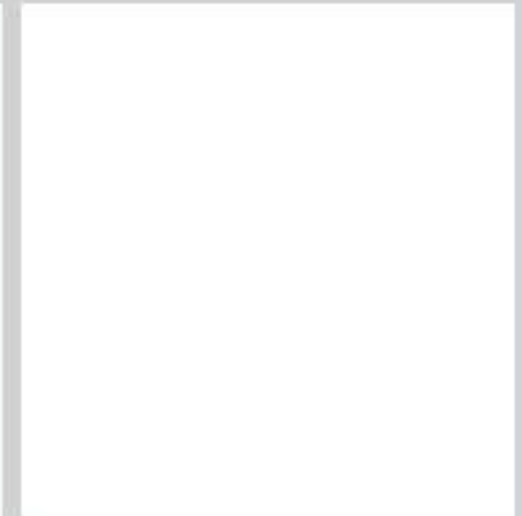
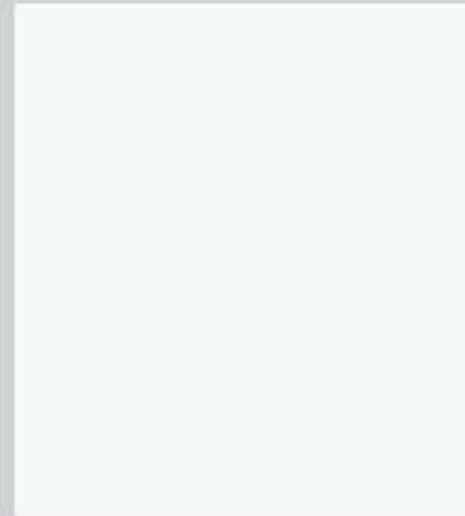
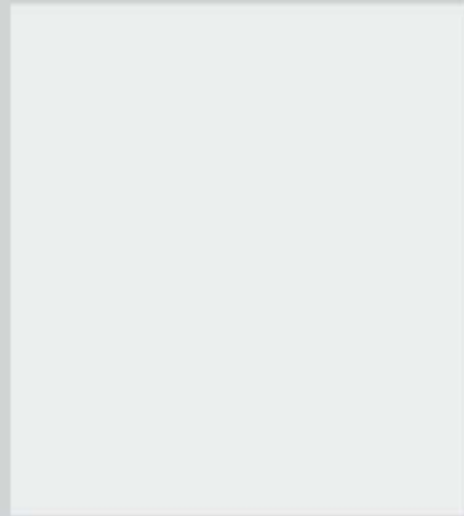


**ERA**  
INFRA

**Believe in difference**



***Building  
the lifeline of  
tomorrow***

***22<sup>nd</sup> Annual Report 2011-12***



# Content

01	Corporate Information
02	Building the lifeline of tomorrow
04	Entering an age of Advanced Engineering
06	Creating Landmarks
08	Financial performance
10	Ensuring our presence with success
12	An encounter with the empire
14	Chairman's Message
16	Notice
23	Director's Report
29	Management Discussion and Analysis
38	Corporate Governance Report
54	Auditors' Report
58	Financials
81	Consolidated Auditors' Report
82	Consolidated Financials
105	Statement Pursuant to Section 212
106	Forward Looking Statement
107	Attendance Slip and Proxy Form





# Corporate Information

**H S Bharana**  
Chairman & Managing Director

**Tulsi Dass Arora**  
Whole-Time Director

**Arvind Pande**  
Director

**S D Sharma**  
Director

**S D Kapoor**  
Director

**A K Mehta**  
Director

**Rajiv Kumar**  
Company Secretary

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

**Corporate Office:**  
153, Okhla Industrial Estate, Phase III,  
New Delhi – 110020

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

**Bankers:**  
**Union Bank of India**  
Industrial Finance Branch, New Delhi  
(Lead Bank)

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

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

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

**Canara Bank**  
Connaught Place, New Delhi

**IDBI Bank Ltd.**  
Red Cross Road, New Delhi

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

**Corporation Bank**  
Connaught Place, New Delhi

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

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

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

**Investors Help:**  
E-mail: [rajiv.k@eragroup.in](mailto:rajiv.k@eragroup.in)



## ***Building the lifeline of tomorrow***

***Adding wings of progress to an intensive yet promising industry.***

***Accommodating assets enabling to deliver public infrastructure.***

***Placing the edge of technology for a sustainable and exponential growth.***

***Refining the rich resources of nature for growth and development.***





It takes a lot of courage to actually turn an idea on a blueprint to one of India's biggest tale of triumph ever told. The courage only a true leader would fashion. That's where Era Infra sets the bar high for others to follow.

Starting as a small experiment in Public Private Partnership, the visionary company unfolded an opportunity in infrastructure development, leading our country to witness a transformation.

Shaping the future of tomorrow, discovering a new lifeline through infrastructural patterns across sectors and segments—from Power/T&D to Roads/Highways to Aviation to Railways/Metro to Refinery to Industrial to Social and Urban infrastructure, we as a group, marched into an age of infrastructural growth powered by latest in construction technology.

Armed with over two decades of experience, the Era Infra possesses a rich and diversified presence across core sectors in the infrastructure arena and is dedicated to the unwavering pursuit of excellence and innovation across the entire spectrum of infrastructure development.

With a focus on building the lifeline of tomorrow, our endeavour, through our companies is to undertake diversified but synergistic activities across some of the fastest growing verticals of Indian economy. Redefining the infrastructure to shape the future, Era Infra truly reckons the dynamics of Building the Lifeline of Indian Economy for Tomorrow.

## ***Entering an Age of Advanced Engineering***

Setting a new trend of success in Infrastructure Industry, Era Infra Engineering Ltd. has built a name for itself with trust and support of its clients and investors. With a mighty turnover of ₹ 4,350 Crore, it has evolved as a name to trust. Making its presence felt throughout the sector, the group encompasses the key segments of Indian economy by building the lifeline of future. Strengthening the foundation of Indian Economy, with the pillars of progress like network of roads and highways, power, railways, metro, aviation, social infra, industrial, institutional and other related segments, the company is spread over a diverse sectors.

There are two major business verticals which are spearheading the business along with two subsidiaries. A proud part of it, Era Infra Engineering, with strong ability to offer single point turnkey solutions for contracts of all size and scale, provides its services to some of the most reputed names across public and private sectors.

## ***Our Business Structure***

### ***Era Infra Engineering Limited***

The Flagship Company

Activity:

### **Infrastructure Development & Construction**

#### **Verticals**

Engineering Procurement  
& Construction

&

Equipment Management

#### **Subsidiaries**

Era Infrastructure  
(India) Limited

&

Era T&D Limited

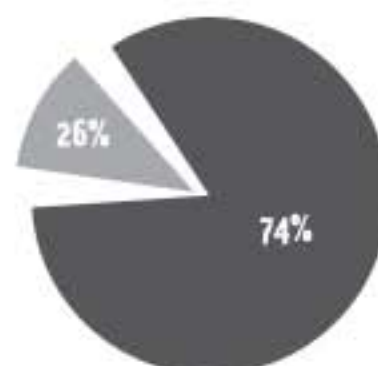


# Our Growing Lifeline

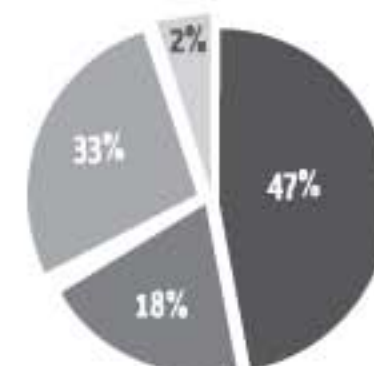
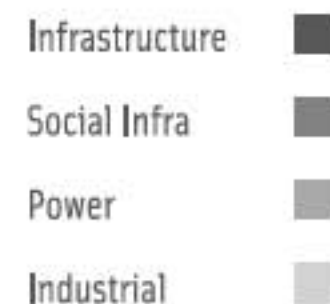
Era Infra Engineering's current order book size of ₹ 14,077 crores (as on 31st March 2012) is a standing testimony to its exceptional growth as one of the country's leading infrastructure and construction companies.

## Business overview

### Client Breakup



### Segment Wise Share



# Our Presence

Era Infra Engineering has been one of the pioneers who have moulded the modern India. The group has spread throughout the major sectors of the country at an enviable pace owing to its vital infrastructural icons of excellence – connecting people and places across the country, not just for today but for the future too.

**100+ Projects 20 States 9 Sectors**



# Creating Landmarks

When we say, we have the visionary zeal to identify opportunities, developing people, processes and systems through innovation and strategy along with professionalism and social responsibility, we have a long list of milestones to prove our might.



**1990** ◀

Era Constructions (India) Pvt. Ltd. formed as an individual business entity.

**1992** ▶

Converted into a public limited company and name changed to Era Constructions (India) Ltd.



**1994** ▶

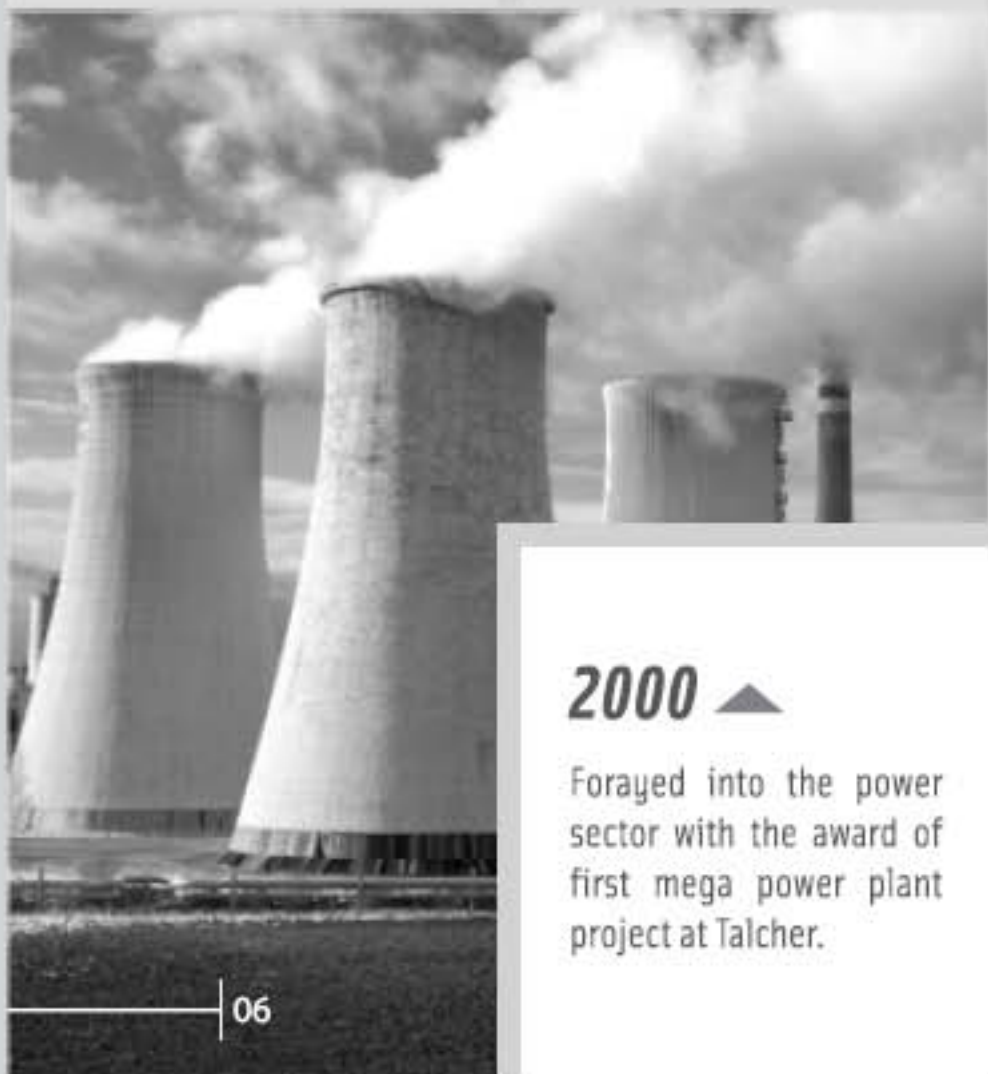
Entered into public sector by bagging order from National Dairy Development Board (NDDB).



**1995** ▲

Forayed into the Aviation Sector by bagging project from Airport Authority of India.

Listed Era Constructions (India) Ltd. on stock exchanges.



**2000** ▲

Forayed into the power sector with the award of first mega power plant project at Talcher.

**2004** ▶

Ventured into low-cost housing segment by bagging project of DSIIIDC.







## 2005 ▲

Raised funds through follow-on-public offer and entered into Railway Sector.

## 2006 ▶

Listed on Luxemburg Stock Exchange, Europe, through GDR offering.



## 2007 ◀

Rechristened Era Constructions as Era Infra Engineering Ltd.

Bagged its first BOT project from NHAI and ventured into highways.

## 2009 ▶

Received two big ticket BOT Highway projects.

Bagged orders in the T&D space.



## 2010 ▶

Facilitated Infrastructure development for four stadiums in Delhi for Commonwealth Games 2010.

Bagged the largest 151 Km Bareilly-Sitapur BOT project from NHAI.



## 2011 ◀

Commissioned tower manufacturing plant.



## 2012 ◀

Bagged contract for Jama Masjid – Kashmere Gate section of DMRC Phase-III.

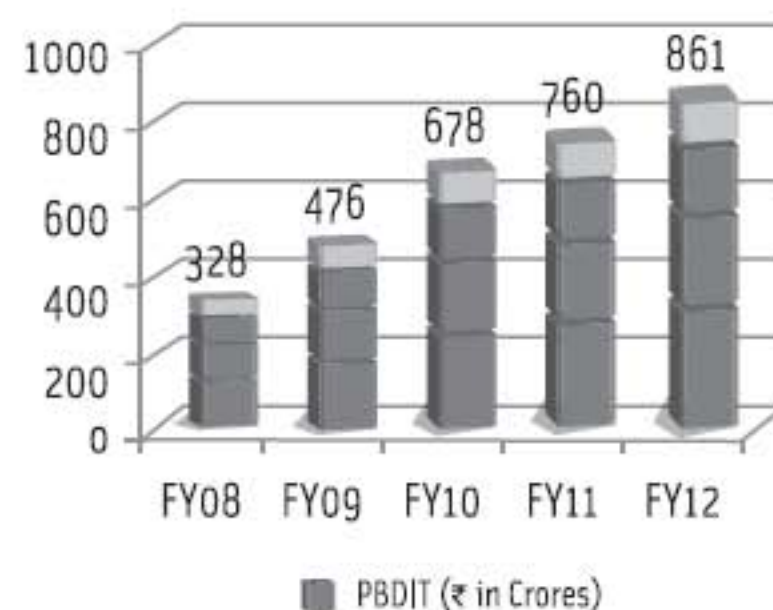
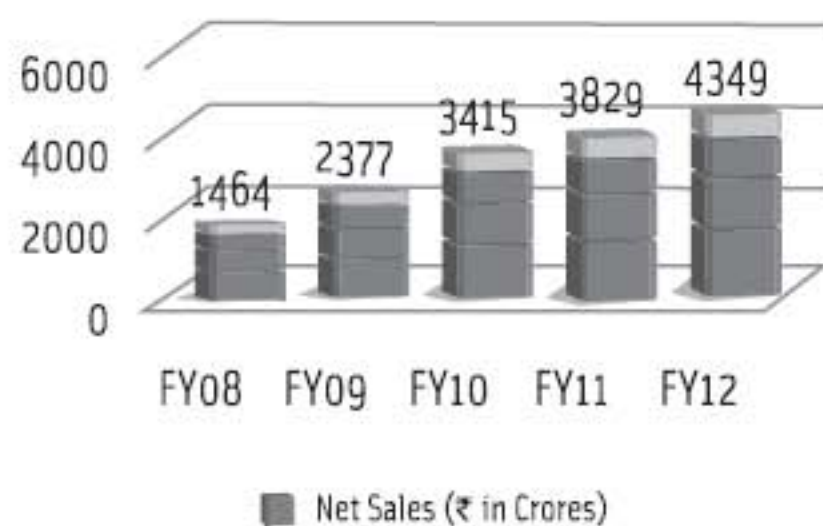
Completion and commissioning of Hyderabad Ring Road.

# Financial Performance

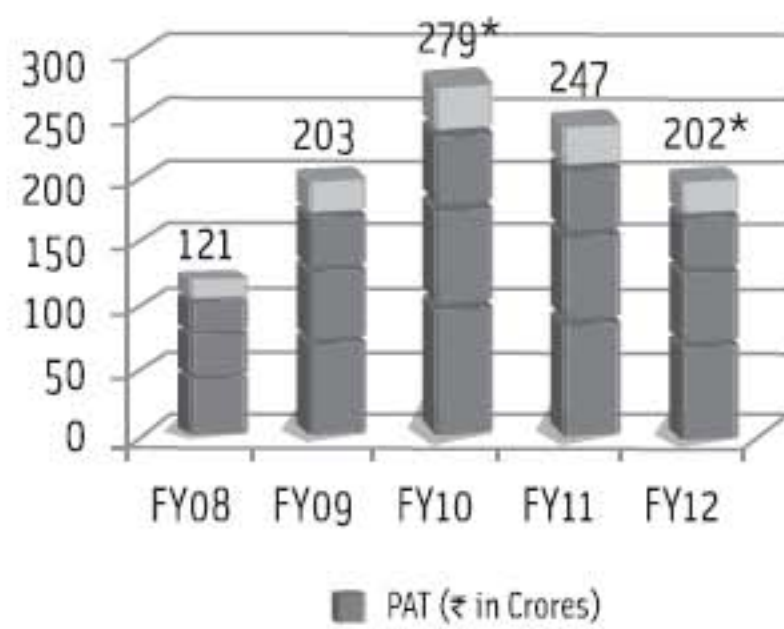
(Figures in ₹ Crores)

Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Net Sales	1464.48	2376.90	3415.47	3828.90	4349.23
PBDIT	327.89	475.85	677.51	760.02	860.99
PAT	121.37	202.61	279.41*	246.83	202.25*
EPS (₹)	10.91	16.11	17.49	13.59	11.12*

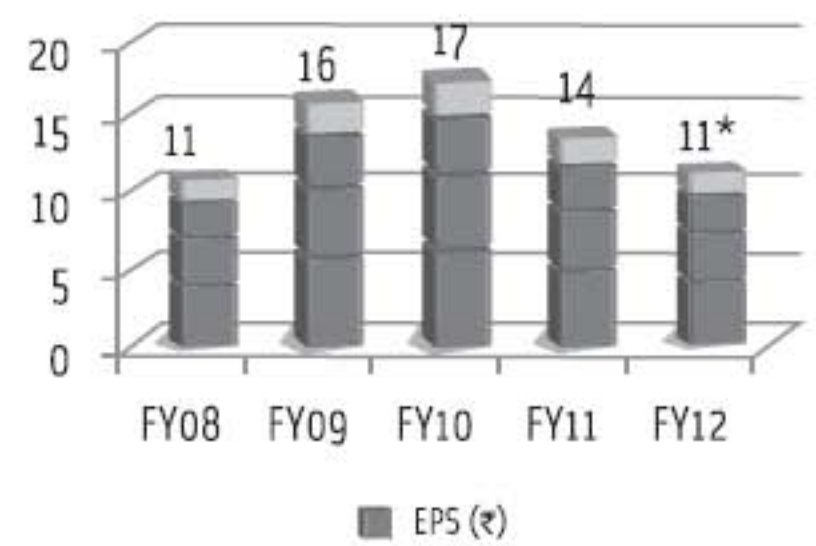
\*Before extraordinary items







\*Before Extraordinary items



\*Before Extraordinary items

# Ensuring our presence with success

Led by sheer strength of powerful and reputed distinctive portfolio, Era Infra Engineering has deservingly emerged as the name that stands for quality and execution capabilities in the infrastructure sector. Like a true leader, the group has hoisted its flag across the country, under country's fastest growing verticals of Indian economy.

***During the year under review, some of the newly bagged & ongoing projects of the Company are:***

## ***Power***

Executing several projects for NTPC, BHEL, Lanco Infratel and Steel Authority of India across India.

## ***Aviation***

Construction of new civil enclave at Jaisalmer Airport for Airport Authority of India.

## ***Roads & Highways***

- ❖ Four laning of Rampur-Kathgodam section of NH-87 in the States of Uttar Pradesh and Uttarakhand on DBFOT basis.
- ❖ Completed construction & maintenance of eight lane with two lane service road expressway in stretch of 12 km. Awarded under Phase-11, program as an extn. of phase 1 of ORR to Hyderabad city.
- ❖ Construction & maintenance of a 42 km four lane Greenfield bypass in the state of Madhya Pradesh.







## ***Railways***

Design & Construction of EMU Maintenance crashed between Nallasopara & Virar stations of Western Railway-LOT-1 & LOT-2 at Mumbai.



## ***Metros***

- ❖ Bagged Design and Construction Contract for Jama Masjid – Kashmere Gate section of DMRC Phase-III.



## ***Social Infra***

- ❖ Construction of CBI HO Building at Envelop-5B, C.G.O. Complex, Lodhi Road, New Delhi.
- ❖ Construction of Club & Guest House, Schools , Hostel, Hospital and Shopping Complex etc. for RCF, Raebareli at Lalganj.
- ❖ Execution of 'Civil & Structural Works' at Spire South, Badshahpur, Sector-68, Sohna Road, Gurgaon.
- ❖ Construction of Guru Gobind Singh Medical College Senate Campus for Baba Farid University of Health Science at Faridkot.



## ***T&D***

Executing two Transmission and Distribution projects for RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) Scheme in Bhopal Region, MP and Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur.



# ***An Encounter with the Empire***

Welcoming a new dawn of Infrastructure, Era Group pioneers an age of engineering renaissance. Strengthening its key assets- People, Equipment, Project Management, Supply Chain, Strategic Alliances and most importantly Management Vision, the group envisions to multiply its potential and open up new horizons for future achievements.

## ***People - The Real Assets***

Infrastructure is an industry that ships on its pool of people. Its manpower boasts of intensive requisite skill sets, training, experience and expertise. From engineers to machine operators, from supervisors to project managers, from procurement executives to architects, each role has to be played to perfection. Over the years, the company has not only built on this strength but also ensured extracting the best from its people in terms of their performance.

## ***Building Equipment***

From cranes to crawlers, from dumpers to drilling machines, procurement and deployment of everything that is required in the infrastructure development needs to be executed with skilled precision within timelines and with the expected build quality.

Era Infra Engineering has made an independent business around equipment leasing and this business caters to both internal as well as external customers. Nearly 60% of the business in this division is leasing to outsiders. Through equipment handling and deployment, the Company is focused on expanding presence in this business with additional investments in the future.

## ***Project Management***

It takes a serious sense of organization to streamline manpower, machine, work processes and supply schedules at a given level of dependency involved in each of these functions. The company's project managers work overtime to ensure that the project is run according to timelines and disparate processes dovetail with each other to offer a clear execution path ahead. Era Infra Engineering takes pride in its project management skills which result in adhering to specified timelines.





## ***Acquiring Alliances and Partnerships***

A good alliance is half the battle won. Following the trend, strategic alliances and partnerships have been constantly powering the company's ability to build strong lifelines across the infrastructural space. The company is building these lifelines particularly through the development of infrastructure that connects and links people and places, and makes life easier across travel, living, working, recreational activities (including sports), while enabling industrial and social infra development.

## ***Managing the Supply Chain***

There is no scope for compromise when it comes to Supply Chain Management. Supply chain logistics play an important role in infrastructure projects. Complex projects require procuring materials from different places and ensuring they are deployed in the right manner. The Company has set up a team which ensures the seamless functioning of managing a variety of suppliers, vendors and service providers.

## ***A Vision to Lead***

The Company's management vision is far seeking and has a great bearing on what we do in day to day execution. It binds us and enables us to harness our collective strengths towards achieving the goals set by the Company. An overarching management vision that drives individual excellence and team success is the core strength at Era Infra Engineering.





## Chairman's Message

### *Dear Shareholders,*

I am delighted to welcome you to the latest issue of our Era Infra's Annual Report. Embarking on a journey of success of last financial year, this year began on a promising note. Firstly let me take you for a detailed overview of the last year.

The FY2011-12 was a year that came with a lot of obstacles - to recover economy internationally as well as at domestic level, to uplift the general GDP of the country, to control the after effects of Euro debt crisis, turmoil in Middle East countries, rising crude oil prices, destruction in Japan, complemented with inflation, rising dollar prices, adverse market conditions, non-availability of appropriate long term finance, causing many large infrastructure project developers in India, including Era Infra Engineering Limited to face cash flow pressures. But, the point of recovery was not too far. Given the fact that fiscal consolidation was back on track, savings and capital formation is likely to start rising, GDP for the year 2012-13 and 2013-14 are expected to rise to 7.6% and 8.6% respectively. It's a steep curve ahead.

As expected Infrastructure Sector, a catalyst in the development of all other sectors of the economy, took the lead this year. The Government has identified infrastructure as one of the leading engines of growth and development. An investment of US \$500 billion in infrastructure sectors is proposed through a mix of public and private sectors to reduce deficits in identified infrastructure sectors. The Prime Minister has promised contracts of highways and port projects worth ₹35,000 crore (US\$ 6.13 billion), besides public-private partnership (PPP) projects to develop at least 20 airports. The current budget highlighted award of contracts to build 8800 km of roads in 2012-13. This is a beginning of a promising period for Infrastructure in India.

### *Financial Review*

Growth has been a continuous process with Era Infra. We are an organization that combines scientific, financial, managerial, operational skills and resources. Our assets-infrastructure, power projects, education and building products integrate to make a robust performance to provide an impetus to the Indian infrastructure industry as a whole. With our persistent efforts in the year 2011-12, our sales revenue leaped to ₹4,349 crores with a net profit of ₹202 crores. Fresh order inflows and the quantum of the Order Book always determine a company's ability to thrive and grow. Results on both these counts have been significant as the company achieved an impressive growth in order inflows for FY12. Consequently, the order book position stood at an impressive ₹14,077 crores till 31<sup>st</sup> March 2012. Margins have, yet again, registered an improvement and the company is hopeful of sustaining margins at a level close to this, despite volatile commodity prices and competition.

