146.22	2006-2007	Appellate Tribunal, New Delhi
7	Central Excise New Delhi	Custom Demand	1.90	2006-2007, 2007-2008	Commissioner (Appeal) Central Excise, New Delhi
8	The Building And Other Construction Workers (Regulation of Employment And Condition Of Service) Act.	Workers Welfare Cess	64.24	2000 To 2007	Hon'ble Supreme Court

- (x) The company does not have any accumulated losses as at the end of the year. The Company has not incurred any cash losses during the current and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture-holder during the year.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Order are not applicable in respect the company.
- (xv) The company has given guarantees for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of such guarantees to banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of equity shares by conversion of warrants to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) According to the information and explanations given to us, the company has created securities for the non convertible debentures, *except in respect of 2000 Nos. of non convertible debentures of Rs.10 lacs each against which security creation is under process.*
- (xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For G.C. SHARDA & CO.**  
Chartered Accountants

**CA. Vandna Gopal Sharda**  
Partner  
M. No. : 091051  
FRN : 500041N  
Place : New Delhi.  
Date : 31st May, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in lacs)

PARTICULARS	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>I SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	A	3,583.33	2,871.00
(b) Reserves and Surplus	B	142,123.36	85,018.24
		<b>145,706.69</b>	<b>87,889.24</b>
<b>(2) Loan Funds</b>			
(a) Secured Loans	C	210,698.51	126,387.81
(b) Foreign Currency Convertible Bonds (Unsecured)		22,503.52	37,127.51
(c) Other Unsecured Loans	D	15,000.00	16,119.42
		<b>248,202.03</b>	<b>179,634.75</b>
<b>(3) Deferred Tax Liabilities (net)</b>		<b>15,844.42</b>	<b>9,104.61</b>
<b>Total (1+2+3)</b>		<b>409,753.14</b>	<b>276,628.60</b>
<b>II APPLICATION OF FUNDS</b>			
<b>(1) Fixed Assets</b>			
(a) Gross Block	E	152,697.03	117,726.90
(b) Less : Accumulated Depreciation		14,694.37	7,970.63
(c) Net Block		138,002.66	109,756.27
(d) Capital Work in Progress		9,853.38	10,341.42
		<b>147,856.04</b>	<b>120,097.69</b>
<b>(2) Investments</b>	F	<b>28,526.24</b>	<b>17,613.71</b>
<b>(3) Current Assets, Loans &amp; Advances</b>	G		
(a) Inventories		90,829.46	67,221.94
(b) Sundry Debtors		93,373.06	72,412.95
(c) Cash & Bank Balances		46,613.61	17,908.75
(d) Other Current Assets		487.84	276.26
(e) Loans & Advances		57,405.35	34,979.19
		<b>288,709.32</b>	<b>192,799.08</b>
<b>Less : Current Liabilities &amp; Provisions</b>	H		
(a) Current Liabilities		54,110.16	53,994.80
(b) Provisions		1,285.86	989.80
		<b>55,396.02</b>	<b>54,984.60</b>
<b>Net Current Assets</b>		<b>233,313.31</b>	<b>137,814.48</b>
<b>(4) Foreign Currency Monetary Item Translation Diff. A/C</b>		<b>57.55</b>	<b>1,102.71</b>
<b>Total (1+2+3+4)</b>		<b>409,753.14</b>	<b>276,628.60</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	O		

The schedules referred to above form an integral part of the Balance Sheet.

### Auditors' Report

As per our report of even date attached

**For G.C. SHARDA & CO.**

Chartered Accountants

**CA. Vandna Gopal Sharda**

Partner

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

For and on behalf of the Board

**(H.S. Bharana)**  
Chairman & Managing Director

**(Joy Saxena)**  
Group CFO

**(J.L. Khushu)**  
Whole Time Director

**(Rajiv Kumar)**  
Company Secretary

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in lacs)

PARTICULARS	Schedule	Year ended 31st March, 2010	Year ended 31st March, 2009
<b>I. Income</b>			
Turnover	I	341,546.82	237,689.91
Other Income	J	2,501.91	6,224.36
		<b>344,048.73</b>	<b>243,914.27</b>
<b>II. Expenditure</b>			
Direct Project Expenses	K	262,225.55	186,340.00
Personnel Expenses	L	10,041.36	6,661.76
Administrative Expenses	M	4,030.62	3,327.67
Financial Expenses	N	25,641.82	17,283.33
Depreciation	E	7,151.27	4,594.21
		<b>309,090.61</b>	<b>218,206.97</b>
<b>Profit from ordinary Activities Before Tax</b>		<b>34,958.12</b>	<b>25,707.31</b>
Tax Expense			
-- Current Tax		5,931.86	3,620.12
-- Deferred Tax		6,739.81	3,249.84
-- MAT Credit/Fringe Benefit Tax		(1,109.34)	42.38
-- Tax Adjustment for Earlier Years		281.22	(1,466.49)
<b>Net Profit from Ordinary Activities after Tax</b>		<b>23,114.57</b>	<b>20,261.45</b>
Extraordinary Items (net) (refer to note no.8)		4,826.21	-
<b>Net Profit for the Year</b>		<b>27,940.78</b>	<b>20,261.45</b>
Balance of Profit & Loss Account brought forward		33,918.55	16,765.80
Profit available for Appropriations		<b>61,859.33</b>	<b>37,027.25</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		727.20	574.76
Corporate Dividend Tax		123.59	97.68
Transfer to General Reserve		2,790.00	2,026.00
Exchange Difference on FCCBs AS-11(Revised)		-	2,540.26
Transfer to Debenture Redemption Reserve		390.00	(2,130.00)
<b>Surplus carried over to Balance Sheet</b>		<b>57,828.54</b>	<b>33,918.55</b>
		<b>61,859.33</b>	<b>37,027.25</b>
Earnings per share (Before extraordinary Items) (Rs Per Equity share of Rs.2/- each)			
- Basic		14.47	16.11
- Diluted		14.47	16.11
Earnings per share (after extraordinary items) (Rs Per Equity share of Rs.2/- each)			
- Basic		17.49	16.11
- Diluted		17.49	16.11
Significant Accounting Policies and Notes to Accounts	O		

The schedules referred to above form an integral part of the Profit & Loss Account.

### Auditors' Report

As per our report of even date attached

For and on behalf of the Board

### For G.C. SHARDA & CO.

Chartered Accountants

### CA. Vandna Gopal Sharda

Partner

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

(H.S. Bharana)  
Chairman & Managing Director

(Joy Saxena)  
Group CFO

(J.L. Khushu)  
Whole Time Director  
(Rajiv Kumar)  
Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - A</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
- 30,00,00,000 (Previous year 20,00,00,000) Equity Shares of 2/- each	6,000.00	4,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
- 17,91,66,325 (Previous year : 14,35,50,022) Equity Shares of Rs.2/- each fully paid up.	3,583.33	2,871.00
Total (A)	3,583.33	2,871.00
<b>Note:</b>		
Includes 1,57,36,400 Equity Shares of Rs.2/- each issued as fully paid up bonus shares by capitalization of securities premium account & profit & loss account		
<b>Schedule - B</b>		
<b>Reserves and Surplus</b>		
(a) Securities Premium Account		
As per last Balance Sheet	44,581.96	20,923.43
Addition during the year	30,015.13	23,658.53
	74,597.09	44,581.96
(b) Debenture Redemption Reserve		
As per last Balance Sheet	2,040.00	4,170.00
Transfer from Profit & Loss Account	390.00	(2,130.00)
	2,430.00	2,040.00
(c) General Reserve		
As per last Balance Sheet	4,477.73	2,451.73
Transfer from Profit & Loss Account	2,790.00	2,026.00
	7,267.73	4,477.73
(d) Profit & Loss Account	57,828.54	33,918.55
Total (B)	142,123.36	85,018.24

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - C Secured Loans</b>		
(a) Term Loan from Banks	40,250.00	-
(b) Borrowings From Banks	94,143.26	80,649.49
(c) Equipment Finance	18,349.68	14,229.97
(d) Mobilisation Advances from Clients	340.49	9,980.43
(e) Other Loans & Advances	261.78	236.25
(f) External Commercial Borrowing	4,537.00	-
(g) Non-Convertible Debentures	52,816.30	21,291.67
<b>Total (C)</b>	<b>210,698.51</b>	<b>126,387.81</b>

### NOTE :

- 1 Term Loan and External Commercial Borrowings (ECB) are secured by way of first pari passu charge on the movable and immovable fixed assets of the company and second charge on the current assets of the company, further ECB is secured by way of DSRA account. Borrowings from banks are secured by way of hypothecation of stock, book-debts and in some cases other current assets both present and future of the company through pari-passu and/or second, subservient charge on current & fixed assets of the company. In some cases these are further secured by way of first pari passu charge on movable and immovable fixed assets of the company and further secured by equitable mortgage of certain personal assets, investment and personal guarantees of Mr. H.S.Bharana, Chairman & Managing Director/his associates / relatives as the case may be.
- 2 Equipment Finances are secured by way of hypothecation of respective assets.
- 3 Mobilisation advance from clients are secured against guarantees.
- 4 Other Loans and advances are secured against pledge of key man insurance policies.
- 5 Non- convertible debentures are secured against the first pari passu charge on the fixed assets, non agricultural land situated at Distt. Mehsana, Gujarat, and /or mortgage of third party immovable assets as the case may be except in respect of 2000 Nos. of non convertible debentures of Rs.10 lacs each against which security creation is under process.

### Schedule - D Other Unsecured Loans

Inter Corporate Deposits	-	228.98
Public Deposits	-	2.08
Loan from Banks	15,000.00	15,888.36
<b>Total (D)</b>	<b>15,000.00</b>	<b>16,119.42</b>



**Schedule - E**  
**Fixed Assets as on 31st March, 2010**

(Rs. in lacs)

S. No	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 1-Apr-09	Additions during the year	Sold/adjustment during the year	Total as on 31-Mar-10	Upto 1-Apr-09	For the year	Adjustments	Upto 31-Mar-10	Written down value as on 31-Mar-10	Written down value as on 31-Mar-09
1	Land	336.70	4.20	-	340.90	-	-	-	-	340.90	336.70
2	Leasehold Land	200.04	1.29	-	201.33	6.00	2.00	-	8.00	193.33	194.04
3	Factory Building	386.00	5.07	-	391.07	8.83	13.03	-	21.86	369.21	377.17
4	Plant & Machinery	110,424.98	38,734.26	4,064.98	145,094.26	6,928.33	6,714.66	418.56	13,224.43	131,869.83	103,496.66
5	Tractor/ Trucks	143.27	47.31	-	190.58	42.33	11.63	-	53.96	136.62	100.94
6	Furniture & Fixture	192.43	29.24	-	221.67	49.20	12.62	-	61.82	159.85	143.22
7	Office Equipment	160.30	37.97	0.12	198.15	32.55	9.12	0.02	41.65	156.50	127.75
8	Vehicle	401.64	98.58	24.84	475.38	96.87	40.39	8.96	128.30	347.08	304.77
9	Data Processing Machine	491.02	102.15	-	593.17	211.75	84.33	-	296.08	297.09	279.28
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	594.77	263.50	-	858.27	4,132.25	4,395.75
	<b>Total</b>	117,726.90	39,060.07	4,089.94	152,697.03	7,970.63	7,151.27	427.54	14,694.37	138,002.66	109,756.27
	Previous Year	57,737.08	61,035.82	1,046.00	117,726.90	3,968.99	4,594.21	592.57	7,970.63	109,756.27	53,768.09
	Capital Work in Progress									9,853.38	10,341.42
	<b>Total</b>									147,856.04	120,097.69

PARTICULARS			As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - F</b>				
<b>Investments-Long Term (Unquoted)</b>				
<b>a) Government Securities</b>				
-M.P. Finance Corp. Bond - 2012	Current Year	Previous Year	<b>5.76</b>	5.76
-11.5% Govt of India -2011	Nos.	Nos.	<b>14.61</b>	14.61
-12% Govt of India -2008			-	3.35
<b>Total (a)</b>			<b>20.37</b>	<b>23.72</b>
<b>b) Subsidiaries Company (Unquoted, Trade-fully paid up)</b>				
- Equity Shares of Victor Buildwel Pvt. Ltd.	10,000	10,000	<b>1.00</b>	1.00
- Equity Shares of Style & Smile Buildwell Pvt. Ltd.	10,000	10,000	<b>1.00</b>	1.00
- Equity Shares of Era T & D Ltd.	7,869,000	4,369,000	<b>868.98</b>	436.90
- Equity Shares of Era I T- Zone Pvt. Ltd.	10,000	10,000	<b>1.00</b>	1.00
- Equity Shares of Era Infrastructure (India) Ltd.	9,493,770	50,000	<b>8,938.78</b>	5.01
- Equity Shares of Quillet Constructions Ltd.	50,000	50,000	<b>5.00</b>	5.00
- Equity Shares of Kepi Constructions Ltd.	50,000	50,000	<b>5.00</b>	5.00
- Equity Shares of Haridwar Highways Project Limited	37,000	-	<b>3.70</b>	-
- Equity Shares of Dehradun Highways Project Limited	37,000	-	<b>3.70</b>	-
- Ordinary Shares of Boconero Ltd. (Cyprus)	1,000	1,000	<b>0.70</b>	0.70
- Shares of Golden Annum Holdings Limited (Dubai)	3,000	3,000	<b>4.99</b>	4.99
<b>Total (b)</b>			<b>9,833.85</b>	<b>460.60</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	Current Year Nos.	Previous Year Nos.	As at 31st March, 2010	As at 31st March, 2009
<b>c) Quoted (Trade)</b>				
- Equity shares of Era E-Zone (India) Ltd	1,110,000	1,110,000	554.50	554.50
Total (c)			554.50	554.50
<b>d) Unquoted (Trade)</b>				
- Equity Shares of West Haryana Highways Projects Pvt.Ltd.	24,500	24,500	2.45	2.45
- Preference Shares of West Haryana Highways Projects Pvt Ltd	880,814	814,114	5,284.88	4,884.69
- Equity Shares of Gwalior Bypass Project Ltd.	19,500	19,500	1.95	1.95
- Preference Shares of Gwalior Bypass Project Ltd.	1,368,635	1,243,635	5,474.54	4,974.54
- Equity Shares of Hyderabad Ring Road Project Pvt Ltd	11,720	11,720	1.17	1.17
- Preference Shares of Hyderabad Ring Road Project Pvt Ltd	1,108,027	1,074,777	4,432.11	4,299.11
- Equity Shares of Era Buildsys Ltd.	2,407,000	2,407,000	1,203.50	1,203.50
- Shares of SPA Group Era India Algeria	35,000	35,000	68.81	68.81
- Axis Infrastructure Fund 1			1,648.11	1,138.67
Total (d)			18,117.52	16,574.89
Total -F (a+b+c+d)			28,526.24	17,613.71

