



ERA CONSTRUCTIONS (INDIA) LIMITED

PROSPECTUS

[Originally incorporated as Era Constructions (India) Private Limited on September 03, 1990 with Registrar of Companies, NCT of Delhi & Haryana at New Delhi having Registered Office at D-8&9, Pushpa Bhawan, G-3, Alakananda Shopping Complex, New Delhi – 110 019. The Registered Office was shifted to E-43, Greater Kailash III, Masjid Moth, New Delhi – 110 019 on February 10, 1992. Subsequently, on October 19, 1992, the Company was converted into a Public Limited Company and name of the Company was changed to Era Constructions (India) Limited. On May 24, 1993, the Registered Office was shifted to A- 38/B Kailash Colony, New Delhi – 110 048. Subsequently, on August 01, 1997, the registered office was shifted to 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014.]

Registered Office: 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014.
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Public Issue of 68,33,580 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share aggregating Rs. 4,920.18 Lacs. The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price of Rs. 72/- per Equity Share is 7.2 times of the Face Value.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the statement of 'Risk Factors' beginning on page no. v.

ISSUER'S ABSOLUTE RESPONSIBILITY

Era Constructions (India) Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in the Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>UTI Securities Ltd. SEBI Regn. No.: INM000007458 Dheeraj Arma, 1st Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai – 400 051. Tel: 91-22- 5551 5801 / 5551 5806 Fax: 91-22- 5502 3194 Website: www.utisel.com E-mail: era@utisel.com Contact Person: Mr. V.S. Narayanan / Mr. Hitesh Mandot</p>	 <p>Aarhi Consultants Pvt. Ltd. SEBI Regn. No.: INR000000379 1-2-285, Domalguda, Hyderabad – 500 029. Tel: 91-40- 2763 8111, 2763 4445 Fax: 91-40- 2763 2184 Website: www.aarhiconsultants.com E-mail: era@aarhiconsultants.com Contact Person: Mr. G. Bhaskar Murthy</p>

ISSUE SCHEDULE

ISSUE OPENS ON : JUNE 24, 2005

ISSUE CLOSES ON : JUNE 29, 2005

LISTING

The existing Equity Shares of the Company are presently listed on The Stock Exchange, Mumbai (BSE) {Designated Stock Exchange}; The Stock Exchange, Ahmedabad (ASE) and The Delhi Stock Exchange Association Ltd. (DSE). The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE, ASE and DSE. The in-principle approvals have been received from these stock exchanges as under :

Name of the Stock Exchange	Letter No. & Date
BSE	List/smg/sdm/sm/2005 dated 4 th May 2005
ASE	Ase/2005/380 dated 11 th May 2005
DSE	DSE/LIST/7766/R/143 dated 13 th May 2005



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I. DEFINITIONS AND ABBREVIATIONS

1. Conventional / General terms

AGM	Annual General Meeting
CAGR	Compounded Annual Growth Rate
EGM	Extra Ordinary General Meeting
EPS	Earning Per Share
GIR	General Index Register
HUF	Hindu Undivided Family
NAV	Net Asset Value
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RONW	Return on Net Worth
SSI	Small Scale Industries

2. Issue Related Terms

Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the investors shall apply for the Equity Shares of the Company
Articles / Articles of Association	The Articles of Association of Era Constructions (India) Limited
Auditors	Statutory Auditors of Era Constructions (India) Limited being, P.C. Bindal & Co., Chartered Accountants
Issue	Public Issue of Equity Shares by Era Constructions (India) Limited
Issuer / Company / Era / ECIL /Era Constructions	Era Constructions (India) Limited
Lead Manager / Lead Manager to the Issue	Being the Lead Manager appointed for the Issue. In this case being UTI Securities Ltd.
Memorandum	The Memorandum of Association of Era Constructions (India) Limited
Registrar / Registrar to the Issue	Being the Registrar appointed for the Issue. In this case being Aarthi Consultants Pvt. Ltd.
Retail Individual Investor	Means an investor who applies for securities of or for a value of not more than Rs.1,00,000/-
Stock Exchanges	BSE, ASE & DSE
The Issue	Present Public Issue of 68,33,580 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share aggregating Rs. 4,920.18 Lacs.
Underwriters	UTI Securities Ltd. and Enam Financial Consultants Pvt. Ltd., who have jointly underwritten this Issue in full (except the Promoters' Contribution)
Underwriting Agreement	The Agreement between the Underwriters and the Company in respect of the Public Issue of Equity Shares proposed to be made under this Prospectus



3. Company / Industry Related Terms

BOT	Build- Operate-Transfer
BOOT	Build-Own-Operate-Transfer
CIDC	Construction Industry Development Council
DRB	Dispute Review Board
DRE	Dispute Review Expert
ITIs	Industrial Training Institutes
NHDP	National Highways Development Project
PMGSY	Pradhan Mantri Gram Sadak Yojana
RCC	Reinforced Cement Concrete

4. Abbreviations

ASE	The Stock Exchange, Ahmedabad
BSE	The Stock Exchange, Mumbai
CDSL	Central Depository Services (India) Ltd.
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participant) Regulations, 1996, as amended from time to time
DP	Depository Participant
DSE	The Delhi Stock Exchange Association Ltd.
FCNR	Foreign Currency Non-Resident
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investors
FY	Financial Year
J.V.	Joint Venture
L/C	Letter of Credit
MOU	Memorandum of Understanding
NRE	Non Resident External
NRIs	Non Resident Indians
NSDL	National Securities Depository Ltd.
NSE	The National Stock Exchange of India Limited
P/E	Price to Earnings Ratio
RBI	Reserve Bank of India
ROC	Registrar of Companies, NCT of Delhi & Haryana at New Delhi
SEBI	The Securities and Exchange Board of India

SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (DIP) Guidelines, 2000 as amended from time to time.
SIDBI	Small Industries Development Bank of India
The Board	The Board of Directors of Era Constructions (India) Limited
The Companies Act	Companies Act, 1956 as amended from time to time
U.P.	Uttar Pradesh
US\$	United States Dollars



II. RISK FACTORS

1. Forward-looking Statements

Forward-looking Statements

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “expect”, “estimate”, “intend”, “may”, “plan”, “project”, “shall”, “will” or other words or phrases of similar import. Similarly, statements that describe Company’s objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company’s ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting construction activity;
- Increasing competition in the construction industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the construction industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause Company’s actual results to differ, please see the section entitled “Risk Factors” included in this Prospectus. In the light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in this Prospectus might not occur and are not guarantees of future performance.