### *Division Review*

#### *Engineering Procurement & Construction*

The Planning Commission, in its approach paper has projected an investment of over ₹45 lakh crore (for about US \$1 trillion) during the Twelfth Plan (2012-17). The encouraging cumulative spending by the government in the infrastructure sector ensures an optimistic outlook in the industry. Our EPC order book position painted a bright picture with orders across diverse sectors such as power, roads/highways, aviation, railways, metro, refinery, social infrastructure and industrial construction. With encouraging projects of Metro Line development, large scale housing projects, power transmission and distribution projects, Era Infra is currently at a great place. Era Infra proved its stature by procuring several big ticket orders. Apart from our traditional emphasis and presence in the power, urban infrastructure, commercial complex, housing and industrial as well as institutional sectors, we have our vision to enter in the domains of steel, healthcare and oil and natural gas, each of which are vital to India's future development.

#### *Strategic Roadmap*

- ❖ Consolidating presence in the existing sectors by executing larger-sized projects.
- ❖ Enhancing pre-qualification parameters through strategic alliances and be globally present.
- ❖ Targeting projects across upcoming infrastructure segments such as: Irrigation, Ports, Dedicated Freight Corridor etc.





## Equipment Management Division

Though a challenging year globally, we have successfully managed in consolidating our position nationally as well as internationally. The infrastructure development is in face to face with a positive phase and that demands for construction equipment both in the internal as well as the external context. The ever-increasing demands from builders and construction companies to expand their capabilities and leasing equipment for a build project is a lucrative option as compared to investing in capital expenditure. For companies with a large equipment bank like ours, this is an ideal way to utilize idle machine time and earn revenues. The equipment leasing business of the company has been robust revenue earner and would continue to do so in the years to come.

### Strategic Roadmap

- ❖ Provide complete equipment solutions.
- ❖ Increase the equipment fleet to bid for bigger orders.
- ❖ Optimum utilization of machinery and upscale productivity through proper maintenance.

## Subsidiary Review

### Era Infrastructure (India) Ltd.

To meet the requirements of India's infrastructure, the government is concentrating on the BOT projects under Public Private Partnership instead of funding the slew of projects. This leverages the power of the private sector to raise funding and handle large projects. Our group's BOT subsidiary is a dedicated unit that was set up to handle these kinds of projects with élan.

### Strategic Roadmap

- ❖ Creating core competence for Design & Engineering, Procurement & Construction on turn key basis and advisory for roads/highways projects.
- ❖ Focus on generating value added strengths in road/highway/transmission etc.

### Era T&D Ltd.

Powering the happiness of millions of Indians, Era T&D is creating an impact at the power generation to grow simultaneously to deliver more power to the people. Era T&D undertakes turnkey projects that help lay power lines which will prove to be the lifelines for future development.

### Strategic Roadmap

- ❖ Strive for bigger transmission & distribution projects.
- ❖ Focus on repair and maintenance contracts for electrical & mechanical installations.
- ❖ Execute turnkey jobs in India and overseas (Middle East, Africa etc.).

### Serving our Stakeholders

Without taking a simplistic approach and without surrendering to passing fashions, we have to measure the importance of our Stakeholders. We seek to proactively manage our relationships with our Stakeholder communities to mutual benefit. To our Shareholders, we are committed to deliver ever increasing valuations and returns, to our employees we offer enhanced career building opportunities, to the communities we deliver infrastructure for a better tomorrow and to the industry and business in the geographic areas we operate in, we offer the possibility of a bright future.

Let's unite together with a sincere commitment towards this vision and would take this opportunity to thank our Board of Directors for the advice, guidance and mentoring they have provided us in our attempt to build the lifeline for tomorrow.



**H.S. Bharana**

Chairman & Managing Director

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA INFRA ENGINEERING LIMITED WILL BE HELD ON SATURDAY, THE 29<sup>TH</sup> DAY OF SEPTEMBER, 2012 AT 3:30 P.M. AT EXECUTIVE CLUB, 439, VILLAGE SHAHOORPUR P.O. FATEHPUR BERI, NEW DELHI-110074, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 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. A.K. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Arvind Pande who retires by rotation and being eligible, offers himself for re-appointment.
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. Tulsi Dass Arora 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, 269, 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the appointment and remuneration of Mr. Tulsi Dass Arora as a Whole Time Director of the company for a tenure of Two years effective from 14-08-2012 to 13-08-2014, on a remuneration, i.e. salary & perquisites taken together not exceeding Rs. 10,00,000/-(Rupees Ten Lacs) per month."  
"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit, the salary and perquisites payable to Mr. Tulsi Dass Arora shall not exceed such sums as may be allowed under Schedule XIII of Companies Act, 1956, in any financial year."  
"RESOLVED FURTHER THAT the Board of Director of the company be and is hereby authorized to do all such acts, deeds, matters and things in its absolute discretion, 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."
8. 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 (as amended from time to time), 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 (FCCB's)/ 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 nonresident/ 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."

**By Order of the Board of Directors  
For Era Infra Engineering Limited  
(Rajiv Kumar)  
Company Secretary**

**New Delhi, August 14, 2012**



**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. The 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 22<sup>nd</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).
5. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
6. Members attending the meeting are requested to bring their copy of Annual Report.
7. The Members are requested to notify any change of address to (i) The depository participant in respect of their Demat account and (ii) The Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> 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.
8. Payment of Dividend, if declared at the meeting, will be made on or before 29<sup>th</sup> October, 2012:
  - 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 21<sup>st</sup> September, 2012.
  - 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 29<sup>th</sup> September, 2012.
9. 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, 3<sup>rd</sup> 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.
10. PURSUANT TO THE PROVISIONS OF SECTION 205A (5) OF THE COMPANIES ACT, 1956, DIVIDEND FOR THE FINANCIAL YEAR ENDED 31-03-2006 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 31-03-2006 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.

MEMBERS WHO HAVE NOT YET ENCASHED THEIR DIVIDEND WARRANT(S) FOR THE FINANCIAL YEAR 2005-06 ARE REQUESTED TO MAKE THEIR CLAIMS WITHOUT ANY FURTHER DELAY TO THE COMPANY'S REGISTRAR AND TRANSFER AGENT, M/S BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED.

MEMBERS MAY PLEASE NOTE THAT NO CLAIM WILL LIE AGAINST IEPF OR THE COMPANY WITH RESPECT TO DIVIDEND DECLARED FOR THE FINANCIAL YEAR 2005-06, ON OR AFTER 06<sup>TH</sup> NOVEMBER, 2013.

11. 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.
12. 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.
13. 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. Tulsi Dass Arora
Date of Birth	07.09.1942	18.12.1949	03.08.1967
Date of Appointment	19.03.2005	20.08.1994	14.08.2012
Expertise in Specific Areas	Mr. Arvind Pande is having 40 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 42 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. Tulsi Dass Arora is vastly experienced in the field of Engineering & Construction Industry. In his two decades of Association with the Company, he has been instrumental in planning schedule for implementation of various projects and ensuring effective execution of the same.
Qualifications	B.Sc, B.A. (Hons), M.A. (Eco) from Cambridge University, UK	Pre Engineering	M.Tech & MBA
Directorship in other Companies	<ul style="list-style-type: none"> <li>Sandhar Technologies Limited</li> <li>Bengal Aerotropolis Projects Limited</li> <li>Titagarh Wagons Limited</li> </ul>	<ul style="list-style-type: none"> <li>Era E-Zone (India) Limited</li> <li>ZS Exports(India) Limited</li> </ul>	<ul style="list-style-type: none"> <li>NIL</li> </ul>
* Other Committee Membership/ Chairmanship	<b>AUDIT COMMITTEE:</b> <b>Chairman</b> <ul style="list-style-type: none"> <li>Sandhar Technologies Limited</li> </ul> <b>Member</b> <ul style="list-style-type: none"> <li>Titagarh Wagons Limited</li> </ul>	<b>AUDIT COMMITTEE:</b> <b>Member</b> <ul style="list-style-type: none"> <li>Era E-Zone (India) Limited</li> </ul> <b>SHAREHOLDERS GRIEVANCE COMMITTEE</b> <b>Chairman</b> <ul style="list-style-type: none"> <li>Era E-Zone (India) Limited</li> </ul>	<ul style="list-style-type: none"> <li>NIL</li> </ul>
Shareholding in the Company as at 31.03.2012	Nil	Nil	10000

\*Only two committees namely, Audit Committee and Shareholders/ Investor Grievance Committee have been considered.



**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses, so far, are requested to register their e-mail addresses with Depository through their concerned Depository Participants, in respect of electronic holdings. Members who hold shares in physical form are required to kindly register their e-mail address with the company at email: [investorinfra@eragroup.in](mailto:investorinfra@eragroup.in) or by fill in the Registration Form, attached herewith. The company shall use the e-mail address of the members obtained from Depositories/ Depository Participants, available with the company, to send all future members communications.

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

**(Rajiv Kumar)  
Company Secretary**

**New Delhi, August 14, 2012**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 6 & 7**

Pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Tulsi Dass Arora was appointed as an Additional Director of the company with effect from 14.08.2012.

He holds office up to the date 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. Tulsi Dass Arora for the office of Director.

Mr. Tulsi Dass Arora designated as Chief Executive Officer in the Company, is M.Tech and MBA. He has around 24 years of experience in the construction field.

In his capacity as Chief Executive Officer, he plans the implementation schedule of various projects of the Company and also ensures mobilisation of resources. He is responsible for project execution for the Company.

Keeping in view his overall experience, the Board of Directors of the Company at the recommendation of the Remuneration Committee, appointed him as a Whole Time Director of the Company for a period of two years w.e.f. from 14.08.2012 to 13.08.2014. His appointment is proposed at a salary & perquisites taken together not exceeding Rs. 10,00,000/-(Rupees Ten Lacs) per month.

The appointment of Mr. Tulsi Dass Arora is subject to the approval of the shareholder at the ensuing Annual General Meeting.

The Board is of the opinion that his knowledge and experience would be of immense help for the overall progress of the company and recommends the resolution as given in item no. 6 & 7 of the accompanying notice for your approval.

The resolution set out at item no. 7 of the accompanying Notice together with Explanatory Statement are and should be read as abstract required to be given u/s. 302 of the Companies Act, 1956 in respect of the Appointment of Mr. Tulsi Dass Arora.

None of the Director of the company except Mr. Tulsi Dass Arora himself is deemed to be concerned or interested in the resolution.

#### **Item No. 8**

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.

At the previous 21<sup>st</sup> Annual General Meeting held on September 19, 2011, the Shareholders authorized the Company to issue further shares upto Rs. 1,000 crores in accordance with the provisions of 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 September 19, 2011, was valid for one year i.e. upto September 18, 2012.

Therefore, 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 Board of Directors of your Company has recommended the resolution in Item No. 8 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. 8 of the Notice for the approval by the members.

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

**(Rajiv Kumar)  
Company Secretary**

**New Delhi, August 14, 2012**



## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report together with Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS:

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

PARTICULARS	(Rs. in lacs)	
	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
Total Income	4,38,399.52	387,156.47
Profit before depreciation & tax	41,758.16	44,122.84
Depreciation	9,736.35	8,401.29
Profit before tax & Extra Ordinary Items	32,021.81	35,721.55
Extra Ordinary Items	4,122.74	-
Profit before tax	27,899.07	35,721.55
Provision for tax		
- Current	6,567.63	7,118.17
- Deferred Tax	4,351.04	2,778.81
- MAT Credit/Fringe Benefit Tax	-	1,071.18
- Tax adjustment for earlier years	877.67	70.01
Profit after tax	16,102.74	24,683.38
Proposed Dividend together with Tax thereon	845.30	845.30
Transfer to General Reserve	1,610.28	2,468.00
Transfer to Debenture Redemption Reserve	1,045.00	1,060.00
<b>Surplus carried to Balance Sheet</b>	<b>90,740.66</b>	<b>78,138.50</b>

### FINANCIAL PERFORMANCE

The turnover of the Company for the year ended 31<sup>st</sup> March, 2012, reported an increase of 13.24 % rising to Rs. 438,399.52 lacs from Rs. 387,156.47 lacs in the previous year.

Profit before depreciation and taxation was Rs. 41,758.16 lacs and after providing Rs. 9,736.35 lacs towards depreciation, Extra-Ordinary Item on account of Foreign Currency Translation Loss of Rs. 4,122.74 lacs and Rs. 11,796.34 lacs towards tax, the net profit amounts to Rs. 16,102.74 lacs.

### BUSINESS PERFORMANCE

The flagship company of the Era Group, Era Infra Engineering Ltd. is amongst one of the fastest growing infrastructure companies in India with a wide sectoral presence. Continuously striving to foray into fast-growing infrastructure segments, across India and outside, the Company has diverse and extensive execution experience across key sectors of growth.

Armed with extensive engagement with prestigious clients across both public as well as private sector, Era Infra Engineering is a central player in key infrastructural development that is instrumental in building the lifeline of tomorrow.

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. As on 31<sup>st</sup> March, 2012, the Company has on its roll over Four Thousand One Hundred & Eleven (4111) employees, which includes around One Thousand experienced and skilled engineers.

The Order Book of Company has increased from Rs. 10,422 Cr. (approx.) in 2011 to Rs. 14,137.00 Cr. (approx.) as on date, for project 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 follows:

- **Infrastructure:** In infrastructure space we have received orders from Delhi Metro Rail Corporation Ltd. (DMRC) for "Design and Construction of Tunnel by Shield TBM and Lal Qila & Kashmere Gate Stations by Cut and Cover method between Jama Masjid and Kashmere Gate for underground works under the Delhi MRTS project of Phase-III." Era bagged one of the biggest project from National Highway Authority of India for four laning of Rampur-Kathgodam section of NH-87 from 0.00 KM to 88.00 KM in states of Uttar Pradesh & Uttarakhand.
- **Power:** Bagged projects in five districts of Madhya Pradesh for Supply, Erection, Testing and Commissioning of New 11 KV & LT Lines and 11/0.4 KV Distribution Substations under Rajiv Gandhi Grameen Vidyutikaran Yojana.  
A Project from Rajasthan Rajya Vidyut Prasaran Nigam Limited Jaipur for "Construction of 1 kV. (Approx.) LILLO of 2nd Ckt. Of 400 kV D/C Chhabra TPS-Dahara Line at 765 kV GSS Anta & 45 KV (Approx.) 400 kV S/C Line Extending from 765/400 kV Anta GSS to PGCIL's 400/200 kV Kota GSS (Twin Moose) Transmission Line."
- **Social Infra:** Received Work Orders in housing segment from Era Landmarks Limited in Sector-68 & Sector-103, Gurgaon. Bagged project from Ircon International Limited for construction of Officer's Club & Guest House, Supervisor & Worker's Club & Guest House, Senior Sec. & Primary Schools, Technical Trainee & Sports Hostel, Maintenance office, Hospital and Shopping Complex etc. at Lalganj, Raebareli and a project from Soni Infratech Pvt. Ltd. for Construction of Group Housing "Spire South" at Sector 68, Badshahpur, Sohna Road, Gurgaon, Haryana.

Presently the company has two 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 NHAI, NTPC, Airport Authority of India, Delhi Metro Rail Corporation Limited, Naya Raipur Development Authority etc.

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.

The division's business extends across major sectors of infrastructural growth and it broadly encompasses Roads/Highways, Power, T&D, Metro, Aviation, Social Infra, Industrial Refinery.

Through this division, Era Infra Engineering is executing projects for some the biggest names in the industry.

**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 2011-12. If the dividend, as recommended by the Board of Directors, is declared at this AGM, payment of such dividend will be made on or before October 29, 2012.

#### **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**

Your Company has not accepted any deposits from the public or its employees during the year under review. The details of loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company, are furnished separately.

#### **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.

There were certain changes in the Composition of the Board. Mr. Anil Razdan has resigned from the Directorship of the Company w.e.f. 07<sup>th</sup> May, 2012. Further Mr. J.L. Khushu, Whole Time Director and Mr. Amit Bharana, Director of the Company have also resigned from the Directorship of the Company w.e.f. 14<sup>th</sup> August, 2012. The Directors place on record their appreciation of the valuable contribution made by them.

On 14<sup>th</sup> August, 2012, Mr. Tulsi Dass Arora was appointed as Additional Director of the Company. Further, he was also appointed to act as Whole Time Director of the Company by the Board of Directors of the Company at the recommendation of the Remuneration Committee. The Appointment of Mr. Tulsi Dass Arora is subject to approval of Shareholders at the ensuing Annual General Meeting.

The appointments of Mr. A.K. Mehta and Mr. Arvind Pande as Directors and Mr. Tulsi Dass Arora as Whole Time Director of the Company 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 of the Board of Directors was reconstituted on 14<sup>th</sup> August, 2012 and presently consists of four members namely Mr. A.K. Mehta, Mr. S.D. Sharma, Mr. Tulsi Dass Arora 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.

## AUDITORS' REPORT

The Auditors' Report does not contain any adverse remark or qualification hence the same do not call for further information or explanation.

## SUBSIDIARY COMPANIES

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 Seventeen subsidiary companies for the period under review. We believe that the Consolidated Financial Statements present a more comprehensive picture rather than the standalone financial statements.

The Ministry of Corporate Affairs (MCA), Government of India (GOI), vide its General Circular No. 2/2011 dated 8 February, 2011 has granted a general exemption from the requirement of attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of subsidiary companies with the Annual Accounts of the Company under Section 212(8) of the Companies Act, 1956 subject to compliance of conditions mentioned therein.

In terms of the aforesaid general exemption granted by MCA, the Board of Directors of the Company has given its consent for not attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of its Seventeen subsidiaries with the Annual Accounts of the Company, in relation to the financial year ending on 31<sup>st</sup> March, 2012.

As permitted by SEBI guidelines and The Companies Act, 1956, we have included Consolidated 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 auditors' 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 2012-13 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 FCCB's issued were listed at Singapore Stock Exchange, Singapore. The same were delisted upon the redemption of outstanding 401 Bonds, w.e.f January 25, 2012.



## 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.

## 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	Nil	Nil
Foreign Exchange Outgo	4,143.48	8,788.67

## 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 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012 and of the profit of the Company for the financial year ending 31<sup>st</sup> March, 2012.
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 31<sup>st</sup> March, 2012 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.

**For and on Behalf of the Board**

**Place: New Delhi**

**Date: August 14, 2012**

**(H.S. Bharana)**

**Chairman & Managing Director**

## Annexure-A

**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, 2012**

### A. Employed through out the year and in receipt of remuneration not less than Rs. 60,00,000 for the year

S. No.	Name	AGE	Qualification	Designation	Nature of Duties	Experience (yrs.)	Date of Joining	Remuneration ( in Rs.)	Last Employment
1.	TULSI DAS ARORA	45	M.Tech, MBA	CHIEF EXECUTIVE OFFICER	CMG	24	22-June 93	73,16,815.00	ALL INDIA FEDERAL CORPORATION SHIPPING MILLS
2.	JAWAHAR LAL KHUSHU	70	B.E. CIVIL + M.E. (STRUCL)	WHOLE TIME DIRECTOR	CMG	47	01-Oct. 05	98,16,075 .00	CPWD
3.	RAKESH KUMAR GUPTA	57	B.E., CIVIL ENGG.	GROUP PRESIDENT	CMG	35	01-Apr. 11	85,79,520.00	N.T.P.C.

### B. Employed for part of the year and in receipt of remuneration not less than Rs. 5,00,000 per month.

S. No.	Name	AGE	Qualification	Designation	Nature of Duties	Experience (yrs.)	Date of Joining	Remuneration ( in Rs.)	Last Employment
1.	JOY SAXENA	52	FCA, AICWA PGDBA	GROUP CHIEF FINANCIAL OFFICER	CMG	27	24-June 08	75,07,166.00	DLF LIMITED
2.	AJAY KUMAR MISHRA	48	PGDBA FINANCE	PRESIDENT	CMG	27	01-Dec. 08	1,08,14,637.00	ERA POWER (I) PVT. LTD.
3.	M.N. SUMESH	58	B.E. CIVIL ENGG. - IIT	CHIEF OPERATING OFFICER	CMG	33	29-Nov. 11	5,76,476.00	AFCONS INFRA-STRUCTURE LIMITED
4.	RAKESH MARKHEDKAR	47	B.E. ELECTRICAL ENGG.	CHIEF EXECUTIVE OFFICER	PMG	21	06-July 11	50,84,213.00	KEI INDUSTRIES
5.	YOGESH VERMA	55	B.E. ELECTRICAL ENGG.	PRESIDENT & C.E.O.	CMG	28	15-Jun 11	74,17,572.00	WELSPUN INFRATECH LIMITED



## MANAGEMENT DISCUSSION & ANALYSIS

*As a nation, a society, a family and an individual, we must be grateful to our great ancestors who dedicated their lives to laying the infrastructure of our livelihood today. Let's continue their path and build upon it.*

--Master Jin Kwon

Infrastructure drives growth in an economy and is critical for the effective functioning of the economy. Extensive and efficient infrastructure is an essential driver of competitiveness. Growth in physical infrastructure has a direct impact on sustainability of overall growth and development of an economy. In recent years, India has made significant progress in physical infrastructure such as electricity, railways, roads, airports, etc. with the government's focus on infrastructure development and increased investments in the sector. The Government of India plays a major role in materialization of proposed investment plans and acts as a facilitator for formulating investment-friendly policies and in expediting process of clearances and approvals for infrastructural development. According to many commentators, India could unleash its full potentials, provided it improves the infrastructure facilities, which are at present not sufficient to meet the growing demand of the economy. Failing to improve the country's infrastructure will slow down India's growth process.

As we foray into another promising year, let's look back to our journey in more than over last two decades. So far, our journey has been quite enriching. The Indian Economy has come of age and so has our company. The country has grown at a compounded annual rate of around 8% for the last five years. Our company has correspondingly grown much more rapidly. It has been because of the continuous process of learning and acclimatizing with the different challenges and needs of the hour. Today we are comfortably placed among our peers. We have grown multifold and have been able to sustain this growth because of the dedicated and committed efforts of the entire team. We have shown stellar business and financial performance year-on-year and have forayed into different business segments of the infrastructure sector. From a small construction company we have matured ourselves to a 360 degree provider of infrastructure solutions.

Performances of physical infrastructure in Indian economy in last one and half decades have been mixed and uneven. The software part of India's physical infrastructure (like telecom, air, and port services) performed well, thus not only helped the country to maintain a faster growth but also integrated the economy with the world market at a faster pace. At the same time, the hardware component of the country's physical infrastructure (e.g. road, rail, power) comparatively grew slowly, thus negated the country's development process. Therefore, in order to unleash India's full potentials; development of hardware component of India's physical infrastructure perhaps deserves utmost attention. This also indirectly indicates high investment potentials in roadways, railways, power and the associated components in India.

The infrastructure sector, thus, emerges as not only the backbone of an economy, but also plays vital role in India's social and cultural segments. It contributes significantly to the growth of Gross Domestic Product (GDP), while creating opportunities for employment and investment.

### ECONOMIC AND INDUSTRY OVERVIEW

The FY 2011-12 for Indian Economy was a year of recovery interrupted. It was a challenging year internationally as well as at domestic level. Macro-economic signals were not very positive. Though India's Gross Domestic Product (GDP) is estimated to reduce to 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in preceding two years, yet in cross country comparison, India still remains one of highly growing economies.

The performance of broad sectors and sub sectors in key infrastructure areas in 2011-12 was both good and bad. While the tremors of Euro debt crisis, turmoil in Middle East countries, rising Crude Oil prices, destruction in Japan was felt in India, it was also complemented with inflation, rising Dollar prices, adverse market conditions, non-availability of appropriate long term finance, causing many large infrastructure project developers in India, including Era Infra Engineering Limited, to face cash flow pressures. However the road to recovery doesn't seem to be far ahead.

The real GDP growth is expected to pick up to 7.6% in 2012-13 and 8.6% in 2013-14. Given that fiscal consolidation is back on track, savings and capital formation is likely to start rising. Also the RBI policy rates are expected to be reduced in the back of easing of inflationary pressures. The lowered interest rates will encourage investment activity and have a positive impact on growth.

## OPPORTUNITIES

Infrastructure sector which acts as a catalyst in development of all the other sectors of the economy has been the focus area of Government. The Prime Minister has promised contracts of highways and port projects worth Rs. 35,000 crores (US\$ 6.13 billion), besides public-private partnership (PPP) projects to develop at least 20 airports. Fully recognizing the need to fill the void in financing infrastructure projects, last year's budget had set up a infrastructure debt fund with an initial size of Rs. 8,000 crores. Further, Rs. 60,000 crores is to be raised through tax free bonds allowed for financing infrastructure projects during financial year ('FY') 2012-13. IIFCL has put in place a structure for credit enhancement and take-out finance for easing access of credit to infrastructure projects.

The current budget highlighted award of contracts to build 8800 km of roads in 2012-13. Further highlight was augmenting low cost funds from outside India, through reduced tax of 5% been doled out to foreign investors providing debt to key infrastructure projects such as aviation, power, toll road, bridge, port etc. This will definitely help in filling the gap of the huge investment the country needs in infrastructure.

There is huge scope in Urban Infrastructure sector as continued demographic shift from rural to urban areas and rapid urbanization are posing a huge challenge in terms of creation and maintenance of minimum level of infrastructure and services.