The aggregate book value and market value of quoted investments and book value of unquoted investments are as follows:

### Quoted Investments

aggregate book value	554.50	554.50
aggregate market value	334.11	144.30
Aggregate book value of unquoted investments	27,951.37	17,035.49
Aggregate book value of Government Securities	20.37	23.72

### Movements in investments during the year:

#### Addition:

- 35,00,000 Equity Shares of Era T&D Ltd. of Rs.10/- each, fully paid up
- 94,43,770 Equity Shares of Era Infrastructure (India) Ltd. of Rs.10/- each, fully paid up
- 37,000 Equity Shares of Haridwar Highways Project Limited. of Rs.10/- each, fully paid up
- 37,000 Equity Shares of Dehradun Highways Project Limited. of Rs.10/- each, fully paid up
- 66,700 Preference Shares of West Haryana Highways Proj. Pvt Ltd of Rs. 100/- each, fully paid up
- 1,25,000 Preference Shares of Gwalior Bypass Project Ltd.of Rs. 100/- each, fully paid up
- 33,250 Preference Shares of Hyderabad Ring Road Project Private Limited of Rs. 100/- each, fully paid up
- Axis Infrastructure Fund 1

#### Deletion :

- 12% Govt of India -2008

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - G</b>		
<b>Current Assets, Loans &amp; Advances</b>		
<b>A. Current Assets</b>		
<b>a. Inventories</b>		
(i) Materials in Hand	52,115.18	41,531.04
(ii) Stores & Spares	503.54	669.05
(iii) Work in Progress	37,488.03	24,476.05
(iv) Materials in Transit	722.71	545.80
<b>Total (a)</b>	<b>90,829.46</b>	<b>67,221.94</b>
<b>b. Sundry Debtors</b>		
(Unsecured, considered good)		
(i) Outstanding for a period exceeding six months	9,678.90	4,038.23
(ii) Others	83,694.16	68,374.72
<b>Total (b)</b>	<b>93,373.06</b>	<b>72,412.95</b>
<b>c. Cash &amp; Bank Balances</b>		
(i) Cash in Hand	64.60	282.26
(ii) Cash at Sites	44.44	60.18
(iii) Foreign Currency in Hand	4.06	7.69
(iv) Balance with scheduled banks in		
- Current Accounts	8,252.67	6,998.14
- Fixed Deposit Accounts	38,230.60	10,545.78
(v) Unpaid Dividend Account	17.24	14.70
<b>Total (c)</b>	<b>46,613.61</b>	<b>17,908.75</b>
<b>d. Other Current Assets</b>		
Interest Accrued	487.84	276.26
<b>Total (d)</b>	<b>487.84</b>	<b>276.26</b>
<b>Total (A) (a+b+c+d)</b>	<b>231,303.97</b>	<b>157,819.90</b>
<b>B. Loans &amp; Advances</b>		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received	55,246.14	33,300.26
(b) Loans		
- To Subsidiary Companies	983.85	562.03
- To Others	-	40.18
(c) Prepaid Taxes (Net of Provisions)	66.02	566.71
(d) Share Application Money-Subsidiary	-	510.00
(e) MAT Credit Entitlement	1,109.34	-
<b>Total (B)</b>	<b>57,405.35</b>	<b>34,979.19</b>
<b>Total-G (A+B)</b>	<b>288,709.32</b>	<b>192,799.09</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - H</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>A. Current Liabilities</b>		
(a) Sundry Creditors		
- Outstandings of SSI/SME Undertakings	128.81	33.55
- Others	40,091.19	43,878.23
(b) Mobilisation & Other Advances	9,004.31	6,403.26
(c) Bank Overdrafts	1,135.63	485.35
(d) Other Current Liabilities	3,732.98	3,179.71
(e) Unpaid Dividend Payable	17.24	14.70
<b>Total (A)</b>	<b>54,110.16</b>	<b>53,994.80</b>
<b>B. Provisions</b>		
(a) Provision for Tax (Net of Prepaid Tax)	-	-
(b) Provision for Fringe Benefit Tax (Net of Advance Tax Paid)	-	29.88
(c) Provision for Retirement Benefits	435.07	287.48
(d) Proposed Dividend	727.20	574.76
(e) Corporate Dividend Tax	123.59	97.68
<b>Total (B)</b>	<b>1,285.86</b>	<b>989.80</b>
<b>Total -H (A+B)</b>	<b>55,396.02</b>	<b>54,984.60</b>
<b>Schedule - I</b>		
<b>Turnover</b>		
Contract	291,213.25	196,027.10
Ready Mix Concrete	4,043.88	3,629.68
Wind Energy	563.21	568.56
Equipment Hiring & Management	9,636.01	7,225.69
Sales - Trading	36,090.47	30,238.88
<b>Total -I</b>	<b>341,546.82</b>	<b>237,689.91</b>
<b>Schedule - J</b>		
<b>Other Income</b>		
Interest Income		
- Banks	904.98	2,441.08
- Subsidiaries	133.31	80.91
- Other Interest	13.24	8.68
(Tax Deducted at source Rs. 122.57 lacs P.Y.:Rs.620.05 lacs)		
Profit on Sale of Long Term Investments	40.34	2,693.31
Profit on Sale of Fixed Assets	637.88	880.67
Miscellaneous Income	472.81	459.41
Foreign Exchange Fluctuation	135.64	(471.95)
Income From Joint Venture	112.06	132.26
Management Fee	51.65	-
<b>Total -J</b>	<b>2,501.91</b>	<b>6,224.36</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Schedule - K</b>		
<b>Direct Contract Expenses</b>		
Direct Project Expenses	228,620.44	164,679.81
(Increase)/Decrease in Stock	(11,589.69)	(15,626.81)
Service Tax	3,699.73	2,715.34
Works Contract Tax	6,389.81	4,075.15
Trading Purchases	35,105.26	30,496.51
<b>Total -K</b>	<b>262,225.55</b>	<b>186,340.00</b>
<b>Schedule - L</b>		
<b>Personnel Expenses</b>		
Salaries, Bonus & Allowances	9,232.78	6,016.29
Directors' Remuneration	148.86	125.16
Contribution to Provident & Other Funds	502.01	379.02
Staff Welfare	157.71	141.29
<b>Total -L</b>	<b>10,041.36</b>	<b>6,661.76</b>
<b>Schedule - M</b>		
<b>Administrative Expenses</b>		
Printing & Stationery	195.37	171.51
Rent	334.83	163.82
Travelling & Conveyance	543.89	401.83
Postage, Telegram & Telephones	204.01	167.32
Tender Fee	67.71	37.26
Legal & Professional Charges	836.29	775.33
Advertisement & Publicity	36.86	53.91
Business Promotion Expenses	24.05	18.20
Vehicle Maintenance	45.96	50.22
Insurance Premium	402.22	283.76
Foreign Currency Monetary Item Trans. Diff. A/C W/Off	57.55	551.36
Rates and Taxes	86.21	78.55
Festival Expenses	133.06	79.95
Repair & Maintenance		
- Machinery	570.70	198.08
- Others	124.21	96.10
Electricity & Water	169.70	83.94
Auditors' Remuneration	12.50	11.00
Charity & Donation	13.77	4.58
Miscellaneous Expenses	171.73	100.94
<b>Total -M</b>	<b>4,030.62</b>	<b>3,327.67</b>
<b>Schedule - N</b>		
<b>Financial Expenses</b>		
Bank Charges & Commission	3,225.08	1,691.55
Interest:		
- Debentures	3,927.04	3,217.32
- Others	18,489.70	12,374.46
<b>Total -N</b>	<b>25,641.82</b>	<b>17,283.33</b>

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

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>Cash Flow from Operating Activities</b>		
Net profit before taxation	34,958.12	25,707.31
Adjustments		
<b>Add</b>		
Depreciation	7,151.27	4,594.21
Foreign Currency Monetary Item Trans. Diff. a/c w/off	57.55	551.36
Interest Expenses	22,416.74	15,591.79
Deduct		
Interest Income	(1,051.53)	(2,530.67)
Loss/(Profit) on Sale of Fixed Assets	(637.88)	(880.67)
Loss/(Profit) on Sale of Investments	(40.34)	(2,693.31)
Foreign Exchange Fluctuation (FCCBs)		84.74
<b>Operating cash flow before working capital changes</b>	<b>62,853.93</b>	<b>40,424.75</b>
Decrease(Increase) in Inventories	(23,607.53)	(28,842.78)
Decrease(Increase) in Sundry Debtors	(20,960.11)	(28,787.69)
Decrease(Increase) in Loans & Other Current Assets	(22,637.74)	(18,767.31)
(Decrease)Increase in Current Liabilities	115.36	21,604.24
(Decrease)Increase in Provisions	147.59	98.36
<b>Cash generated from operations</b>	<b>(4,088.50)</b>	<b>(14,270.44)</b>
Income Tax Paid Including Fringe Benefit Tax	(5,133.63)	(3,018.46)
<b>Cash Flow from Operating activities(A)</b>	<b>(9,222.13)</b>	<b>(17,288.90)</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(39,060.07)	(57,320.72)
Capital Work in progress including capital advances	488.04	6,905.09
Proceeds from Sale of Fixed Assets	2,132.66	1,334.10
Purchase of Investments	(10,915.88)	(8,470.32)
Sale of Investments	43.69	15,398.70
Interest Income	1,051.53	2,530.67
<b>Net Cash from Investing activities(B)</b>	<b>(46,260.04)</b>	<b>(39,622.48)</b>
<b>Cash Flow from Financing activities</b>		
Proceeds from Share Capital	29,750.00	21,037.50
Proceeds from ECB	4,537.00	-
Repayment of FCCBs	(4,865.06)	-
FCCBs Redemption Expenses	(800.00)	-
Proceeds from Long term borrowings	66,254.40	13,058.97
Repayment of Long Term borrowings	-	(14,208.33)
Proceeds from Short term borrowings	12,399.87	28,439.03
Interest paid	(22,416.74)	(15,591.79)
Dividend paid	(574.76)	(462.07)
Dividend Distribution Tax	(97.68)	(78.53)
<b>Net Cash Flow from Financing activities(C)</b>	<b>84,187.03</b>	<b>32,194.78</b>
<b>Net Increase in cash &amp; cash equivalents(A+B+C)</b>	<b>28,704.86</b>	<b>(24,716.60)</b>
<b>Cash &amp; Cash equivalents at beginning of year</b>	<b>17,908.75</b>	<b>42,625.35</b>
<b>Cash &amp; Cash equivalents at end of year</b>	<b>46,613.61</b>	<b>17,908.75</b>
(See to schedule G (c) of Financial Statements)		

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard-3.

### Auditors' Report

As per our report of even date attached

**For G.C. SHARDA & CO.**

Chartered Accountants

**CA. Vandna Gopal Sharda**

Partner

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

**(H.S. Bharana)**  
Chairman & Managing Director

**(Joy Saxena)**  
Group CFO

For and on behalf of the Board

**(J.L. Khushu)**  
Whole Time Director

**(Rajiv Kumar)**  
Company Secretary



## BALANCE SHEET ABSTRACT

(Rs. in lacs)

Balance Sheet Abstract and company's general business profile as required under Part IV of Schedule VI to the Companies Act, 1956.

<b>I</b>	<b>Registration details</b>	
	Registration No.	041350
	State code	55
	Balance Sheet date	31/3/2010
<b>II</b>	<b>Capital raised during the year</b>	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement*	30,727
	*Including Premium	
<b>III</b>	<b>Position of mobilisation and deployments of funds</b>	
	Total liabilities	409,753
	Total assets	409,753
	<b>Source of funds</b>	
	Paid-up capital	3,583
	Share Warrant Preferential Attotment	-
	Reserves and surplus	142,123
	Secured loans	210,699
	Unsecured loans	37,504
	Deffered tax liability	15,844
		<b>409,753</b>
	<b>Application of funds :</b>	
	Net fixed assets	147,855
	Investments	28,526
	Net current assets	233,313
	Misc. Expenditure	58
	Accumulated losses	-
		<b>409,753</b>
<b>IV</b>	<b>Performance of the Company</b>	
	Turnover	344,049
	Total expenditure	309,091
	Profit/loss before tax	34,958
	Profit/loss after tax	23,115
	Earning per share	14.47
<b>V</b>	<b>Dividend Rate</b>	20%
	Generic name of principal products of the Company	
	Item Code No. (ITC code)	
	Product description	CONSTRUCTION, READY MIX CONCRETE, TRADING ETC.

**For G.C. SHARDA & CO.**  
Chartered Accountants

**(H.S. Bharana)**  
Chairman & Managing Director

**(J.L. Khushu)**  
Whole Time Director

**CA. Vandna Gopal Sharda**  
Partner

**(Joy Saxena)**  
Group CFO

**(Rajiv Kumar)**  
Company Secretary

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

## SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

### Schedule - O

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### A. Significant Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial statements are set out below:

##### 1) Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis of accounting and on a going concern basis.

##### 2) Revenue Recognition

2.1 In respect of construction contracts revenue is recognised on "Percentage of Completion Method. Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are realised or receipt thereof are mutually settled or reasonable ascertained.