Neither the Company, its Directors and Officers, any member of the Issue Management Team, any Underwriter nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

2. Risk Factors

(i) Risk Envisaged by Management and Management Proposals thereof

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks actually occur, the business, results of operations and financial condition of the Company could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors mentioned below, the Company is not in a position to ascertain the financial and other implications of any of the other risks mentioned below.

A. Risk Factors Specific to the Project and Internal to the Company

1. The details of outstanding litigations against the Company are as under:

Proceedings under Criminal Laws:

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
a)	Ravi Builders & Transporters V/s. ECIL & others Criminal Complaint No. 300 of 1999 Appeal No. 40 of 2001	Judicial Magistrate, Class I, Bhopal	Cheque issued by ECIL had bounced due to insufficiency of funds.	05.04.99	Non-Bailable Warrants were issued against Mr. H.S. Bharana, Mr. Ravinder Bahl and others. Appeal has been filed by ECIL against the issuance of non-bailable warrants before the Hon'ble High Court of Madhya Pradesh at Jabalpur, who has granted stay of execution of the warrants and the proceedings of the trial court till listing of the appeal.	Court may direct payment of cheque amount, arrest of concerned officers of ECIL and/ or fine/ penalty/ damages	Rs. 28,369/-	Rs. 28,369/-
b)	Kuldeep Singh Saluja V/s. ECIL Criminal Complaint No. 244/04 of 1998 Appeal No.5010 of 2005	Additional Civil Judge, Ajmer	Cheque issued by ECIL had bounced due to insufficiency of funds	05.05.98	Bailable warrants were issued against ECIL, acting through its directors. Appeal has been filed by ECIL before the Hon'ble District & Sessions Court, Ajmer, against the issuance of bailable warrants by the trial court on the ground of limitation.	Court may direct payment of cheque amount, arrest of concerned officers of ECIL and/ or fine/ penalty/ damages	Rs. 8,000/-	Rs. 8,000/-

Proceedings under Securities Laws

As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations") information with regard to the shareholding pattern of equity shares of the company is required to be disclosed to all the stock exchanges on which the equity shares of the company are listed within the time period specified therein.



The Company had received a Notice vide Letter No. CFD/DCR/RC/TO/20949/04 dated September 20, 2004 from SEBI, for violation of Regulations 6(2) and 6(4) for 1997 and 8(3) for the period 1998 till 2002 under the said Regulations, in respect of not filing the required information in accordance with the said Regulations.

SEBI had decided to consider Company's request for Consent Order if the Company is willing to pay an amount of Rs.1,75,000/- as penalty for the aforesaid violations, subject to acceptance by the learned Adjudicating Officer.

The Company, vide its letter dated 27th December 2004, has given its consent to pay the aforesaid penalty of Rs. 1,75,000/- and waived its right to a hearing under Rule 4(5) of SEBI (Procedure for Holding Enquiries and Imposing of penalties by Adjudicating Officer) Rules, 1995.

Proceedings under Civil Laws:

Details are mentioned under heading "Outstanding Litigations and Material Developments" on Page 78 of this Prospectus.

Proceedings under Statutory Laws:

Details are mentioned under heading "Outstanding Litigations and Material Developments" on Page 78 of this Prospectus.

The details of outstanding litigations against the Promoters, Directors and Executives of the Company are as under:

Proceedings under Criminal Laws:

Sr. No.	Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (In Rs.)	Provisions made in the Financial Statements
a)	Rajendra Kr. Mishra, Proprietor, M/s. Siddhartha Traders V/s. Shri H.S. Bharana, Shri P.P. Mainra & Others Criminal Miscellaneous No. 179 of 2000 Appeal No.2121 of 2001	Chief Judicial Magistrate, Shahjahanpur	FIR has been lodged by the Complainant alleging violence due to dispute regarding alleged non-payment of bills by ECIL	06.06.00	Application for quashing of FIR filed by ECIL before the Hon'ble High Court of Uttar Pradesh at Allahabad was rejected vide its order dated 13.09.2004 and the case was remanded. Appeal has been filed in Hon'ble High Court at Allahabad for transfer of the case to another Court on the ground of bias, to ensure fair trial.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable
b)	Rajendra Kr. Mishra, Proprietor, M/s. Siddhartha Traders V/s. Shri H.S. Bharana, Shri P.P. Mainra & Others Criminal Miscellaneous No.1057 of 1998 Appeal No. 599 of 1999	Chief Judicial Magistrate, Shahjahanpur	Complaint was filed by the Complainant alleging violence due to dispute regarding alleged non-payment of bills by ECIL	03.09.98	Non-Bailable Warrants were issued by the Chief Judicial Magistrate for securing personal appearance of the directors of ECIL. Appeal was filed on 17.03.1999 by ECIL against this order before the Hon'ble High Court of Uttar Pradesh at Allahabad, The Hon'ble High Court has granted stay of the proceedings of the trial court as well as execution of personal warrants till listing of the case vide its order dated 17.03.99.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable

Sr. No.	Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (In Rs.)	Provisions made in the Financial Statements
c)	Naresh Chandra Jain V/s. Shri H.S. Bharana & Others Criminal Miscellaneous No. 845 of 1999 Appeal No.972 of 2004	Chief Judicial Magistrate, Tehri	Complainant has alleged cheating and non-payment of outstanding bills by ECIL	25.04.99	The Chief Judicial Magistrate directed the issuance of Non-Bailable Warrants for securing the personal appearance of the directors of ECIL Appeal No. 2392 of 2000 has been filed by ECIL against this order before Hon'ble High Court of Uttar Pradesh at Allahabad, which has been admitted. Stay has been granted by the Hon'ble High Court till further orders against execution of warrants and further proceedings of trial court vide its order dated 06.11.2000. In the meanwhile, the case has been transferred to the Hon'ble High Court of Uttaranchal at Nainital due to creation of a new state and consequent change in jurisdiction, and the appeal has been re-numbered as Appeal No.972 of 2004.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable
d)	S.N. Jain V/s. Shri H.S. Bharana & Others Criminal Miscellaneous No.1091 of 1998 Appeal No. 971 of 2004	CJM, New Tehri	Complainant has alleged cheating due to stopping of payment by ECIL of a cheque issued by it against salary	25.05.98	The Chief Judicial Magistrate directed the issuance of Non-Bailable Warrants for securing the personal appearance of the directors of ECIL Appeal No. 2391 of 2000 has been filed by ECIL against this order before the Hon'ble High Court of Uttar Pradesh at Allahabad, which has been admitted. Stay has been granted by the Hon'ble High Court till further orders against execution of warrants and further proceedings of trial court vide its order dated 06.11.2000. In the meanwhile, the case has been	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable



Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (In Rs.)	Provisions made in the Financial Statements
					transferred to the Hon'ble High Court of Uttaranchal at Nainital due to creation of a new state and consequent change in jurisdiction, and the appeal has been re-numbered as Appeal No. 971 of 2004.			
e)	State V/s. Shri H.S. Bharana	Metropolitan Magistrate, Patiala House, New Delhi	Complaint by an ex-employee under Sections 406 and 498A of the Indian Penal Code	13.07.01	The case is listed for framing of charges	Court may direct arrest of concerned directors, and fine/penalty/ damages/ maintenance	Not Applicable	Not Applicable

Proceedings under Civil Laws:

Details are mentioned under heading “Outstanding Litigations and Material Developments” on Page 78 of this Prospectus.

2. The Company's activities comprise of construction of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings. The Company typically enters into high value contracts for the aforesaid activities, which provide for levy of penalty normally for time-overrun cases. In case the Company is unable to meet the performance criteria as prescribed by the respective client and if penalties are levied, the financial performance of the Company may be adversely affected. For more details in respect of maximum penalties, which can be payable by the Company, please refer sub-heading “Present Business Operations and Projects on Hand” as mentioned on Page 38 of this Prospectus. Further, at present Rs. 2,71,664/- & Rs. 3,45,453/- have been held by Rajasthan Urban Infrastructure Development Project towards penalty for delay in completion of part of sewerage and road work undertaken by the Company for Bikaner City – Lot I & Lot II respectively.

MP: The Company has a previous track record of completing the projects without levy of substantial liquidated damages and it envisages the same for projects to be completed in future. In respect of the amounts held by Rajasthan Urban Infrastructure Development Project towards penalty, the Company has already requested for the waiver of the same.

3. As per the original implementation schedule, the Company has initially envisaged the Public Issue in the month of April 2005, and accordingly placement of orders for Plant & Machineries was to be completed by April 2005 and the procurement of the same was planned to be completed by June 2005. However, due to delay in the Public Issue, as per the revised implementation schedule, the placement of orders would be completed by July 2005 and the procurement of Plant & Machineries would be completed in September 2005. Any further delay in procurement of Plant & Machineries may adversely affect the business and operations of the Company.

4. The Company has total five promoters, three individual and two corporates. Out of total three individual promoters, only one promoter, Mr. H.S. Bharana is having experience in the line of business of the Company, and rest two individual promoters, Mr. B.S. Bharana and Mr. D.S. Bharana are agriculturist and not having any experience in the line of business of the Company. Due to lack of experience of other two individual promoters, the Company is dependent upon availability of Mr. H.S. Bharana and key management personnel. The business and operations of the Company may suffer on account of lack of availability or turnover of key personnel.

5. As per the existing order book of the Company, more than 70% contracts in terms of value are from few customers viz. National Thermal Power Corporation Limited, Delhi State Industrial Development Corporation Ltd., Airports Authority of India, Public Works Department & Power Grid Corporation of India Ltd. This as on date concentration makes majority of Company's revenues dependable upon these few customers, until there are major additions in the order book.
6. The lease deed for godowns of the Company has not been got registered with the Registrar of Assurances, hence it is not enforceable and, in effect, the tenancy is from month to month.
7. The Company's construction contracts are primarily dependent on adequate and timely supply of raw materials such as cement, steel and bricks at competitive prices. The Company faces stiff competition from larger and well-established players for procuring these raw materials. In case the Company is unable to procure the requisite quantities of raw materials well in time and at competitive prices, the performance of the Company may be adversely affected.

MP: The Company has been into construction activities for the last fourteen years and has established relationship with the supplier of raw materials. Besides, the Company has set-up a procurement team, which is responsible for tracking the prices and monitoring of all raw materials requirements.

8. Improper handling of materials and machines used in the business line of the Company can result into accidents; and the Company could face significant liabilities that would lower its profits.

MP: The Company has been executing the variety of projects using modern techniques and state-of-the-art plant & equipment, which have minimized the loss of men, material and machines.

9. The Company has not done any significant work in the construction of roads. The Company may not be able to tap fully the enormous opportunities that have emerged in this sector.

MP: The Company has already entered into MOUs for forming strategic joint ventures to tap the opportunities of construction of roads. The details of these MOUs are mentioned under sub-heading "Collaborations" appearing on page 28 of this Prospectus.

10. The Company's revenues would largely depend upon acceptance of the bids submitted by it with prospective clients for the projects. The performance of the Company could be affected in case majority of the bids are not accepted.

MP: The Company has been bidding for the projects in past and has been able to procure contracts inspite of competition from various industry players.

11. Any inability to manage Company's rapid growth could disrupt its business.

MP: The Company has an experienced Board and qualified staff to match with its pace of growth. The Company has registered a CAGR of 25.21% in its turnover for the period FY2000 to FY2005.

12. The Company is smaller in size compared to the market leaders, which acts as deterrent for very large projects.

MP: The Company has bid for large projects in past and bagged a few large projects inspite of big companies in fray like Gammon India Ltd., Larsen & Toubro Ltd., Hindustan Construction Company Ltd., Simplex Ltd., National Building Construction Corporation Ltd., Mukand Engineering Ltd. and Jaiprakash Bholanath.

13. Smaller proprietary firms also create competition for the Company.

MP: Considering the size and entry norms for the contracts, for which the Company is bidding, the competition from smaller proprietary firms is minimal.

14. The Company has taken short-term loans from Promoters, Group Companies, Associates and Others aggregating Rs. 204.13 Lacs, which is payable on demand.