India's construction sector is expected to grow at about 35 per cent between 2008-09 and 2012-13. Further, investment in the infrastructure sector is expected to be around US\$ 1000 billion during the Twelfth Five Year Plan (2012-17) against US\$ 425.2 billion during the Eleventh Five Year Plan (2007-12), which is likely to create 97 million jobs across different sectors in the country due to which, India would potentially need to build an average of 8.7 billion square feet (sq ft) of real estate space every year. This would be a great attraction for investors looking for opportunities in infra segment. Its contribution is expected to touch 10% as a proportion of GDP in 12<sup>th</sup> Plan. The share of private sector in infrastructure is expected to rise up to 50% during 12<sup>th</sup> plan. This investment is likely to be fulfilled through public-private-partnership (PPP) projects that are based on long-term concessions.

## SECTORIAL DEVELOPMENTS

Major sectors pertaining to infrastructure include roads, aviation, energy and railways. Growth pattern of core industries and infrastructure services is given in following Table. Some of the recent developments relating to these sub-sectors are stated hereafter.

Growth in core industries and infrastructure services (in per cent)					
Sector	2007-08	2008-09	2009-10	2010-11	2011-12 (Apr.-Dec.)
<b>Power</b>	<b>6.3</b>	<b>2.5</b>	<b>6.8</b>	<b>5.7</b>	<b>9.3</b>
<b>Railway revenue-earning freight traffic</b>	<b>9.0</b>	<b>4.9</b>	<b>6.6</b>	<b>3.8</b>	<b>4.7</b>
<b>Cargo handled at major ports</b>	<b>12.0</b>	<b>2.2</b>	<b>5.7</b>	<b>1.6</b>	<b>0.4</b>
<b>Civil aviation :</b>					
a) Export cargo handled	7.5	3.4	10.4	13.4	1.1
b) Import cargo handled	19.7	-5.7	7.9	20.6	1.4
c) Passengers handled at international terminals	11.9	3.8	5.7	11.5	7.2
d) Passengers handled at domestic terminals	20.6	-12.1	14.5	16.1	17.5
<b>Roads : Upgradation of highways*</b>					
i) NHAI	164.6	30.9	21.4	-33.3	8.9
ii) NH(O) & BRDB	12.5	17.3	4.0	-6.8	-36.5

Source : Ministry of Statistics and Programme Implementation (MOSPI)

\* Includes widening to four lanes & two lanes and Strengthening of existing weak pavement only.

# provisional

Notes : NH(O) stands for National Highways Organization and BRDB for the Border Roads Development Board (BRDB).



## Roads

In the development process, connectivity is a key component. It is the pillar on which economy grows and development is witnessed. Roads and highways not only connect different production and consumption regions but also open up new markets by gaining access to new consumers and thereby fostering inclusive growth. Roads in India are the most preferred mode of transportation. Currently, India has the world's second largest road system, with 4.1 million km of roads, of which highways regulator National Highway Authority of India's (NHAI) share is 71,722 km, State Highways - 1,54,522 km, Major District Roads & Other District Roads - 25,77,396 km, Rural Roads - 14,33,577 km.

About 60 per cent of freight and 87 per cent of passenger traffic passes on roads. Although National Highways (NH) constitutes only about 1.7 per cent of the road network, they carry 40 per cent of the total road traffic. To augment it, the Government plans to build 7,300 km of roads every year. The current budget highlighted award of contracts to build 8,800 km of roads in 2012-13. For the financial year 2012-13, the ministry and NHAI have awarded road projects of about 1,000 km so far. Together, they awarded 62 projects covering 7,957 km of road projects in 2011-12. This comprised 6,491 km by NHAI (49 projects) and 1,466 km (13 projects) by the ministry through state agencies.

The Government of India has decided to set up an institutional mechanism to oversee contract performance during the construction stage, for the timely completion of projects undertaken in PPP mode. The mechanism will have a two-tier system-Projects Monitoring Unit and Performance Review Unit-and will monitor projects in the post-construction usage stage.

Foreign direct investment (FDI) received in the sector construction activities (including roads and highways) during April 2011 to March 2012 stood at US\$ 2,796 million. According to the policy updates from DIPP, 100 per cent FDI under the automatic route is allowed for:

- Support services to land transport like operation of highway bridges, toll roads, and vehicular tunnels.
- Services incidental to transport like cargo handling is incidental to land transport.
- Construction and maintenance of roads and bridges.
- Construction and maintenance of roads and highways offered on build-on-transfer (BOT) basis, including collection of toll.

### **Policy Initiatives for attracting Private Investment**

- NHAI / Government of India (GoI) to provide capital grant up to 40 per cent of project cost to enhance viability on a case to case basis.
- 100 per cent tax exemption for five years and 30 per cent relief for next five years, which may be availed of in 20 years.
- Concession period allowed up to 30 years.

### **Other Government Initiatives**

In order to speed up the Dedicated Freight Corridor (DFC) project, highest priority is given to the 3,300 km project of (DFC), aimed to ensure hassle-free transport of goods, which is being referred as the future backbone of India's economic transport facility.

Under the NHDP Phase VI, construction of 1,000 km of expressway has been approved by the Government..

Highway widening projects will now qualify for the 10 year tax break under Section 80 IA of the Income-Tax (IT) Act. The Central Board of Direct Taxes (CBDT) has clarified that widening of existing roads by constructing additional lanes as a part of a highway project, by an undertaking, will be regarded as a new infrastructure facility.

### **Road Ahead**

Besides futuristic developmental plans under Twelfth Five Year Plan (2012-2017) as mentioned earlier, under the Thirteenth Five Year Plan (2017-2022), the Union Ministry for Road Transport and Highways, has proposed to build a huge network of expressways to connect areas with high traffic capacity by 2022.

## Railways

Traversing the length and breadth of the country, the Indian Railways, one of the largest developed networks in the world, with a total network of about 64,000 kilometre (km) spreading across 7,000 stations, with more than 18,000 trains operating every day, is one of the most cost efficient and well-connected modes of transport and hence enjoy preference over other modes of public transport. Over 22 million passengers travel by trains on a daily basis in India. The Railways transport around 2.5 million tonnes (MT) of freight via trains on a daily basis. The Indian Railways is a major catalyst to infuse socio-economic growth in the Indian economy.

The Railways have generated Rs. 21,027.96 crore (US\$ 3.80 billion) of revenue earnings from commodity-wise freight traffic during April-June 2012, registering an increase of 27.38 per cent. Railways carried 244.81 MT of commodity-wise freight traffic during April-June 2012, registering an increase of 4.77 per cent. The cumulative foreign direct investment (FDI) inflow into the railways related components sector stood at US\$ 246.30 million from April 2000 to April 2012, according to statistics released by the Department of Industrial Policy and Promotion (DIPP).

### Industry Initiatives

- Coal India Ltd plans to invest Rs. 7,500 crore (US\$ 1.35 billion) to develop railway tracks and related infrastructure to evacuate coal from Chhattisgarh, Jharkhand and Odisha. These tracks would help the company to acquire around 100 MT of additional coal from each of the States.
- The Ludhiana Metro project worth Rs. 10,300 crore (US\$ 1.86 billion), which will be completed in five years, was approved by Mr Parkash Singh Badal, Chief Minister, Punjab, on July 17, 2012.

### Government Initiatives

The Vision 2020 document of the Ministry of Railways projects investment need of Rs. 7,20,000 crore for the sector. The Government has quickened the process of award of rail contracts. The contracts for the Sonnagar-Dankuni section of the Dedicated Freight Corridor, elevated rail corridor in Mumbai and locomotive factories in Madhepura and Marhowra would be awarded this year. The first project to take off is the elevated rail corridor of Mumbai connecting Churchgate and Virar, with total investment to the tune of Rs. 20,000 crore (US\$ 3.61 billion). The project is expected to be funded through passenger fares and real estate development of the nearby area. Out of the total outlay, 20 per cent of the funding would be through Viability Gap funding (VGF).

Moreover, a total of 929 stations have been identified for development during 2009-10 to 2012-13 under Adarsh station scheme. A total of 550 stations have been developed under the scheme so far. Station redevelopment of four or five stations will be done via public-private partnership (PPP) mode.

### Road Ahead

Modernisation is an integral part of investment by the Indian Railways under various Plan heads. An outlay of Rs. 7,350 billion (US\$ 132.67 billion) has been proposed by the Ministry of Railways for the Twelfth Five Year Plan (2012-17). The major objectives of the Twelfth Five Year Plan are improving safety, modernisation and capacity augmentation. Investment in modernisation is estimated at Rs. 14,000 billion (US\$ 252.71 billion) as per the document Vision 2020.

The Ministry of Railways has also proposed to develop 50 world-class stations in PPP mode to improve and enhance rail infrastructure in India. Increasing urbanisation coupled with growing income is driving the demand in the passenger segment, while the growing industrialisation across country has increased freight traffic over the last decade.

### Aviation/Airports

The aviation sector is one of the major economic drivers for prosperity, development and employment in a country. The rapidly expanding aviation sector handles about 2.5 billion passengers across the world in a year; moves 45 million tonnes (MT) of cargo through 920 airlines, using 4,200 airports and deploys 27,000 aircraft. Today, 87 foreign airlines fly to and from India and five Indian carriers fly to and fro from 40 countries.

Currently ninth, India is expected to be amongst the top five nations in the world in the next 10 years in the aviation sector. The sector with a growth of 18 per cent in domestic market is expected to generate approximately 2.6 million jobs in the next one decade.



The passenger traffic has grown at the rate of 17 -18 per cent in the last few years. According to an assessment of the overall outlook of the sector, the fleet of the commercial airlines is expected to touch approximately 1,000 aircraft in 2020.

### **Government Initiatives**

Buoyed by the success of implementation of public private partnership (PPP) model in airport development, the Government of India plans to invest more on expansion of existing airports, by means of modernization. The Government has planned to invest US\$ 30 billion in next 10 years.

The Government has taken various steps towards structural policy reforms and is coming out with new policies which are liberal and will encourage public-private partnerships (PPP):

- Government of India allows 100 per cent foreign direct investment (FDI) for green field airports, via the automatic route. Moreover, foreign investment up to 74 per cent is permissible through direct approvals while special permissions are required for 100 per cent investment.
- Private investors are allowed to set up general airports and captive airstrips while maintaining a distance of 150 kms from the existing ones. Complete tax exemption is also granted for 10 years.

### **Road Ahead**

The Indian aviation industry is exploring opportunities to improve connectivity. "In next five years, plan is to expand the airport network and provide connectivity to tier II and III cities. In metros, where the existing airport cannot accommodate future growth, a second airport is being planned in the same city." Massive investments in airport infrastructure have led to world class airports which have become the symbol of India's growth story. The aviation sector has a growth potential to absorb upto US\$ 120 billion of investment.

### **Power**

In terms of power generation, India is the sixth largest in the entire world. Over the past 30 years the demand for power in India has enhanced at 3.6 per cent per annum on the back of economic growth of India. However, there is still a long gap in the Demand & Supply of electricity in India. According to the experts, the total demand for electricity will be above 950,000 MW by 2030. To fulfill the gap, the Indian power sector, will add nearly 45,000 megawatt (MW) to its total installed capacity by 2013-14, to the existing production.

India continued its ascent as a top destination for private clean energy investment. "Clean energy investment, excluding research and development, has grown by 600 per cent since 2004, with a goal to have 20 gigawatt (GW) of solar power installed by 2020, helped drive the seven-fold jump in solar energy investments to US\$ 4.2 billion. India now has 22.4 GW of installed clean energy generating capacity.

India's first Solar Power Park with generation capacity of 500 MW in Charanka village, in Patan district, Gujarat. Fifth unit of the Mundra power plant was synchronised, taking its total generating capacity to 4,620 MW, making it the world's largest single location coal-fired plant in the private sector and the fifth largest globally.

A study is pegging Indian potential for wind energy at 3,000 GW. It claims that the potential for wind energy utilisation with the prevalent technologies is far in excess of earlier estimates by Center for Wind Energy Technology (CWET). The Centre estimated Indian wind energy potential at 49,000 MW and increased to 100 GW subsequently.

The foreign direct investment (FDI) received in the power sector during April 2000 to February 2012 stood at US\$ 7,262.01 million, according to statistics released by the Department of Industrial Policy and Promotion (DIPP).

### **Government Initiatives**

In order to give a boost to power firms with plans to set up units in Special Economic Zones (SEZ), the Government has exempted them from the positive net foreign exchange (NFE) obligation applicable to regular units in such enclaves. According to the new guidelines, power plants can be set up by developers and co-developers in the processing area as well as in the non-processing area.

### **Road Ahead**

Government of India has initiated several reform measures to create a favourable environment for the newly added generating capacity in the country. The policies and reforms have put in place a highly liberal framework for generation of

power in the country. With a number of public and private opportunities in the sector, industry-wide improvements are needed for sustainable project and operational efficiency in the long run.

### **Urban Infrastructure**

Urban infrastructure mainly covers areas of Water, transport, housing, electricity, health & sanitation and education. Most of the commercial activity other than agriculture and village merchandise takes place in urban areas. Therefore, to a large extent, urban India is the engine of productivity and growth in the country. The five fold explosive growth in Urban India has resulted in serious infrastructure constraints. Today, India's urban population is second largest in the world after China and is expected to be 600 million by 2031, more than double of 2001. Already the number of metropolitan cities has increased from 35 in 2001 to 50 in 2011 and is expected to increase further to 87 by 2031. The expanding size of Indian cities will happen in many cases through a process of peripheral expansion of urban infrastructure, with smaller municipalities and large villages surrounding the core city becoming part of the large metropolitan area.

The Central Public Health Engineering and Environmental Organisation (CPHEEO) has estimated the requirement of funds for 100 percent coverage of the urban population under safe water supply and sanitation services by the year 2021 at Rs.172,905 crores. Estimates by Rail India Technical and Economic Services (RITES) indicate that the amount required for urban transport infrastructure investment in cities with population 100,000 or more during the next 20 years would be of the order of Rs.207,000 crores.

Infrastructure to meet these requirements calls for huge investments apart from the budgetary allocation of Central, State and Local Governments. It would induce the private sector to participate in urban development programmes.

### **Government Initiatives**

The Government has announced several incentives to attract private sector participation. These include:

- Encouraging projects under PPPs through model concession agreements, database, knowledge sharing, etc.
- Promotion & redevelopment of Metro Rail Services on the lines of successful Delhi Metro in other metropolitans viz, Bangalore, Mumbai, Hyderabad, Chennai, Kolkata, Ludhiana and attracting Private players for its Infrastructure & Development.
- To replace JNNURM with New Improved NIJNNURM, that focuses on capacity building, supports urban reforms within a programme approach and participation of private sector in building capacity of Urban infrastructure.
- Reforms in roads & highways construction industry viz, duty free import of high capacity and modern road construction equipments, increase in capital grant & tax benefits, declaration of the road sector as an industry, right to retain Toll, full exemption from basic Customs Duty to bio-asphalt and specified machinery for application in the construction of national highways, etc.
- The Ministry of Railways has also proposed to develop 50 world-class stations in PPP mode to improve and enhance rail infrastructure in India.
- Increase of investment in airport/aviation infrastructure, its modernization, with aim to connect more & more of Urban India.

### **SEGMENT WISE PERFORMANCE**

The Company operates in major infrastructure segments. It regards Business Segments as primary segments. The Business Segments are in line with AS-17. Segment Wise Performance of the company is provided in detail under the head Notes to Account forming part of Balance Sheet of the company.

### **CHALLENGES & OUTLOOK**

The key to global competitiveness of the Indian economy lies in building world class infrastructure and service delivery at competitive rates. The realization of investment targets for infrastructure during the Eleventh Plan gives hope that the financing of an even more ambitious Twelfth Plan target may be possible. Private-sector participation in financing of infrastructure has also generated optimism that public funding need not necessarily be the exclusive route for infrastructure investment. A conducive environment for private sector participation with a transparent and credible regulatory mechanism, therefore, could reduce the pressure on public-sector funding. Sectoral analysis of private-sector

participation in infrastructure during the Eleventh Plan also indicates that sectors such as railways, water supply and sanitation, ports, and power distribution have not generated the desired enthusiasm and attracted the desired level of private investment. It is, therefore, imperative to identify hurdles and weaknesses in regulatory, financing, and incentive structure (both taxation and debt) and project implementation-related issues that may be inhibiting private investment into these sectors.

There is a limited scope for large increase in domestic savings rate. There is also a mismatch between the long term fund requirements of the infrastructure sector and the bulk of savings and their intermediation with a shorter maturity span. As a result, there is a need for introducing more innovative schemes to attract large-scale investment into infrastructure. In view of the massive requirement of funds, all efforts need to be made to attract big ticket long-term investors such as strategic investors, private equity funds, pension funds, and sovereign funds. Strengthening domestic financial institutions and development of a long-term bonds market may be critical. Government has already enhanced the limit for foreign institutional investors (FIIs) to invest in corporate bonds issued by companies in the infrastructure sector, notified guidelines for infrastructure debt funds, and allowed tax benefits for investment in long-term infrastructure bonds. Besides financing, the infrastructure sector has also suffered due to a time lag in physical capacity creation and time overruns. These not only delay availability, but through cost overruns raise pricing and affordability issues. Infrastructure costs, as these are often non-tradeables may also affect the competitiveness of economy in long run. A harmonised list of main sectors and sub-sectors of infrastructure approved by government to serve as a guide for all agencies responsible for supporting infrastructure is a welcome move.

### **RISK, CONCERNS AND THREATS**

The recent global downturn and slowdown in India's Economic growth poses a cause of concern for all business entities operating in India. Industry specifically, 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. All 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.

Road Projects suffer from problem of delay in land acquisition and environmental and forest clearances, poor performance of contractors, shortage of qualified highway engineers and skilled/semi-skilled labour, delays in release of loan installment to contractors by banks, and local law and order problems. Several initiatives have been taken for resolving these issues and it is expected that during the Twelfth Plan road construction work will pick up.

### **INTERNAL CONTROL SYSTEMS**

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

1. 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.
5. An effective MIS & ERP system.

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 2011-12 vs 2010-11)			(Rs. In Lacs)
Particulars	2011-12	2010-11	% Change
Total Income	438,399.52	387,156.47	13.24
Interest & Financial Charges	44,340.96	31,879.64	39.09
Expenses	352,300.40	311,154.00	13.22
Depreciation	9,736.35	8,401.29	15.89
Total Expenditure	406,377.71	351,434.93	15.63
Profit Before Tax & Extraordinary Items	32,021.81	35,721.55	-10.36
Extraordinary Items	4,122.74	-	-
Profit Before Tax (PBT)	27,899.07	35,721.55	-21.9
Provision for Tax	11,796.34	11,038.17	6.87
Profit After Tax (PAT)	16,102.74	24,683.38	-34.76
Equity Capital	3,636.55	3,636.55	0
Reserve & Surplus	175,567.67	170,128.92	3.2
Earnings per Share (before extraordinary items):			
Basic	11.12	13.59	-
Diluted	11.12	13.39	-

Despite challenging environment in FY 11-12, your company has fared well. The turnover of the Company for the year ended 31<sup>st</sup> March, 2012, reported an increase of 13.24 % rising to Rs. 438,399.52 lacs from Rs. 387,156.47 lacs in the previous year.

Profit before depreciation and taxation was Rs. 41,758.16 lacs and after providing Rs. 9,736.35 lacs towards depreciation, Extra-Ordinary Item on account of Foreign Currency Translation Loss of Rs. 4,122.74 lacs and Rs. 11,796.34 lacs towards tax, the net profit amounts to Rs. 16,102.74 lacs.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

To meet new challenges, we count on our dedicated and competent human resource of engineers, management and financial professionals, the invaluable tools that have facilitated our Company's progression into fast growing and highly profitable sectors, helped embark us on sustained research and development and roll out comprehensive marketing programs. The Company is proud of its creative personnel team comprised of highly experienced, skilled and committed employees and it recognizes the invaluable contribution made by each of them. As on 31<sup>st</sup> March, 2012, there are Four Thousand One Hundred & Eleven (4111) employees in the company. There was no strike or labour unrest during the period under review.

As part of Human Resource philosophy, your company has taken several initiatives to ensure optimum utilization of Human Resource pool. Some of the key initiatives are as follows:

- Hiring fresh graduate engineers from different engineering institutes across India through special induction program named as UDAAN. It was introduced in July 2011 and inducted about 500 fresh civil engineers. Purpose of UDAAN is to do campus recruitment and have pool of fresh talent which can be groomed according to the future needs of ERA. We train and rigorously groom them as part of Induction for 6 months at various projects under experienced and specialized guidance of a MENTOR. The ultimate outcome of the training was not only a better skilled manpower but also a much motivated and retained manpower. UDAAN 2 continued for 2012 and inducted 300 students from best rated Institutions.
- A centralized RMG (Resource Management Group) was created to manage manpower by recruiting, selecting, transferring and promoting them at different levels across our group.
- Induction of new entrants was made more professional by providing them a common platform and freedom to provide feedback from the knowledge and learning that has been gained by them. The Induction feedback is directly monitored by the Chairman.
- As part of our Corporate Social Responsibility (CSR) initiative, we have started ERA RESOURCE DEVELOPMENT CENTRE. The objective is to give employment opportunities to the undergraduates of rural areas by providing 3 months training in ERDC and deploy them at different projects of ERA and thus creating employment at rural sector.
- To increase the efficiency in organization, the divisional/Management structure of the organization has been reformed, ensuring proper division of work, chain of command & decision making process.

- A strong budget system was created to not only control the manpower but control the cost vis-à-vis turnover.
- Entry and Exit system is fully automated and all approvals and settlements are made through the ERP system only.
- Labour legislations system is now fully monitored at corporate level and compliances are made well within time across all Divisions.

## **ERA INFRA ENGINEERING LIMITED – DIVISIONS**

### **A) EPC division (National & International)**

#### *Business overview*

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.

The division's business extends across major sectors of infrastructural growth and it broadly encompasses Roads/Highways, Power, T&D, Metro, Aviation, Social Infra, Industrial Refinery.

Through this division, Era Infra Engineering is executing projects for some the biggest names in the industry.

#### *Building lifelines of tomorrow*

Attracted by the unfolding opportunities across newer infrastructure segments such as hydro & nuclear power, irrigation, ports, multilevel car parking, dedicated freight corridor, the EPC division is diversifying its presence across these key verticals of infrastructure development. It is concurrently consolidating its presence in the existing sectors by executing large-sized projects. The division's future strategy also includes enhancement of pre-qualification strengths through strategic alliances.

### **B) Equipment Management division**

#### *Business overview*

The Equipment Management division of Era Infra Engineering has been set up to cater to the growing in-house and external demand for a wide range of construction machinery.

The division's large Equipment Bank spans machinery for diverse uses and includes:

#### **Cranes/ Material Handling Equipment**

- Cranes (All Terrain / Rough Terrain / Crawler / Tower Cranes), Fork Lifts, etc. are in huge demand across all levels of construction industry
- Intends to acquire state-of-the-art specialized, standardized and newer machinery along with experienced personnel to handle

#### **Piling Equipment**

Piling equipment i.e. Piling Rigs, Extractor, Pile Drivers etc. are used to build solid foundations for the construction of all major infrastructure projects, bridges, etc. These machines are used for construction of Cast-in-Situ bore piles. Piling work is the first civil work for any major construction activity such as power plant, steel plant, refineries, bridges, etc.

Piling machines has revolutionized the piling works in India, earlier piling used to be carried out with standard DMC (Direct Mud Circulation) method which used to be very crude, time consuming, and not accurate. With the help of these machines, the productivity is very much improved along-with the quality of the work done, accuracy of the work done is also enhanced

#### **Aerial Platform & Boom Lifts**

- As with growing safety concerns, working at heights with Aerial Platforms, Boom Lifts, Scissor Lifts, etc. is mandatory
- Scope for use in airport projects and building maintenance

#### **Other Equipment**

Motor Graders – with ongoing road projects, Motor Graders have achieved significance in equipment requirements

#### *Building lifelines of tomorrow*

With the booming construction industry progressively raising the demand for high-end machinery, the Equipment Management division is constantly upgrading itself to meet the growing requirements of the Indian infrastructure industry.

Going forward, the division's focus will be on enhancing utilization of machinery and increasing the life and productivity of machines through proper maintenance and upkeep. There are plans afoot to increase the equipment fleet to enable it to bid for bigger orders and provide complete equipment solutions to customers across the industry.

### **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

## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE COMPLIANCE REPORT FOR THE YEAR 2011-2012**

#### **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, fairness 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 economic and social objectives and the principles of Corporate Governance are applied to achieve both these goals. The Board has a fiduciary relationship and a corresponding duty to all its stakeholders viz. customers, creditors, employees, vendors, community, the Government (of countries in which the company operates) and shareholders, to ensure that their rights are well protected.

Through the Corporate Governance mechanism in the Company, the Board along with its Committees and senior management endeavors to strike the right balance with its various stakeholders. At the highest level, the Company continuously endeavors to improve upon governance 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 of the Company is based on the following main principles:

- Strategic supervision by a competent and experienced Board of Directors;
- Ensuring timely flow of information to the Board and its Committees for meaningful, focused and fruitful discussions in the meeting;
- Independent verification of the Company's financial reporting;
- A sound system of internal control and risk management 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 importance;
- Act in compliance with all applicable laws, rules 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.

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 proper system, process and technology.

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

#### **2. Board of Directors**

The Company is managed and controlled through a professional mix of Board of Directors ("BOARD") comprising of a combination of mandate executive and non-executive independent directors to ensure proper governance and management. 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 composition of Board of Directors of the Company witnessed certain changes during the period. Mr. Anil Razdan resigned from the company w.e.f. May 07, 2012. Mr. J. L. Khushu & Mr. Amit Bharana have resigned w.e.f. August 14, 2012, while Mr. Tulsi Dass Arora has been appointed as Whole Time Director of the company on the same date. As on the date of this report, the Board consists of Six 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	33
Non-Executive Independent Directors	4	67
<b>TOTAL</b>	<b>6</b>	<b>100</b>

- ii) The independent directors do not have any material pecuniary relationship (other than) receiving sitting fees for attending the Board Meeting(s) 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.
- iv) No director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956 to ensure independence and diversity in Board.