2.2 Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are net of return and exclusive of value added tax.

2.3 Income from wind energy and equipments hiring & management are recognized on accrual basis.

2.4 Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain.

2.5 Accounting for Joint Venture Contracts

(a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the company as that of each independent contract to the extent of work is executed by the company.

(b) In respect of contracts executed in Integrated Joint Venture under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the joint venture are accounted as income on the accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the joint venture is reflected as investments, loans & advances or current liabilities.

##### 3) Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation.

##### 4) Depreciation

Depreciation is provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/disposals during the year is provided for on pro-rata basis.

##### 5) Impairment

Fixed Assets are tested for impairment if there is any indication of their possible impairment. An impairment loss is recognized where the carrying amount of a fixed asset (or cash generating unit) exceeds its recoverable amount, i.e. higher of value in use and net selling price. Impairment loss recognized in one year can get reversed fully or partly in a subsequent years.

##### 6) Capital Work-in-Progress

Costs of assets not ready for use before the year-end and advances paid towards the acquisition of fixed assets are included under Capital Work-in-Progress.

## 7) Borrowing Cost

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of cost of such assets till such time assets become ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

## 8) Investments

Investments are classified into long-term investments and current investments. Long-term investments are stated at cost. Provision for diminution in the value of a long-term investment is made on individual investment basis if such diminution is other than temporary. Current investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

## 9) Inventories

Materials, work in progress, finished goods and stores & spare parts are valued at the lower of cost and net realizable value. Cost of inventories is ascertained on the weighted average cost method. Trading inventories are valued at cost or market value which ever is lower.

## 10) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the respective transactions. In the case of foreign currency denominated monetary assets and monetary liabilities, relating to import of materials, the loss or gain arising from restatement at the balance sheet date / settlement is charged or credited to the profit & loss account, except Foreign Currency Exchange Fluctuation arising on account of FCCB's issued by Company during 2007 has been accounted for as per Notification dated March 31, 2009 pertaining to Accounting Standard (AS 11) issued by the Ministry of Corporate Affairs. Accordingly foreign currency exchange fluctuation attributable to depreciable assets has been adjusted to carrying cost of respective assets and depreciated as per said notification. Foreign Currency Exchange Fluctuation on other items has been debited / credited to "Foreign Currency Monetary Item Translation Difference Account" and has been charged to profit and loss account as per said notification.

## 11) Employee Benefits

- i) Contribution to Provident Fund, a defined contribution plan, is accounted for on accrual basis. The Company continues to make contributions to provident fund plan administered by the Government of India.
- ii) The liability of the company for leave encashment, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary.
- iii) The liability of the company for gratuity, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary.

## 12) Taxes on Income

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period as the related revenue and expenses to which they relate. The differences that exist between profit offered for income tax and the profit before tax as per financial statements are identified and deferred tax assets or deferred tax liabilities are recorded for timing differences, namely, differences that originate in one accounting period and are capable of reversal in future. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. If the company has unabsorbed depreciation or carried forward losses under taxation laws, a much stricter test, viz, virtual certainty of realisation is to be applied for recognition of any deferred tax assets. Deferred tax assets are reviewed for the continuing appropriateness of their recognition as assets at each balance sheet date and written down or written-up to reflect the amount that is reasonably /virtually certain (as the case may be) of realization.

## B) Notes To Accounts

1. Contingent liabilities not provided for :
  - i) In respect of guarantees and letter of credits issued by Banks, outstanding as at 31st March, 2010 Rs.30,256.21 Lacs net of margin (P.Y. Rs. 36, 230.43 Lacs net of margin).
  - ii) In respect of Sales Tax and Entry Tax Rs. 71.42 Lacs (P.Y. Rs. 72.20 Lacs). The demand is being contested before appellate authorities.
  - iii) The Company has received show cause notices in respect of Royalty amounting to Rs. 271.84 Lacs (P.Y. Rs. 257.29 lacs). Appropriate representation is being submitted to respective offices.
  - iv) The Company has received show cause notices in respect of Service Tax amounting to Rs. 3,745.25 Lacs (P.Y. Rs. 3,616.66 lacs). Appropriate representations have been submitted to respective offices.
  - v) The Company has received show cause notices in respect of Custom Duty amounting to Rs. 221.04 Lacs (P.Y. Rs. 77.99 lacs). Appropriate representations have been submitted to respective offices.
  - vi) In respect of other legal cases Rs. 272.50 Lacs (P.Y. Rs. 213.44 Lacs). Appropriate representations have been filed in respect of these matters with the authorities concerned.
  - vii) In respect of Labour Welfare Cess Rs. 85.61 Lacs (P.Y. Rs. 85.61 Lacs). Writ petition has been filed before Hon'ble Supreme Court.
  - viii) The Company has given Corporate Guarantees amounting to Rs. 94,346.00 Lacs (P.Y. Rs. 93,896.00 Lacs) in favour of banks for loans taken by Subsidiary / Associate Companies including Corporate Guarantees amounting to Rs 48,400.00 Lacs (P.Y. 48,400.00 Lacs) for meeting the shortfall in repayment of the loan amount in the event of termination of the Concession Agreement.
2. Maximum amount due at any time during the year from Subsidiaries /Concerns /Companies in which Directors and / or their relatives are interested.

(Rs. in Lacs)

S.No	Name	Current Year	Previous Year
<b>A.</b>	<b>Subsidiaries :</b>		
1	Style and Smile Buildwell Private Limited	5.01	5.01
2	Victor Buildwel Private Limited.	619.19	558.37
3	Era T&D Ltd.	-	118.53
4	ARK Vidhyut Urja Ltd.	-	3.46
5	ARK Transmission & Distribution Ltd.	-	162.68
6	Boconero Ltd.	3.52	1.80
7	Golden Annum Holding Limited	3.05	-
8	Dehradun Highways Project Limited	9.75	-
9	Haridwar Highways Project Limited	15.37	-
10	Kepi Constructions Limited	604.50	-
11	Quillet Constructions Limited	888.00	-
12	Era IT- Zone Private Limited	9.70	-
<b>B.</b>	<b>Others:</b>		
1	Era Landmarks Limited	2,949.00	2,738.34
2	Era Buildsys Limited	8,963.96	448.76
3	Gwalior Bypass Project Limited	246.44	NIL
4	Hyderabad Ring Road Projects Private Limited	Nil	124.51
5	Angraj Trading Pvt. Limited	3,318.10	3,317.10
6	Era Housing & Developers (India) Ltd	Nil	242.58
7	Ramdoot Trade Ventures Pvt. Ltd.	124.75	43.08
8	Atop Infrastructure & Infotech Pvt. Ltd.	509.14	427.76

3. Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. 4,309.20 Lacs (P.Y. Rs. 3,637.70 Lacs).

4. Managerial Remuneration paid/payable to the Directors:

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1.	Remuneration	73.89	71.90
2.	Allowances	71.77	50.86
3.	Director sitting fee	3.20	2.40
	<b>Total</b>	<b>148.86</b>	<b>125.16</b>

5. Amount paid/payable to Auditors:

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1.	Audit Fee	10.00	9.00
2.	Certification / Others	2.50	2.00
3.	Service Tax	1.29	1.13
	<b>Total</b>	<b>13.79</b>	<b>12.13</b>

6. In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities as at the end of year have been provided for.

7. a) The company had raised 750 Nos. Zero Coupon Foreign Currency Convertible Bonds due 2012 (FCCB's) of USD 100,000/- each aggregating USD 75 million at par on January 24, 2007. These Bonds have a maturity period of 5 years 1 day. The Bonds are convertible into equity shares of Rs. 2/- each fully paid at the option of the Bondholders at any time on or after January 24, 2008 and prior to the close of business (at the place where the Bonds are deposited for conversion) on January 10, 2012. The initial conversion price of Rs.158.60 per share has been decided on January 24, 2008 as per the terms of the offer circular dated 17th January 2007.

The Bonds constitute the Company's direct, unconditional, unsubordinated and unsecured obligations and at all time rank pari passu and without any preference or priority among themselves. The Company's payment obligations under the Bonds, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations. Unless previously converted, redeemed or repurchased and cancelled, the Bonds shall be redeemed on January 25, 2012 at 148.95% of their principal amount giving an annual yield of 8.125% per annum calculated on semi annual basis.

The bonds are redeemable only if there is no conversion of the bonds prior to maturity date. The payment of premium on redemption therefore, is contingent in nature, the outcome of which is dependent on uncertain future events. Hence no provision is considered necessary nor has been made in the accounts in respect of such premium for the current year which may amount to Rs 44.04 Crores (Previous Year Rs. 36.33 Crores).

**b) FOREIGN CURRENCY CONVERTIBLE BONDS RECONCILIATION AS ON 31ST MARCH, 2010**

Particulars	No.* Current Year	No.* Previous Year
Foreign Currency Convertible Bonds (FCCBs) B/F	731	750
Less: Number of FCCBs Converted during the year	(22)	(19)
Less: Number of FCCBs buyback during the year	(213)	-
Balance Number of FCCBs pending for conversion	496	731
*1 No. of FCCBs = USD 100,000		

8. Extraordinary item represents gains against buy back of Foreign Currency Convertible Bonds (FCCBs) having face value of USD 21.3 million due in F.Y. 2012 and cancellation of the same.

9. Forward contracts and options in foreign currencies

The company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchanges forward contracts and options reduce the risk or cost to the

company and the company does not use the foreign exchange forward contract or options for trading or speculation purpose.

The company records the gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit & loss account of that period. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the profit and loss account.

10. The provision for dividend for financial year ended on 31st March, 2010 is inclusive of 26,33,302 equity shares allotted during the period from 1st April, 2010 to till date upon conversion of FCCB 's of USD 9.4 million would rank pari-passu with existing shares of the company from date of their allotment with SEBI Circular No. SMDRP/NSDL/3254/2000 dated 18th February, 2000. Accordingly the said shares were also entitled to same dividend (which is declared after the date of their allotment) as the existing shares.

#### 11. Disclosures required by Clause 32 of the Listing Agreement

(Rs. in lacs)

Particulars		Year ended 31st March 2010		Year ended 31st March, 2009	
		Year-end balance	Maximum amount outstanding during the year	Year-end Balance	Maximum amount outstanding during the year
<b>A.</b>	<b>Particulars of loans and advances in the nature of loans</b>				
	<b>1. To Subsidiaries :</b>				
	a) Victor Buildwel Pvt. Limited.	619.19	619.19	555.37	558.37
	b) Style and Smile Buildwell Private Limited	5.01	5.01	5.01	5.01
	c) Golden Annum Holding Limited	3.05	3.05	Nil	Nil
	d) Dehradun Highways Project Limited	9.75	9.75	Nil	Nil
	e) Haridwar Highways Project Limited	15.37	15.37	Nil	Nil
	f) Kepi Constructions Limited	318.26	604.50	Nil	Nil
	g) Era IT- Zone Private Limited	9.70	9.70	Nil	Nil
	h) Era T&D Ltd.	Nil	Nil	Nil	118.53
	i) ARK Transmission & Distribution Ltd.	Nil	Nil	Nil	162.68
	j) ARK Vidyut Urja Ltd.	Nil	Nil	Nil	3.46
	k) Boconero Ltd	3.52	3.52	1.65	1.80
	l) Quillet Constructions Limited	Nil	888.00	-	-
	Total	983.85	2,158.09	562.03	2,097.07
	<b>2. To Associates :</b>				
	a) Hyderabad Ring Road Projects Pvt. Ltd.	Nil	Nil	Nil	124.51
	<b>3. To Firms/Companies in which directors are interested</b>	Nil	Nil	Nil	Nil
	<b>4. (a) Where there is no repayment schedule or repayment schedule is beyond seven years</b>	937.45	2,111.69	555.37	2,090.26
	<b>(b) No interest is stipulated or it is below bank rate:</b>	46.40	46.40	6.66	6.81
<b>B.</b>	<b>Investment in the shares of the company or any of its subsidiaries by any of the loanes as stated above</b>	Nil	Nil	Nil	Nil



## 12. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

(Rs. in lacs)

Particulars	Current Year	Previous Year
<b>Deferred Tax Assets</b>		
Provision for Retirement Benefits	144.52	97.71
Others	80.92	1,210.93
<b>Deferred Tax Liabilities</b>		
Difference in Depreciation for accounting and tax purpose	16,069.86	10,413.25
<b>Net Deferred Tax Liabilities</b>	<b>15,844.42</b>	<b>9,104.61</b>

## 13. Segment Reporting :

### (a) Business Segments:

Business segments have been identified in line with Accounting Standards on Segment Reporting 'AS-17'. Contracts, Energy, Ready Mix Concrete (RMC), Trading and Equipment Hiring & Management (EHM) are the primary business segments of the company.

(Rs. In lacs)

S.No	Business Segments	Contracts	RMC	EHM	Wind Energy	Trading/ Others	Total
<b>A.</b>	<b>Segment Revenue</b>						
	External Revenue	291,213.25	4,043.88	9,636.01	563.21	36,090.47	341,546.82
	Inter-Segment Revenue		2,061.17	6,657.79	-		8,718.96
	<b>Total</b>	<b>291,213.25</b>	<b>6,105.05</b>	<b>16,293.80</b>	<b>563.21</b>	<b>36,090.47</b>	<b>350,265.78</b>
<b>B.</b>	<b>Segment Results {Profit/(Loss)}</b>						
	Unallocable Corporate Expenses	41,842.49	39.02	11,894.60	174.70	979.69	54,930.50
	Unallocable Corporate Income						57.55
	Operating Profit						1,450.38
	Interest Expenses						56,323.33
	Interest Income						22,416.74
	Income Tax (Provision for Tax Current & Deferred)						1,051.53
	<b>NET PROFIT</b>						11,843.55
							23,114.57
<b>C.</b>	<b>Other Information</b>						
	Segment Assets	355,811.64	4,600.51	70,729.03	4,376.70	981.47	436,499.34
	Unallocable Assets						28,583.79
	<b>Total Assets</b>						<b>465,083.13</b>
	Segment Liabilities	251,064.29	2,789.26	63,824.43	1,698.46	-	319,376.45
	Capital Expenditure	3,890.57	593.34	29,998.18	-	-	34,482.09
	Depreciation	4,707.90	220.55	1,955.89	266.93	-	7,151.27
	Non cash expenses other than depreciation	-	-	-	-	-	-

(b) Geographical Segments: Since Company operates only in India, there are no geographical segments as defined in AS 17.