15. The following is the consolidated list of the pending litigations and disputes against the Company and Promoters, Directors & Executives of the Company as on 28th May 2005:



Nature of Case	No. of Cases	Amount in INR		
		Claimed	Paid	Recoverable
Pending Litigations against the Company				
Pertaining to Criminal Laws	2	36,369.00	NIL	NIL
Pertaining to Securities Laws	1	1,75,000.00	NIL	NIL
Pertaining to Statutory Laws				
● <i>Tax Disputes</i>	3	15,43,914.36	6,25,000.00	NIL
● <i>Arbitration Matters</i>	3	5,02,22,528.47 + Interest	NIL	16864556.00
Pertaining to Civil Laws	12	16,79,195.25 + Interest	25,000.00 (Security Deposit)	NIL
Pertaining to Labour Laws	3	10,24,450.00	NIL	NIL
Sub-total	24	5,46,81,457.08 + Interest	6,50,000.00	1,68,64,556.00
Pending Litigations against Promoters/ Directors				
Pertaining to Criminal Laws	5	Not Applicable	Not Applicable	Not Applicable
Pertaining to Civil Laws	1	—	—	—
Sub-total	6	—	—	—
Total	30	5,46,81,457.08 + Interest	6,50,000.00	1,68,64,556.00

The financial implications of the above cases would be to the extent of amount involved in each of the respective cases and interest and/or penalty, if any, levied by the concerned adjudicating authority. For further details, please see “Outstanding Litigations and Material Developments” on Page 78 of this Prospectus.

16. There are restrictive covenants in the agreements for short term and long-term borrowings from banks, among other things, which require the Company to obtain the approval of these banks or provide restrictions, namely for, issuing new securities (debt or equity), change in management, effecting mergers, consolidations or sales of assets, incurring capital expenditure beyond certain limits, declaring dividends at any time while the Company is in default, undertaking material diversification in the business of other companies or creating subsidiaries or making certain investments. Some of these borrowings also contain financial covenants, which may limit Company’s ability to borrow additional money. The Company cannot assure the shareholders that its lenders will provide it with these approvals in the future.
17. The Company has not provided for decline of Rs. 3.79 Lacs in the value of investment in equity shares of Era Financial Services (India) Ltd., whose book value is Rs. 11.00 Lacs, whereas market value as on 31st March 2005 was Rs. 7.21 Lacs.
18. Any significant change in the key managerial personnel of the Company may affect the performance of the Company.
- MP:** The top management of the Company is technically qualified and has wide experience in the field, which will reduce the impact of sudden change in the key managerial personnel. Besides, the Company has been maintaining a second line to take charge in case of crisis.
19. The funds requirement and funding plans are Company’s own estimates, and have not been appraised by any bank / financial institution. The deployment of funds in the project is entirely at the discretion of the Company and will not be monitored by any independent agency.

MP: The Company has been sanctioned various credit limits by a consortium of the Banks. Therefore, the overall performance of the Company is a subject matter of continuous monitoring by the Banks.

20. The requirement of Plant & Machineries and expansion plans drawn by the Company are based on business opportunities in these fields. Any deviation in the market conditions could adversely affect the profitability of the Company.

MP: The requirement of Plant & Machineries and expansion plans drawn by the Company has been crystallized considering the prospective projects. Further, Company's ability to diversify its client profile and easy availability of equipments as per the specific requirement of the project would reduce the adverse affect of any deviation in the market conditions.

21. The Company has not placed orders for Plant & Machineries aggregating Rs. 1,841.68 Lacs (including Escalation & Contingencies), which is 70.55% of the total requirement for the Project.

MP: The Company has estimated the requirement of Plant & Machineries aggregating Rs. 2,610.62 Lacs out of which the Company has already acquired and taken possession of Plant & Machineries aggregating Rs. 768.94 Lacs till 30th May 2005. The Company has already received quotations for the balance requirement of Plant & Machineries, the orders for which will be placed only after availability of Public Issue proceeds for utilization. The Plant & Machineries proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. Further, the expected date of supply of these Plant & Machineries is within two months from the date of placement of orders.

22. The Company had incorporated certain financial projections in its Prospectus for the Initial Public Offer made in March 1995. The shortfall in promise v/s. performance of the Company is given below:

A. The shortfall in Future Profitability, as disclosed in the earlier Prospectus of the Company is given below:

Rs. in Lacs

Financial Year	Y. E. Mar 31, 1995			Y. E. Mar 31, 1996		
	Promised	Actual	Variation	Promised	Actual	Variation
Installed Capacity	Projects Worth Rs.70.3 Crores in a Year					
Capacity Utilization	50%	60%	10%	65%	70%	5%
Total Income	3,515.00	4,233.91	718.91	4,569.50	4,949.16	379.66
PBDIT	282.59	303.06	20.47	450.26	440.03	(10.23)
PBDT	262.27	266.53	4.26	421.07	367.33	(53.74)
Depreciation (SLM)	20.88	18.35	(2.53)	38.42	50.79	12.37
PAT	146.93	208.17	61.24	241.27	246.54	5.27
Paid-up Equity	345.02	195.03	(149.99)	345.02	345.11	0.09
Reserves & Surplus	405.43	244.58	(160.85)	577.69	650.36	72.67
Dividend	18%	18%	—	20%	20%	—



Rs. in Lacs

Financial Year	Y. E. Mar 31, 1997			Y. E. Mar 31, 1998		
	Promised	Actual	Variation	Promised	Actual	Variation
Installed Capacity	Projects Worth Rs.70.3 Crores in a Year					
Capacity Utilization	75%	76%	1%	85%	77%	-8%
Total Income	5,272.50	5,331.91	59.41	5,975.50	5,425.50	(550.00)
PBDIT	529.66	507.47	(22.19)	607.04	537.51	(69.53)
PBDT	503.80	397.29	(106.51)	584.52	412.35	(172.17)
Depreciation (SLM)	45.55	79.06	33.51	52.67	96.01	43.34
PAT	282.32	272.23	(10.09)	321.34	274.59	(46.75)
Paid-up Equity	345.02	345.11	0.09	345.02	345.11	0.09
Reserves & Surplus	791.01	853.13	62.12	1,043.34	1,051.10	7.76
Dividend	20%	20%	—	20%	10%	-10%

B. Schedule of Implementation – Proposed V/s. Actual

Particulars	Proposed Date	Actual Date
a) Civil Works – Acquisition of Land Building	March' 1995 Apr' 1995	Not Acquired Not Constructed
b) Plant & Machineries Placement of Orders Delivery at Site	March' 1995 May' 1995	May' 95 May' 95
c) Project Implementation	May' 1995	May' 95

C. Deployment of Funds:

The Company had estimated capital expenditure of Rs. 11.70 Lacs towards Land & Site Development and Rs. 12.75 Lacs towards Building, which was not incurred at all.