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 2011-12 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				Other Directorship and Committee Position		
			No. of BMs	No. of ACMs	No. of SIGCMs	Last AGM	Directorship	Committee Positions	
								Chairman	Member
1.	Mr. H.S. Bharana	Executive Director	6	-	4	Yes	11	1	3
2.	Mr. J.L. Khushu (#)	Executive Director	6	4	4	No	7	4	2
3.	Mr. A.K. Mehta	Independent and Non-Executive Director	2	4	-	No	2	1	1
4.	Mr. Arvind Pande	Independent and Non-Executive Director	3	3	-	No	3	1	1
5.	Mr. S.D. Sharma	Independent and Non-Executive Director	5	4	4	Yes	1	1	1
6.	Mr. S D Kapoor	Independent and Non-Executive Director	3	-	-	No	6	3	4
7.	Mr. Anil Razdan (*)	Non -Executive Director	4	-	-	No	6	-	2
8.	Mr. Amit Bharana (#)	Non -Executive Director	2	-	-	No	11	-	3
9.	Mr. Tulsi Dass Arora (#)	Executive Director	-	-	-	-	-	-	-

(\*) Mr. Anil Razdan has resigned from the company w.e.f. May 07, 2012;

(#) Mr. J. L. Khushu & Mr. Amit Bharana have resigned, while Mr. Tulsi Dass Arora has been appointed as Whole Time Director of the company w.e.f. August 14, 2012.

**Notes:**

1. For the Purpose of calculating other directorship and committee membership of the Directors, Private Ltd. Companies (not being a subsidiary of a Public Company), 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 FY 2011-2012, the Board of Directors met six times on:

14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 28<sup>th</sup> October, 2011; 14<sup>th</sup> November, 2011, 07<sup>th</sup> February, 2012 and 14<sup>th</sup> February, 2012 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 Finance Heads are 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.

Post Board meeting, the decisions taken by Board are followed up and reviewed. Important decisions are communicated to the departments/divisions concerned for implementation. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board for noting by the Board.

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

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

Approval of appointment Mr. Tulsi Dass Arora as the Whole Time Director of the Company for a tenure of Two years effective from 14-08-2012 to 13-08-2014 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, inter-alia, 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.
6. 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.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors for any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. 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.
15. 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.



### Composition of Audit Committee

- The audit Committee comprises of four members namely Mr. A.K. Mehta, Mr. S.D. Sharma, Mr. Tulsi Dass Arora 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.
- During the period under review four Audit Committee meetings were held on 14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012. The attendance of members of Audit Committee, therein, is given elsewhere in this report.
- The Committee meetings are attended on invitation by the Finance Heads, the representatives of Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Auditors performing Internal Audit function, 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 terms of reference of Committee includes, responsibility of finalizing the remuneration of executive directors and considering the remuneration after taking into consideration, interalia, 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 2011-2012, a meeting of remuneration committee was held on 13<sup>th</sup> August, 2011 for increasing the remuneration of Mr. H. S. Bharana, Chairman & Managing Director of the company.

### Executive Directors

Details of remuneration paid to the Executive Directors for the financial year, 2011-2012 is given below:

(In Rs.)

Particulars	Mr. H.S Bharana	Mr. J.L. Khushu
Basic Salary	1,12,20,000	38,24,544
Perquisites and Contribution to PF and Other Funds	85,80,000	59,91,531
<b>Total</b>	<b>1,98,00,000</b>	<b>98,16,075</b>

### Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending Board Meetings.

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. Tulsi Dass Arora and Mr. S. D. Sharma. Mr. S. D. Sharma, Non-Executive Director, is the Chairman of the Shareholders/ Investors Grievance Committee.

The committee meetings were held during the year on 14<sup>th</sup> May, 2011; 13<sup>th</sup> August, 2011; 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012. The attendance of members of Shareholders/Investors' Grievance Committee, therein, is given elsewhere in this report.

The terms of reference of this committee is 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 FY under review, the company received 15 shareholders complaints and all of them were resolved to the satisfaction of the shareholders. No complaint was pending at the end of financial year, 31<sup>st</sup> March, 2012.

Mr. Rajiv Kumar, Company Secretary is the compliance officer of the company, can be contacted at [rajiv.k@eragroup.in](mailto: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
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.
2009-10	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	06.08.2010	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956. b) Making Investment in the shares of Bareilly Highways Project Limited and Era T&D Limited.
2010-11	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	19.09.2011	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956.

## (ii) Postal Ballot

During the Financial Year 2011-12, the following resolution was passed as Special Resolution through postal ballot dated 13<sup>th</sup> August, 2011:

- Section 372A for making Investments, Loans and providing Corporate Guarantees.

The result of the postal ballot was declared on 12<sup>th</sup> October, 2011 and the resolution was passed with requisite and overwhelming majority.

Mr. R.S. Bhatia, Company Secretary in Practice, was appointed as the scrutinizer for conducting the aforesaid Postal Ballot. Mr. H.S. Bharana, Chairman & Managing Director and Mr. Rajiv Kumar, Company Secretary of the Company was responsible for conducting the said Postal Ballot in a fair and transparent manner. The Postal Ballot was conducted as per the rules framed by Government in this regard.

#### **Procedure for Postal Ballot**

For conducting a Postal Ballot, notice specifying the resolutions proposed to be passed through Postal Ballot as also the relevant explanatory statement & the postal ballot forms are dispatched to all the shareholders along with self addressed postage prepaid envelope. The shareholders are requested to send back the postal ballot forms duly filled up & signed in the postage prepaid envelopes provided to them by the Company, so as to reach the scrutinizer (in whose name the envelopes are made) on or before the 30<sup>th</sup> day from the date of issue of notice by the Company.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hands over the results to the Chairman. The Chairman there upon declares the results of the postal ballot.

#### **8. Disclosures**

- i) 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.
- ii) 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. 30 under "Notes to Accounts" in the Financial Statements for the financial year ended 31.03.2012.
- iii) 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.
- iv) 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.
- v) Number of Shares Held by Non-Executive Directors:  
None of the Non-Executive Directors hold any shares of the company.

#### **9. Compliance with other mandatory requirements**

- i) Management Discussion and Analysis :  
Management Discussion and Analysis is given elsewhere in this Annual Report.
- ii) Subsidiary Companies and Transactions :  
At the end of the financial year 2011-2012 the Company had twelve direct subsidiaries, two step subsidiaries and three foreign subsidiaries. M/s Era Infrastructure (India) Ltd. is a material subsidiary of the company.  
The details of transactions with subsidiaries are given in Note No. 25 under "Notes to Accounts" in Balance Sheet as at 31.03.2012.
- iii) 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.
- iv) CEO/ CFO Certification :  
A Certificate from Chairman and Managing Director and Chief Financial Officer (CFO) on the financial statements of the Company was placed before the Board.



v) 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**

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

a) **Quarterly/Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are send to the Stock Exchange immediately after they are approved by the Board.

b) **Publication of Quarterly/ Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the Board in which they are considered, at least in one nationwide english newspaper and in one vernacular newspaper of the NCT of Delhi where the Registered Office of the Company is situated.

The unaudited quarterly results for the quarters ended 30.06.2011, 30.09.2011, 31.12.2011 and un-audited results for the quarter and year ended 31.03.2012 were published in Navbharat Times, Times of India and The Economic Times in following manner:

Quarters	Date of Board Meeting	Date of Press Release and Newspaper
April-June, 2011	13/08/2011	15 August, 2011 'The Times of India' 15 August, 2011 'The Economic Times' 15 August, 2011 'Nav Bharat Times'
July-September, 2011	14/11/2011	15 November, 2011 'The Times of India' 15 November, 2011 'The Economic Times' 15 November, 2011 'Nav Bharat Times'
October-December,2011	14/02/2012	15 February, 2012 'The Economic Times' 15 February, 2012 'The Times of India' 15 February, 2012 'Nav Bharat Times'
January- March, 2012 & April 2011- March,2012 (Unaudited-FY 2011-2012)	15/05/2012	17 May, 2012 'The Economic Times' 17 May, 2012 'The Times of India' 17 May, 2012 'Nav Bharat Times'

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

- c) **Company's Website** : Company can be reached at website: [www.eragroup.co.in](http://www.eragroup.co.in). It provides the basic information about the company and is being regularly updated.

## 12. GENERAL SHAREHOLDER INFORMATION

Era Infra Engineering Limited (formerly known as 'Era Constructions (India) Limited') was incorporated on 03 September, 1990 and is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L74899DL1990PLC041350.

a) **Annual General Meeting**

Date : 29<sup>th</sup> September, 2012

Day : Saturday

Time : 3:30 p.m.

Venue : Executive Club 439, Village Shahoorpur

P.O. Fatehpur Beri, New Delhi-74.

b) **Financial Calendar:** 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.

Results for the quarter ending June 30, 2012 By mid of August 2012

Results for the quarter ending September 30, 2012 By mid of November 2012

Results for the quarter ending December 31, 2012 By mid of February 2013

Results for the quarter/year ending March 31, 2013 By mid/end of May 2013

Annual General Meeting for the year ending March 2013 Latest by end of Sept 2013

c) **Book Closure Period:** 22.09.2012 to 29.09.2012 (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 2011-12 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 before 29<sup>th</sup> October, 2012:

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 21<sup>st</sup> September, 2012.

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 29<sup>th</sup> September, 2012.

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.

The FCCB's issued by the Company were listed at Singapore Stock Exchange, Singapore. The same were delisted upon the redemption of outstanding 401 Bonds, w.e.f January 25, 2012.

Listing fees payable to NSE & BSE and Depository fees payable to NSDL & CDSL for the year 2012-13 has been paid on due dates.

#### 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, 2011	191.05	186.9	191.2	186.95
May, 2011	187.55	177.15	187.45	177.05
June, 2011	178.5	170.3	178.45	170.3
July, 2011	170.9	167.35	170.9	167.2
August, 2011	167.25	155.75	167.25	155.7
September, 2011	155.75	153.9	155.7	153.9
October, 2011	152.7	150.6	152.7	150.3
November, 2011	152.55	148.55	152.6	148.55
December, 2011	149.25	136.55	149.1	136.75
January, 2012	139.6	134.3	139.55	134.2
February, 2012	139.35	134.1	139.7	134.05
March, 2012	141.9	136.65	141.6	136.9

(Source : BSE & NSE Website)

#### g) Performance of the share price of the Company in comparison to the Bombay Stock Exchange Limited (Sensex) and National Stock Exchange of India Limited (NIFTY):



(Source : www.moneycontrol.com)



#### h) Stock Code

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

#### i) Registrar and Share Transfer Agent

M/s Beetal Financial & Computer Services Private Limited is the 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; beetalrta@gmail.com

Website: www.beetalfinancial.com

#### j) Share Transfer System

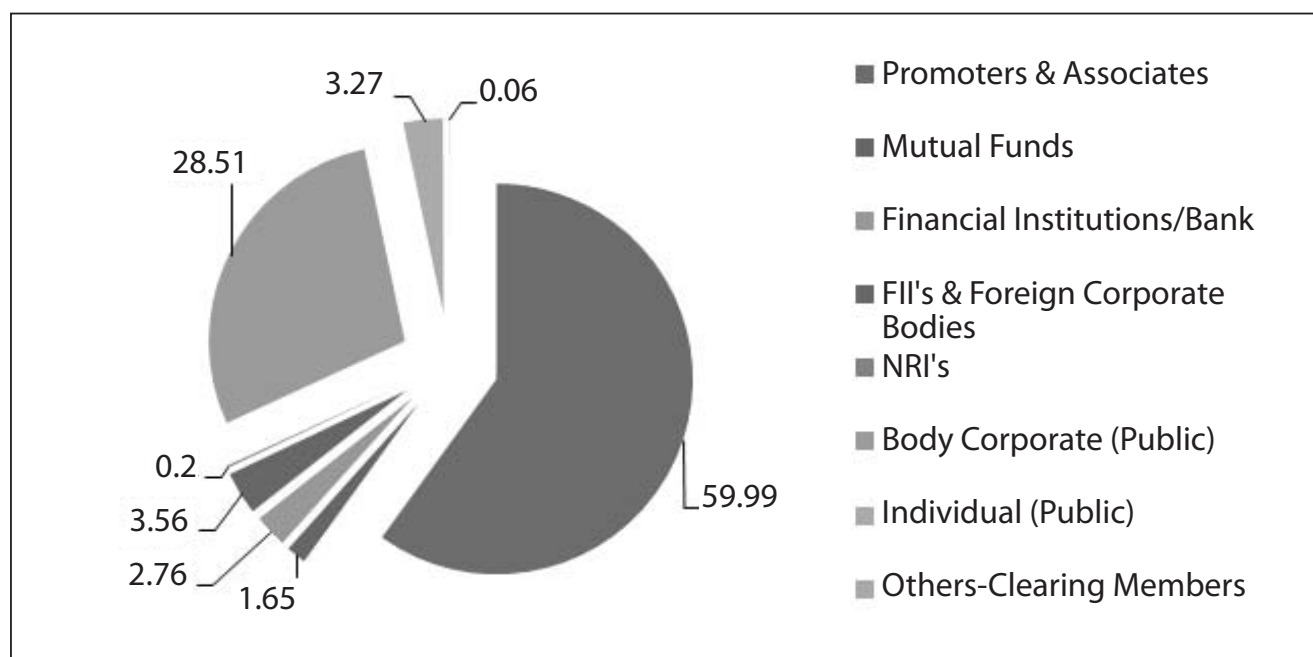
Transfers of Equity Shares (in Physical) are handled by Beetal Financial & Computer Services Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Beetal Financial & Computer Services Private Limited at the above address in order to enable Beetal Financial & Computer Services Private Limited to process the transfer. The compliance officer of the company attends to share transfer formalities on regular basis to ensure share transfers could be effected within 15 days of receipt.

#### k) Distribution of shareholding/shareholding pattern as on 31<sup>st</sup> March, 2012

Shareholding	Shareholders		Share Amount	
Nominal Value in Rs.	Number	% to total	In Rs.	% to Total
Upto 5,000	13,474	97.00	81,10,290.00	2.23
5,001 - 10000	168	1.21	12,25,896.00	0.34
10,001 - 20,000	58	0.42	8,95,380.00	0.25
20,001 - 30000	26	0.19	6,30,098.00	0.17
30,001 - 40000	10	0.07	3,47,184.00	0.09
40,001 - 50,000	12	0.09	5,32,598.00	0.15
50,001 - 1,00,000	31	0.22	24,44,238.00	0.67
1,00,001 and above	112	0.80	34,94,69,596.00	96.10
<b>Total</b>	<b>13,891</b>	<b>100.00</b>	<b>363,655,280.00</b>	<b>100.00</b>

### Categories of Equity Shareholders as on March 31, 2012:

Category	As on 31.03.2012	
	Shareholding	% to paid up capital
Promoters & Associates	109070834	59.99
Mutual Funds	3006756	1.65
Financial Institutions/Bank	5023809	2.76
FII's & Foreign Corporate Bodies	6466587	3.56
NRI's	367909	0.20
Body Corporate (Public)	51837459	28.51
Individual (Public)	5941034	3.27
Others- Clearing Members	113252	0.06
<b>TOTAL</b>	<b>181827640</b>	<b>100.00</b>



**l) 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 31<sup>st</sup> March, 2012; 18,09,34,964 Equity Shares constituting 99.51% of total equity of the Company were held in dematerialized form with NSDL & CDSL. Company's shares are liquid and actively traded on Stock Exchanges.

**m) UNCLAIMED DIVIDEND**

Under the Companies Act, 1956, Dividend that are unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by Central Government.

Member's Dividend claim in respect of financial year 2003-04 has already been transferred to IEPF, while the Dividend claim for financial year 2004-05 is due to be transferred to IEPF on 22 August, 2012. Members are requested to encash their unclaimed dividend warrant(s) for the financial year 2005-06 and onwards without any further delay to the Company's Registrar and Transfer Agents, M/s Beetal Financial & Computer Services Private Limited.

**Members may please note that no claim will lie against IEPF or the Company with respect to Dividend declared for the financial year 2005-06, on or after, 06 November, 2013.**

**n) Compliance Officer**

Mr. Rajiv Kumar is the compliance officer of the company, can be contacted at Era Infra Engineering Ltd., 153, Okhla Industrial Estate, Phase-III, New Delhi-110020, Tel. : 011 40637000, Fax : 011-40637070, Email : [rajiv.k@eragroup.in](mailto:rajiv.k@eragroup.in)

**o) Plant Location**

Construction Projects are executed projects at the clients locations. As on 31.03.2012 the company's plants are situated at:

1. Greater Noida (U.P) : I-43/44, Site-V, Surajpur Industrial Area, Kasna , Gr. Noida, U.P. ,
2. Sahibabad (U.P) : A-43/2, Site -IV, Sahibabad Industrial Area , Ghaziabad (U.P.) and
3. Nathupur (Kundli), (Haryana)-Killa No.-16,17,18 & 19, Nera Crystal Chemical Ltd. Nathupur Industrial Area, Nathupur (Kundli), Sonapat (Haryana).

**p) 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](mailto:rajiv.k@eragroup.in) Web site: [www.eragroup.co.in](http://www.eragroup.co.in)

**q) Green Initiatives for Paperless Communication:****i. Paperless Communication:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued circulars bearing no. 17/2011 dated: April 21, 2011 and 18/2011 dated : April 29, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move aims at large to contribute to the green movement.

Keeping in view the underlying theme and the circular issued by MCA, the Company has already taken an initiative by inviting the shareholders to participate in the "Go-Green" initiative by registering their e mail addresses with the Company (in case of Physical Shareholders) and with their respective Depositories (for De-mat Shareholders).It is proposed to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditors' report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.



The Company's initiative has been responded with overwhelming response from the shareholders.

To further support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with Depositories through their concerned Depository Participant. Member's who hold shares in physical form are requested to register their e-mail addresses with the company at [investorinfra@eragroup.in](mailto:investorinfra@eragroup.in) or by filling in and submitting to the Company, the Registration Form provided in this Annual Report or register their email addresses.

**ii. Letter to Shareholders for Unclaimed Share Certificates:**

In compliance with the SEBI circular No. CIR/CFD/DIL/10/2010, the company has sent Letters to shareholders, holding shares in physical, to claim their unclaimed share certificates, if any, consequent to subdivision of Shares of face value of Rs. 10/- each into five shares of Rs. 2/- each. The Company would like to once again remind the shareholders for same, as such share certificates remaining unclaimed would then be transferred in dematerialized mode to "Unclaimed Shares Suspense Account", on which voting rights shall remain frozen till the rightful owner claims the shares.

**iii. NSE Electronic Application Processing System (NEAPS):**

NEAPS is a web based application, recently launched and designed by NSE for corporates to support electronic filing and application processing. The Shareholding Pattern and Corporate Governance Report are also filed electronically by the Company on NEAPS.

**iv. SEBI Complaints Redress System (SCORES):**

Your Company is registered with Securities & Exchange Board of India's (SEBI's) recently launched SEBI Complaints Redress System (SCORES), wherein investor complaints are processed in a centralized web based complaint redress system. Here, all the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. It would obviate the need for physical movement of complaints and the possibility of loss, damage or misdirection of the complaints would be avoided.

**DISCLOSURES BY THE MANAGEMENT**

During the year 2011-12, 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, 2012 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 31<sup>st</sup> March 2012.

For **Era Infra Engineering Limited**

**H.S. Bharana**

(Chairman & Managing Director)

Place : New Delhi

Date : August 14, 2012

#### **CHAIRMAN AND MANAGING DIRECTOR / CFO CERTIFICATION**

We, H. S. Bharana, Chairman & Managing Director and Sanjay Gupta, Chief Financial Officer 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 auditor and the audit committee of the company's board of directors (and persons performing the equivalent functions):
  - i. significant change in internal controls during the year covered by this report;
  - ii. all significant changes in accounting policies during the year if any that the same have been disclosed in the notes to the financial Statements;
  - iii. 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 over Financial Reporting.

Place : New Delhi  
Date : August 14, 2012

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

**(Sanjay Gupta)**  
**Chief Financial Officer**

### **COMPLIANCE CERTIFICATE**

#### **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 31<sup>st</sup> March 2012, 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.

**Place: New Delhi**  
**Date : August 14, 2012**

**R.S. Bhatia**  
**Company Secretary in Practice**  
**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 31<sup>st</sup> March, 2012 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 (Auditors' 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 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012;
    - 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  
FRN : 500041N

**CA. Pankaj Jain**  
Partner  
M. No. : 505948

Place : New Delhi  
Date : August 14, 2012



## **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 three parties covered in the register maintained under section 301 of the Companies Act, 1956. The party wise cumulative maximum amount involved during the year was Rs. 302.55 Lacs and the year-end balance of loans granted to such parties was Rs. 18.35 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 are 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. However as informed to us there is a continuous procedure to strengthened the same. 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, the company has not accepted any deposit from public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under no order has been passed by the Company Law Board or National Company Law Tribunal 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 regularly deposited with the appropriate authorities.
- (b) According 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:

NAME OF THE DUES/ NAME OF THE STATUTE	DISPUTED AMOUNT (₹ IN LACS)	PERIOD TO WHICH AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
<b>SALES TAX</b>			
West Bengal Vat Demand- Appeal Filed	91.74	2004-05 & 2007-08	The Deputy Commissioner,(Appeal) Trade Tax ,Kolkata
<b>SERVICE TAX</b>			
Finance Act, 1994	73.11	2006-07	Delhi High Court
Finance Act, 1994	3,244.64	2006-07, 2008-09 & 2009-10	Central Excise & Service Tax Appellate Tribunal, New Delhi
<b>CUSTOM / EXCISE DUTY</b>			
Customs Act, 1962	77.99	2007-08	Commissioner Of Customs (Imports) New Custom House, Kolkata
Customs Act, 1962	5.76	2011-12	Assistant Excise and Taxation Commissioner, ICC, Shambhu Import, Punjab
<b>LABOUR CESS</b>			
The Building And Other Construction Workers (Regulation Of Employment And Condition Of Service) Act, 1996	85.61	2000-2007	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 of 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 overall 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 not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has created securities for the non-convertible debentures.
- (xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Chartered Accountants  
FRN : 500041N

**CA. Pankaj Jain**

Partner  
M. No. : 505948

Place : New Delhi

Date : August 14, 2012

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTES	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	2	3,636.55	3,636.55
Reserves and Surplus	3	175,567.67	170,128.92
		<b>179,204.22</b>	<b>173,765.47</b>
<b>(2) Non-Current Liabilities</b>			
Long-Term Borrowings	4 A.	155,466.05	129,206.13
Deferred Tax Liabilities (Net)	5	22,974.28	18,623.23
Long-Term Provisions	6 A.	685.76	652.26
		<b>179,126.09</b>	<b>148,481.62</b>
<b>(3) Current Liabilities</b>			
Short-Term Borrowings	4 B.	176,895.26	139,469.97
Trade Payables	7	38,762.94	45,529.03
Other Current Liabilities	8	65,135.65	65,313.81
Short-Term Provisions	6 B.	3,530.05	3,515.69
		<b>284,323.90</b>	<b>253,828.50</b>
<b>TOTAL (1+2+3)</b>		<b>642,654.21</b>	<b>576,075.59</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<u>Fixed Assets</u>			
Tangible Assets	9	164,830.71	141,490.33
Capital work-in-progress		8,921.12	10,106.22
Non-Current Investments	10	58,741.45	55,693.22
Long-Term Loans and Advances	11 A	15,996.80	3,588.70
		<b>248,490.08</b>	<b>210,878.47</b>
<b>(2) Current Assets</b>			
Inventories	12	143,366.04	120,414.99
Trade Receivables	13	148,832.10	135,395.62
Cash and bank balances	14	31,277.17	43,839.14
Short-Term Loans and Advances	11 B	70,010.92	65,099.94
Other Current Assets	15	677.90	447.42
		<b>394,164.13</b>	<b>365,197.11</b>
<b>TOTAL (1+2)</b>		<b>642,654.21</b>	<b>576,075.59</b>
<b>Significant Accounting Policies</b>	<b>1</b>		

The accompanying notes ( 2 - 32 ) are an integral part of the financial statements.

For and on behalf of the Board

### Auditors' Report

As per our report of even date attached

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

Chartered Accountants  
FRN : 500041N

### CA. Pankaj Jain

Partner  
M.No : 505948  
Place : New Delhi.  
Date : August 14, 2012

(H.S. Bharana)  
Chairman & Managing Director

(Rajiv Kumar)  
Company Secretary

(J.L.Khushu)  
Whole Time Director

(Sanjay Gupta)  
Chief Financial Officer



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTES	Year ended 31 <sup>st</sup> March, 2012	Year ended 31 <sup>st</sup> March, 2011
I. Revenue from Operations	16	434,923.31	382,890.16
II. Other Incomes	17	3,476.21	4,266.31
<b>III. Total Revenue (I + II)</b>		<b>438,399.52</b>	<b>387,156.47</b>
<b>IV. Expenses:</b>			
Direct Contract Expenses	18	278,014.88	289,958.74
Purchase of stock-in-trade	19	52,642.29	1,790.11
Employee Benefit Expenses	20	14,962.33	13,260.30
Finance Costs	21	44,340.96	31,879.64
Depreciation and Amortization Expense	9	9,736.35	8,401.29
Other Expenses	22	6,680.90	6,144.85
Total Expenses		<b>406,377.71</b>	<b>351,434.92</b>
V. Profit before Extraordinary Items and Tax (III-IV)		<b>32,021.81</b>	35,721.55
VI. Extraordinary Items	29	4,122.74	-
VII. Profit before Tax (V - VI)		<b>27,899.07</b>	35,721.55
VIII. Tax Expense			
-- Current Tax		6,567.63	7,118.17
-- Deferred Tax		4,351.04	2,778.81
-- MAT Credit utilised		-	1,071.18
-- Tax Adjustment for Earlier Years		877.67	70.01
<b>IX. Profit for the year (VII-VIII)</b>		<b>16,102.74</b>	<b>24,683.38</b>
<u>Earnings Per Equity Share (before extraordinary items)</u>	29		
(Equity share of ₹ 2/- each)			
-- Basic		11.12	13.59
-- Diluted		11.12	13.39
<u>Earnings Per Equity Share (after extraordinary items)</u>			
(Equity share of ₹ 2/- each)			
-- Basic		8.86	13.59
-- Diluted		8.86	13.39
Significant Accounting Policies	1		

The accompanying notes ( 2 - 32 ) are an integral part of the financial statements.