#### 14. Disclosure relating to Employees Benefits - as per revised AS-15

(Rs.in lacs)

A)	Expenses recognized in the Statement of Profit & Loss	Gratuity (2009-10)	Gratuity (2008-09)	Leave Encashment (2009-10)	Leave Encashment (2008-09)
1)	Current Service Cost	98.65	65.13	39.17	26.78
2)	Interest Cost	18.77	12.86	4.94	2.27
3)	Expected Return on Plan Assets	-	-	-	-
4)	Actuarial (Gain)/Loss Recognized in the I.V.P.	(13.46)	(10.47)	0.48	2.53
5)	Expenses Recognized in the statement of Profit & Loss	103.96	67.51	43.63	31.58
B)	Amount to be recognized in the Balance Sheet				
1)	Present Value of Obligation at the end of the I.V.P	331.51	227.55	103.56	59.93
2)	Fair Value of Plan Assets at the end of the I.V.P.	-	-	-	-
3)	Funded Status	(331.51)	(227.55)	(103.56)	(59.93)
4)	Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P	-	-	-	-
5)	Net Asset/Liability Recognized in the Balance Sheet	331.51	227.55	103.56	59.93
C)	Changes in the Present Value of Obligations				
1)	Present Value of Obligation at the beginning of the I.V.P	227.55	160.71	59.93	28.41
2)	Interest Cost	18.77	12.86	4.94	2.27
3)	Current Service Cost	98.65	65.13	39.17	26.78
4)	Benefits Paid	-	0.67	-	0.066
5)	Actuarial (Gain)/Loss on Obligation	(13.46)	(10.47)	0.48	2.53
6)	Present Value of Obligation at the end of the I.V.P	331.51	227.55	103.56	59.93
D)	Actuarial gain/Loss Recognized				
1)	Actuarial Gain/(Loss) on Obligations	13.46	10.47	(0.48)	(2.53)
2)	Actuarial Gain/(Loss) on Plan Assets	-	-	-	-
3)	Total (Gain)/Loss for the I.V.P.	(13.46)	(10.47)	0.48	2.53
4)	Actuarial (Gain)/Loss Recognized in the I.V.P	(13.46)	(10.47)	0.48	2.53
5)	Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P.	-	-	-	-
E)	Actuarial Assumption				
1)	Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
2)	Attrition Rate	05.00 % p.a.	05.00 % p.a.	05.00 % p.a.	05.00 % p.a.
3)	Imputed Rate of Interest	08.25 % p.a.	08.00 % p.a.	08.25 % p.a.	08.00 % p.a.
4)	Salary Rise	07.00 % p.a.	07.00 % p.a.	07.00 % p.a.	07.00 % p.a.
5)	Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
6)	Remaining Working Life	21 Yrs	21 Yrs	21 Yrs	21 Yrs

### 15. Earnings Per Share:

Calculation of earnings per share - Basic & Diluted

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<b>Earnings</b>				
Net profit attributable to equity shareholders Before extraordinary items (Rs. in lacs)	23,114.57	23,114.57	20,261.46	20,261.46
<b>Shares</b>				
Weighted average number of equity shares outstanding during the year	159,765,402	159,765,402	125,784,509	125,784,509
Weighted average number of equity shares resulting from assumed conversion of warrants & FCCB	Nil	7,336	Nil	Nil
Weighted average number of equity shares for calculation of earnings per share	159,765,402	159,772,738	125,784,509	125,784,509
<b>Earnings per share of face value of Rs 2/-</b>	14.47	14.47	16.11	16.11
Net profit attributable to equity shareholders After extraordinary items (Rs. in lacs)	27,940.78	27,940.78		
<b>Earnings per share of face value of Rs 2/-</b>	17.49	17.49		

### 16. Disclosure in accordance with Accounting Standard - 7 (Revised)

(Rs. in lacs)

Particulars	Current Year	Previous Year
Contract Revenue	291,213.25	199,623.82
Contract Cost incurred	249,370.76	171,273.85
Recognized Profits / losses	41,842.49	28,349.97
Advances received	5,897.78	42,812.57
Amount due from customer for contract work	91,980.23	71,552.24
Amount due to customer for contract work	9,344.80	16,034.02

## 17. Related Party Disclosures

### A) Direct Subsidiary Companies:

- Victor Buildwel Pvt. Ltd
- Era T&D Limited (1.04.09 to 30.4.2009 & from 30.03.2010)
- Style and Smile Buildwell Private Limited
- Era IT- Zone Private Limited
- Era Infrastructure (India) Limited
- Golden Annum Holding Limited
- Boconero Limited
- Quillet Constructions Limited
- Kepi Constructions Limited
- Dehradun Highways Project Limited
- Haridwar Highways Project Limited

### B) Step Subsidiary Companies:

- ARK Transmission & Distribution Limited (1.04.09 to 30.4.2009 & from 30.03.2010)
- ARK Vidhyut Urja Limited (1.04.09 to 30.4.2009 & from 30.03.2010)

### C) Names of related parties with whom transactions have taken place during the year:

#### i. Joint Ventures & Associates

Era -Patel -Advance- Kiran Joint Venture, Era -Patel -Advance Joint Venture, Rani-Era Joint Venture, Induni - Era - Joint Venture, KMB -ERA Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Pvt. Ltd., West Haryana Highways Projects Pvt. Ltd., Era Energy Limited, Era Buildsys Limited, Era Infra Optima Energostroy Joint Venture.

#### ii. Individual owing directly or indirectly, an interest in the voting power the reporting enterprises and relatives of any such individual:

Mr. H.S. Bharana (CMD), H.S. Bharana HUF (Karta is CMD), Mrs. Rekha Bharana (Wife of CMD), Ms. Rashmi Bharana (D/o CMD) , Mr. Vaibhav Bharana (S/o CMD), Mr. Dheeraj Singh (Brother of CMD), Mr. Brij Singh (Brother of CMD).

#### iii. Other key management personnel.

Mr. J.L. Khushu, Whole Time Director

#### iv Enterprises over which key Management personnel/ individual owing directly or indirectly, an interest in the voting power of the reporting enterprises that give them control or significant influence over the enterprises have significant influence:

Hi-Point Investment & Finance Pvt. Limited, Era E-Zone (India) Limited, Era Housing & Developers (India) Limited, Atop Infrastructure & Infotech Pvt. Ltd., Era Agritech (India) Pvt. Ltd., Era Logistics (India) Pvt. Limited, Era Landmarks Limited, Ramdoot Trade Ventures Private Limited, Black Stone Mines & Minerals Pvt. Limited, Goglet Infotech Pvt. Limited, Xema Infrastructure Pvt. Limited, Xebec Hospitality Pvt. Limited, Angraj Trading Pvt. Limited.

### Related Party Transactions and Balances:

(Rs. in lacs)

Particulars	Subsidiary & Step Subsidiaries (Note 17-A & B)		Joint Ventures, Associates & Enterprises (Note (Notes 17 C (i) & (iv))		Individual owing significant shareholding (Notes 17 C (ii))		Other Key Management Personnel (Notes 17 C (iii))		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Loans & Advances given	337.14	159.30	3,876.00	-	-	-	-	-	4,213.14	159.30
- Investments	9,326.17	21.70	1,033.20	7,309.95	-	-	-	-	10,359.37	7,331.65
- Share Application Money Paid	-	510.00	-	-	-	-	-	-	-	510.00
- Bill Raised	-	1,093.42	80,387.91	51,895.32	-	-	-	-	80,387.91	52,988.74
- J.V.Income	-	-	112.05	132.25	-	-	-	-	112.05	132.25
- Interest received	133.31	80.91	-	-	-	-	-	-	133.31	80.91
- Materials Supplied	109.69	3,070.60	2,556.09	3,987.91	-	-	-	-	2,665.78	7,058.51
- Sale of Investment	-	-	240.30	-	-	-	-	-	240.30	-
- Purchase of Investment	-	-	240.29	-	-	-	-	-	240.29	-
- Interest paid	-	0.07	-	-	-	-	-	-	-	0.07
- Preferential Allotment	-	-	17,000.00	-	-	-	-	-	17,000.00	-
- Purchase of Materials	-	-	6,035.57	7,203.43	-	-	-	-	6,035.57	7,203.43
- Contract Expenses Paid	115.17	3,224.12	6,194.22	4,463.31	-	-	-	-	6,309.39	7,687.43
- Reimbursement of Expenses Received	-	4.88	0.55	94.01	-	-	-	-	0.55	98.89
- Salary paid	-	-	-	-	93.64	78.00	52.03	47.16	145.66	125.16
- Dividend Paid	-	-	281.45	151.65	51.78	51.99	-	0.03	333.23	203.67
-Due from (as at year-end)	983.85	562.03	10,208.95	3,238.93	-	-	-	-	11,192.80	3,841.14
-Due to (as at year-end)	96.94	115.65	8,365.31	22,280.12	-	-	3.83	0.56	8,466.08	22,396.33

18. As per the information received by company owes to micro & small enterprise namely M/s Hindustan Colas Ltd. for the purpose of requisite disclosure under the Micro, Small & Medium Enterprises Development Act, 2006.
19. The names of small scale industrial undertakings to whom company owes a sum outstanding for more than 30 days are Jain Spun Pipe Co., Shalimar Seal & Tar Products Industries, Testwell Instrument Co., Balaji Pipe Industries.
20. Fixed Deposits with scheduled banks include FDR's pledged with banks / government authorities.
21. Unclaimed dividends not yet due for deposit in Investor Education and Protection Fund.

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1	2003-04	1.22	1.22
2	2004-05	2.69	2.69
3	2005-06	4.72	4.74
4	2006-07	3.30	3.36
5	2007-08	2.57	2.69
6	2008-09	2.74	-

**22. Additional information pursuant to the provisions of paragraph 3, 4C, 4D of part II of schedule VI of the Companies Act, 1956.**

A. The Company is primarily engaged in the business of construction as Contractor. Such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details and the information as required under paragraphs 3 and 4C of Part II of Schedule VI of the Companies Act, 1956, however information relating to ready mix concrete, wind energy and trading division are disclosed as under:

**a. Ready Mix Concrete**

i)	Licensed & Installed capacity and production	Unit of Quantity	Licensed & Installed Capacity		Production	
			2010	2009	2010	2009
	1. RMC Plants	Cum.	264,000	264,000	183,602	158,157
	2. Crusher Plant	MT	720,000	720,000	246,746	77,573
		Unit of Quantity	Quantity		Value (Rs. in lacs)	
			2010	2009	2010	2009
ii)	<b>Sales</b>					
	a. Ready Mix Concrete	Cum.	150,350	129,016	4,039.61	3,629.68
	b. Aggregate	MT	3,762	-	4.27	-
	c. Captive Consumption - Ready Mix Concrete	Cum.	33,252	29,141	1,061.54	905.34
	d. Captive Consumption - Aggregate	MT	239,389	30,528	999.63	100.87
iii)	<b>Opening Stock</b>					
	a. Ready Mix Concrete	Cum.	-	-	-	-
	b. Aggregate	MT	47,045	-	82.47	-
iv)	<b>Closing Stock</b>					
	a. Ready Mix Concrete	Cum.	-	-	-	-
	b. Aggregate	MT	50,640	47,045	99.41	82.47
v)	<b>Raw Material Consumed During the Year</b>					
	a. Cement	Bags	868,650	798,346	1,785.62	1,627.44
	b. Aggregate	CFT	5,007,494	4,488,600	1,268.05	1,052.95
	c. Sand Wash	CFT	2,994,550	2,683,021	687.54	572.55
	d. Admixture / Fly Ash	MT.	19,778	15,331	328.03	301.85
	e. Others		-	-	677.48	33.38
	<b>Total</b>				<b>4,746.72</b>	<b>3,588.17</b>

**b. Wind Energy**

i)	Licensed & Installed capacity and production	Unit of Quantity	Licensed & Installed Capacity		Production	
			2010	2009	2010	2009
	Wind Energy	MWH	87,600	87,600	15,686	16,244

	Unit of Quantity	Quantity		Value (Rs. in lacs)	
		2010	2009	2010	2009
Sales	MWH	15,686	16,244	563.21	568.56
Opening Stock	MWH	-	-	-	-
Closing Stock	MWH	-	-	-	-

**c) Trading**

	Unit of Quantity	Quantity		Value (Rs. in lacs)	
		2010	2009	2010	2009
<b>i) Sales</b>					
a) Construction Materials	MT/K	104.70	80.93	35,115.07	28,158.39
b) Construction Equipments	Nos.	12	10	975.4	578.33
c) Others	MT/K	-	38.632	-	1,502.16
				36,090.47	30,238.88
<b>ii) Opening Stock</b>					
a) Construction Materials	MT/K	-	-	-	-
b) Construction Equipments	Nos.	-	-	-	-
c) Others	MT/K	22.997	-	981.47	-
				981.47	-
<b>iii) Closing Stock</b>					
a) Construction Materials	MT/K	-	-	-	-
b) Construction Equipments	Nos.	-	-	-	-
c) Others	MT/K	-	22.997	-	981.47
				-	981.47
<b>iv) Purchases</b>					
a) Construction Materials	MT/K	104.70	80.93	34,158.27	27,512.62
b) Construction Equipments	Nos.	12	10	946.99	561.48
c) Others	MT/K		61.629		2,422.41
				35,105.26	30,496.51

**B. Value of Import on CIF Basis**

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
a.	Material	1,653.27	561.48
b.	Capital Goods	5,203.52	3,208.17
c.	Spare Parts	68.04	31.16



**C. Expenditure incurred in Foreign Currency:**

(Rs. in lacs)

Particulars	Current Year	Previous Year
Travelling	10.33	11.54
Legal & Professional	588.48	361.29
Interest	230.20	Nil
Others	Nil	81.73

**D. Income in Foreign Currency:**

(Rs. in lacs)

Particulars	Current Year	Previous Year
Export Sale	Nil	1,502.16
Management Fee	51.65	Nil
Others	Nil	117.55

23. Previous Year's figures have been regrouped and/or rearranged to conform to those of current year's figures, wherever necessary.