Reasons for Variation in Promises V/s. Performance:

Initially, the Company had projected Issue proceeds to be available in March 1995, whereas, the allotment of Equity Shares in the first Public Issue was made during May' 1995. Therefore, the effect of increase in capital and share premium amount was not reflected in the financial account for the year ending 31st March 1995.

Further, due to down trend in overall economic scenario, there was a slump in the construction sector also, which had resulted into shortfall in PBDIT & PBDT, besides an increase in direct contract expenses and financial charges.

The Company initially proposed to acquire a land and to construct a building for use as godown. However, the Company could not acquire the land due to inability of seller to hand over the possession. As an alternative arrangement, the Company took the godown on rent.

23. The group company, Era Financial Services (India) Ltd., had incorporated certain financial projections in the Prospectus for the Initial Public Offer made in February 1996. The shortfall in promise v/s. performance of the company is given below:

A. The shortfall in Financial Projections, as disclosed in the earlier Prospectus of the company is given below:

Rs. in Lacs

Financial Year	Y. E. Mar 31, 1996			Y. E. Mar 31, 1997		
	Promised	Actual	Variation	Promised	Actual	Variation
Total Income	54.27	61.86	7.59	204.49	114.37	(90.12)
PBDIT	36.27	41.84	5.57	180.49	90.60	(89.89)
Depreciation	15.09	11.21	(3.88)	49.63	20.77	(28.86)
PAT	15.54	26.92	11.38	71.15	56.94	(14.21)
Share Capital	300.00	533.00	233.00	525.00	533.00	8.00
Reserves & Surplus	16.99	28.65	11.66	35.64	42.99	7.35
Dividend (%)	10%	12%	2%	10%	8%	-2%

Financial Year	Y. E. Mar 31, 1998			Y. E. Mar 31, 1999		
	Promised	Actual	Variation	Promised	Actual	Variation
Total Income	262.17	80.17	(182.00)	341.66	55.39	(286.27)
PBDIT	232.17	51.40	(180.77)	305.66	35.61	(270.05)
Depreciation	63.09	68.05	4.96	82.09	59.77	(22.32)
PAT	82.30	(22.31)	(104.61)	96.00	(30.27)	(126.27)
Share Capital	525.00	533.00	8.00	525.00	533.00	8.00
Reserves & Surplus	54.94	20.19	(34.75)	87.94	(10.08)	(98.02)
Dividend (%)	12%	—	-12%	12%	—	-12%

Reasons For Variation in Promises V/s. Performance:

Era Financial Services (India) Ltd. had raised funds for investing mainly into leasing, hire purchase finance, inter-corporate deposits/loans, and investment in securities. However, due to down trend in economic scenario, capital market & industrial sector, the Company could not invest the funds in the desired manner resulting into under performance.

24. Corporate Promoters of the Company i.e. Hi-Point Investment & Finance Private Limited & Era Housing & Developers (India) Limited are authorized by their main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these companies and Era Constructions.

Further, the individual Promoters of the Company are having interest in the following ventures, which are authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these ventures and the Company:

Name of the Promoter	Name of the Venture	Nature of Interest
Mr. H.S. Bharana	Era Housing & Developers (India) Ltd. WTD Era (India) Ltd. Hi-Point Investment & Finance Private Ltd. Era Infrastructure (India) Ltd.	Promoter & Shareholder (12.34%) Director & Shareholder (0.04%) Promoter & Shareholder (11.74%) Promoter, Director & Shareholder (20%)
Mr. B.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (15.44%) Director & Shareholder (22.72%)
Mr. D.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (10.62%) Director & Shareholder (21.64%)



MP: At present Era Housing & Developers (India) Limited & Hi-Point Investment & Finance Private Limited are not carrying similar business activities. Whereas, WTD Era (India) Limited was engaged in execution of specific projects related to effluent treatment, but, at present, WTD Era (India) Limited does not have any ongoing project. Further, Era Infrastructure (India) Limited is yet to start its business.

25. The following Promoters companies / group companies have reported losses or have accumulated losses:

Era Housing & Developers (India) Limited

Rs. in Lacs

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
PAT	(0.16)	(0.11)	(0.01)
Closing Balance of P&L A/c.	(5.06)	(5.17)	(5.19)

Hi-Point Investment & Finance Private Limited

Rs. in Lacs

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
PAT	(0.18)	(0.28)	(1.64)
Closing Balance of P&L A/c.	5.29	5.01	3.38

ERA Financial Services (India) Ltd.

Rs. in Lacs

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
PAT	17.01	8.83	10.18
Closing Balance of P&L A/c.	(59.98)	(51.15)	(40.97)

WTD ERA (India) Ltd.

Rs. in Lacs

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
PAT	(13.26)	0.23	(0.77)
Closing Balance of P&L A/c.	(29.05)	(27.20)	(27.97)

26. As per the last audited accounts, the Company has not provided for the following contingent liabilities:

(Rs. in Lacs)

Particulars	31.03.05
Disputed Sales Tax Matters	15.44
Legal Cases	24.76
Guarantees and Letter of Credits issued by Banks	3156.71

B. Risks External to the Company

Certain factors beyond the control of the Company could have a negative impact on the Company's performance, such as:

1. Infrastructure growth prospects are highly dependent on Government Policies.
2. The Company's performance is highly dependent upon the growth of business and economy in the Country, which generates the demand for construction and development. An economic down turn may negatively impact the operating results of the Company.
3. Various incentives are offered by the Government for development of infrastructure, particularly in development of roads. Adverse change in the focus of the Government may affect the future business prospects of the Company.
4. Changes in technology may render Company's current Plant & Machineries obsolete or require it to make substantial capital investments for latest Plant & Machineries.
5. Increasing employee / labour compensation in India may erode some of Company's competitive advantage and may reduce its profit margins.
6. Terrorist attack, draught, floods, etc. involving India and other countries can adversely affect the financial markets and the Company.
7. Any change in the regulatory environment may have an impact on the business of the Company.
8. Regional conflicts in South Asia could adversely affect the Indian economy, which in turn may disrupt Company's operations and cause its business to suffer.
9. Company's performance is linked to the stability of policies and the political situation in India.