For and on behalf of the Board

### Auditors' Report

As per our report of even date attached

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

Chartered Accountants

FRN : 500041N

**CA. Pankaj Jain**

Partner

M.No : 505948

Place : New Delhi.

Date : August 14, 2012

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

**(Rajiv Kumar)**  
Company Secretary

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

**(Sanjay Gupta)**  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A. Cash flow from operating activities</b>		
Profit before tax	27,899.09	35,721.55
<u>Non cash adjustments</u>		
Depreciation	9,736.35	8,401.29
Loss/ (Profit) on sale of fixed assets	642.16	0.65
Foreign currency fluctuation (FCCBs)	-	(276.93)
Provision for diminution in value of investments	0.70	-
Provision for doubtful loans and advances	9.87	-
Foreign currency Monetary Items Transaction Difference A/C Written Off	-	57.55
Interest income	(2,411.82)	(953.84)
Loss/ (Profit) on Sale of Long Term Investments	(364.28)	(2,518.11)
Finance costs	44,340.96	31,879.64
Operating profit before working capital changes	<b>79,853.03</b>	<b>72,311.80</b>
<u>Changes in working capital</u>		
Increase/ (Decrease) in trade payables	(6,766.09)	26,137.94
Increase/ (Decrease) in long term provisions	33.50	217.20
Increase/ (Decrease) in other current liabilities	(178.16)	1,160.06
Decrease/ (Increase) in trade receivables	(13,436.47)	(42,022.56)
Decrease/ (Increase) in inventories	(22,951.05)	(29,585.54)
Decrease/ (Increase) in long term loans and advances	(12,408.09)	(3,135.60)
Decrease/ (Increase) in short term loans and advances	(4,920.84)	(9,595.65)
Decrease/ (Increase) in other current assets	(230.48)	1,280.06
	(60,857.68)	(55,544.09)
Cash generated in operations	18,995.34	16,767.71
Direct taxes paid	(7,430.94)	(5,588.96)
<b>Net cash flow/ (cash used in) operating activities</b>	<b>11,564.40</b>	<b>11,178.75</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(34,092.80)	(12,125.85)
Capital work-in-progress	1,185.10	(252.84)
Proceeds from sale of fixed assets	373.93	50.91
Proceeds from non current investments	1,114.76	17,909.31
Purchase of non current investments	(3,799.44)	(42,349.85)
Interest income	2,411.82	953.84
<b>Net cash flow/ (cash used in) investing activities</b>	<b>(32,806.63)</b>	<b>(35,814.48)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings net of exchange differences	44,080.36	40,931.40
Repayment of FCCB including premium	(27,639.14)	-
Repayment of Long term borrowings	-	(16,666.30)
Proceeds from short term borrowings	37,425.28	30,326.72
Finance cost	(44,340.96)	(31,879.64)
Dividend paid	(727.31)	(727.31)
Corporate Dividend tax paid	(117.99)	(123.61)
<b>Net cash flow/ (cash used in) financing activities</b>	<b>8,680.25</b>	<b>21,861.26</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(12,561.97)</b>	<b>(2,774.47)</b>
Cash and cash equivalents at the beginning of the year	43,839.14	46,613.61
Cash and cash equivalents at the end of the year	31,277.17	43,839.14

Note: 1. The above cash flow statement has been prepared under "The Indirect Method" as stated in Accounting Standard-3  
2. Cash and cash equivalents include Rs. 20.55 Lacs (PY Rs. 19.38 Lacs) of unclaimed dividend not available for use with the company.

### Auditors' Report

As per our report of even date attached

For and on behalf of the Board

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

Chartered Accountants  
FRN : 500041N

(H.S. Bharana)  
Chairman & Managing Director

(J.L.Khushu)  
Whole Time Director

### CA. Pankaj Jain

Partner  
M.No : 505948

(Rajiv Kumar)  
Company Secretary

(Sanjay Gupta)  
Chief Financial Officer

Place : New Delhi.  
Date : 14<sup>th</sup> August, 2012

## Notes forming part of Financial Statements as on 31<sup>st</sup> March, 2012

### 1. Significant Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial statements are set out below:

#### a. Basis of Accounting

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

#### b. Revenue Recognition

- (i) Revenue from contracts is recognised on the percentage of completion method based on billing schedules agreed with the client on a progressive completion basis. Material & resources supplied by client are included as cost of construction and as revenue at market price. Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are reasonable ascertained.
- (ii) 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.
- (iii) Income from wind energy and equipments hiring & management are recognized on accrual basis.
- (iv) Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain.
- (v) Accounting for Joint Venture Contracts :
  - 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.
  - 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.

#### c. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any. 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.

#### d. 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.

#### e. Capital Work In-Progress

Costs of assets not ready for use before the year-end are included under Capital Work-in-Progress.

#### f. 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 Statement.

#### g. Investments

Investments are classified into non-current investments and current investments. Non-current investments are stated at cost. Provision for diminution in the value of a non-current 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.

**h. 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 whichever ever is lower.

**i. Foreign Exchange Transactions**Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except Exchange difference arising on account of FCCB's issued by the Company in 2007, which has been accounted for as per Notification dated 31.3.2009, issued by the Ministry of Corporate Affairs, pertaining to Accounting Standard-11. Accordingly, exchange differences attributable to depreciable assets have been adjusted to the carrying cost of respective assets and depreciated as per the said notification.

**j. 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 as at the Balance Sheet date using projected unit credit method.
- (iii) The liability of the company for gratuity, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date using projected unit credit method.

**k. 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.

**l. Extraordinary and Exceptional Items**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding the performance of the company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.



## Notes Forming Part of Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
- 300,000,000 (Previous Year 300,000,000) Equity Shares of ₹ 2/- each	6,000.00	6,000.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
- 18,18,27,640 (Previous year : 18,18,27,640) Equity Shares of ₹ 2/- each fully paid up.	3,636.55	3,636.55
<b>Total</b>	<b>3,636.55</b>	<b>3,636.55</b>
<b>a. Reconciliation of Equity Shares Outstanding at the beginning and at the end of the year</b>		
At the Beginning of the year	181,827,640	179,166,325
Add: Allotted during the Year	-	2,661,315
<b>- Outstanding at the end of the year</b>	<b>181,827,640</b>	<b>181,827,640</b>
<b>b. Terms/ Rights of equity shareholders</b>		
The company has only one class of equity share having a par value of ₹ 2 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.		
<b>c. List of Equity Shares held by each shareholder holding more than 5% shares:</b>		
<b>Era Housing &amp; Developers (India) Limited</b>		
-No of shares	42,584,114	42,584,114
-Percentage of holding	23.42%	23.42%
<b>Hi Point Investment and Finance Private Limited</b>		
-No of shares	33,353,010	31,413,469
-Percentage of holding	18.34%	17.28%
As per records of the company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.		

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>d. For the period of five years immediately preceding the date at which balance sheet is prepared</b>		
- Aggregate number of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-
- Aggregate number of shares bought back	-	-
<b>3. Reserves and Surplus</b>		
<b>(a) Securities Premium Account</b>		
As per last Balance Sheet	78,764.70	74,597.09
Add: Addition during the year	-	4,167.61
Less: Premium on FCCBs Redemption	9,818.70	-
<b>Total (a)</b>	<b>68,946.00</b>	<b>78,764.70</b>
<b>(b) Debenture Redemption Reserve</b>		
As per last Balance Sheet	3,490.00	2,430.00
Add: Transfer from Profit & Loss Account	1,045.00	1,060.00
<b>Total (b)</b>	<b>4,535.00</b>	<b>3,490.00</b>
<b>(c) General Reserve</b>		
As per last Balance Sheet	9,735.73	7,267.73
Add: Transfer from Profit & Loss Account	1,610.28	2,468.00
<b>Total (c)</b>	<b>11,346.01</b>	<b>9,735.73</b>
<b>(d) Profit &amp; Loss Account</b>		
As per last Balance Sheet	78,138.50	57,828.54
Profit for the year	16,102.74	24,683.38
<i>Less: Appropriations</i>		
-Proposed Dividend	727.31	727.31
-Corporate Dividend Tax	117.99	117.99
-Transfer to General Reserve	1,610.28	2,468.00
-Dividend & Dividend Tax (Previous Year)	-	0.13
-Transfer to Debenture Redemption Reserve	1,045.00	1,060.00
<b>Total (d)</b>	<b>90,740.66</b>	<b>78,138.50</b>
<b>Total Reserves and Surplus (a+b+c+d)</b>	<b>175,567.67</b>	<b>170,128.92</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>4. Borrowings</b>		
Considered secured unless stated otherwise		
<b>A. Long Term Borrowings</b>		
(a) Term Loan from Banks	112,181.00	84,992.60
(b) Equipment Finance		
- From banks	4,986.92	5,298.06
- From others	7,467.87	9,102.77
(c) Other Loans & Advances	261.78	261.78
(d) External Commercial Borrowing	35,670.89	4,444.00
(e) Non-Convertible Debentures	32,400.00	36,150.00
(f) Foreign Currency Convertible Bonds (Unsecured)	-	17,820.44
<b>Total (i)</b>	<b>192,968.46</b>	<b>158,069.65</b>
Following are the current maturities of above borrowings (shown as a part of other current liabilities)		
(a) Term Loan from Banks	23,750.00	2,812.50
(b) Equipment Finance	7,360.21	8,230.58
(c) External Commercial Borrowing	592.20	-
(d) Non-Convertible Debentures	5,800.00	-
(e) Foreign Currency Convertible Bonds (Unsecured)	-	17,820.44
<b>Total (ii)</b>	<b>37,502.41</b>	<b>28,863.52</b>
<b>Net long-term borrowings (i)- (ii)</b>	<b>155,466.05</b>	<b>129,206.13</b>
<b>B. Short Term Borrowings</b>		
(a) Loans Repayable on Demand		
- From Banks & Financial Institutions (Unsecured)	25,000.00	15,000.00
(b) Borrowings From Banks	151,895.26	124,469.97
<b>Total (B)</b>	<b>176,895.26</b>	<b>139,469.97</b>
<b>Total borrowings (A(i)+B)</b>	<b>369,863.72</b>	<b>297,539.62</b>
<b>Aggregate amount of</b>		
Secured Loans	344,863.72	264,719.18
Unsecured Loans	25,000.00	32,820.44
Amount shown in other current liabilities (Refer Note No 8)	(37,502.41)	(28,863.52)
	<b>332,361.31</b>	<b>268,676.10</b>

### C. Terms of Security of Borrowings

#### a) Long-Term Borrowings

Term Loan 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. In some cases these are further secured by equitable mortgage of certain personal assets, investment and personal guarantees of Mr. H. S. Bharana, Chairman & Managing Director/his associates/relatives/others as the case may be.

Equipment Finances are secured by way of hypothecation of respective assets.

Other Loans and advances are secured against pledge of key man insurance policies. No defined term of repayment till term of policy.

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. ECB is further secured by way of DSRA account.

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.

#### b) Short-Term Borrowings

Short term 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/others as the case may be.

### D. Foreign Currency Convertible Bonds

- a) The company had raised 750 Nos. Zero Coupon Foreign Currency Convertible Bonds (Bonds) due 2012 of USD 1,00,000/- each aggregating USD 75 million at par on January 24, 2007. These bonds had a maturity period of 5 years 1 day. The bonds were convertible into equity shares of Rs. 2 each fully paid up at the option of the bondholders at any time on or after January 24, 2009 and prior to the close of business (at the place where 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, 2009 as per the terms of the offer circular dated 17th January, 2007.

The bonds constituted 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 ranked at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations. These bonds were redeemed on January 25, 2012 at 148.95% of their principal amount. The premium paid thereon is debited to securities premium account.

- b) Foreign currency convertible bonds reconciliation as on 31<sup>st</sup> March, 2012 :

	31 <sup>st</sup> March, 2012 Nos.*	31 <sup>st</sup> March, 2011 Nos.*
Foreign currency convertible bonds brought forward	401	496
Less: No of Bonds converted during the year	-	(95)
Less: No of Bonds redeemed during the year	(401)	-
Balance no of bonds pending for conversion/ redemption	-	<b>401</b>

\*1 Bond = 1,00,000 USD



**E. Maturity Profile and Rate of Interest of Non Convertible Debenture are as set out below:-**

(₹ in Lacs)

Rate of Interest	2013-14	2014-15	2015-16	2016-17
11.15%	4,000.00	16,000.00	-	-
11.25%	1,300.00	1,300.00	-	-
13.00%	2,000.00	666.67	666.67	666.66

**F. Maturity Profile of other borrowings are as set out below:-**

(₹ in Lacs)

Particulars	2013-14	2014-15	2015-16	2016-17 & Beyond
Term Loans - from Banks	28,750.00	28,750.00	25,937.50	4,993.50
External Commercial Borrowings	3,448.44	3,832.12	5,608.73	22,189.40
Equipment finance	3,820.94	1,273.65	-	-
Other Loans and Advances	-	-	-	261.78

**5. Deferred Tax Liabilities (Net)**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>(a) Deferred Tax Liabilities</b>		
Timing difference in depreciable assets	23,196.78	18,839.90
<b>(b) Deferred Tax Assets</b>		
Provision for Retirement Benefits	222.50	216.67
<b>Net Deferred Liabilities (a-b)</b>	<b>22,974.28</b>	<b>18,623.24</b>

**6. Provisions**

**A. Long Term**

Provision for Employee Benefits	685.76	652.26
	<b>685.76</b>	<b>652.26</b>

**B. Short term**

Provision for Tax (Net of Prepaid Tax)	2,684.75	2,670.39
Proposed Dividend	727.31	727.31
Corporate Dividend Tax	117.99	117.99
	<b>3,530.05</b>	<b>3,515.69</b>

**Total Provisions (A + B)**

	<b>4,215.81</b>	<b>4,167.95</b>
--	-----------------	-----------------

**7. Trade Payables**

Outstanding to Micro, Small & Medium Enterprises*	-	-
Outstanding to Others	38,762.94	45,529.03
<b>Total</b>	<b>38,762.94</b>	<b>45,529.03</b>

\*The company is in the process of identifying suppliers who are micro enterprises or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any written confirmation from any suppliers regarding their status as Micro, Small and Medium Enterprises. Therefore, disclosures under the said Act are not necessary.

(₹ in Lacs)

PARTICULARS	As at	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>8. Other Current Liabilities</b>		
Current Maturities of Long Term Debts (Refer Note No 4)	37,502.41	28,863.52
Unpaid Dividends	20.55	19.38
Mobilisation Advances from Clients	18,925.89	28,923.75
Bank Reconciliation Overdraft	704.56	362.63
Interest accrued but not due	1,246.82	1,329.28
Other Payables *	6,735.42	5,815.25
<b>Total</b>	<b>65,135.65</b>	<b>65,313.81</b>

\* Includes Statutory and other dues

## 9. Tangible Assets

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 1st April 2011	Additions during the year	Sold/ adjustment during the year	Total as on 31st March 2012	Upto 1st April 2011	For the year	Ajustments	Upto 31st March 2012	Written down value as on 31st March 2012	Written down value as on 31st March 2011
1	Land	336.70	-	-	336.70	-	-	-	-	336.70	336.70
2	Leasehold Land	202.26	15.50	-	217.76	10.00	2.00	-	12.00	205.76	192.26
3	Factory Building	413.82	52.91	-	466.74	33.60	13.46	-	47.06	419.68	380.22
4	Plant & Machinery	156,063.50	33,642.44	1,164.75	188,541.19	21,137.62	9,170.33	157.15	30,150.80	158,390.39	134,925.88
5	Tractor/ Trucks	228.86	-	-	228.86	68.38	16.18	-	84.56	144.30	160.48
6	Furniture & Fixture	377.42	24.22	-	401.64	78.64	24.69	-	103.33	298.31	298.77
7	Office Equipments	311.89	67.17	5.26	373.80	53.44	17.83	0.03	71.24	302.56	258.45
8	Vehicles	902.76	224.79	4.08	1,123.45	181.71	99.01	0.83	279.88	843.57	721.05
9	Data Processing Machines	613.52	65.76	-	679.28	265.75	128.63	-	394.38	284.90	347.77
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	1,121.77	264.22	-	1,385.99	3,604.53	3,868.75
	<b>Total</b>	<b>164,441.26</b>	<b>34,092.79</b>	<b>1,174.10</b>	<b>197,359.95</b>	<b>22,950.91</b>	<b>9,736.35</b>	<b>158.02</b>	<b>32,529.24</b>	<b>164,830.71</b>	<b>141,490.34</b>
	<b>Previous Year</b>	<b>152,697.03</b>	<b>12,125.83</b>	<b>381.60</b>	<b>164,441.26</b>	<b>14,694.37</b>	<b>8,401.29</b>	<b>144.73</b>	<b>22,950.93</b>	<b>141,490.33</b>	<b>138,002.66</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>10. Non current investments</b>		
<b>A. Trade Investments</b>		
(fully paid up unless otherwise stated)		
<b>(a) Investments in Equity Instruments (Unquoted)</b>		
<b>(i) Subsidiaries</b>		
Victor Buildwell Pvt. Ltd.	1.00	1.00
[10,000 shares (PY 10,000 shares)]		
Style & Smile Buildwell Pvt. Ltd.	-	1.00
[Nil (PY 10,000 shares)]		
Era T & D Ltd.	1,654.98	1,654.98
[1,44,19,000 shares (PY 1,44,19,000 shares)]		
Era IT- Zone Pvt. Ltd.	-	1.00
[Nil (PY 10,000 shares)]		
Era Infrastructure (India) Ltd.	53,905.46	50,251.91
[5,44,60,450 shares (PY 5,08,06,900 shares)]		
Haridwar Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Dehradun Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Bareilly Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Paulo Realtech Private Limited	66.50	66.50
[6,65,000 shares (PY 6,65,000 shares)]		
Douce Realtors Private Limited	-	1.00
[Nil (PY 10,000 shares)]		
Yarikh Realtors Private Limited	156.50	96.00
[15,60,000 shares (PY 9,60,000 shares)]		
Bragi Developers Private Limited	9.00	1.00
[90,000 shares (PY 10,000 shares)]		
Zedek Realtors Private Limited	76.00	76.00
[7,60,000 shares (PY 7,60,000 shares)]		
Era Khandwa Power Limited	5.00	5.00
[50,000 shares (PY 50,000 shares)]		
Boconero Ltd. (Cyprus)	0.70	0.70
[1,000 shares (PY 1,000 shares)]		
Golden Annum Holdings Limited (Dubai)	4.99	4.99
[3,000 shares (PY 3,000 shares)]		
Rampur Highway Project Limited	3.70	-
[37,000 shares (PY Nil)]		
Era & Partners Co LLC.	14.50	-
[1,50,000 partly paid up shares (PY Nil)]		
	<b>55,909.43</b>	<b>52,172.21</b>
<b>Less: Provision for diminution in the value of investments</b>		
Boconero Ltd. (Cyprus)	0.70	-
<b>Net Investments in Subsidiaries</b>	<b>55,908.72</b>	<b>52,172.21</b>
<b>(ii) Associates</b>		
West Haryana Highways Projects Pvt.Ltd.	2.45	2.45
[24,500 shares (PY 24,500 shares)]		
Gwalior Bypass Project Ltd.	1.95	1.95
[19,500 shares (PY 19,500 shares)]		
Hyderabad Ring Road Project Private Limited	1.17	1.17
[11,720 shares (PY 11,720 shares)]		
Era Buildsys Ltd.	1,203.50	1,203.50
[24,07,000 shares (PY 24,07,000 shares)]		
SPA Group Era India Algeria	68.81	68.81
[35,000 shares (PY 35,000 shares)]		
Era Energy Limited	1.50	1.50
[15,000 shares (PY 15,000 shares)]		
	<b>1,279.38</b>	<b>1,279.38</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>(b) Investment in Equity Instruments (Quoted)</b>		
Era E-Zone (India) Ltd [11,10,000 shares (PY 11,10,000 shares)]	554.50	554.50
	<b>554.50</b>	<b>554.50</b>
<b>(c) Share in Joint Ventures (including accumulated profits)</b>		
Era Patel Advance Joint Venture	1.59	5.98
Era Patel Advance Kiran Joint Venture	54.10	53.01
Rani Era Joint Venture	5.90	5.86
Induni Era Joint Venture	29.28	24.17
KMB Era Joint Venture	136.40	110.22
Era - Infra Joint Venture	22.49	9.08
Era Infra Buildsys Joint Venture	17.74	-
	<b>267.50</b>	<b>208.32</b>
<b>(d) Other Trade Investments (Unquoted)</b>		
- Axis Infrastructure Fund 1	731.34	1,458.45
	<b>731.34</b>	<b>1,458.45</b>
<b>Total trade investments (a+b+c+d)</b>	<b>58,741.45</b>	<b>55,672.85</b>
<b>B. Non trade investments</b>		
<b>(a) Investments in Government Securities (Unquoted)</b>		
-M.P. Finance Corp. Bond - 2012	-	5.76
-11.5% Govt of India -2011	-	14.61
	-	20.37
<b>Total Non Trade Investments</b>	<b>-</b>	<b>20.37</b>
<b>Total Non Current Investments (A+B)</b>	<b>58,741.45</b>	<b>55,693.22</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	139.86	201.47
Aggregate book value of unquoted investments	57,919.45	54,910.04
Aggregate book value of Government Securities	-	20.37
Aggregate book value of Investment in Joint Ventures	267.50	208.32



(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>11. Loans and Advances</b> (unsecured, considered good unless otherwise stated)		
<b>A. Long term</b>		
Capital Advances	12,887.18	671.00
Security Deposits	3,109.62	2,917.70
	<b>15,996.80</b>	<b>3,588.70</b>
<b>B. Short term</b>		
Loans and Advances*		
- To Subsidiary Companies (Loans)		
- Considered good	8.47	298.18
- Considered doubtful	9.87	-
- To Subsidiary Companies (Advances)	591.06	2,518.44
- Others	69,411.39	62,283.32
	<b>70,020.79</b>	<b>65,099.94</b>
<u>Less: Provision For Doubtful Advances</u>	9.87	-
<b>Net Short Term Loans And Advances</b>	<b>70,010.92</b>	<b>65,099.94</b>
<b>Total Loans And Advances (A+B)</b>	<b>86,007.71</b>	<b>68,688.64</b>
(* includes advances recoverable in cash or in kind for value to be received)		
<b>12. Inventories</b> (valued at cost or net realisable value whichever is lower)		
Raw Materials	59,945.13	57,776.96
Stores and Spares	1,190.89	1,665.27
Materials in Transit (Raw Materials)	639.87	197.38
Work-in-Progress	81,590.15	60,775.38
<b>Total</b>	<b>143,366.04</b>	<b>120,414.99</b>
<b>13. Trade Receivables</b> Unsecured, Considered Good		
- Outstanding for a period exceeding six months from the date on which they are due for payment		
- Others	14,519.79	11,619.33
	134,312.31	123,776.29
<b>Total</b>	<b>148,832.10</b>	<b>135,395.62</b>
Amounts due by private companies in which any Director is a member or Director		
Trade receivables	22,363.93	13,149.61
Loans and advances	300.00	-
<b>Total</b>	<b>22,663.93</b>	<b>13,149.61</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>14. Cash and bank balances</b>		
(a) <b>Cash and cash equivalents</b>		
Cash in Hand	245.54	135.72
Foreign Currency in Hand	2.27	1.69
Balance with banks current accounts	4,379.22	5,715.54
Cheques in Hand	200.09	989.82
Fixed Deposit Accounts *	26,429.51	36,976.99
Unpaid Dividend Account**	20.55	19.38
<b>Total cash and bank balances</b>	<b>31,277.17</b>	<b>43,839.14</b>
* Include FDR's pledged with banks / government authorities.		
** Year wise break up of unclaimed dividend yet not due for deposit in Investor Education and Protection Fund is as under		
<b>Dividend Declared for Financial Year</b>		
2003-04	-	1.23
2004-05	2.59	2.67
2005-06	4.68	4.72
2006-07	3.22	3.30
2007-08	2.55	2.56
2008-09	2.65	2.66
2009-10	2.24	2.24
2010-11	2.61	-
	<b>20.55</b>	<b>19.38</b>
<b>15. Other Current Assets</b>		
Interest Receivable	677.90	447.42
<b>Total</b>	<b>677.90</b>	<b>447.42</b>
<b>16. Revenue From Operations</b>		
(i) Contract Revenue	363,123.23	360,098.63
(ii) Equipment Hiring & Management	15,186.99	13,799.53
(iii) Ready Mix Concrete	1,311.90	2,517.35
(iv) Wind Energy	620.14	500.91
(v) Trading Sales		
- Steel	52,036.90	5,973.74
- Electrical Equipments	2,644.15	-
<b>Total</b>	<b>434,923.31</b>	<b>382,890.16</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>17. Other Incomes</b>		
Interest Income		
- Banks	2,407.16	941.94
- Subsidiaries	-	6.50
- Other Interest	4.67	5.40
(Tax Deducted at source Rs. 253.59 Lacs (PY Rs. 105.44 Lacs)		
Profit on Sale of Long Term Investments	364.28	2,518.11
Foreign Exchange Fluctuation	-	0.49
Income From Joint Venture	86.72	64.15
Miscellaneous Income	613.38	729.72
<b>Total</b>	<b>3,476.21</b>	<b>4,266.31</b>
<b>18. Direct Contract Expenses</b>		
Direct Project Expenses	295,122.58	306,706.65
(Increase)/Decrease in Stock	(23,288.28)	(25,018.06)
Service Tax	1,986.56	2,912.74
Works Contract Tax	4,194.02	5,357.41
<b>Total</b>	<b>278,014.88</b>	<b>289,958.74</b>
<b>19. Purchase of traded goods</b>		
Trading Purchases		
- Steel	50,049.99	1,790.11
- Electrical Equipments	2,592.30	-
<b>Total</b>	<b>52,642.29</b>	<b>1,790.11</b>
<b>20. Employee Benefit Expenses</b>		
Salaries, Bonus & Allowances	13,651.63	12,135.21
Directors' Remuneration	299.36	257.36
Contribution to Provident & Other Funds	743.96	647.08
Staff Welfare	267.38	220.65
<b>Total</b>	<b>14,962.33</b>	<b>13,260.30</b>
<b>21. Finance Costs</b>		
Bank Charges & Commission	2,751.73	3,584.10
Interest	41,589.23	28,295.54
<b>Total</b>	<b>44,340.96</b>	<b>31,879.64</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>22. Other Expenses</b>		
Printing & Stationery	217.58	249.54
Rent	379.36	461.64
Travelling & Conveyance	848.64	799.09
Postage, Telegram & Telephones	275.17	257.02
Tender Fee	71.90	68.24
Legal & Professional Charges	2,198.94	1,444.13
Advertisement & Publicity	26.26	35.55
Business Promotion Expenses	75.72	59.07
Vehicle Maintenance	94.03	108.97
Insurance Premium	468.44	446.04
Rates and Taxes	145.21	136.79
Festival Expenses	74.55	80.44
Repair & Maintenance		
- Machinery	399.59	590.84
- Others	226.63	204.67
Electricity & Water	272.74	208.14
Auditors' Remuneration *	15.00	14.00
Charity & Donation	77.61	7.68
Loss on Sale of Fixed Assets	642.16	0.65
Miscellaneous Expenses	160.80	189.54
Foreign Currency Monetary Item Trans. Diff. A/C W/Off	-	57.55
Foreign Exchange Fluctuation	-	725.26
Provision for diminution in the value of investments	0.70	-
Provision for doubtful advances	9.87	-
<b>Total</b>	<b>6,680.90</b>	<b>6,144.85</b>
<b>* Auditors remuneration</b>		
Audit fee	12.00	11.00
Consultancy / Others	3.00	3.00
	<b>15.00</b>	<b>14.00</b>
<b>23. Contingent liabilities and commitments</b>		
<b>A. Contingent liabilities</b>		
(a) <b>In respect of claims against the company not acknowledged as debts*</b>		
- Sales Tax And Entry Tax Matters.	500.56	95.10
- Royalty Matters	205.82	314.71
- Service Tax Matters	3,320.44	3,891.47
- Custom Duty Matters	425.99	221.04
- Labour Welfare Cess	85.61	85.61
- Other Legal Cases	649.32	537.14
<b>Total</b>	<b>5,187.74</b>	<b>5,145.06</b>
* Appropriate representations have been filed in respect of these matters with the authorities concerned		
(b) <b>Towards Banks</b>		
- Corporate guarantees given in favour of banks for loans taken by Subsidiary/ associate companies.	94,471.00	96,271.00
- In respect of Guarantees, Letters of Credit and others (net of margin)	73,030.36	41,366.55
(c) <b>In respect of uncalled capital of Subsidiary Company</b>	198.00	-
<b>Total Contingent Liabilities (a+b+c)</b>	<b>172,887.10</b>	<b>142,782.61</b>
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	1,804.26	5,947.33



24. In the opinion of the Board of Directors, all the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities have been provided for.