24. Figures are nearest rupees In Lacs.

25. Schedule "A" to "O" are integral part of Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For and on behalf of the Board

**For G.C. SHARDA & CO.**  
Chartered Accountants

**(H.S. Bharana)**  
Chairman & Managing Director

**(J.L. Khushu)**  
Whole Time Director

**CA. Vandna Gopal Sharda**  
Partner  
M. No. : 091051  
FRN : 500041N

**(Joy Saxena)**  
Group CFO

**(Rajiv Kumar)**  
Company Secretary

Place : New Delhi.  
Date : 31st May, 2010

# Consolidated Auditors' Report

To  
The Board of Directors,  
Era Infra Engineering Limited  
New Delhi

1. We have audited the attached Consolidated Balance Sheet of Era Infra Engineering Limited ('the Company') and its subsidiaries (collectively referred as 'Era Group') as at March 31, 2010 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount 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 financial statement presentation. We believe that our audit provides a reasonable basis for your opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
4. Audit of an associate namely Era Buildsys Limited has not been conducted, whose share of profit Rs. 394.73 lacs as at March 31, 2010 incorporated in consolidated financial of company. The figure of the associate has been incorporate on the basis of unaudited financial statements prepared by the management of the said associate.
5. Subject to above, based on our audit and on consideration of report of other auditors on separate financial statement and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view with the accounting principles generally accepted in India.
  - (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the ERA Group as at March 31, 2010;
  - (ii) In the case of Consolidated Profit and Loss Account, of the profit for the year ended on that ; and
  - (iii) In the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For G. C. SHARDA & CO.**  
Chartered Accountants

**CA. Vandna Gopal Sharda**  
Partner  
M. No. : 091051  
FRN : 500041N  
Place : New Delhi.  
Date : 31st May, 2010

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in lacs)

PARTICULARS	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>I SOURCES OF FUNDS</b>			
(1) Shareholders' Funds			
(a) Share Capital	A	3,583.33	2,871.00
(b) Reserves and Surplus	B	143,198.57	85,608.35
		<b>146,781.90</b>	<b>88,479.35</b>
(2) Minority Interest		92.45	51.17
(3) Loan Funds			
(a) Secured Loans	C	211,371.99	126,828.90
(b) Foreign Currency Convertible Bonds (Unsecured)		22,503.52	37,127.49
(c) Other Unsecured Loans	D	15,428.89	16,549.31
		<b>249,304.40</b>	<b>180,505.70</b>
(4) Deferred Tax Liabilities (net)		15,842.27	9,103.45
	<b>Total (1+2+3)</b>	<b>412,021.02</b>	<b>278,139.68</b>
<b>II APPLICATION OF FUNDS</b>			
(1) Fixed Assets			
(a) Gross Block	E	152,788.65	117,767.96
(b) Less : Accumulated Depreciation		14,709.13	7,974.01
(c) Net Block		<b>138,079.52</b>	<b>109,793.95</b>
(d) Capital Work in Progress		10,444.01	10,534.17
		<b>148,523.53</b>	<b>120,328.12</b>
(2) Investments	F	28,065.75	17,726.61
(3) Current Assets, Loans & Advances	G		
(a) Inventories		92,000.50	68,444.56
(b) Sundry Debtors		93,890.83	72,824.32
(c) Cash & Bank Balances		46,906.50	17,977.97
(d) Other Current Assets		487.84	276.26
(e) Loans & Advances		57,600.76	34,756.65
		<b>290,886.43</b>	<b>194,279.76</b>
Less : Current Liabilities & Provisions	H		
(a) Current Liabilities		54,225.77	54,307.71
(b) Provisions		1,286.46	989.80
		<b>55,512.24</b>	<b>55,297.51</b>
Net Current Assets		<b>235,374.19</b>	<b>138,982.25</b>
(4) Foreign Currency Monetary Item Translation Diff. A/C		57.55	1,102.71
	<b>Total (1+2+3+4)</b>	<b>412,021.02</b>	<b>278,139.68</b>
Significant Accounting Policies and Notes to Accounts	O		

The schedules referred to above form an integral part of the Balance Sheet.

### Auditors' Report

As per our report of even date attached

For and on behalf of the Board

### For G.C. SHARDA & CO.

Chartered Accountants

### CA. Vandna Gopal Sharda

Partner

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

(H.S. Bharana)  
Chairman & Managing Director

(Joy Saxena)  
Group CFO

(J.L. Khushu)  
Whole Time Director  
(Rajiv Kumar)  
Company Secretary

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs. in lacs)

PARTICULARS	Schedule	Year Ended 31st March, 2010	Year Ended 31st March, 2009
<b>I. Income</b>			
Turnover	I	344,841.24	240,145.55
Other Income	J	2,855.34	3,536.50
		<b>347,696.59</b>	<b>243,682.05</b>
<b>II. Expenditure</b>			
Direct Project Expenses	K	265,017.73	188,455.46
Personnel Expenses	L	10,158.12	6,724.33
Administrative Expenses	M	4,037.06	6,621.09
Financial Expenses	N	25,762.84	17,358.05
Depreciation	E	7,163.25	4,596.31
		<b>312,139.00</b>	<b>223,755.24</b>
<b>Profit from ordinary Activities Before Tax</b>		<b>35,557.58</b>	<b>19,926.81</b>
Tax Expense			
-- Current Tax		6,007.97	3,650.46
-- Deferred Tax		6,740.45	3,250.48
-- MAT Credit/Fringe Benefit Tax		(1,109.34)	43.61
-- Tax Adjustment for Earlier Years		280.17	(1,466.49)
<b>Net Profit from Ordinary Activities after Tax</b>		<b>23,638.33</b>	<b>14,448.75</b>
Add: Extraordinary Items (net) (refer to note no. 6)		4,826.21	-
<b>Net Profit After Extra Ordinary Item</b>		<b>28,464.55</b>	<b>14,448.75</b>
Less: Minority Interest		38.67	14.07
<b>Net Profit After Minority Interest</b>		<b>28,425.87</b>	<b>14,434.68</b>
Balance of Profit & Loss Account brought forward		34,508.66	23,182.68
<b>Profit available for Appropriations</b>		<b>62,934.53</b>	<b>37,617.36</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		727.20	574.76
Corporate Dividend Tax		123.59	97.68
Transfer to General Reserve		2,790.00	2,026.00
Exchange Difference on FCCBs AS-11(Revised)		-	2,540.26
Transfer to Debenture Redemption Reserve		390.00	(2,130.00)
Surplus carried over to Balance Sheet		58,903.75	34,508.66
		<b>62,934.53</b>	<b>37,617.36</b>
Earnings per share (before extraordinary items) (Rs Per Equity share of Rs.2/- each)			
- Basic		14.80	11.48
- Diluted		14.79	11.48
Earnings per share (after extraordinary items) (Rs Per Equity share of Rs.2/- each)			
- Basic		17.79	11.48
- Diluted		17.79	11.48
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>O</b>		

The schedules referred to above form an integral part of the Profit & Loss Account.

### Auditors' Report

As per our report of even date attached

**For G.C. SHARDA & CO.**

Chartered Accountants

**CA. Vandna Gopal Sharda**

Partner

M. No. : 091051

FRN : 500041N

Place : New Delhi.

Date : 31st May, 2010

For and on behalf of the Board

**(H.S. Bharana)**  
Chairman & Managing Director  
**(Joy Saxena)**  
Group CFO

**(J.L. Khushu)**  
Whole Time Director  
**(Rajiv Kumar)**  
Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)		
PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE - A</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
- 30,00,00,000 (Previous year 20,00,00,000) Equity Shares of 2/- each	6,000.00	4,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
- 17,91,66,325 (Previous year : 14,35,50,022) Equity Shares of Rs.2/-each fully paid up	3,583.33	2,871.00
<b>Total (A)</b>	<b>3,583.33</b>	<b>2,871.00</b>
<b>Notes:</b>		
Includes 157,36,400 Equity Shares of Rs.2/- each issued as fully paid up bonus shares by capitalization of securities premium account & profit & loss account		
<b>SCHEDULE - B</b>		
<b>Reserves and Surplus</b>		
(A) Securities Premium Account		
As per last Balance Sheet	44,581.96	20,923.44
Addition during the year	30,015.13	23,658.52
	<b>74,597.09</b>	<b>44,581.96</b>
(B) Debenture Redemption Reserve		
As per last Balance Sheet	2,040.00	4,170.00
Transfer from Profit & Loss Account	390.00	(2,130.00)
	<b>2,430.00</b>	<b>2,040.00</b>
(C) General Reserve		
As per last Balance Sheet	4,477.73	2,451.73
Transfer from Profit & Loss Account	2,790.00	2,026.00
	<b>7,267.73</b>	<b>4,477.73</b>
(D) Profit & Loss Account	58,903.75	34,508.66
<b>Total (B)</b>	<b>143,198.57</b>	<b>85,608.35</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE - C</b>		
<b>Secured Loans</b>		
(a) Term Loan from Bank	40,452.07	-
(b) Borrowings From Banks	94,608.96	81,087.49
(c) Equipment Finance	18,355.39	14,233.07
(d) Mobilisation Advances from Clients	340.49	9,980.43
(e) Other Loans & Advances	261.78	236.25
(f) External Commercial Borrowing	4,537.00	-
(g) Non-Convertible Debentures	52,816.30	21,291.67
<b>Total (C)</b>	<b>211,371.99</b>	<b>126,828.90</b>

### NOTE :

- 1 Term Loan and External Commercial Borrowings (ECB) are secured by way of first pari passu charge on the movable and immovable fixed assets of the company and second charge on the current assets of the company, further ECB is secured by way of DSRA account. Borrowings from banks are secured by way of hypothecation of stock, book-debts and in some cases other current assets both present and future of the company through pari-passu and/or second, subservient charge on current & fixed assets of the company. In some cases these are further secured by way of first pari passu charge on movable and immovable fixed assets of the company and further secured by equitable mortgage of certain personal assets, investment and personal guarantees of Mr. H.S.Bharana, Chairman & Managing Director/ his associates /relatives as the case may be.
- 2 Equipment Finances are secured by way of hypothecation of respective assets.
- 3 Mobilisation advance from clients are secured against guarantees.
- 4 Other Loans and advances are secured against pledge of key man insurance policies.
- 5 Non- convertible debentures are secured against the first pari passu charge on the fixed assets, non agricultural land situated at Distt. Mehsana, Gujarat, and /or mortgage of third party immoveable assets as the case may be except in respect of 2000 Nos. of non convertible debentures of Rs.10 lacs each against which security creation is under process.

(Rs. in lacs)

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE - D</b>		
<b>Unsecured Loans</b>		
Inter Corporate Deposits	-	228.98
Public Deposits	-	2.08
Loans from Banks	15,000.00	15,888.36
Others	428.89	429.89
<b>Total (D)</b>	<b>15,428.89</b>	<b>16,549.31</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### Schedule-E

(Rs. in lacs)

SNO.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 1-Apr-09	Additions during the year	Sold/ Adjustment during the year	Total as on 31-Mar-10	Upto 1-Apr-09	For The Year	Adjust-ment	Upto 31-Mar-10	Written Down Value as on 31-Mar-10	Written Down Value as on 31-Mar-09
1	Land	337.54	4.20	-	341.74	-	-	-	-	341.74	337.54
2	Leasehold Land	200.04	1.29	-	201.33	6.00	2.00	-	8.00	193.33	194.04
3	Factory Building	386.00	5.07	-	391.07	8.84	13.03	-	21.87	369.20	377.16
4	Plant & Machinery	110,418.99	38,734.26	4,064.98	145,088.27	6,928.36	6,714.68	418.56	13,224.48	131,863.79	103,490.63
5	Tractor/ Trucks	148.66	47.31	-	195.97	42.33	11.63	-	53.96	142.01	106.33
6	Furniture & Fixture	204.55	29.71	-	234.26	49.84	13.41	-	63.25	171.01	154.71
7	Office Equipment	168.68	38.02	0.12	206.58	32.83	9.46	0.02	42.26	164.32	135.85
8	Vehicle	416.98	106.65	31.31	492.32	98.51	41.57	10.22	129.86	362.46	318.47
9	Data Processing Machine	495.99	103.50	-	599.49	212.52	85.24	-	297.76	301.73	283.47
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	594.77	263.50	-	858.27	4,132.25	4,395.75
11	Goodwill	-	47.10	-	47.10	-	9.42	-	9.42	37.68	-
	Less : Dep. Capitalised						(0.70)				
	<b>Total</b>	<b>117,767.95</b>	<b>39,117.10</b>	<b>4,096.42</b>	<b>152,788.65</b>	<b>7,974.00</b>	<b>7,163.25</b>	<b>428.80</b>	<b>14,709.13</b>	<b>138,079.52</b>	<b>109,793.95</b>
	Previous Year	57,745.12	61,068.83	1,046.00	117,767.95	3,969.33	4,596.31	592.57	7,974.00	109,793.95	53,775.80
	Capital Work In Progress									10,444.01	10,534.17
	<b>Total</b>									<b>148,523.53</b>	<b>120,328.12</b>