(ii) Notes:

- 1) Pre-Issue Net worth of the Company as on March 31, 2005 is Rs. 3,218.86 Lacs.
- 2) Size of the Present Issue - 68,33,580 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share aggregating Rs. 4,920.18 Lacs.
- 3) The average cost of acquisition of existing Equity Shares of the Promoters is as under:

Name of the Promoter	Average Cost of Acquisition per Equity Share (in Rs.)
Mr. H.S. Bharana	3.44
Mr. B.S. Bharana	Nil
Mr. D.S. Bharana	Nil
Era Housing & Developers (India) Limited	16.67
Hi-Point Investment & Finance Private Limited	10.01

- 4) Book value of the Equity Shares of the Company as on 31st March 2005 is Rs. 44.50 per Equity Share.
- 5) The Company has made a Bonus Issue of Equity Shares in the ratio of One Equity Share for every Two Equity Shares held as on the record date i.e. 10th November 2004. This bonus Issue was made through capitalization of share premium account. The allotment of these Equity Shares was made on 30th November 2004.
- 6) Investors are advised to refer to the paragraph on "Basis for Issue Price" before making an investment in this Issue.
- 7) Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in accordance with the SEBI Guidelines and in consultation with The Stock Exchange, Mumbai (BSE) (the Designated Stock Exchange).



8) Investors may contact the Lead Manager or the Compliance Officer for any complaint/ clarification/ information pertaining to the Issue.

9) Related Party Transactions as per Audited Accounts for the year ended 31st March 2005 are given below:

(Rs. in Lacs)

Name of the Related Party	Nature of Transaction	Value of Transaction during 2004-05	Value of Transaction during 2003-04	Amount Outstanding as on 31.03.05		Amount Outstanding as on 31.03.04	
				Receivable	Payable	Receivable	Payable
With Directors							
Mr. H.S. Bharana	a. Remuneration	12.00	12.00	—	0.62	—	1.30
	b. Perks	5.89	4.63				
Mr. B.K. Vinayak	a. Remuneration	3.60	3.60	—	0.37	—	0.37
	b. Perks	1.59	1.59				
Mr. P.P. Mainra	a. Remuneration	2.56	0.16	—	0.24	—	0.18
	b. Perks	2.36	0.14				
With Associates							
Era Financial Services (India) Limited	a. Interest Paid on Inter Corporate Deposits	22.42	11.53	—	132.33	—	127.03
	b. Lease/hire chgs. paid	3.57	8.57				
	c. Rent Recovered	0.72	0.72				
	d. Secretarial chgs. recovered	0.36	0.72				
	e. Purchase of assets	32.37	—				
WTD Era (India) Limited	a. Rent Recovered	0.60	0.60	Nil	—	19.92	—
	b. Secretarial chgs recovered	0.45	0.90				
Era Exports (India) Limited	Rent Recovered	0.90	0.90	Nil	—	0.42	—

III. INTRODUCTION

1. Summary

(i) Summary of the Industry and Business of Era Constructions

Construction activity is an integral part of a country's infrastructure and industrial development. Covering as it does such a wide spectrum, construction becomes the basic input for socio-economic development. Besides, the construction industry generates substantial employment and provides a growth impetus to other sectors through backward and forward linkages. With the present emphasis on creating physical infrastructure, massive investment is planned during the Tenth Plan. The construction industry would play a crucial role in this regard and has to gear itself to meet the challenges. In order to meet the intended investment targets in time, the current capacity of the domestic construction industry would need considerable strengthening.

Considering the significance of the construction sector, it is necessary to identify the major Issues affecting the efficiency of the sector and take corrective action.

Path Ahead:

- Upgrade technology to improve productivity and quality as also to ensure the timely completion of projects.
- Invest in human capital to improve the quality of labour.
- Review of the procurement and dispute resolution mechanism to reduce the cost of construction so that infrastructure services could be provided at competitive costs.
- Develop lending norms and special funding instruments so as to increase the flow of credit to the construction sector.
- Develop a policy framework relating to ownership, management and maintenance of assets so as to ensure the proper upkeep of the assets already created.
- Formulate a business-friendly policy, develop insurance instruments to mitigate business risks and adopt aggressive marketing of Indian construction industry so as to increase project exports.

Business of Era Constructions

Era Constructions, a medium sized construction Company, is ISO 9001:2000 certified and is engaged in diversified construction activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings. The Company is providing its services to various Public Sector Undertakings, Private Sector Business Groups and Central Public Works Department. The Company has also undertaken area development works for Jodhpur city such as water supply, sewerage, road and drain works in various residential colonies and sewers work, construction of manholes & restoration of roads in Bikaner City, which are funded by Asian Development Bank.

Era Constructions has completed more than 50 projects in a span of last fourteen years valued at more than Rs. 50,000 Lacs till date. The spectrum of major clients encompasses areas such as infrastructure projects, power sector, airport, pharmaceuticals, textile units, hospitals, chemical plants, residential complexes, multiplexes and engineering industries etc.

The wide variety of clients includes National Thermal Power Corporation Ltd. (NTPC), Indian Railway Welfare Organization, National Buildings Construction Corporation Ltd. (NBCC), Public Works Department (PWD), Central Public Works Department (CPWD), National Dairy Development Board, National Hydroelectric Power Corporation Ltd. (NHPC), IRCON International Ltd., Unichem Laboratories Ltd. and Rajasthan Spinning & Weaving Mills Ltd etc.



(ii) Issue Details in Brief

- **Public Issue of 6,833,580 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share aggregating Rs. 4,920.18 Lacs:**

Out of Which

- 1,133,580 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share towards Promoters' Contribution in the Issue
- 2,280,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share, reserved for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis
- 570,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share, reserved for allotment on competitive basis to Indian Mutual Funds & Indian and Multilateral Development Financial Institutions

Net Offer to Public

- 2,850,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs. 62/- per Equity Share

Paid-up Capital:

Before the Issue

- 6,516,420 Equity shares of Rs. 10/- each

After the Issue

- 13,350,000 Equity shares of Rs. 10/- each

Promoters' Holding:

Before the Issue

- 2,176,140 Equity shares of Rs. 10/- each

After the Issue

- 3,309,720 Equity shares of Rs. 10/- each

Objects of the Issue:

The Company proposes the Present Issue to:

- a) Augment Long Term Working Capital Requirement;
- b) Acquire Plant & Machineries
- c) Meet the expenses of the Issue
- d) Utilize funds for General Corporate Purposes
- e) List the Equity Shares of the Company to be issued through this Prospectus on the BSE, ASE and DSE.