25. **Disclosures required by Clause 32 of the Listing Agreement** (₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	Closing Balance	Maximum Balance	Closing Balance	Maximum Balance
<b>A. Particulars of advances in the nature of loans</b>				
1. To Subsidiaries:				
- Victor Buildwell Private Limited	-	-	-	619.19
- Style and Smile Buildwell Pvt. Ltd.(upto 25.09.2011)	-	-	-	5.01
- Golden Annum Holding Limited	8.47	8.47	5.55	5.55
- Dehradun Highways Project Limited	-	-	-	66.27
- Haridwar Highways Project Limited	-	-	-	31.27
- Era IT-Zone Private Limited (upto 01.10.2011)	-	-	-	9.70
- Era T&D Limited	-	-	-	50.00
- ARK Vidyut Urja Limited	-	-	-	271.95
- Boconero Limited	9.87	9.87	8.43	8.43
- Era Infrastructure (I) Limited	-	284.20	284.20	284.20
- Bareilly Highways Project Limited	-	-	-	209.19
- Era Khandwa Power Limited	-	-	-	0.19
- Yarikh Realtors Private Limited	-	-	-	58.00
<b>Total (1)</b>	<b>18.35</b>	<b>302.55</b>	<b>298.18</b>	<b>1,618.94</b>
2. To Associates:				
Hyderabad Ring Road Project Private Limited	-	-	-	18.82
3. To firms/companies in which Directors are interested	-	-	-	-
4. a) Where there is no repayment schedule or repayment schedule is beyond seven years	-	-	284.20	640.92
b) No Interest is stipulated or it is below bank rate:			13.98	1,296.28
<b>B. Investments in shares of the company or any of its subsidiaries by any of the loanees as stated above</b>				
	-	N.A.	18,824.60	N.A.

26. **Segment Reporting**

A. **Business Segments**

The Company regards Business Segments as primary segments. Business Segments have been in line with AS-17. Following are the business segments in which the company operates.

- Contracts
- Wind Energy
- Equipment Hiring and Management
- Ready Mix Concrete
- Trading / Others

As on 31<sup>st</sup> March, 2012

(₹ in Lacs)

Sr.No	Business Segments	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading/ Others
(i)	<b>Segment Revenue</b>						
	External Revenue	434,923.31	363,123.23	620.14	15,186.99	1,311.90	54,681.05
	Inter-Segment Revenue	9,657.10	-	-	8,830.08	827.02	-
	<b>Total</b>	<b>444,580.41</b>	<b>363,123.23</b>	<b>620.14</b>	<b>24,017.07</b>	<b>2,138.92</b>	<b>54,681.05</b>
(ii)	<b>Segment Results (Profit/ Loss)</b>						
	Operating Profit	70,145.41	55,086.94	236.68	14,182.55	(252.06)	891.30
	Unallocable Corporate Expenses	10.57	-	-	-	-	-
	Unallocable Corporate Income	1,064.39	-	-	-	-	-
	Interest Expenses	41,589.23	-	-	-	-	-
	Interest Income	2,411.82	-	-	-	-	-
	Extraordinary Items	4,122.74	-	-	-	-	-
	Income Tax Expenses	11,796.34	-	-	-	-	-
	<b>Net Profit</b>	<b>16,102.74</b>	<b>55,086.94</b>	<b>236.68</b>	<b>14,182.55</b>	<b>(252.06)</b>	<b>891.30</b>
(iii)	<b>Other Information</b>						
	Segment Assets	583,912.72	472,177.29	3,796.72	105,208.23	1,462.04	1,268.44
	Unallocable Assets	58,741.49	-	-	-	-	-
	<b>Total Assets</b>	<b>642,654.21</b>	<b>472,177.29</b>	<b>3,796.72</b>	<b>105,208.23</b>	<b>1,462.04</b>	<b>1,268.44</b>
	Segment Liabilities	444,871.27	369,512.76	989.60	73,330.85	644.53	393.53
	Capital Expenditure	34,092.79	28,633.72	-	5,657.33	(198.26)	-
	Depreciation	9,736.35	4,401.74	266.22	4,992.97	75.42	-
	Other Non-Cash Expenses	-	-	-	-	-	-

As on 31<sup>st</sup> March, 2011

(₹ in Lacs)

Sr.No	Business Segments	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading/ Others
(i)	<b>Segment Revenue</b>						
	External Revenue	382,890.16	360,098.63	500.91	13,799.53	2,517.35	5,973.74
	Inter-Segment Revenue	7,261.80	-	-	6,079.63	1,182.17	-
	<b>Total</b>	<b>390,151.96</b>	<b>360,098.63</b>	<b>500.91</b>	<b>19,879.16</b>	<b>3,699.52</b>	<b>5,973.74</b>
(ii)	<b>Segment Results (Profit/ Loss)</b>						
	Operating Profit	59,808.32	45,359.12	128.97	13,638.96	(11.81)	693.08
	Unallocable Corporate Expenses	57.55	-	-	-	-	-
	Unallocable Corporate Income	3,312.47	-	-	-	-	-
	Interest Expenses	28,295.54	-	-	-	-	-
	Interest Income	953.84	-	-	-	-	-
	Income Tax Expenses	11,038.17	-	-	-	-	-
	<b>Net Profit</b>	<b>24,683.38</b>	<b>45,359.12</b>	<b>128.97</b>	<b>13,638.96</b>	<b>(11.81)</b>	<b>693.08</b>
(iii)	<b>Other Information</b>						
	Segment Assets	520,588.64	410,435.17	4,038.96	103,266.18	1,866.86	981.47
	Unallocable Assets	55,486.96	-	-	-	-	-
	<b>Total Assets</b>	<b>576,075.60</b>	<b>410,435.17</b>	<b>4,038.96</b>	<b>103,266.18</b>	<b>1,866.86</b>	<b>981.47</b>
	Segment Liabilities	383,684.82	303,902.27	1,339.50	77,127.51	1,315.54	-
	Capital Expenditure	12,125.83	(14,892.94)	-	29,067.10	(2,048.33)	-
	Depreciation	8,401.29	4,091.37	265.50	3,899.35	145.07	-
	Other Non-Cash Expenses	-	-	-	-	-	-

**B. Geographical Segments**

There are no geographical segments since the company operates only in India

**27. Retirement Benefits**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A) Expenses Recognised In the Statement of Profit &amp; Loss</b>				
1. Current service cost	147.90	99.81	150.92	71.99
2. Interest cost	39.97	13.84	27.35	8.54
3. Expected return on plan assets	-	-	-	-
4. Actuarial (Gain)/ Loss recognised in the I.V.P.	(120.69)	(122.93)	(20.20)	(16.30)
5. Expenses recognised In the statement of profit & loss	67.18	(9.27)	158.06	64.23
<b>B) Amount to be Recognised in the Balance Sheet</b>				
Present value of obligation at the end of I.V.P.	527.25	158.52	484.47	167.79
Fair value of Plan Assets at the end of I.V.P.	-	-	-	-
Funded status	(527.25)	(158.52)	(484.47)	(167.79)
Unrecognised actuarial (gain)/ loss at the end of I.V.P.	-	-	-	-
Net Asset/Liability recognised in the Balance Sheet	(527.25)	(158.52)	(484.47)	(167.79)
<b>C) Changes in the Present Value of Obligations</b>				
Present value of obligation at the beginning of I.V.P.	484.47	167.79	331.51	103.56
Interest cost	39.97	13.84	27.35	8.54
Current service cost	147.90	99.81	150.92	71.99
Benefits paid	(24.41)	-	(5.10)	-
Actuarial (gain)/ loss on obligation	(120.69)	(122.93)	(20.20)	(16.30)
Present value of obligation at the end of I.V.P.	527.25	158.52	484.47	167.79
<b>D) Actuarial (Gain)/ Loss recognised</b>				
Actuarial (gain)/ loss on obligation	(120.69)	(122.93)	(20.20)	(16.30)
Actuarial (gain)/ loss on plan assets	-	-	-	-
Total (gain)/ loss for the I.V.P.	(120.69)	(122.93)	(20.20)	(16.30)
Actuarial (Gain)/ Loss recognised in the I.V.P.	(120.69)	(122.93)	(20.20)	(16.30)
Unrecognised actuarial (gain)/ loss at the end of I.V.P.	-	-	-	-
<b>E) Actuarial assumptions</b>				
Mortality rate	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
Attrition rate (P.A.)	5.00%	5.00%	5.00%	5.00%
Imputed rate of interest (P.A.)	8.50%	8.50%	8.25%	8.25%
Salary rise (P.A.)	7.00%	7.00%	7.00%	7.00%
Return on plan assets	N.A.	N.A.	N.A.	N.A.

PARTICULARS	As at	As at
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>28. Earning Per Share (EPS)</b>		
<i>The following data has been used for the computation of Earning per share</i>		
i. Net profit attributable to equity shareholders before exceptional items (Rs in Lacs)	20,225.47	24,683.38
ii. Weighted average number of equity shares outstanding during the year	181,827,640	181,586,568
iii. Basic EPS before exceptional items (i/ii) (In Rs.)	<b>11.12</b>	<b>13.59</b>
<i>Effect of Dilution</i>		
iv. Weighted average number of equity shares outstanding during the year as above	181,827,640	181,586,568
v. Weighted average number of equity shares resulting from assumed conversion of FCCB	-	2,799,765
vi. Weighted average number of equity for calculating diluted EPS (iv+v)	181,827,640	184,386,333
vii. Diluted EPS before exceptional items (i/vi) (in Rs.)	<b>11.12</b>	<b>13.39</b>
<i>Effect of Extraordinary Items*</i>		
viii. Net profit attributable to equity shareholders before exceptional items as above	20,225.47	24,683.38
ix. Exceptional items	4,122.74	-
x. Net profit attributable to equity shares after extraordinary items (viii-ix)	16,102.74	24,683.38
xi. Basic EPS after exceptional items (x/ii) (In Rs.)	<b>8.86</b>	<b>13.59</b>
xii. Diluted EPS after exceptional items (x/vi) (In Rs.)	<b>8.86</b>	<b>13.39</b>
* Extraordinary items for the year ended March 31, 2012 include foreign currency translation loss of Rs. 4,122.74 Lacs (PY Nil) on restatement of Foreign Currency Convertible Bonds and External Commercial borrowings.		

**29. Disclosure in accordance with Accounting Standard - 7 (Revised) (₹ in Lacs)**

Particulars	As at	As at
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
- Contract Revenue	363,123.23	360,098.63
- Contract Cost Incurred	308,036.29	314,739.51
- Recognised Profits	55,086.94	45,359.12
- Advances Received	23,360.80	25,721.86
- Amount due from customers for contract work	137,184.12	134,261.15
- Amount due to customers for contract work	18,953.51	28,923.75

**30. Related Party Disclosures**

**Related parties where control exists :**

**(i) Direct Subsidiary Companies**

Victor Buildwell Private Limited , Style & Smile Buildwell Private Limited (upto 25.09.2011),Era IT- Zone Private Limited (upto 01.10.2011),Era Infrastructure (I) Limited,Era T& D Limited,Golden Annum Holdings Limited,Boconero Limited,Era & Partners Co. LLC, Bragi Developers Private Limited, Zedek Realtors Private Limited, Douce Realtors Private Limited (upto 25.09.2011), Paulo Realtech Private Limited, Yarikh Realtors Private Limited, Dehradun Highways Project Limited, Haridwar Highways Project Limited, Bareilly Highways Project Limited, Rampur Highways Project Limited and Era Khandwa Power Limited.

**(ii) Step Subsidiary Companies**

ARK Transmission & Distribution Limited and ARK Vidhyut Urja Limited.

**List of related parties with whom transactions have taken place during the year :**

**(iii) Joint Ventures and Associates**

Era-Patel-Advance-Kiran Joint Venture, Era-Patel-Advance Joint Venture, Induni-Era Joint Venture, KMB-Era Joint Venture, Rani-Era Joint Venture, Era - Infra Joint Venture, Era-Infra Buildsys Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Private Limited, West Haryana Highways Project Private Limited, Era Energy Limited and Era Buildsys Limited.

**(iv) Individuals owning directly or indirectly, an interest in the voting power of the company and their relatives**

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 Bharana (Brother of CMD), Mr. Brij Singh Bharana (Brother of CMD).



(v) **Key Management Personnel**

Mr. H.S. Bharana (Chairman & Managing Director) and Mr. J. L. Khushu (Whole Time Director).

(vi) **Enterprises over which key management personnel/ Individuals owning directly or indirectly, an interest in the voting power of the company and their relatives have significant influence**

Era Housing & Developers (India) Limited, Hi-Point Investment & Finance Private Limited, Goglet Infotech Private Limited, Xema Infrastructure Private Limited, Xebec Hospitality Private Limited, Era Mines & Minerals Private Limited, SRC Buildwell Private Limited, Era Securitas Private Limited, Angraj Trading Private Limited, Atop Infrastructure & Infotech Private Limited, Era E-Zone (India) Limited, Era Agritech (India) Private Limited, Hermitage Infrastructure Private Limited (w.e.f.01/10/2011), Voice Builders Pvt Ltd-(w.e.f.26/03/2012) and Era Logistics (India) Private Limited.

**Related party transactions (as at 31-03-2012)**

(₹ in Lacs)

Particulars	Subsidiaries	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
Loans & Advances given	4.37	-	-	-	4.37
Advances Received	22,733.53	5,380.22	-	-	28,113.75
Investments	3,740.25	-	-	-	3,740.25
Bill Raised	55,379.24	52,154.69	-	-	107,533.93
Joint Venture Income	-	86.72	-	-	86.72
Purchase of Materials	109.88	7,752.53	-	-	7,862.41
Contract Expenses Paid	-	8,302.47	-	-	8,302.47
Reimbursement of Expenses Received /(Paid)	258.96	358.57	-	-	617.53
Salary paid	-	-	198.00	98.16	296.16
Dividend Paid	-	376.07	51.78	-	427.85
<b>Due from(as at year end)</b>	<b>1,854.87</b>	<b>25,431.85</b>	-	-	<b>27,286.72</b>
<b>Due to (as at year end)</b>	<b>13,669.40</b>	<b>3,958.90</b>	-	<b>9.21</b>	<b>17,637.52</b>

**Related party transactions (as at 31-03-2011)**

(₹ in Lacs)

Particulars	Subsidiaries	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
Purchase Of Assets	-	1,093.98	-	-	1,093.98
Loans & Advances Given	1,030.14	2,340.00	-	-	3,370.14
Advances Received	25,914.52	2,108.65	-	-	28,023.17
Investments	42,343.33	-	-	-	42,343.33
Bill Raised	-	86,197.78	-	-	86,197.78
Joint Venture Income	-	64.15	-	-	64.15
Interest Received	6.50	-	-	-	6.50
Rent, Secretarial & Other Charges Recovered	352.77	21.04	-	-	373.81
Materials Supplied	-	324.46	-	-	324.46
Sale Of Investment	17,709.64	-	-	-	17,709.64
Purchase Of Materials	-	11,227.43	-	-	11,227.43
Contract Expenses Paid	-	10,720.93	-	-	10,720.93
Reimbursement Of Expenses Received /(Paid)	14.38	(9.00)	-	-	5.38
Salary Paid	-	-	180.00	73.76	253.76
Dividend Paid	-	375.99	51.78	-	427.77
<b>Due From (As At Year-End)</b>	<b>2,816.62</b>	<b>20,441.13</b>	-	-	<b>23,257.75</b>
<b>Due To (As At Year-End)</b>	<b>25,942.95</b>	<b>6,410.08</b>	-	<b>3.99</b>	<b>32,357.03</b>

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>31. Other disclosures</b>		
<b>A. Value of imports on CIF basis</b>		
Material	432.34	187.83
Spare parts	191.51	25.15
Capital goods	2,300.61	7,796.38
	<b>2,924.46</b>	<b>8,009.36</b>
<b>B. Expenditure in foreign currency*</b>		
Travelling	11.77	21.92
Legal & Professional	609.12	496.94
Interest	579.26	235.01
Others	-	18.03
	<b>1,200.15</b>	<b>771.91</b>
<b>C. Income in foreign currency</b>	Nil	Nil
* In addition to the above, the company has made investments or provided loans to foreign subsidiaries of Rs. 18.87 Lacs (PY Rs. 7.41 Lacs)		

## 32. Previous year's figures

Till the year ended 31st March, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of financial statements. During the year ended 31st March, 2012, the revised schedule VI notified under Companies Act, 1956 has become applicable to the Company. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation for financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. As a result, previous years' figures have been regrouped/ reclassified to conform to this year's financial statements where necessary.

### Auditors' Report

As per our report of even date attached

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

Chartered Accountants  
FRN : 500041N

#### (H.S. Bharana)

Chairman & Managing Director

#### (J.L.Khushu)

Whole Time Director

#### CA. Pankaj Jain

Partner  
M.No : 505948

#### (Rajiv Kumar)

Company Secretary

#### (Sanjay Gupta)

Chief Financial Officer

Place : New Delhi.

Date : 14<sup>th</sup> August, 2012

## 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 31st March, 2012 and also the Consolidated Statement of Profit & Loss 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 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (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. We have not conducted audit of subsidiary companies, whose financial statements reflect total assets of Rs.1,72,952.80 lacs as at March 31, 2012 and the total revenues of Rs.3,921.91 lacs and net loss of Rs.2,081.05 lacs for the year ended. These financial, statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors.

The financial statements of one subsidiary reflecting total assets of Rs.312.04 lacs, share in revenue of Rs.NIL and share in losses of Rs.24.99 lacs included in these financial statements are unaudited. We are informed by the management that the consequential impact of the same is not expected to be material.

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.
  - (a) in the case of Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
  - (b) in the case of Consolidated Statement of Profit & Loss, of the profit of the company for the year ended on that date, and
  - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Chartered Accountants  
FRN: 500041N

**CA. Pankaj Jain**

Partner  
M.No.505948

Place: New Delhi  
Date : 14<sup>th</sup> August, 2012

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTES	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	2	3,636.55	3,636.55
Reserves and Surplus	3	172,699.62	168,536.39
		<b>176,336.17</b>	<b>172,172.94</b>
<b>(2) Minority Interest</b>		<b>83.14</b>	<b>67.57</b>
<b>(3) Non-Current Liabilities</b>			
Long-Term Borrowings	4 A	237,109.61	151,579.74
Deferred Tax Liabilities (Net)	5	21,790.62	18,570.91
Long-Term Provisions	6 A	701.42	661.13
		<b>259,601.65</b>	<b>170,811.78</b>
<b>(4) Current Liabilities</b>			
Short-Term Borrowings	4 B	178,224.44	140,947.58
Trade Payables	7	38,675.08	46,090.93
Other Current Liabilities	8	63,278.99	41,034.28
Short-Term Provisions	6 B	3,763.98	3,515.71
		<b>283,942.49</b>	<b>231,588.50</b>
<b>TOTAL (1+2+3+4)</b>		<b>7,19,963.45</b>	<b>574,640.80</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<u>Fixed Assets</u>			
- Tangible Assets	9	168,218.60	144,949.25
- Intangible Assets	9A	18.84	28.27
- Capital work-in-progress		71,968.78	13,346.47
Non-Current Investments	10	37,041.78	35,228.28
Long-Term Loans and Advances	11 A	36,811.09	8,144.17
		<b>314,059.09</b>	<b>201,696.45</b>
<b>(2) Current Assets</b>			
Inventories	12	145,692.85	122,037.24
Trade Receivables	13	149,596.45	136,008.10
Cash and bank balances	14	39,766.88	50,980.62
Short-Term Loans and Advances	11 B	70,059.35	63,470.91
Other Current Assets	15	788.83	447.48
		<b>405,904.36</b>	<b>372,944.35</b>
<b>TOTAL (1+2)</b>		<b>719,963.45</b>	<b>574,640.80</b>
<b>Significant Accounting Policies</b>	<b>1 B.</b>		

The accompanying notes ( 2 - 31 ) are an integral part of the financial statements.

### Auditors' Report

As per our report of even date attached

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

Chartered Accountants

FRN : 500041N

### CA. Pankaj Jain

Partner

M.No : 505948

Place : New Delhi.

Date : 14<sup>th</sup> August, 2012

For and on behalf of the Board

(H.S. Bharana)

Chairman & Managing Director

(J.L.Khushu)

Whole Time Director

(Rajiv Kumar)

Company Secretary

(Sanjay Gupta)

Chief Financial Officer

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (₹ in Lacs)

PARTICULARS	NOTES	Year ended 31 <sup>st</sup> March, 2012	Year ended 31 <sup>st</sup> March, 2011
<b>I. Revenue from Operations</b>	16	<b>436,762.19</b>	383,047.65
Less : Excise Duty		164.08	-
Net revenue from operations		436,598.11	383,047.65
<b>II. Other Incomes</b>	17	<b>4,643.35</b>	2,207.36
<b>III. Total Revenue (I + II)</b>		<b>441,241.46</b>	<b>385,255.00</b>
<b>IV. Expenses:</b>			
Direct Project Expenses	18	<b>277,991.93</b>	290,075.46
Purchase of stock-in-trade	19	<b>52,642.29</b>	1,790.11
Employee Benefit Expenses	20	<b>15,348.41</b>	13,307.23
Finance Costs	21	<b>48,717.60</b>	32,061.46
Depreciation and Amortization Expense	9	<b>9,881.02</b>	8,428.14
Other Expenses	22	<b>6824.83</b>	6,615.67
Total Expenses		<b>411,406.08</b>	352,278.07
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>29,835.38</b>	32,976.93
<b>VI. Extraordinary Items</b>	26	<b>4,122.74</b>	-
<b>VII. Profit before Tax (V - VI)</b>		<b>25,712.64</b>	32,976.93
<b>VIII. Tax Expense</b>			
-- Current Tax		<b>6,801.56</b>	7,118.19
-- Deferred Tax		<b>3,219.71</b>	2,728.64
-- MAT Credit Adjustment / (Entitlement)		<b>(6.81)</b>	1,071.18
-- Tax Adjustment for Earlier Years		<b>877.80</b>	70.01
<b>IX. Profit for the year (VII-VIII)</b>		<b>14,820.37</b>	<b>21,988.92</b>
<b>X. Less : Minority Interest</b>		(8.32)	(26.17)
<b>XI. Profit for the period after minority interest (IX-X)</b>		<b>14,828.70</b>	<b>22,015.09</b>
<i>Earnings Per Equity Share (before extraordinary items)</i>	26		
(Per Equity share of ₹ 2/- each)			
-- Basic		<b>10.42</b>	12.11
-- Diluted		<b>10.42</b>	11.93
<i>Earnings Per Equity Share (after extraordinary items)</i>			
(Per Equity share of ₹ 2/- each)			
-- Basic		<b>8.16</b>	12.11
-- Diluted		<b>8.16</b>	11.93
Significant Accounting Policies	1B		

The accompanying notes ( 2 - 31 ) are an integral part of the financial statements.