(Rs. in lacs)

PARTICULARS				As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE - F</b>					
<b>Investments-Long Term (Unquoted)</b>					
<b>a) Government Securities</b>					
- M.P. Finance Corp. Bond - 2012	Current Year	Previous Year		<b>5.76</b>	5.76
- 11.5% Govt of India -2011	Nos.	Nos.		<b>14.61</b>	14.61
- 12% Govt of India -2008				-	3.35
<b>TOTAL (a)</b>				<b>20.37</b>	<b>23.71</b>
<b>b) Quoted (Trade)</b>					
- Equity shares of Era E-Zone (India) Ltd	1,110,000	1,110,000		<b>554.50</b>	554.50
<b>TOTAL ( b )</b>				<b>554.50</b>	<b>554.50</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

PARTICULARS	Current Year Nos.	Previous Year Nos.	As at 31st March, 2010	As at 31st March, 2009
<b>c) Unquoted (Trade)</b>				
- Equity Shares of West Haryana Highways Projects Pvt.Ltd.	24,500	24,500	2.45	2.45
- Preference Shares of West Haryana Highways Projects Pvt Ltd	1,513,334	814,114	9,080.00	4,884.68
- Equity Shares of Gwalior Bypass Project Ltd.	19,500	19,500	1.95	1.95
- Preference Shares of Gwalior Bypass Project Ltd.	2,196,135	1,243,635	8,784.54	4,974.54
- Equity Shares of Hyderabad Ring Road Project Private Limited	11,720	11,720	1.17	1.17
- Preference Shares of Hyderabad Ring Road Project Private Limited	1,433,027	1,074,777	5,732.11	4,299.11
- Equity Shares of Era Buildsys Ltd.	2,407,000	2,407,000	2,171.74	1,777.01
- Shares of SPA Group Era India Algeria	35,000	35,000	68.81	68.81
- Axis Infrastructure Fund 1			1,648.11	1,138.67
<b>TOTAL ( c )</b>			<b>27,490.88</b>	<b>17,148.40</b>
<b>TOTAL ( a+b+c )</b>			<b>28,065.75</b>	<b>17,726.61</b>
The aggregate book value and market value of quoted investments and book value of unquoted investments are as follows:				
<b>Quoted Investments</b>				
aggregate book value			554.50	554.50
aggregate market value			334.11	144.30
Aggregate book value of unquoted investments			27,511.25	17,172.11
Aggregate book value of Government Securities			20.37	23.72

### Movements in investments during the year:

#### Addition:

- 6,99,220 Preference Shares of West Haryana Highways Proj. Pvt Ltd of Rs. 100/- each, fully paid up
- 9,52,500 Preference Shares of Gwalior Bypass Project Ltd.of Rs. 100/- each, fully paid up
- 3,58,250 Preference Shares of Hyderabad Ring Road Project Private Limited of Rs. 100/- each, fully paid up
- Axis Infrastructure Fund 1

#### Deletion :

- 12% Govt of India -2008

## SCHEDULE - G

### Current Assets, Loans & Advances

#### A. Current Assets

##### a. Inventories

(i) Materials in Hand	52,235.76	41,719.11
(ii) Stores & Spares	503.54	669.05
(iii) Work in Progress	38,538.49	25,510.61
(iv) Materials in Transit	722.71	545.79
<b>Total (a)</b>	<b>92,000.50</b>	<b>68,444.56</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rs. in lacs)	
PARTICULARS		As at 31st March, 2010	As at 31st March, 2009
<b>b. Sundry Debtors</b> (Unsecured, considered good)			
(i) Outstanding for a period exceeding six months		9,874.74	4,125.15
(ii) Others		84,016.09	68,699.17
<b>Total (b)</b>		<b>93,890.83</b>	<b>72,824.32</b>
<b>c. Cash &amp; Bank Balances</b>			
(i) Cash in Hand		70.29	298.59
(ii) Cash at Sites		44.43	60.18
(iii) Foreign Currency in Hand		4.06	7.69
(iv) Balance with scheduled banks in			
- Current Accounts		8,539.88	7,008.87
- Fixed Deposit Accounts		38,230.60	10,587.94
(v) Unpaid Dividend Account		17.24	14.70
		46,906.50	17,977.97
<b>d. Other Current Assets</b>			
Interest Accrued	<b>Total (c)</b>	487.84	276.26
	<b>Total (d)</b>	487.84	276.26
<b>Total (A) (a+b+c+d)</b>		<b>233,285.67</b>	<b>159,523.11</b>
<b>B. Loans &amp; Advances</b> (Unsecured, considered good)			
(a) Advances recoverable in cash or in kind or for value to be received		55,630.20	33,639.78
(b) Loans		785.50	550.17
(c) Prepaid Taxes (Net of Provisions)		66.02	566.71
(d) Share Application Money		9.70	-
(e) MAT Credit Entitlement		1,109.34	-
<b>Total (B)</b>		<b>57,600.76</b>	<b>34,756.65</b>
<b>Total (A+B)</b>		<b>290,886.43</b>	<b>194,279.76</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)		
PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE - H</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>A. Current Liabilities</b>		
(a) Sundry Creditors		
-Outstandings of SSI/SME Undertakings	128.81	33.55
-Others	40,090.97	43,902.87
(b) Mobilisation & Other Advances	9,044.30	6,648.88
(c) Bank Overdrafts	1,140.15	487.17
(d) Other Current Liabilities	3,804.31	3,220.54
(e) Unpaid Dividend Payable	17.24	14.70
<b>Total (A)</b>	<b>54,225.77</b>	<b>54,307.71</b>
<b>B. Provisions</b>		
a) Provision for Tax (Net of Prepaid Tax)	0.60	-
b) Provision for Fringe Benefit Tax (Net of Advance Tax Paid)	-	29.88
c) Provision for Retirement Benefits	435.07	287.48
d) Proposed Dividend	727.20	574.76
e) Tax on Proposed Dividend	123.59	97.68
<b>Total (B)</b>	<b>1,286.46</b>	<b>989.80</b>
<b>Total (A+B)</b>	<b>55,512.24</b>	<b>55,297.51</b>

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Rs. in lacs)

PARTICULARS	31st March, 2010	31st March, 2009
<b>SCHEDULE - I</b>		
<b>Turnover</b>		
Contract	294,507.67	196,777.74
Ready Mix Concrete	4,043.88	3,629.68
Wind Energy	563.21	568.56
Real Estate	-	1,705.00
Equipment Hiring & Management	9,636.01	7,225.69
Sales - Trading	36,090.47	30,238.88
<b>Total (I)</b>	<b>344,841.24</b>	<b>240,145.55</b>
<b>SCHEDULE - J</b>		
<b>Other Income</b>		
Interest Income		
- Banks	904.98	2,451.90
- Other Interest	144.65	9.15
(Tax Deducted at source Rs. 109.24 lacs P.Y.:Rs.601.81 lacs)		
Profit on Sale of Fixed Assets	637.88	880.67
Miscellaneous Income	474.57	459.41
Foreign Exchange Fluctuation	134.82	(471.59)
Income From Joint Venture	112.06	133.66
Profit of Associates Company	394.73	73.29
Management Fee	51.65	-
<b>Total (J)</b>	<b>2,855.34</b>	<b>3,536.50</b>
<b>SCHEDULE - K</b>		
<b>Direct Contract Expenses</b>		
Direct Project Expenses	231,388.06	166,865.90
(Increase)/Decrease in Stock	(11,605.60)	(15,812.56)
Service Tax	3,711.29	2,731.08
Works Contract Tax	6,418.72	4,099.51
Trading Purchases	35,105.26	30,571.53
<b>Total (K)</b>	<b>265,017.73</b>	<b>188,455.46</b>
<b>SCHEDULE - L</b>		
<b>Personnel Expenses</b>		
Salaries, Bonus & Allowances	9,345.29	6,076.91
Director's Remuneration	150.36	125.16
Contribution to Provident & Other Funds	503.56	380.73
Staff Welfare	158.91	141.53
<b>Total (L)</b>	<b>10,158.12</b>	<b>6,724.33</b>

## SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Rs. in lacs)

PARTICULARS	31st March, 2010	31st March, 2009
<b>SCHEDULE - M</b>		
<b>Administrative Expenses</b>		
Printing & Stationery	197.35	172.92
Rent	339.61	166.93
Travelling & Conveyance	554.08	408.04
Postage, Telegram & Telephones	206.52	170.62
Tender Fee	67.71	38.50
Legal & Professional Charges	843.38	790.92
Advertisement & Publicity	36.86	53.91
Business Promotion Expenses	24.05	18.20
Vehicle Maintenance	48.22	51.21
Insurance Premium	406.16	286.25
Foreign Currency Monetary Item Trans. Diff. A/C W/Off	57.55	551.36
Loss on sale of Long Term Investment	-	3,234.20
Prior Period Expenses	0.12	7.94
Rates and Taxes	87.17	82.71
Festival Expenses	133.06	79.96
Repair & Maintenance		
- Machinery	571.15	198.08
- Others	124.62	97.41
Electricity & Water	170.72	85.89
Auditors' Remuneration	15.03	13.54
Charity & Donation	13.77	4.58
Preliminary Expenses	-	4.80
Miscellaneous Expenses	139.93	103.12
<b>Total (M)</b>	<b>4,037.06</b>	<b>6,621.09</b>
<b>SCHEDULE - N</b>		
<b>Financial Expenses</b>		
Bank Charges & Commission	3,265.34	1,722.46
Interest:		
- Debentures	3,927.04	3,217.32
- Others	18,570.46	12,418.27
<b>Total (N)</b>	<b>25,762.84</b>	<b>17,358.05</b>

## CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH, 2010

(Rs. in lacs)

PARTICULARS	Year Ended 31st March, 2010	Year Ended 31st March, 2009
<b>Cash Flow from Operating Activities</b>		
Net profit before taxation	35,557.58	19,926.81
Adjustments		
<b>Add</b>		
Depreciation	7,163.25	4,596.31
Foreign Currency Monetary Item Trans. Diff. a/c w/off	57.55	551.36
Interest Expenses	22,497.50	15,635.59
Loss on sale of Long Term Investment	-	3,234.20
<b>Deduct</b>		
Interest Income	(1,049.63)	(2,461.04)
Loss/(Profit) on Sale of Fixed Assets	(637.88)	(880.67)
Foreign Exchange Fluctuation (FCCB)	-	84.74
<b>Operating cash flow before working capital changes</b>	<b>63,588.37</b>	<b>40,687.30</b>
Decrease(Increase) in Inventories	(23,555.94)	(2,244.00)
Decrease(Increase) in Sundry Debtors	(21,066.51)	(29,177.32)
Decrease(Increase) in Loans & Other Current Assets	(23,055.69)	(18,259.73)
(Decrease)Increase in Current Liabilities	(81.94)	23,002.49
(Decrease)Increase in Provisions	147.59	98.37
<b>Cash generated from operations</b>	<b>(4,024.11)</b>	<b>14,107.11</b>
Income Tax Paid Including Fringe Benefit Tax	(5,206.44)	(3,055.44)
<b>Cash Flow from Operating activities(A)</b>	<b>(9,230.56)</b>	<b>11,051.65</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(39,117.10)	(57,353.74)
Capital Work in progress including capital advances	89.61	6,894.05
Proceeds from Sale of Fixed Assets	2,139.13	1,334.10
Purchase of Investments	(10,342.48)	(8,521.91)
Sale of Investments	-	14,933.98
Interest Income	1,049.63	2,461.04
<b>Net Cash from Investing activities(B)</b>	<b>(46,181.22)</b>	<b>(40,252.48)</b>

(Rs. in lacs)

PARTICULARS	Year Ended 31st March, 2010	Year Ended 31st March, 2009
<b>Cash Flow from Financing activities</b>		
Proceeds from Share Capital	29,750.00	21,037.50
Proceeds from ECB	4,537.00	-
Proceeds from Long term borrowings	66,459.08	13,057.28
Repayment of FCCBs	(4,865.06)	-
FCCBs Redemption Expenses	(800.00)	-
Repayment/ Transfer of Long Term borrowings	-	(14,208.33)
Proceeds from Short term borrowings	12,426.61	636.05
Increased/(Decreased) in Minority interest	2.60	37.10
Interest paid	(22,497.50)	(15,635.59)
Dividend paid	(574.76)	(462.07)
Dividend Distribution Tax	(97.68)	(78.53)
<b>Net Cash Flow from Financing activities(C)</b>	<b>84,340.29</b>	<b>4,383.41</b>
<b>Net Increase in cash &amp; cash equivalents(A+B+C)</b>	<b>28,928.52</b>	<b>(24,817.43)</b>
<b>Cash &amp; Cash equivalents at beginning of year</b>	<b>17,977.98</b>	<b>42,795.41</b>
<b>Cash &amp; Cash equivalents at end of year</b>	<b>46,906.50</b>	<b>17,977.98</b>
(see schedule G ( c ) of financial statements)		

Note : The above Cash Flow Statement has been prepared under the “ Indirect Method” as stated in Accounting Standard-3.

For and on behalf of the Board

**Auditors' Report**

As per our report of even date attached

**For G.C. SHARDA & CO.**  
Chartered Accountants

**(H.S. Bharana)**  
Chairman & Managing Director

**(J.L. Khushu)**  
Whole Time Director

**CA. Vandna Gopal Sharda**  
Partner  
M. No. : 091051  
FRN : 500041N

**(Joy Saxena)**  
Group CFO

**(Rajiv Kumar)**  
Company Secretary

Place : New Delhi.  
Date : 31st May, 2010



## SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

### SCHEDULES - O

#### SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### A. PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements which relates to Era Infra Engineering Limited, its various subsidiary companies and the associate companies have been prepared on the following basis:

1. The financial statements are prepared under historical cost convention on accrual basis of accounting and on a going concern basis.
2. The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and resulting unrealized profit/loss.
3. Consolidated Financial Statements are prepared by applying accounting policies as follows by the Company and its subsidiaries; to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.
4. Interest in subsidiaries is given in Annexure-A attached.