The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised in the present issue. Further, it is confirmed that the activities, which the Company has been carrying out until now is in accordance with the object of Memorandum of Association of the Company.

Funds Requirement

The Company has estimated funds requirement as under:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Long Term Working Capital	3,273.03
2	Plant & Machineries	2,610.62
3	Public Issue Expenses	280.00
4	General Corporate Purposes	820.03
	Total	6,983.68

Funding Plans (Means of Finance)

The funding plans proposed by the Company are as under:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Promoters' Contribution in Public Issue	816.18
2	Net Public Issue	4,104.00
3	Equipment Finance	2,000.00
4	Internal Accruals	63.50
	Total	6,983.68

(iii) Summary Financial, Operating and Other Data

Statement of Assets and Liabilities

(Rs. in Lacs)

Particulars	AS AT 31 st MARCH,				
	2001	2002	2003	2004	2005
A) Fixed Assets:					
Gross Block	2,991.83	3,354.63	3,430.32	3,711.08	4,756.75
Less: Depreciation	548.02	699.31	859.30	965.55	1,031.72
Net Block Total (A)	2,443.81	2,655.32	2,571.02	2,745.53	3,725.03
B) Investments Total (B)	33.17	36.82	36.72	52.56	52.56
C) Current Assets, Loans & Advances					
Inventories	578.83	1,072.45	942.95	1,214.20	1,922.23
Sundry Debtors	1,253.93	1,411.80	2,033.37	2,499.36	4,045.87
Cash & Bank Balances	347.83	357.05	404.19	778.32	1027.02
Other Current Assets	19.57	5.13	1.40	4.87	12.75
Loans & Advances	367.81	445.39	408.89	639.11	1,092.63
Total (C)	2567.97	3291.82	3790.80	5135.86	8100.50
D) Liabilities & Provisions					
Secured loans	1,140.43	1,177.78	976.04	1,210.85	2,997.22
Unsecured loans	209.37	383.55	344.09	581.65	730.48
Current Liabilities & Provisions	1,417.69	1,892.46	2,291.90	3,055.73	4,240.73
Deferred Income Tax Liability	-	562.8	581.64	637.44	690.80
Total (D)	2,767.49	4,016.59	4,193.67	5,485.67	8,659.23
NET WORTH (A+B+C-D)	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86
NET WORTH REPRESENTED BY:					
Share Capital	434.43	434.43	434.43	434.43	651.64
Share Application Money	—	—	—	—	319.00
Reserve & Surplus	1,858.28	1,544.38	1,778.07	2,017.66	2,270.99
TOTAL	2,292.71	1,978.81	2,212.50	2,452.09	3,241.63
Less: Misc. Expenditure (to the extent not written off)	15.25	11.44	7.63	3.81	22.77
NET WORTH	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86



Statement of Profit & Loss Account

(Rs. in Lacs)

Particulars	YEAR ENDED ON 31 ST MARCH,				
	2001	2002	2003	2004	2005
Income					
Turnover	6,114.21	9,163.39	10,140.70	10,946.58	15,624.02
Other income	45.50	43.79	39.83	87.22	123.06
Increase/(decrease) of stock	14.50	82.50	-25.43	53.84	210.50
Total Income	6,174.21	9,289.68	10,155.10	11,087.64	15,957.58
Expenditure					
Direct Contract Expenses	5,065.05	7,822.95	8,739.38	9,423.54	13,346.55
Administrative Expenses	527.25	669.52	645.57	739.67	1084.59
Interest & Financial Charges	183.77	324.66	270.11	317.03	568.08
Depreciation	132.74	155.25	169.69	182.89	215.53
Extra ordinary items	—	—	—	—	—
Total Expenditure	5,908.81	8,972.38	9,824.75	10,663.13	15,214.75
Net Profit Before Tax	265.40	317.30	330.35	424.51	742.83
Provision for Income Tax					
Current	47.25	68.50	76.40	80.10	144.52
Deferred		74.05	18.84	55.80	53.36
Profit after Tax	218.15	174.75	235.11	288.61	544.95
Extra ordinary items	—	—	—	—	—
Income Tax adjustment related to earlier years	-2.01	-0.10	1.42	—	—
Net profit after Tax	220.16	174.85	233.69	288.61	544.95
Balance of Profit brought forward	1,150.04	881.45*	1,056.30	1,289.99	1,515.09
Dividend	—	—	—	43.44	65.17
Corporate Tax on Dividend	—	—	—	5.57	9.25
Transfer to General Reserves	—	—	—	14.50	27.25
Balance Carried to Balance sheet	1,370.20	1,056.30	1,289.99	1,515.09	1,958.37

* Reduced by Rs. 488.75 Lacs on account of Deferred Tax Liability up to 31st March 2001.



2. General Information

ERA CONSTRUCTIONS (INDIA) LIMITED

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

Tel: 91-11- 2432 0066 (10 lines) Fax: 91-11- 2431 8784 Contact Person: Ms. Gunjan Singh

Website: www.eraconstructions.com E-mail: eragroup@eraconstructions.com

Company Registration No.: 55-41350; **Registrar of Companies:** NCT of Delhi & Haryana, Paryavaran Bhawan, B - Block, II Floor, C.G.O. Complex, Lodhi Road, New Delhi – 110 003.

Board of Directors of the Company

Name of the Director	Designation	Status
Mr. H.S. Bharana	Chairman	Executive Director
Mr. B.K. Vinayak	Managing Director	Independent & Executive Director
Mr. P.P. Mainra	Executive Director	Independent & Executive Director
Mr. A.K. Mehta	Director	Independent & Non-Executive Director
Mr. A.K. Seth	Director	Independent & Non-Executive Director
Mr. J.L. Khushu	Director	Independent & Non-Executive Director
Mr. Arvind Pande	Director	Independent & Non-Executive Director
Mr. B.B. Kumar	Director	Independent & Non-Executive Director
Mr. S.D. Sharma	Director	Independent & Non-Executive Director

Brief Profile of Executive Directors

Mr. H. S. Bharana, Chairman

Mr. H. S. Bharana is a Civil Engineering professional. He has about 24 years of experience in the field of construction and administration. He started his career as a Civil Engineer in Willard India Ltd. in 1981. In 1982, he joined Ahuja Kashyap Pvt. Ltd. as a Sr. Civil Engineer. In 1985, he formed a proprietary firm in the field of civil constructions, which he closed in 1986 and became a partner in Era Engineers (India), a partnership firm engaged in civil construction business. In 1990, he promoted Era Constructions (India) Ltd., and currently heads the Company in the capacity of the Chairman.