### Auditors' Report

As per our report of even date attached

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

Chartered Accountants

FRN : 500041N

**CA. Pankaj Jain**

Partner

M.No : 505948

Place : New Delhi.

Date : 14<sup>th</sup> August , 2012

For and on behalf of the Board

**(H.S. Bharana)**

Chairman & Managing Director

**(J.L.Khushu)**

Whole Time Director

**(Rajiv Kumar)**

Company Secretary

**(Sanjay Gupta)**

Chief Financial Officer



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012 (₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A. Cash flow from Operating Activities</b>		
Profit before tax	25,712.64	32,976.95
<b>Non Cash Adjustments</b>		
Depreciation	9,881.02	8,428.14
Loss/ (Profit) on sale of fixed assets	642.16	0.65
Foreign currency fluctuation (FCCBs)	-	(276.93)
Provision for diminution in value of investments	3.37	-
Foreign currency Monetary Items Transaction Difference A/C Written Off	-	57.55
Interest income	(3,188.87)	(961.20)
Loss/ (Profit) on Sale of Long Term Investments	(364.28)	-
Share in (Profit)/Loss of Associates	(353.81)	446.72
Finance costs	48,717.60	32,061.46
Operating profit before working capital changes	<b>81,049.83</b>	<b>72,733.34</b>
<b>Changes in Working Capital</b>		
Increase/ (Decrease) in trade payables	(7,415.85)	8,133.97
Increase/ (Decrease) in long term provisions	40.29	226.06
Increase/ (Decrease) in other current liabilities	22,244.71	(5,170.68)
Decrease/ (Increase) in trade receivables	(13,588.35)	(42,117.26)
Decrease/ (Increase) in inventories	(23,655.60)	(30,036.75)
Decrease/ (Increase) in long term loans and advances	(28,666.92)	(3,135.60)
Decrease/ (Increase) in short term loans and advances	(6,588.45)	(11,076.33)
Decrease/ (Increase) in other current assets	(341.35)	40.41
	(57,971.53)	(83,136.18)
Cash generated in operations	23,078.30	(10,402.84)
Direct taxes paid	(7,424.29)	(5,589.56)
<b>Net cash flow/ (cash used in) operating activities</b>	<b>15,654.01</b>	<b>(15,992.40)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of fixed assets	(34,157.02)	(15,563.06)
Capital work-in-progress	(58,622.31)	(2,912.67)
Proceeds from sale of fixed assets	373.93	50.91
Proceeds from non current investments	1,111.75	-
Purchase of non current investments	(2,151.34)	(7,400.94)
Interest income	3,188.87	961.20
<b>Net cash flow/ (cash used in) investing activities</b>	<b>(90,256.13)</b>	<b>(24,864.56)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long term borrowings net of exchange differences	103,350.31	67,646.79
Repayment of FCCB including premium	(27,639.14)	-
Repayment of Long term borrowings	-	(20,713.87)
Increase/(Decrease) in minority interest	15.57	1.30
Proceeds from short term borrowings	37,224.54	30,909.74
Finance cost	(48,717.60)	(32,061.46)
Dividend paid	(727.31)	(727.31)
Corporate Dividend tax paid	(117.99)	(123.61)
<b>Net Cash Flow/(Cash used in) financing activities</b>	<b>63,388.38</b>	<b>44,931.58</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(11,213.74)</b>	<b>4,074.62</b>
Cash and cash equivalents at the beginning of the year	50,980.62	46,906.00
Cash and cash equivalents at the end of the year	39,766.88	50,980.62

Note: 1. The above cash flow statement has been prepared under "The Indirect Method" as stated in Accounting Standard-3  
2. Cash and cash equivalents include Rs. 20.55 Lacs (PY Rs. 19.38 Lacs) of unclaimed dividend not available for use with the company.

### Auditors' Report

As per our report of even date attached

For and on behalf of the Board

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

Chartered Accountants  
FRN : 500041N

(H.S. Bharana)  
Chairman & Managing Director

(J.L.Khushu)  
Whole Time Director

### CA. Pankaj Jain

Partner  
M.No : 505948

(Rajiv Kumar)  
Company Secretary

(Sanjay Gupta)  
Chief Financial Officer

Place : New Delhi.  
Date : 14<sup>th</sup> August, 2012

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

### 1 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:

- a. The financial statements are prepared under historical cost convention on accrual basis of accounting and on a going concern basis.
- b. 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.
- c. Consolidated Financial Statements are prepared by applying accounting policies as followed 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.
- d. Interest in subsidiaries is given in Annexure-A attached.

### 1 B. Significant Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial statements are set out below:

#### a. Basis of Accounting

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

#### b. Revenue Recognition

- (i) Revenue from contracts is recognised on the percentage completion method based on billing schedules agreed with the client on a progressive completion basis. Material & resources supplied by client are included as cost of construction and as revenue at market price. Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are reasonable ascertained.
- (ii) 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.
- (iii) Income from wind energy and equipments hiring & management are recognized on accrual basis.
- (iv) 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.
- (v) Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain.
- (vi) Accounting for Joint Venture Contracts :
  - 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.
  - 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.

#### c. 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.

#### d. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any.

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.

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

- e. **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.
- f. **Capital Work In-Progress**  
Costs of assets not ready for use before the year-end are included under Capital Work-in-Progress.
- g. **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.
- h. **Investments**  
Investments are classified into non-current investments and current investments. Non-Current investments are stated at cost. Provision for diminution in the value of a non-current 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.
- i. **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.
- j. **Foreign Exchange Transactions**  
**Initial Recognition**  
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.  
**Conversion**  
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.  
**Exchange Differences**  
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except Exchange difference arising on account of FCCB's issued by the Company in 2007, which has been accounted for as per Notification dated 31.3.2009, issued by the Ministry of Corporate Affairs, pertaining to Accounting Standard-11. Accordingly, exchange differences attributable to depreciable assets have been adjusted to the carrying cost of respective assets and depreciated as per the said notification.
- k. **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 as at the Balance Sheet date using projected unit credit method.
  - (iii) The liability of the company for gratuity, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date using projected unit credit method.
- l. **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.
- m. **Extraordinary and exceptional items**  
Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.  
On certain occasions, the size, type or incidence of an item or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding the performance of the company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
- 300,000,000 (Previous Year 300,000,000) Equity Shares of ₹ 2/- each	6,000.00	6,000.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
- 18,18,27,640 (Previous year : 18,18,27,640) Equity Shares of ₹ 2/- each fully paid up.	3,636.55	3,636.55
<b>Total</b>	<b>3,636.55</b>	<b>3,636.55</b>
<b>a. Reconciliation of Equity Shares Outstanding at the beginning and at the end of the year</b>		
At the Beginning of the year	181,827,640	179,166,325
Add: Allotted during the Year	-	2,661,315
<b>Outstanding at the end of the year</b>	<b>181,827,640</b>	<b>181,827,640</b>
<b>b. Terms/ Rights of equity shareholders</b>		
The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.		
<b>c. List of Equity Shares held by each shareholder holding more than 5% shares:</b>		
<b>Era Housing &amp; Developers (India) Limited</b>		
-No of shares	42,584,114	42,584,114
-Percentage of holding	23.42%	23.42%
<b>Hi Point Investment and Finance Private Limited</b>		
-No of shares	33,353,010	31,413,469
-Percentage of holding	18.34%	17.28%
As per records of the company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.		

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>d. For the period of five years immediately preceding the date at which balance sheet is prepared</b>		
- Aggregate number of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-
- Aggregate number of shares bought back	-	-
<b>3. Reserves and Surplus</b>		
<b>(a) Securities Premium Account</b>		
As per last Balance Sheet	78,764.70	74,597.09
Add: Addition during the year	-	4,167.61
Less: Premium on FCCBs Redemption	9,818.70	-
<b>Total (a)</b>	<b>68,946.00</b>	<b>78,764.70</b>
<b>(b) Debenture Redemption Reserve</b>		
As per last Balance Sheet	3,490.00	2,430.00
Add: Transfer from Profit & Loss Statement	1,045.00	1,060.00
<b>Total (b)</b>	<b>4,535.00</b>	<b>3,490.00</b>
<b>(c) General Reserve</b>		
As per last Balance Sheet	9,735.73	7,267.73
Add: Transfer from Profit & Loss Statement	1,610.28	2,468.00
<b>Total (c)</b>	<b>11,346.01</b>	<b>9,735.73</b>
<b>(d) Profit &amp; Loss Account</b>		
As per last Balance Sheet	76,545.97	58,904.30
Add: Profit for the year	14,828.70	22,015.09
<i>Less: Appropriations</i>		
-Proposed Dividend	727.31	727.31
-Corporate Dividend Tax	117.99	117.99
-Transfer to General Reserve	1,610.28	2,468.00
-Dividend & Dividend Tax (Previous Year)	-	0.13
-Transfer to Debenture Redemption Reserve	1,045.00	1,060.00
<b>Total (d)</b>	<b>87,874.09</b>	<b>76,545.97</b>
<b>(e) Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	-	-
Add: Addition during the year	(1.48)	-
<b>Total (e)</b>	<b>(1.48)</b>	<b>-</b>
<b>Total Reserves and Surplus (a+b+c+d+e)</b>	<b>172,699.62</b>	<b>168,536.39</b>



## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>4. Borrowings</b>		
Considered secured unless stated otherwise		
<b>A. Long Term Borrowings</b>		
(a) Term Loan from Banks	187,000.64	107,868.20
(b) Equipment Finance		
- From banks	4,986.92	5,298.06
- From others	7,467.87	9,102.77
(c) Other Loans & Advances	261.78	261.78
(d) External Commercial Borrowing	43,676.88	4,444.00
(e) Non-Convertible Debentures	32,400.00	36,150.00
(f) Foreign Currency Convertible Bonds (Unsecured)	-	17,820.44
<b>Total (i)</b>	<b>275,794.09</b>	<b>180,945.24</b>
Following are the current maturities of above borrowings (shown as a part of other current liabilities)		
(a) Term Loan from Banks	24,729.75	3,314.48
(b) Equipment Finance	7,360.21	8,230.58
(c) External Commercial Borrowing	794.52	-
(d) Non-Convertible Debentures	5,800.00	-
(e) Foreign Currency Convertible Bonds (Unsecured)	-	17,820.44
<b>Total (ii)</b>	<b>38,684.48</b>	<b>29,365.50</b>
<b>Net long-term borrowings (i)- (ii)</b>	<b>237,109.61</b>	<b>151,579.74</b>
<b>B. Short Term Borrowings</b>		
(a) Loans Repayable on Demand		
- From Banks & Financial Institutions (Unsecured)	25,000.00	15,000.00
- From Other (unsecured)	1,053.89	1,068.79
(b) Borrowings From Banks	152,170.55	124,878.79
	<b>178,224.44</b>	<b>140,947.58</b>
<b>Total borrowings (A(i)+B)</b>	<b>454,018.53</b>	<b>321,892.82</b>
<b>Aggregate amount of</b>		
Secured Loans	429,018.53	289,072.38
Unsecured Loans	25,000.00	32,820.44
Amount shown in other current liabilities (Refer Note No 8)	(38,684.48)	(29,365.50)
	<b>415,334.05</b>	<b>292,527.32</b>

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

### C. Terms of Security of Borrowings

#### a) Long-Term Borrowings

##### Term Loans

##### Era Infra Engineering Limited

Term Loan 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. In some cases these are further secured by equitable mortgage of certain personal assets, investment and personal guarantees of Mr. H.S.Bharana, Chairman & Managing Director/his associates /relatives/others as the case may be.

##### Era T&D Limited

Term loans are secured against first charge over the fixed assets of the Company (Present & Future), Equitable mortgage of Land and Buildings at MIDC industrial area Umred, Nagpur; Hypothecation of plant & machinery, furniture & fixture equipment and other movable fixed assets of the company.

##### Haridwar Highways Project Limited, Dehradun Highways Project Limited and Bareilly Highways Project Limited

Term loans are secured by way of first pari-passu charge on all assets both present and future excluding the project assets as defined in the concession agreement. In some cases, the loans are further secured by a first pari-passu charge on the Escrow account, reserves and any other bank account after allowing statutory payments and payments of preferential fees. In Bareilly Highways Project Limited these are further secured by equitable mortgage of borrower's land situated at district Raigarh in the state of Maharashtra. Pledge of 51% equity shares held by the M/s Era Infra Engineering Ltd. being the Sponsors in the equity capital of the Borrower during the tenor of the Loan Facility. In some cases these are further secured by personal guarantees of Mr. H.S.Bharana, Chairman & Managing Director.

##### Era Infrastructure (I) Limited

Term Loans are secured against first charge over DSRA. Pledge of 30% shares of Borrower Company held by Era Infra Engineering Limited on Pari Passu basis. Limited Further said Term Loan are secured against having the right to convert the outstanding amount including interest, into fully paid equity shares of Parent Company Era Infra Engineering Limited on the default of two consecutive installment of principal or interest thereon.

##### Equipment Finance

##### Era Infra Engineering Limited

Equipment Finances are secured by way of hypothecation of respective assets.

##### Other Loans and Advances

##### Era Infra Engineering Limited

Other Loans and advances are secured against pledge of key man insurance policies. No defined term of repayment till term of policy.

##### External Commercial Borrowings

##### Era Infra Engineering Limited

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. ECB is further secured by way of DSRA account.

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

### Dehradun Highways Project Limited

External Commercial Borrowings (ECB) are secured by way of a first pari passu charge by way of hypothecation of all monies lying in the Escrow Account. A first pari passu charge by way of hypothecation/assignment of rights, title, claims and demands of the Borrower under project Agreement i.e. Concession Agreement, Substitution Agreement, construction contract and operation contract, if any to the extent in accordance with the provisions of Substitution Agreement. Pledge of 51% equity shares held by the M/s Era Infra Engineering Ltd. being the Sponsors in the equity capital of the Borrower during the tenor of the Loan Facility. Irrevocable and unconditional guarantee of Shri H. S. Bharana.

### Non Convertible Debentures

#### Era Infra Engineering Limited

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.

### b) Short-Term Borrowings

#### Era Infra Engineering Limited

Short term 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.

### D. Foreign Currency Convertible Bonds

- a) The company had raised 750 Nos. Zero Coupon Foreign Currency Convertible Bonds (Bonds) due 2012 of USD 1,00,000/- each aggregating USD 75 million at par on January 24, 2007. These bonds had a maturity period of 5 years 1 day. The bonds were convertible into equity shares of Rs. 2 each fully paid up at the option of the bondholders at any time on or after January 24, 2009 and prior to the close of business (at the place where 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, 2009 as per the terms of the offer circular dated 17th January, 2007.

The bonds constituted 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 ranked at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations. These bonds were redeemed on January 25, 2012 at 148.95% of their principal amount. The premium paid thereon is debited to securities premium account.

- b) Foreign currency convertible bonds reconciliation as on 31<sup>st</sup> March, 2012 :

	31 <sup>st</sup> March, 2012 Nos.*	31 <sup>st</sup> March, 2011 Nos.*
Foreign currency convertible bonds brought forward	401.00	496.00
Less: No of Bonds converted during the year	-	(95.00)
Less: No of Bonds redeemed during the year	(401.00)	-
Balance no of bonds pending for conversion/ redemption	-	401.00
*1 Bond = 1,00,000 USD		

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

### E. Maturity Profile and Rate of Interest of Non Convertible Debenture are as set out below:-

Rate of Interest	2013-14	2014-15	2015-16	2016-17
11.15%	4,000.00	16,000.00	-	-
11.25%	1,300.00	1,300.00	-	-
13.00%	2,000.00	666.67	666.67	666.66

### F. Maturity Profile of other borrowings are as set out below:-

Particulars	2013-14	2014-15	2015-16	2016-17 & Beyond
Term Loans - from Banks	30,612.80	41,584.74	42,249.21	47,824.15
External Commercial Borrowings	4,393.61	4,979.60	6,823.65	26,685.51
Equipment finance	3,820.94	1,273.65	-	-
Other Loans and Advances	-	-	-	261.78

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>5. Deferred Tax Liabilities (Net)</b>		
<b>(a) Deferred Tax Liabilities</b>		
Timing difference in depreciable assets	23,329.30	18,899.05
<b>(b) Deferred Tax Assets</b>		
Provision for Retirement Benefits	221.99	216.67
Carried Forward Losses	1,316.70	111.48
<b>Net Deferred Liabilities (a-b)</b>	<b>21,790.62</b>	<b>18,570.91</b>
<b>6. Provisions</b>		
<b>A. Long Term</b>		
Provision for Employee Benefits	701.42	661.13
	<b>701.42</b>	<b>661.13</b>
<b>B. Short term</b>		
Provision for Tax (Net of Prepaid Tax)	2,918.68	2,670.41
Proposed Dividend	727.31	727.31
Corporate Dividend Tax	117.99	117.99
	<b>3,763.98</b>	<b>3,515.71</b>
<b>Total Provisions (A + B)</b>	<b>4,465.40</b>	<b>4,176.85</b>
<b>7. Trade Payables</b>		
Outstanding to Micro, Small & Medium Enterprises*	-	-
Outstanding to Others	38,675.08	46,090.93
<b>Total</b>	<b>38,675.08</b>	<b>46,090.93</b>

\*The company is in the process of identifying suppliers who are micro enterprises or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any written confirmation from any suppliers regarding their status as Micro, Small and Medium Enterprises. Therefore, disclosures under the said Act are not necessary.

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>8. Other Current Liabilities</b>		
Current Maturities of Long Term Debts (Refer Note No 4)	38,684.48	29,365.50
Unpaid Dividends	20.55	19.38
Mobilisation Advances from Clients	5,834.81	3,435.62
Interest accrued but not due	1,339.88	1,329.28
Bank Reconciliation Overdraft	8,364.80	429.02
Other Payables *	9,034.47	6,455.48
<b>Total</b>	<b>63,278.99</b>	<b>41,034.28</b>

\* Includes Statutory and other dues

## 9. Tangible Assets

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 1st April 2011	Additions during the year	Sold/ adjustment during the year	Total as on 31st March 2012	Upto 1st April 2011	For the year	Ajustments During the Year	Upto 31st March 2012	Written down value as on 31st March 2012	Written down value as on 31st March 2011
1	Land	584.30	44.14	-	628.44	-	-	-	-	628.44	584.30
2	Leasehold Land	297.53	15.50	-	313.03	11.00	3.00	-	14.01	299.03	286.53
3	Factory Building	1,911.96	52.91	-	1,964.87	38.40	63.50	-	101.90	1,862.98	1,873.56
4	Plant & Machinery	157,652.96	33,654.80	1,164.75	190,143.01	21,145.23	9,249.23	157.15	30,237.30	159,905.71	136,507.73
5	Tractor/ Trucks	228.86	-	-	228.86	68.38	16.18	-	84.56	144.30	160.48
6	Furniture & Fixture	392.11	27.02	-	419.13	80.94	25.83	-	106.77	312.37	311.17
7	Office Equipment	319.21	70.45	5.26	384.40	54.40	18.35	0.03	72.72	311.68	264.82
8	Vehicle	921.24	224.79	4.08	1,141.94	184.88	100.76	0.83	284.81	857.13	736.35
9	Data Processing Machine	624.29	67.41	-	691.69	268.73	130.52	-	399.25	292.44	355.55
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	1,121.77	264.22	-	1,385.99	3,604.53	3,868.75
	<b>Total (A)</b>	<b>167,922.99</b>	<b>34,157.02</b>	<b>1,174.10</b>	<b>200,905.91</b>	<b>22,973.73</b>	<b>9,871.59</b>	<b>158.02</b>	<b>32,687.31</b>	<b>168,218.60</b>	<b>144,949.26</b>

## 9B. Intangible Fixed Assets

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost as on 1st April 2011	Additions during the year	Sold/ adjustment during the year	Total as on 31st March 2012	Upto 1st April 2011	For the year	Ajustments During the Year	Upto 31st March 2012	Written down value as on 31st March 2012	Written down value as on 31st March 2011
11	Goodwill	47.11	-	-	47.11	18.84	9.42	-	28.27	18.84	28.27
	<b>Total (B)</b>	<b>47.11</b>	<b>-</b>	<b>-</b>	<b>47.11</b>	<b>18.84</b>	<b>9.42</b>	<b>-</b>	<b>28.27</b>	<b>18.84</b>	<b>28.27</b>
	<b>Total (A+B)</b>	<b>167,970.10</b>	<b>34,157.02</b>	<b>1,174.10</b>	<b>200,953.02</b>	<b>22,992.58</b>	<b>9,881.01</b>	<b>158.02</b>	<b>32,715.58</b>	<b>168,237.45</b>	<b>144,977.52</b>
	<b>Previous Year</b>	<b>152,788.64</b>	<b>15,563.06</b>	<b>381.60</b>	<b>167,970.10</b>	<b>14,709.16</b>	<b>8,428.14</b>	<b>144.73</b>	<b>22,992.58</b>	<b>144,977.52</b>	<b>138,079.47</b>



## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>10. Non current investments</b>		
<b>A. Trade Investments</b>		
Investment In Equity Instruments (Unquoted)		
<b>(a) Associates</b>		
West Haryana Highways Projects Pvt.Ltd. [24,500 shares (PY 24,500 shares)]	2.45	2.45
Gwalior Bypass Project Ltd. [19,500 shares (PY 19,500 shares)]	11.39	1.95
Hyderabad Ring Road Project Private Limited [11,720 shares (PY 11,720 shares)]	1.17	1.17
Era Buildsys Ltd. [24,07,000 shares (PY 24,07,000 shares)]	2,962.83	2,618.46
SPA Group Era India Algeria [35,000 shares (PY 35,000 shares)]	68.81	68.81
Era Energy Limited [15,000 shares (PY 15,000 shares)]	1.50	1.50
	3,048.17	2,694.35
<b>Less: Provision for diminution in the value of investment</b>	3.37	-
	<b>3,044.79</b>	<b>2,694.35</b>
<b>(b) Investment In Equity Instruments (Quoted)</b>		
Era E-Zone (India) Ltd [11,10,000 shares (PY 11,10,000 shares)]	554.50	554.50
	<b>554.50</b>	<b>554.50</b>
<b>(c) Investments In Preference Instruments(Unquoted)</b>		
West Haryana Highways Projects Private Limited [24,41,000 shares (PY 21,37,836 ) shares)]	14,646.00	12,827.02
Gwalior Bypass Project Limited [22,99,510 shares (PY 22,99,510 shares)]	9,198.04	9,198.04
Hyderabad Ring Road Project Private Limited [21,49,902 shares (PY 20,66,812 shares)]	8,599.61	8,267.25
	<b>32,443.65</b>	<b>30,292.30</b>
<b>(d) Share In Joint Ventures (Including Accumulated Profits)</b>		
Era Patel Advance Joint Venture	1.59	5.98
Era Patel Advance Kiran Joint Venture	54.10	53.01
Rani Era Joint Venture	5.90	5.86
Induni Era Joint Venture	29.28	24.17
KMB Era Joint Venture	136.40	110.22
Era - Infra Joint Venture	22.49	9.08
Era Infra Buildsys Joint Venture	17.74	-
	267.50	208.32
<b>(e) Other Trade Investments (Unquoted)</b>		
- Axis Infrastructure Fund 1	731.34	1,458.45
	<b>731.34</b>	<b>1,458.45</b>
<b>Total Trade Investments (a+b+c+d+e)</b>	<b>37,041.78</b>	<b>35,207.92</b>
<b>B. Non Trade Investments</b>		
Investments In Government Securities (Unquoted)		
-M.P. Finance Corp. Bond - 2012	-	5.76
-11.5% Govt of India -2011	-	14.61
	-	20.36
<b>Total Non Current Investments (A+B)</b>	<b>37,041.78</b>	<b>35,228.28</b>
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	139.86	201.47
Aggregate book value of unquoted investments	36,219.78	34,445.10
Aggregate book value of Government Securities	-	20.36
Aggregate book value of Investment in Joint Ventures	267.50	208.32

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>11. Loans and Advances</b> (unsecured, considered good unless otherwise stated)		
<b>A. Long term</b>		
Capital Advances	12,903.57	698.97
Security Deposits	3,139.21	2,917.70
Loans and advances to related parties	20,768.31	4,527.50
	<b>36,811.09</b>	<b>8,144.17</b>
<b>B. Short term</b>		
Advances recoverable in cash or in kind for value to be received	70,059.35	63,470.91
	<b>70,059.35</b>	<b>63,470.91</b>
<b>Total Loans And Advances (A+B)</b>	<b>106,870.44</b>	<b>71,615.08</b>
<b>12. Inventories</b> (valued at cost or net realisable value whichever is lower)		
Materials in Hand	61,389.41	58,990.00
Work-in-Progress	82,355.07	60,917.61
Stores and Spares	1,258.44	1,701.01
Materials in Transit (Raw Materials)	639.87	197.38
Finished Goods & Scrap	50.07	231.32
<b>Total</b>	<b>145,692.85</b>	<b>122,037.24</b>
<b>13. Trade Receivables</b> Unsecured, Considered Good		
- Outstanding for a period exceeding six months from the date which they are due for payment	14,968.38	12,105.43
- Others	134,628.07	123,902.66
<b>Total</b>	<b>149,596.45</b>	<b>136,008.10</b>
Amounts due by private companies in which any Director is a member or Director		
Trade receivables	22,363.93	13,149.61
Loans and advances	300.00	-
<b>Total</b>	<b>22,663.93</b>	<b>13,149.61</b>