##### B. SIGNIFICANT ACCOUNTING POLICIES

###### 1) BASIS OF PREPARATION

The financial statements have been prepared to comply to all material aspect with the Notified accounting standards by and the relevant provisions of the Companies Act, 1956. Except otherwise mentioned, the accounting policies have been consistently applied by the company and are consistent with those use in the previous year.

###### 2) REVENUE RECOGNITION

- 2.1 In respect of construction contracts revenue is recognised on "Percentage of Completion Method". Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are realised or receipt thereof are mutually settled or reasonable ascertained.
- 2.2 Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are net of return and exclusive of value added tax.
- 2.3 Income from wind energy and equipments hiring & management are recognized on accrual basis.
- 2.4 Revenue from real estate projects is recognized on "percentage of completion method" of accounting. Revenue is recognized on the basis of percentage of actual costs incurred thereon, including land and total estimated construction and development cost of projects under execution subject to such actual costs being 30 percent or more of the total estimated cost. The estimates of saleable area and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period of such changes are determined. However, when the total project cost is estimated to exceed total revenues from the projects, the loss is recognized immediately.
- 2.5 Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain.

## 2.6 Accounting for joint venture contracts

- (a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the company as that of each independent contract to the extent of work is executed by the company.
- (b) In respect of contracts executed in Integrated Joint Venture under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the joint venture are accounted as income on the accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the joint venture is reflected as investments, loans & advances or current liabilities.

## 3) USE OF ESTIMATES

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include employee retirement benefit plan, provision for income taxes and accounting for contract costs.

## 4) FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation.

## 5) DEPRECIATION

Depreciation has been provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/disposals during the year has been provided on pro-rata basis.

Cost of leasehold land is amortized over lease term on straight-line basis.

## 6) IMPAIRMENT

Fixed Assets are tested for impairment if there is any indication of their possible impairment. An impairment loss is recognized where the carrying amount of a fixed asset (or cash generating unit) exceeds its recoverable amount, i.e. higher of value in use and net selling price. Impairment loss recognized in one year can get reversed fully or partly in a subsequent year.

## 7) CAPITAL WORK IN-PROGRESS

Costs of assets not ready for use before the year-end and advance paid towards the acquisition of fixed assets are included under Capital Work-in-Progress.

## 8) BORROWING COST

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of cost of such assets till such time assets become ready for their intended use. All other borrowing costs are charged to Profit & Loss assets.

## 9) INVESTMENTS

Investments are classified into long-term investments and current investments. Long-term investments are stated at cost. Provision for diminution in the value of a long-term investment is made if such diminution is other than temporary. Current investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

## 10) INVENTORIES

Materials, work in progress, finished goods and stores & spare parts are valued at the lower of cost and net realizable value. Cost of inventories is ascertained on the weighted average cost method. Real Estate and trading inventories are valued at cost or market value whichever is lower.

## 11) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the respective transactions. In the case of foreign currency denominated monetary assets and monetary liabilities, relating to import of materials, the loss or gain arising from restatement at the balance sheet date / settlement is charged or credited to the profit & loss account, except Foreign Currency Exchange Fluctuation arising on account of FCCB's issued by Company during 2007 has been accounted for as per Notification dated March 31, 2010 pertaining to Accounting Standard (AS 11) issued by the Ministry of Corporate Affairs. Accordingly foreign currency exchange fluctuation attributable to depreciable assets has been adjusted to carrying cost of respective assets and depreciated as per said notification. Foreign Currency Exchange Fluctuation on other items has been debited / credited to "Foreign Currency Monetary Item Translation Difference Account" and has been charged to profit and loss account as per said notification.

## 12) EMPLOYEE BENEFITS

- i) Contribution to Provident Fund, a defined contribution plan, is accounted for on accrual basis. The Company continues to make contributions to provident fund plan administered by the Government of India.
- ii) The liability of the company for leave encashment, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary.
- iii) The liability of the company for gratuity, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary.

## 13) TAX ON INCOME

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period as the related revenue and expenses to which they relate. The differences that exist between profit offered for income tax and the Profit Before Tax as per financial statements are identified and deferred tax assets or deferred tax liabilities are recorded for timing differences, namely, differences that originate in one accounting period and are capable of reversal in future. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. If the company has unabsorbed depreciation or carried forward losses under taxation laws, a much stricter test, viz, virtual certainty of realisation is to be applied for recognition of any deferred tax assets. Deferred tax assets are reviewed for the continuing appropriateness of their recognition as assets at each balance sheet date and written down or written-up to reflect the amount that is reasonably /virtually certain (as the case may be) of realization.

## B) NOTES TO ACCOUNTS

### 1. Contingent Liabilities not provided for :

- i) In respect of guarantees and letter of credits issued by Banks, outstanding as at 31st March, 2010 Rs.31, 036.18 Lacs net of margin (P.Y. Rs. 36, 230.43 Lacs net of margin).
- ii) In respect of Sales Tax and Entry Tax Rs. 71.42 Lacs (P.Y. Rs. 72.20 Lacs). The demand is being contested before appellate authorities.
- iii) The Company has received show cause notices in respect of Royalty amounting to Rs. 271.84 Lacs (P.Y. Rs. 257.29 Lacs). Appropriate representation is being submitted to respective offices.
- iv) The Company has received show cause notices in respect of Service Tax amounting to Rs. 3,745.25 Lacs (P.Y. Rs. 3,616.66 Lacs ). Appropriate representations have been submitted to respective offices.
- v) The Company has received show cause notices in respect of Custom Duty amounting to Rs. 221.04 Lacs (P.Y. Rs. 77.99 Lacs). Appropriate representations have been submitted to respective offices.

- vi) In respect of other legal cases Rs. 272.50 Lacs (P.Y. Rs. 213.44 Lacs). Appropriate representations have been filed in respect of these matters with the authorities concerned.
  - vii) In respect of Labour Welfare Cess Rs. 85.61 Lacs (P.Y. Rs. 85.61 Lacs). Writ petition has been filed before Hon'ble Supreme Court.
  - viii) The Company has given Corporate Guarantees amounting to Rs. 94,346.00 Lacs (P.Y. Rs. 93,896.00 Lacs) in favour of banks for loans taken by Subsidiary / Associate Companies including Corporate Guarantees amounting to Rs 48,400.00 Lacs (P.Y. 48,400.00 Lacs) for meeting the shortfall in repayment of the loan amount in the event of termination of the Concession Agreement.
2. Maximum amount due at any time during the year from Concerns /Companies in which Directors and / or their relatives are interested.

(Rs. in lacs)

S. No.	Name	Current Year	Previous Year
1.	Era Landmarks Limited	2,949.00	2,738.34
2.	Era Buildsys Limited	9,037.99	448.76
3.	Gwalior Bypass Project Limited	246.44	NIL
4.	Hyderabad Ring Road Projects Private Limited	NIL	124.51
5.	Angraj Trading Pvt. Limited	3,318.10	3,317.10
6.	West Haryana Highways Project Pvt. Ltd.	510.00	510.00
7.	Era Housing & Developers (India) Ltd	NIL	242.58
8.	Ramdoot Trade Ventures Pvt. Ltd.	124.75	43.08
9.	Atop Infrastructure & Infotech Pvt. Ltd.	509.14	427.76

3. Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. 171,237.77 Lacs (P.Y. Rs. 3,637.70 Lacs).
4. In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities as at the end of year have been provided for.
5. a) The company had raised 750 Nos. Zero Coupon Foreign Currency Convertible Bonds due 2012 (FCCB's) of USD 100,000/- each aggregating USD 75 million at par on January 24, 2007. These Bonds have a maturity period of 5 years 1 day. The Bonds are convertible into equity shares of Rs. 2/- each fully paid at the option of the Bondholders at any time on or after January 24, 2008 and prior to the close of business (at the place where the Bonds are deposited for conversion) on January 10, 2012. The initial conversion price of Rs.158.60 per share has been decided on January 24, 2008 as per the terms of the offer circular dated 17th January 2007.

The Bonds constitute the Company's direct, unconditional, unsubordinated and unsecured obligations and at all time rank pari passu and without any preference or priority among themselves. The Company's payment obligations under the Bonds, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations. Unless previously converted, redeemed or repurchased and cancelled, the Bonds shall be redeemed on January 25, 2012 at 148.95% of their principal amount giving an annual yield of 8.125% per annum calculated on semiannual basis.

The bonds are redeemable only if there is no conversion of the bonds prior to maturity date. The payment of premium on redemption therefore, is contingent in nature, the outcome of which is dependent on uncertain future events. Hence no provision is considered necessary nor has been made in the accounts in respect of such premium for the current year which may amount to Rs 44.04 Crores (Previous Year Rs. 36.33 Crores).

**b) FOREIGN CURRENCY CONVERTIBLE BONDS RECONCILIATION AS ON 31ST MARCH, 2010**

Particulars	No.* Current Year	No.* Previous Year
Foreign Currency Convertible Bonds (FCCBs) B/F	731	750
Less: Number of FCCBs Converted during the year	(22)	(19)
Less: Number of FCCBs Purchased during the year	(213)	-
Balance Number of FCCBs pending for conversion	496	731
*1 No. of FCCBs = USD 100,000		

6. Extraordinary item represents gains against buy back of Foreign Currency Convertible Bonds (FCCBs) having face value of USD 21.3 million due in F.Y. 2012 and cancellation of the same.

7. Forward contracts and options in foreign currencies

The company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchanges forward contracts and options reduce the risk or cost to the company and the company does not use the foreign exchange forward contract or options for trading or speculation purpose.

The company records the gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit & loss account of that period. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the profit and loss account.

8. The provision for dividend for financial year ended on 31st March, 2010 is inclusive of 26,33,302 equity shares allotted during the period from 1st April, 2010 to till date upon conversion of FCCB 's of USD 9.4 million would rank pari-passu with existing shares of the company from date of their allotment with SEBI Circular No. SMDRP/ NSDL/3254/2000 dated 18th February, 2000. Accordingly the said shares were also entitled to same dividend (which is declared after the date of their allotment) as the existing shares.

9. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

Particulars	(Rs. in lacs)	
	Current Year	Previous Year
<b>Deferred Tax Assets</b>		
Provision for Retirement Benefits	144.52	97.71
Others	83.44	1,211.28
<b>Deferred Tax Liabilities</b>		
Difference in Depreciation for Accounting and Tax purpose	16,070.80	10,412.44
<b>Net Deferred Tax Liabilities</b>	<b>15,842.27</b>	<b>9,103.45</b>

10. Segment Reporting :

(a) Business Segments:

Business segments have been identified in line with Accounting Standards on Segment Reporting 'AS-17'. Contracts, Energy, Real Estate, Ready Mix Concrete, Trading and Equipment Hiring & Management are the primary business segments of the company.

(Rs. in lacs)

S. No	Business Segments	Contracts	RMC	EHM	Wind Energy	Trading / Others	Total
<b>A.</b>	<b>Segment Revenue</b>						
	External Revenue	294,507.67	4,043.88	9,636.01	563.21	36,090.47	344,841.24
	Inter-Segment Revenue	-	2,061.17	6,657.79	-	-	8,718.96
	<b>Total</b>	<b>294,507.67</b>	<b>6,105.05</b>	<b>16,293.80</b>	<b>563.21</b>	<b>36,090.47</b>	<b>353,560.20</b>
<b>B.</b>	<b>Segment Results</b>						
	{Profit/(Loss)}	42,128.93	39.02	11,894.60	174.70	979.69	55,216.94
	Unallocable Corporate Expenses						57.55
	Unallocable Corporate Income						1,846.05
	Operating Profit						57,005.45
	Interest Expenses						22,497.50
	Interest Income						1,049.63
	Income Tax (Provision for Tax Current & Deferred)						11,919.25
	<b>NET PROFIT</b>						<b>23,638.33</b>
<b>C.</b>	<b>Other Information</b>						
	Segment Assets	357,564.22	4,600.51	70,729.03	4,376.70	2,139.44	439,409.90
	Unallocable Assets						28,065.75
	<b>Total Assets</b>						<b>467,475.65</b>
	Segment Liabilities	252,173.82	2,789.26	63,824.43	1,698.46	207.78	320,693.75
	Capital Expenditure	3,765.53	593.34	29,998.18	-	573.42	34,930.47
	Depreciation	4,719.18	220.55	1,955.89	266.93	0.70	7,163.25
	Non cash expenses other than depreciation-	-	-	-	-	-	-

(b) Geographical Segments: Since Company primarily operates only in India, there are no geographical segments as defined in AS 17.