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>14. Cash and bank balances</b>		
(a) <b>Cash and cash equivalents</b>		
Cash in Hand	304.34	239.75
Foreign Currency in Hand	2.27	1.69
Balance with banks current accounts	4,424.81	8,680.09
Cheques in Hand	200.09	989.82
Fixed Deposit Accounts *	34,814.82	41,049.88
Unpaid Dividend Account**	20.55	19.38
<b>Total cash and cash equivalents</b>	<b>39,766.88</b>	<b>50,980.62</b>
* Include FDR's pledged with banks / government authorities.		
** unclaimed dividend yet not due for deposit in Investor Education and Protection Fund		
<b>Dividend Declared for Financial Year</b>		
2003-04	-	1.22
2004-05	2.59	2.67
2005-06	4.68	4.72
2006-07	3.22	3.30
2007-08	2.55	2.56
2008-09	2.65	2.66
2009-10	2.24	2.24
2010-11	2.61	-
	<b>20.55</b>	<b>19.38</b>
<b>15. Other Current Assets</b>		
Interest Receivable	786.73	447.43
Others	2.10	0.05
<b>Total</b>	<b>788.83</b>	<b>447.48</b>
<b>16. Revenue From Operations</b>		
(i) Contract Revenue	363,288.48	360,256.12
(ii) Equipment Hiring & Management	15,186.99	13,799.53
(iii) Job Work	262.80	-
(iv) Ready Mix Concrete	1,311.90	2,517.35
(v) Wind Energy	620.14	500.91
(vi) Trading		
-- Steel	52,036.90	5,973.74
-- Electrical Equipments	2,644.15	-
(vii) Transmission line towers	1,410.83	-
	<b>436,762.19</b>	<b>383,047.65</b>
Less: Excise Duty	164.08	-
<b>Net Revenue From Operations</b>	<b>436,598.11</b>	<b>383,047.65</b>

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>17. Other Incomes</b>		
Interest Income		
- Banks	3184.20	950.61
- Other Interest	4.67	15.27
Profit on Sale of Non Current Investments	364.28	-
Income From Joint Venture	86.72	64.15
Profit Of Associate Companies	353.81	446.72
Miscellaneous Income	649.67	730.61
<b>Total</b>	<b>4,643.35</b>	<b>2,207.36</b>
<b>18. Direct Contract Expenses</b>		
Direct Project Expenses	295,527.52	307,080.07
(Increase)/Decrease in Stock	(23,729.71)	(25,277.41)
Service Tax	1,992.43	2,914.23
Works Contract Tax	4,201.69	5,358.57
<b>Total</b>	<b>277,991.93</b>	<b>290,075.46</b>
<b>19. Purchase of traded goods</b>		
Trading Purchases		
- Steel	50,049.99	1,790.11
- Electrical Equipments	2,592.30	-
<b>Total</b>	<b>52,642.29</b>	<b>1,790.11</b>
<b>20. Purchase of traded goods</b>		
Salaries, Bonus & Allowances	14,018.64	12,175.52
Directors' Remuneration	299.36	257.36
Contribution to Provident & Other Funds	757.41	653.26
Staff Welfare	272.99	221.09
<b>Total</b>	<b>15,348.41</b>	<b>13,307.23</b>
<b>21. Finance Costs</b>		
Bank Charges & Commission	3,525.69	3,600.90
Interest	45,191.91	28,460.56
<b>Total</b>	<b>48,717.60</b>	<b>32,061.46</b>

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>22. Other Expenses</b>		
Printing & Stationery	223.37	250.29
Rent	380.78	466.48
Travelling & Conveyance	872.05	806.17
Postage, Telegram & Telephones	281.17	258.50
Tender Fee	71.90	68.24
Legal & Professional Charges	2,230.28	1,857.59
Advertisement & Publicity	26.26	35.55
Business Promotion Expenses	76.02	59.19
Vehicle Maintenance	98.48	111.24
Foreign Exchange Fluctuation	-	725.13
Insurance Premium	470.63	449.38
Rates and Taxes	177.90	138.61
Festival Expenses	74.55	80.44
Repair & Maintenance		
- Building	0.14	-
- Machinery	401.64	590.89
- Others	228.53	204.90
Electricity & Water	272.74	209.24
Auditors' Remuneration	18.26	17.82
Charity & Donation	77.61	7.68
Loss on Sale of Fixed Assets	642.16	0.65
Increase/(Decrease) in excise duty		
Miscellaneous Expenses	196.99	220.13
Foreign Currency Monetary Item Trans. Diff. A/C W/Off	-	57.55
Provision for diminution in the value of investments	3.37	-
<b>Total</b>	<b>6,824.83</b>	<b>6,615.67</b>
<b>23. Contingent liabilities and commitments</b>		
<b>A. Contingent liabilities</b>		
(a) <b>In respect of claims against the company not acknowledged as debts*</b>		
- Sales Tax And Entry Tax Matters.	500.56	95.10
- Royalty Matters	205.82	314.71
- Service Tax Matters	3,320.55	3,891.47
- Custom Duty Matters	425.99	221.04
- Labour Welfare Cess	85.61	85.61
- Other Legal Cases	649.32	537.14
<b>Total</b>	<b>5,187.85</b>	<b>5,145.07</b>
* Appropriate representations have been filed in respect of these matters with the authorities concerned		
(b) <b>Towards Banks</b>		
- Corporate guarantees given in favour of banks for loans taken by Subsidiary/ associate companies.	94,471.00	96,271.00
- In respect of Guarantees, Letters of Credit and others (net of margin)	65,357.70	42,427.27
(c) <b>In respect of uncalled capital of Subsidiary Company</b>	198.00	-
<b>Total Contingent Liabilities (a+b+c)</b>	<b>165,214.56</b>	<b>143,843.34</b>
In addition to above, the company has executed bonds aggregating to Rs. 142.72 Lacs in favour of Jurisdictional Deputy Commissioner of Customs, against import of Capital Goods at concessional rates under EPCG scheme for which the Company has agreed to fulfill Export Obligation for Rs. 856.36 Lacs within a period of six years from the date of issue of respective EPCG license. The total outstanding export obligation as on 31st March, 2012 is Rs. 856.36 Lacs (PY 856.36 Lacs)		
<b>B. Commitments : Estimated amount of contracts remaining to be executed on capital account (net of advances)</b>	266,894.46	312,896.06



## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

24. In the opinion of the Board of Directors, all the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities have been provided for.

### 25. Inter-group Turnover and Profits on BOT Construction Contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "Toll Collection Rights/ Annuity" against construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights/annuity, profits from such contracts are taken as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to the Company, the intra group transactions in BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

The revenue and profit in respect of these transactions during the year is ₹ 54,055.33 Lacs (PY ₹ Nil) and ₹ 9,854.29 Lacs (PY ₹ Nil) respectively.

### 26. Retirement Benefits

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment
A) Expenses recognised In the statement of profit & loss				
Current service cost	154.16	104.05	158.41	74.26
Interest cost	40.39	14.15	27.60	8.60
Expected return on plan assets	-	-	-	-
Actuarial (Gain)/ Loss recognised in the I.V.P.	(122.65)	(125.41)	(22.86)	(14.86)
Expenses recognised In the statement of profit & loss	71.90	(7.21)	163.16	68.00
B) Amount to be recognised in the balance sheet				
Present value of obligation at the end of I.V.P.	537.06	164.36	489.57	171.56
Fair value of Plan Assets at the end of I.V.P.	-	-	-	-
Funded status	(537.06)	(164.36)	(489.57)	(171.56)
Unrecognised actuarial (gain)/ loss at the end of I.V.P.	-	-	-	-
Net (Asset)/Liability recognised in the Balance Sheet	537.06	164.36	489.57	171.56
C) Changes in the present value of obligations				
Present value of obligation at the beginning of I.V.P.	489.57	171.57	331.51	103.56
Interest cost	40.39	14.15	27.60	8.60
Current service cost	154.16	104.05	158.41	74.26
Benefits paid	(24.41)	-	(5.10)	-
Actuarial (gain)/ loss on obligation	(122.65)	(125.41)	(22.86)	(14.86)
Present value of obligation at the end of I.V.P.	537.06	164.36	489.57	171.56
D) Actuarial (Gain)/ Loss recognised				
Actuarial (gain)/ loss on obligation	(122.65)	(125.41)	(22.86)	(14.86)
Actuarial (gain)/ loss on plan assets	-	-	-	-
Total (gain)/ loss for the I.V.P.	(122.65)	(125.41)	(22.86)	(14.86)
Actuarial (Gain)/ Loss recognised in the I.V.P.	(122.65)	(125.41)	(22.86)	(14.86)
Unrecognised actuarial (gain)/ loss at the end of I.V.P.	-	-	-	-
E) Actuarial assumptions				
Mortality rate	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
Attrition rate (P.A.)	5.00%	5.00%	5.00%	5.00%
Imputed rate of interest (P.A.)	8.50%	8.50%	8.25%	8.25%
Salary rise (P.A.)	7.00%	7.00%	7.00%	7.00%
Return on plan assets	N.A.	N.A.	N.A.	N.A.

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

PARTICULARS		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>27. Earning Per Share (EPS)</b>			
The following data has been used for the computation of Earning per share			
i.	Net profit attributable to equity shareholders before exceptional items	18,951.43	22,015.09
ii.	Weighted average number of equity shares outstanding during the year	181,827,640	181,586,568
iii.	Basic EPS before exceptional items (i/ii)	<b>10.42</b>	<b>12.11</b>
<i>Effect of dilution</i>			
iv.	Weighted average number of equity shares outstanding during the year as above	181,827,640	181,586,568
v.	Weighted average number of equity shares resulting from assumed conversion of FCCB	-	2,799,765
vi.	Weighted average number of equity for calculating diluted EPS (iv+v)	181,827,640	184,386,333
vii.	Diluted EPS before exceptional items (i/vi)	<b>10.42</b>	<b>11.93</b>
<i>Effect of exceptional items*</i>			
viii.	Net profit attributable to equity shareholders before exceptional items as above	18,951.43	22,015.09
ix.	Exceptional items	4,122.74	-
x.	Net profit attributable to equity shares after extraordinary items (viii-ix)	14,828.70	22,015.09
xi.	Basic EPS after exceptional items (x/ii)	<b>8.16</b>	<b>12.11</b>
xii.	Diluted EPS after exceptional items (x/vi)	<b>8.16</b>	<b>11.93</b>

\* Extraordinary items for the year ended March 31, 2012 include foreign currency translation loss Rs. 4,122 Lacs (PY Nil) on restatement of Foreign Currency Convertible Bonds and External Commercial Borrowings

## 28. Segment Reporting

### A. Business Segments

The Company regards Business Segments as primary segments. Business Segments have been in line with AS-17. Following are the business segments in which the Company operates.

- Contracts
- Wind Energy
- Equipment Hiring and Management
- Ready Mix Concrete
- Trading & Others

As on 31<sup>st</sup> March, 2012

(₹ In lacs)

Sr.No	Particulars	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading & Others
(i)	<b>Segment Revenue</b>						
	External Revenue	436,598.11	363,288.48	620.14	15,186.99	1,311.90	56,190.60
	Inter-Segment Revenue	9,657.10	-	-	8,830.08	827.02	-
	<b>Total</b>	<b>446,255.21</b>	<b>363,288.48</b>	<b>620.14</b>	<b>24,017.07</b>	<b>2,138.92</b>	<b>56,190.60</b>
(ii)	<b>Segment Results (Profit/ Loss)</b>						
	Operating Profit	70,387.32	54,768.51	236.68	14,182.55	(252.06)	1,451.64
	Unallocable Corporate Expenses	3.37	-	-	-	-	-
	Unallocable Corporate Income	1,454.48	-	-	-	-	-
	Interest Expenses	45,191.91	-	-	-	-	-
	Interest Income	3,188.87	-	-	-	-	-
	Extraordinary Items	4,122.74	-	-	-	-	-
	Income Tax Expenses	10,892.27	-	-	-	-	-
	<b>Net Profit</b>	<b>14,820.37</b>	<b>54,768.51</b>	<b>236.68</b>	<b>14,182.55</b>	<b>(252.06)</b>	<b>1,451.64</b>
(iii)	<b>Other Information</b>						
	Segment Assets	682,921.67	571,186.24	3,796.72	105,208.23	1,462.04	1,268.44
	Unallocable Assets	37,041.78	-	-	-	-	-
	<b>Total Assets</b>	<b>719,963.45</b>	<b>571,186.24</b>	<b>3,796.72</b>	<b>105,208.23</b>	<b>1,462.04</b>	<b>1,268.44</b>
	Segment Liabilities	521,753.52	446,395.01	989.60	73,330.85	644.53	393.53
	Capital Expenditure	34,157.02	28,697.95	-	5,657.33	(198.26)	-
	Depreciation	9,881.02	4,546.41	266.22	4,992.97	75.42	-
	Other Non-Cash Expenses	-	-	-	-	-	-

As on 31<sup>st</sup> March, 2011

(₹ In lacs)

Sr.No	Business Segments	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading/ Others
(i)	<b>Segment Revenue</b>						
	External Revenue	383,047.65	360,256.12	500.91	13,799.53	2,517.35	5,973.74
	Inter-Segment Revenue	7,261.80	-	-	6,079.63	1,182.17	-
	<b>Total</b>	<b>390,309.45</b>	<b>360,256.12</b>	<b>500.91</b>	<b>19,879.16</b>	<b>3,699.52</b>	<b>5,973.74</b>
(ii)	<b>Segment Results (Profit/ Loss)</b>						
	Operating Profit	59,287.68	44,818.31	128.97	13,634.62	(11.81)	717.59
	Unallocable Corporate Expenses	57.55	-	-	-	-	-
	Unallocable Corporate Income	1,241.48	-	-	-	-	-
	Interest Expenses	28,460.56	-	-	-	-	-
	Interest Income	965.88	-	-	-	-	-
	Income Tax Expenses	10,988.02	-	-	-	-	-
	<b>Net Profit</b>	<b>21,988.92</b>	<b>44,818.31</b>	<b>128.97</b>	<b>13,634.62</b>	<b>(11.81)</b>	<b>717.59</b>
(iii)	<b>Other Information</b>						
	Segment Assets	539,412.52	429,259.05	4,038.96	103,266.18	1,866.86	981.47
	Unallocable Assets	35,228.28	-	-	-	-	-
	<b>Total Assets</b>	<b>574,640.80</b>	<b>429,259.05</b>	<b>4,038.96</b>	<b>103,266.18</b>	<b>1,866.86</b>	<b>981.47</b>
	Segment Liabilities	402,465.78	322,683.23	1,315.54	77,127.51	1,339.50	-
	Capital Expenditure	18,094.13	(8,924.64)	-	29,067.10	(2,048.33)	-
	Depreciation	8,428.15	4,118.23	265.5	3,899.35	145.07	-
	Other Non-Cash Expenses	-	-	-	-	-	-

**B. Geographical Segments**

There are no geographical segments since the company operates only in India

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March, 2012

### 29. Related Party Disclosures

List of related parties with whom transactions have taken place during the year.

#### (i) **Joint Ventures and Associates**

Era-Patel-Advance-Kiran Joint Venture, Era-Patel-Advance Joint Venture, Induni-Era Joint Venture, KMB-Era Joint Venture, Rani-Era Joint Venture, Era - Infra Joint Venture, Era-Infra Buildsys Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Limited, West Haryana Highways Project Private Limited, Era Energy Limited and Era Buildsys Limited.

#### (ii) **Individuals owning directly or indirectly, an interest in the voting power of the company and their relatives**

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) **Key management personnel and their relatives**

Mr. H.S. Bharana (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) and Mr. J.L. Khushu (Whole Time Director).

#### (iv) **Enterprises over which key management personnel/ Individuals owning directly or indirectly, an interest in the voting power of the company and their relatives have significant influence**

Era Housing & Developers (India) Limited, Hi-Point Investment & Finance Private Limited, Goglet Infotech Private Limited, Xema Infrastructure Private Limited, Xebec Hospitality Private Limited, Era Mines & Minerals Private Limited, Era Energy Limited, SRC Buildwell Private Limited, Era Securitas Private Limited, Angraj Trading Private Limited, Atop Infrastructure & Infotech Private Limited, Era E-Zone (India) Limited, Era Agritech (India) Private Limited and Era Logistics (India) Private Limited.

### Related party transactions (as at 31-03-2012)

(₹ in Lacs)

Particulars	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
Loans & Advances given	16,159.34	-	-	16,159.34
Advances received	5,380.22	-	-	5,380.22
Bill Raised	52,799.16	-	-	52,799.16
Joint Venture Income	86.72	-	-	86.72
Prefential Allotment	2,151.34	-	-	2,151.34
Purchase of Materials	7,752.53	-	-	7,752.53
Contract Expenses Paid	8,302.47	-	-	8,302.47
Reimbursement of Expenses Received /(Paid)	358.57	-	-	358.57
Salary paid	-	198.00	110.77	308.77
Dividend Paid	376.07	51.78	-	427.85
Due from (as at year-end)	48,676.34	-	-	48,676.34
Due to (as at year-end)	5,707.36	-	15.13	5,722.49

## Notes forming part of Consolidated Financial Statements as at 31<sup>st</sup> March,2012

### Related party transactions (as at 31-03-2011)

(₹ in Lacs)

Particulars	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
Purchase Of Assets	1,093.98	-	-	1,093.98
Loans & Advances Given	6,357.00	-	-	6,357.00
Loans & Advances Taken	2,108.65	-	-	2,108.65
Investments	6,695.65	-	-	6,695.65
Capital Expenditure	739.46	-	-	739.46
Bill Raised	86,197.78	-	-	86,197.78
Joint Venture Income	64.15	-	-	64.15
Rent, Secretarial & Other Charges Recovered	21.04	-	-	21.04
Materials Supplied	324.46	-	-	324.46
Purchase Of Materials	11,227.43	-	-	11,227.43
Contract Expenses Paid	10,720.93	-	-	10,720.93
Reimbursement Of Expenses Received /(Paid)	(9.00)	-	-	(9.00)
Salary Paid	-	180.00	73.76	253.76
Dividend Paid	375.99	51.78	-	427.77
Due From (As At Year-End)	24,968.13	-	-	24,968.13
Due To (As At Year-End)	6,456.18	-	3.99	6,460.17

**30.** Figures pertaining to the subsidiaries companies have been reclassified wherever necessary to bring them in line with the group's financial statements

### **31. Previous year's figures**

Till the year ended 31st March,2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of financial statements. During the year ended 31st March,2012, the revised schedule VI notified under Companies Act,1956 has become applicable to the Company. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation for financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. As a result, previous years' figures have been regrouped/ reclassified to conform to this year's financial statements where necessary.

### **Auditors' Report**

As per our report of even date attached

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

Chartered Accountants  
FRN : 500041N

### **CA. Pankaj Jain**

Partner  
M.No : 505948

Place : New Delhi.

Date :

For and on behalf of the Board

### **(H.S. Bharana)**

Chairman & Managing Director

### **(J.L.Khushu)**

Whole Time Director

### **(Rajiv Kumar)**

Company Secretary

### **(Sanjay Gupta)**

Chief Financial Officer



## Annexure "A" - Interest in Subsidiaries, Joint Ventures and Associates.

S. No.	Particulars	Country of Incorporation	Percentage of voting power as at 31 <sup>st</sup> March March, 2012	Percentage of voting power as at 31 <sup>st</sup> March March, 2011
<b>A.</b>	<b>Direct Subsidiary Companies</b>			
1.	Victor Buildwell Private Limited	India	100.00%	100.00%
2.	Era T & D Limited	India	100.00%	100.00%
3.	Era Infrastructure (India) Limited	India	100.00%	100.00%
4.	Dehradun Highways Project Limited	India	74.00%	74.00%
5.	Haridwar Highways Project Limited	India	74.00%	74.00%
6.	Bareilly Highways Project Limited	India	74.00%	74.00%
7.	Bragi Developers Private Limited	India	100.00%	100.00%
8.	Zedek Realtors Private Limited	India	100.00%	100.00%
9.	Paulo Realtech Private Limited	India	100.00%	100.00%
10.	Yarikh Realtors Private Limited	India	100.00%	100.00%
11.	Era Khandwa Power Limited	India	100.00%	100.00%
12.	Golden Annum Holding Limited	Dubai	100.00%	100.00%
13.	Boconero Limited	Cyprus	100.00%	100.00%
14.	Rampur Highways Project Limited	India	74.00%	-
15.	Era and Partners LLC	Oman	60.00%	-
<b>B.</b>	<b>Step Subsidiary Companies</b>			
1.	ARK Transmission & Distribution Limited	India	64.00%	64.00%
2.	ARK Vidhyut Urja Limited	India	68.89%	68.89%
<b>C.</b>	<b>Joint Ventures &amp; Associates</b>			
1.	Era-Patel-Advance-Kiran Joint Venture	India	35.18%	35.18%
2.	Era-Patel-Advance Joint Venture	India	44.00%	44.00%
3.	Induni-Era Joint Venture	India	49.00%	49.00%
4.	KMB-Era Joint Venture (3 Projects, 1 Project)	India	49.00%, 20.00%	49.00%, 20.00%
5.	Rani - Era Joint Venture	India	40.00%	40.00%
6.	Era Infra- Buildsys Joint Venture	India	49.00%	49.00%
7.	Era - Infra Joint Venture	India	50.00%	50.00%
8.	Gwalior Bypass Project Limited	India	39.00%	39.00%
9.	Hyderabad Ring Road Projects Private Limited	India	49.00%	49.00%
10.	West Haryana Highways Projects Private Limited	India	49.00%	49.00%
11.	Era Buildsys Limited	India	29.03%	29.03%
12.	Era Energy Limited	India	15.00%	15.00%

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 statements 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, profit after taxation and proposed dividend for each subsidiary are as follows:

## CONSOLIDATED FINANCIAL STATEMENTS OF ERA INFRA ENGINEERING LIMITED AND SUBSIDIARIES (₹ 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>A.</b>	<b>Direct Subsidiary Companies</b>										
1.	Victor Buildwell Private Limited	1.00	(11.15)	1,044.15	1,054.30	-	-	(0.04)	(1.89)	(1.92)	-
2.	Era T & D Limited	1,441.90	241.55	6,134.57	4,451.12	-	2,302.69	41.16	(11.47)	29.69	-
3.	Era Infrastructure (India) Limited	5,446.05	45,879.45	88,566.90	37,241.41	-	774.48	(3,258.77)	1,153.50	(2,105.27)	-
4.	Dehradun Highways Project Limited	1,219.43	4,857.71	21,410.17	15,333.04	-	-	-	-	-	-
5.	Haridwar Highways Project Limited	1,735.92	6,923.70	23,749.01	15,089.39	-	-	-	-	-	-
6.	Bareilly Highways Project Limited	1,937.95	7,731.81	31,666.54	21,996.77	-	-	-	-	-	-
7.	Bragi Developers Private Limited	9.00	(0.18)	9.11	0.29	-	0.08	(0.18)	(0.01)	(0.19)	-
8.	Zedek Realtors Private Limited	76.00	-	76.33	0.33	-	-	-	-	-	-
9.	Paulo Realtech Private Limited	66.50	-	66.83	0.33	-	-	-	-	-	-
10.	Yarikh Realtors Private Limited	156.50	-	188.97	32.47	-	-	-	-	-	-
11.	Era Khandwa Power Limited	5.00	-	5.06	0.06	-	-	-	-	-	-
12.	Golden Annum Holding Limited	4.99	(14.03)	-	9.04	-	-	(3.00)	-	(3.00)	-
13.	Boconero Limited	0.70	(18.45)	-	17.75	-	-	(4.44)	-	(4.44)	-
14.	Rampur Highways Project Limited	5.00	-	35.15	30.15	-	-	-	-	-	-
15.	Era and Partners LLC	335.73	(26.47)	312.04	2.79	-	-	(24.99)	-	(24.99)	-
<b>B.</b>	<b>Step Subsidiary Companies</b>										
1.	ARK Transmission & Distribution Limited	35.00	(14.02)	119.79	98.81	-	-	(0.71)	(1.82)	(2.52)	-
2.	ARK Vidhyut Urja Limited	78.75	108.90	2,046.96	1,859.31	-	844.48	12.00	(3.71)	8.29	-

### 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. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.

**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 Shares(s) held \_\_\_\_\_

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

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

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company at Executive Club, 439, Village Shahoorpur P.O., Fatehpuri Beri, New Delhi-110074 on Saturday, 29th September, 2012 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.

-----TEAR HERE-----

**PROXY FORM**

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

No. of Shares(s) 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 22nd Annual General  
Meeting of the Company to be held on Saturday, 29th September, 2012 at 3.30 P.M. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Affix  
₹ one  
Revenue  
Stamp

**Notes :**

1. This 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.





**Era Infra Engineering Limited**  
**370-371/2, Sahi Hospital Road, Jungpura Bhogal, New Delhi-110014.**

**E-Communication Registration Form**

**TO,**  
**Company Secretary**  
**Era Infra Engineering Limited**  
**370-371/2, Sahi Hospital Road,**  
**Jungpura, Bhogal,**  
**New Delhi-110014**

**Green Initiative in Corporate Governance**

I/We hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditors Report etc in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circulars no. 17/2011 dated 21<sup>st</sup> April, 2011 and 18/2011 dated: 29<sup>th</sup> April, 2011. Please register my e-mail ID as given below, in your records for sending the communications:

Folio No./ DP ID & Client ID No. ....

Name of Sole/1<sup>st</sup> Registered Holder .....

Name of Joint Holder(s), If any .....

Registered Address of the Sole/ .....

1<sup>st</sup> Registered Holder .....

.....

.....

.....

.....

No. of Shares held .....

E-mail ID (to be registered) .....

Date: .....

Signatures:.....

**Notes:**

1. On registration, all communications will be sent to the e-mail ID registered.
2. The Form is also available on the website of the Company [www.eragroup.co.in](http://www.eragroup.co.in) under the section "Investor Relations".
3. Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address.
4. Members may register their e-mail addresses with the company at [investorinfra@eragroup.in](mailto:investorinfra@eragroup.in)

BOOK-POST

If undelivered, please return to :

**Era Infra Engineering Ltd.**

370-371/2, Sahi Hospital Road, Jungpura, Bhogal

New Delhi - 110014, Tel. : +91 11 43637000

[www.eragroup.co.in](http://www.eragroup.co.in)