**11. Disclosure relating to Employees Benefits - as per revised AS-15**

(Rs. in lacs)

A)	Expenses recognized in the Statement of Profit & Loss	Gratuity (2009-10)	Gratuity (2008-09)	Leave Encashment (2009-10)	Leave Encashment (2008-09)
1)	Current Service Cost	98.65	65.13	39.17	26.78
2)	Interest Cost	18.77	12.86	4.94	2.27
3)	Expected Return on Plan Assets	-	-	-	-
4)	Actuarial (Gain)/Loss Recognized in the I.V.P.	(13.46)	(10.47)	0.48	2.53
5)	Expenses Recognized in the statement of Profit & Loss	103.96	67.51	43.63	31.58
B)	Amount to be recognized in the Balance Sheet				
1)	Present Value of Obligation at the end of the I.V.P	331.51	227.55	103.56	59.93
2)	Fair Value of Plan Assets at the end of the I.V.P.	-	-	-	-
3)	Funded Status	(331.51)	(227.55)	(103.56)	(59.93)
4)	Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P	-	-	-	-
5)	Net Asset/Liability Recognized in the Balance Sheet	331.51	227.55	103.56	59.93
C)	Changes in the Present Value of Obligations				
1)	Present Value of Obligation at the beginning of the I.V.P	227.55	160.71	59.93	28.41
2)	Interest Cost	18.77	12.86	4.94	2.27
3)	Current Service Cost	98.65	65.13	39.17	26.78
4)	Benefits Paid	-	0.67	-	0.066
5)	Actuarial (Gain)/Loss on Obligation	(13.46)	(10.47)	0.48	2.53
6)	Present Value of Obligation at the end of the I.V.P	331.51	227.55	103.56	59.93
D)	Actuarial gain/Loss Recognized				
1)	Actuarial Gain/(Loss) on Obligations	13.46	10.47	(0.48)	(2.53)
2)	Actuarial Gain/(Loss) on Plan Assets	-	-	-	-
3)	Total (Gain)/Loss for the I.V.P.	(13.46)	(10.47)	0.48	2.53
4)	Actuarial (Gain)/Loss Recognized in the I.V.P	(13.46)	(10.47)	0.48	2.53
5)	Unrecognized Actuarial (Gain)/Loss at the end of the I.V.P.	-	-	-	-
E)	Actuarial Assumption				
1)	Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
2)	Attrition Rate	05.00 % p.a.	05.00 % p.a.	05.00 % p.a.	05.00 % p.a.
3)	Imputed Rate of Interest	08.25 % p.a.	08.00 % p.a.	08.25 % p.a.	08.00 % p.a.
4)	Salary Rise	07.00 % p.a.	07.00 % p.a.	07.00 % p.a.	07.00 % p.a.
5)	Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
6)	Remaining Working Life	21 Yrs	21 Yrs	21 Yrs	21 Yrs



## 12. Earnings Per Share:

Calculation of earnings per share - Basic & Diluted

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
<b>Earnings</b>				
Net profit attributable to equity shareholders Before extraordinary items ( Rs. in lacs)	23,638.33	23,638.33	14,434.70	14,434.70
<b>Shares</b>				
Weighted average number of equity shares outstanding during the year	159,765,402	159,765,402	125,784,509	125,784,509
Weighted average number of equity shares resulting from assumed conversion of warrants & FCCB	Nil	7,336	Nil	Nil
Weighted average number of equity shares for calculation of earnings per share	159,765,402	159,772,738	125,784,509	125,784,509
<b>Earnings per share of face value of Rs 2/-</b>	14.80	14.79	11.48	11.48
Net profit attributable to equity shareholders After extraordinary items ( Rs. in lacs)	28,425.87	28,425.87		
<b>Earnings per share of face value of Rs 2/-</b>	17.79	17.79		

## 13. Related Party Disclosures

A) Names of related parties with whom transactions have taken place during the year:

i. Joint Ventures & Associates

Era -Patel -Advance- Kiran Joint Venture, Era -Patel -Advance Joint Venture, Rani-Era Joint Venture, Induni - Era - Joint Venture, KMB - ERA Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Pvt. Ltd., West Haryana Highways Projects Pvt. Ltd., Era Energy Limited, Era Buildsys Limited, Era Infra Optima Energostroy Joint Venture.

ii. Individual owing directly or indirectly, an interest in the voting power of the reporting enterprises and relatives of any such individual:

Mr. H.S. Bharana (CMD), H.S. Bharana HUF (Karta is CMD), Mrs. Rekha Bharana (Wife of CMD), Ms. Rashmi Bharana (D/o CMD) , Mr. Vaibhav Bharana (S/o CMD), Mr. Dheeraj Singh (Brother of CMD), Mr. Brij Singh (Brother of CMD).

iii. Other key Management Personnel.

- Mr. J.L. Khushu, Whole Time Director

iv Enterprises over which key Management personnel/ individual owing directly or indirectly, an interest in the voting power of the reporting enterprises that give them control or significant influence over the enterprises have significant influence:

Hi-Point Investment & Finance Pvt. Limited, Era E-Zone (India) Limited, Era Housing & Developers (India) Limited, Atop Infrastructure & Infotech Pvt. Ltd., Era Agritech (India) Pvt. Ltd., Era Logistics (India) Pvt. Limited, Era Landmarks Limited, Ramdoot Trade Ventures Private Limited, Black Stone Mines & Minerals Pvt. Limited, Goglet Infotech Pvt. Limited, Xema Infrastructure Pvt. Limited, Xebec Hospitality Pvt. Limited, Angraj Trading Pvt. Limited.

# Related Party Transactions and Balances:

(Rs. in lacs)

Particulars	Joint Ventures Enterprises & Associates (Notes 13-(i) & (iv))		Individual owing significant shareholding (Notes-13 (ii))		Other Key Management Personnel (Notes-13 (iii))		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Loans & Advances given	3,876.00	510.00	-	-	-	-	3,876.00	510.00
- Investments	9,438.32	7,309.95	-	-	-	-	9,438.32	7,309.95
- Share Application Money Paid	9.70	-	-	-	-	-	9.70	-
- Capital Expenditure	246.47	30.24	-	-	-	-	246.47	30.24
- Bill Raised	80,387.91	51,895.32	-	-	-	-	80,387.91	51,895.32
- J.V.Income	112.05	132.25	-	-	-	-	112.05	132.25
- Materials Supplied	2,556.09	3,987.91	-	-	-	-	2,556.09	3,987.91
- Sale of Investment	240.30	-	-	-	-	-	240.30	-
- Purchase of Investment	240.29	-	-	-	-	-	240.29	-
- Preferential Allotment	17,000.00	-	-	-	-	-	17,000.00	-
- Purchase of Materials	6,035.57	7,203.43	-	-	-	-	6,035.57	7,203.43
- Contract Expenses Paid	6,194.22	4,463.31	-	-	-	-	6,194.22	4,463.31
- Reimbursement of Expenses Received	0.55	94.01	-	-	-	-	0.55	94.01
- Salary paid	-	-	93.64	78.00	52.03	47.16	145.66	125.16
- Dividend Paid	281.45	151.65	51.78	51.99	-	0.03	333.23	203.68
- Due from (as at year-end)	10,664.40	3,748.93	-	-	-	-	10,664.40	3,748.93
- Due to (as at year-end)	8,365.31	22,309.67	-	-	3.83	0.56	8,369.14	22,310.23

- As per the information received by company owes to micro & small enterprise namely M/s Hindustan Colas Ltd. for the purpose of requisite disclosure under the Micro, Small & Medium Enterprises Development Act, 2006.
- The names of small scale industrial undertakings to whom company owes a sum outstanding for more than 30 days are Jain Spun Pipe Co., Shalimar Seal & Tar Products Industries, Testwell Instrument Co., Balaji Pipe Industries.
- Fixed Deposits with scheduled banks include FDR's pledged with banks/government authorities.
- Unclaimed dividends not yet due for deposit in Investor Education and Protection Fund.

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1	2003-04	1.22	1.22
2	2004-05	2.69	2.69
3	2005-06	4.72	4.74
4	2006-07	3.30	3.36
5	2007-08	2.57	2.69
6	2008-09	2.74	-

18. Previous Year's figures have been regrouped and/or rearranged to conform to those of current year's figures, wherever necessary.
19. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group's financial statements.
20. Figures are nearest rupees In Lacs.
21. Schedule "A" to "O" are integral part of Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For and on behalf of the Board

**For G.C. SHARDA & CO.**

Chartered Accountants

**CA. Vandna Gopal Sharda**

Partner

M. No. : 091051

FRN : 500041N

**(H.S. Bharana)**

Chairman & Managing Director

**(Joy Saxena)**

Group CFO

**(J.L. Khushu)**

Whole Time Director

**(Rajiv Kumar)**

Company Secretary

Place : New Delhi.

Date : 31st May, 2010

## ANNEXTURE 'A' INTEREST IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

S. No.	Name	Country of Incorporation as at 31st March, 2010	Percentage of voting power as at 31st March, 2009	Percentage of voting power
<b>A.</b>	<b>Direct Subsidiary Companies:</b>			
1.	Victor Buildwell Private Limited	India	100	100
2.	Era T&D Limited (1.04.09 to 30.04.2009 and from 30.03.2010)	India	100	100
3.	Style and Smile Buildwell Private Limited	India	100	100
4.	Era IT- Zone Private Limited	India	100	100
5.	Era Infrastructure (India) Limited	India	100	100
6.	Quillet Construction Limited.	India	100	100
7.	Kepi Construction Limited	India	100	100
8.	Dehradun Highways Project Limited (w.e.f. 03.02.2010)	India	74	-
9.	Haridwar Highways Project Limited (w.e.f. 02.02.2010)	India	74	-
10.	Golden Annum Holding Limited	Dubai	100	100
11.	Boconero Limited	Cyprus	100	100
<b>B.</b>	<b>Step Subsidiary Companies:</b>			
1.	ARK Transmission & Distribution Limited (1.04.09 to 30.04.2009 and from 30.03.2010)	India	64.00	64.00
2.	ARK Vidhyut Urja Limited (1.04.09 to 30.04.2009 and from 30.03.2010)	India	68.89	68.89
<b>C.</b>	<b>Joint Venture &amp; Associates</b>			
1.	Era -Patel -Advance- Kiran Joint Venture	India	35.18	35.18
2.	Era -Patel -Advance Joint Venture	India	44	44
3.	Rani- Era Joint Venture	India	40	40
4.	Induni Era Joint Venture	India	49	49
5.	KMB - ERA Joint Venture (3Projects, 1Project)	India	49,20	49,20
6.	Gwalior Bypass Project Limited	India	39	39
7.	Hyderabad Ring Road Projects Pvt. Limited.	India	49	49
8.	West Haryana Highways Project Pvt. Limited.	India	49	49
9.	Era Buildsys Limited	India	29.03	29.03
10.	Era Infra - Optima Energostroy Joint Venture	India	50	-

Pursuant to the exemption granted by the Department of Company Affairs, Government of India, the Company is publishing the standalone financial statements of Era Infra Engineering Limited and the consolidated financial statement of Era Infra Engineering Limited and its subsidiaries (including step subsidiaries). The financial statements and auditor's reports of the individual subsidiaries are available for inspection by the shareholders at the registered office. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investment (except in case of investment in subsidiaries), turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend for each subsidiary are as follows:

**CONSOLIDATED FINANCIAL STATEMENTS OF ERA INFRA ENGINEERING LIMITED AND SUBSIDIARIES** (Rs. in lacs)

S. No	Name of Company	Capital	Reserves	Total Assets	Total Liabilities	Detail of Investments (except in the case of subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
	<b>Direct Subsidiary Companies</b>										
1	Victor Buildwel Pvt. Limited	1.00	(9.18)	1,045.91	1,054.10	-	-	(0.03)	(0.01)	(0.02)	-
2	Era T&D Limited	786.90	44.15	1,227.94	396.89	-	-	-	-	-	-
3	Style and Smile Buildwell Private Limited	1.00	(0.42)	5.96	5.38	-	0.08	0.03	0.01	0.02	-
4	Era IT- Zone Private Limited	1.00	(0.55)	10.52	10.07	-	0.08	0.03	0.01	0.02	-
5	Era Infrastructure (India) Ltd.	949.38	7,981.19	8,931.07	0.50	-	0.29	(5.57)	-	(5.57)	-
6	Golden Annum Holdings Limited	4.99	(8.48)	-	3.48	-	-	(3.07)	-	(3.07)	-
7	Boconero Limited	0.70	(10.03)	-	9.33	-	-	(3.36)	-	(3.36)	-
8	Quillet Constructions Limited	5.00	12.19	21.44	4.25	-	61.61	18.24	5.64	12.60	-
9	Kepi Constructions Limited	5.00	12.02	339.37	322.35	-	59.17	17.99	5.56	12.43	-
10	Dehradun Highways Projects Ltd.	5.00	-	14.78	9.78	-	-	-	-	-	-
11	Haridwar Highways Projects Ltd.	5.00	-	20.40	15.40	-	-	-	-	-	-
	<b>Step Subsidiary Companies</b>										
1	ARK Transmission & Distribution Limited	35.00	(11.09)	144.50	120.60	-	0.37	(0.33)	-	(0.33)	-
2	ARK Vidut Urja Limited	78.75	184.28	1,221.99	958.96	-	3,305.99	190.23	65.54	124.69	-

## ERA INFRA ENGINEERING LIMITED

Registered Office: 370-371/2, Sahi Hospital Road,  
Jungpura, Bhogal, New Delhi-110 014



### ATTENDANCE SLIP

L.F. No. : \_\_\_\_\_

No. of Share held \_\_\_\_\_

DP ID : \_\_\_\_\_

Client-ID \_\_\_\_\_

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company at Executive Club, 439, Village-Shahoorpur P.O. Fatehpur Beri, New Delhi-74, on Friday, the 6th August, 2010 at 3:30 P.M.

Name of the Member \_\_\_\_\_  
[in block letters]

Signature of Member/Proxy\*

Notes :

1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
2. \*Name of the Proxy in Block letters \_\_\_\_\_  
(in case a Proxy attends the meeting).
3. Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) Id. No.



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## ERA INFRA ENGINEERING LIMITED

Registered Office: 370-371/2 , Sahi Hospital Road,  
Jungpura, Bhogal, New Delhi-110 014

### PROXY FORM

L.F. No. : \_\_\_\_\_

No. of Share held \_\_\_\_\_

DP ID : \_\_\_\_\_

Client-ID \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/  
members of the above named Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him/her \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General  
Meeting of the Company to be held on Friday, the 6th August, 2010 at 3:30 P.M. or at any adjournment thereof.

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

Signature \_\_\_\_\_

Affix  
Rs. one  
Revenue  
Stamp

Notes :

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
3. A Proxy need not be a member of the Company.
4. Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) Id. No.

#### Forward Looking Statement

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.



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