Mr. B.K. Vinayak, Managing Director

Mr. B. K. Vinayak is an ICWA and Ex-General Manager (Finance) of NBCC. He has about three decades of experience in reputed Public Sector Undertakings. Mr. Vinayak started his career in 1966 with Accountant General Haryana Chandigarh and served for about 10 years. During this tenure, he conducted the audit of various departments including PWD & Irrigation. In 1976, he joined Food Corporation of India and worked for about one and half years as in-charge of Finance & Account Division. At the time of leaving Food Corporation of India, Mr. Vinayak was Assistant Manager (Finance). In 1978, Mr. Vinayak joined NBCC Ltd.; a PSU engaged in mass construction activities and worked for about eighteen years. Mr. Vinayak left NBCC in 1996, and joined Era Constructions as Vice President. Since 1996, Mr. Vinayak has been within the same group and has been appointed as Managing Director of the Company with effect from April 2002.

Mr. P.P. Mainra, Executive Director

Mr. P.P. Mainra is a Civil Engineer and has more than 34 years of experience with in-depth knowledge of the construction industry. He started his career in the year 1970, with Delhi based structural consultants, as a Design Engineer and gained experience in various types of structures like multi storied complexes, housing projects, cinema halls and factory buildings, etc. After two years, in the year 1972, he joined NBCC and worked for more than two decades with NBCC at various levels including Chief Project Manager. During his tenure with NBCC, he had been looking after the construction of buildings, roads & bridges. In 1995, he left NBCC and joined Era Constructions as General Manager, being in-charge of construction of various projects. In March 2004, he became Executive director of the Company.

Compliance Officer and Company Secretary

Ms. Gunjan Singh

Company Secretary

Era Constructions (India) Limited

370-371/2, Sahi Hospital Road,

Jangpura, Bhogal, New Delhi – 110 014.

Tel.: 91-11- 2432 0066 (10 lines), Fax: 91-11- 2431 8784

E-mail: gunjan@eraconstructions.com



Bankers to the Company

Union Bank of India

4/14-A, Asaf Ali Road,
New Delhi – 110 002.
Tel.: 91-11- 2326 7867 / 2326 8551
Fax: 91-11- 2328 3741
E-mail: ubirodel@del6.vsnl.net.in

Bank of Baroda

Madhuban, 55, Nehru Place,
New Delhi – 110 019.
Tel.: 91-11- 2641 9290 / 2643 3316 / 2629 3843
Fax: 91-11- 2646 3657
E-mail: nehru@bankofbaroda.com

Andhra Bank

M-35, Connaught Circus,
New Delhi -110 001.
Tel.: 91-11- 2341 8732 / 2341 8673 / 2341 6253
Fax: 91-11- 2341 6043
E-mail: bmdel084@andhrabank.co.in

Issue Management Team

Lead Manager to the Issue

UTI Securities Ltd.

SEBI Regn. No.: INM000007458

Dheeraj Arma, 1st Floor, Anant Kanekar Marg,
Station Road, Bandra (East), Mumbai – 400 051.
Tel: 91-22- 5551 5801 / 5551 5806
Fax: 91-22- 5502 3194
Contact Person: Mr. V.S. Narayanan / Mr. Hitesh Mandot
Website: www.utisel.com
E-mail: era@utisel.com

Co-Manager to the Issue

Union Bank of India

SEBI Regn. No. INM000001733

Merchant Banking Division,
Union Bank Bhawan,
239, Vidhan Bhawan Marg,
Nariman Point, Mumbai – 400 021.
Tel: 91-22- 2287 1305
Fax: 91-22- 2282 4689
Contact Person: Mr. S. Rajendran
Website: www.unionbankofindia.com
E-mail: rajendran@unionbankofindia.com

Advisor to the Issue

SREI Capital Markets Ltd.

SEBI Regn. No. INM000003762

'Vishwakarma', 86C, Topsia Road (South),
Kolkata – 700 046.
Tel.: 91-33- 2285 0112 - 15
Fax: 91-33- 2285 7542
Contact Person: Mr. Ashok Pareek
Website: www.srei.com
E-mail: ashokp@srei.com

Registrar to the Issue**Aarathi Consultants Pvt. Ltd.****SEBI Regn. No.: INR000000379**

1-2-285, Domalguda, Hyderabad – 500 029.

Tel: 91-40- 2763 8111, 2763 4445

Fax: 91-40- 2763 2184

Contact Person: Mr. G. Bhaskar Murthy

Website: www.aarthiconsultants.comE-mail: era@arthiconsultants.com

Note: Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

Legal Advisor to the Issue**Suman Khaitan & Co.,**

Advocates,

W-13, West Wing, Greater Kailash Part II,

New Delhi – 110 048.

Tel: 91-11- 3096 4341, 5163 9538

Fax: 91-11- 2921 7108

Contact Person: Mr. Suman Jyoti Khaitan

E-mail: suman@sumankhaitanco.com**Bankers to the Issue****HDFC Bank Ltd.**2nd Floor, Trade World,

New Building, Kamala Mills,

Senapati Bapat Marg,

Lower Parel, Mumbai – 400 013.

Tel: 91-22- 2856 9202

Fax: 91-22 2856 9272

Contact Person: Mr. Viral Kothari

Website: www.hdfcbank.comEmail: viral.kothari@hdfcbank.com**ICICI Bank Ltd.**

Capital Market Division,

30, Mumbai Samachar Marg,

Fort, Mumbai – 400 001.

Tel: 91-22- 2265 5285

Fax: 91-22- 2261 1138

Contact Person: Mr. Sidhartha Sankar Routray

Website: www.icicibank.comE-mail: sidhartha.routray@icicibank.com**Kotak Mahindra Bank Ltd.**Bakhtawar, 2nd Floor,

229, Nariman Point,

Mumbai – 400 021

Tel: 91-22- 5648 2700

Fax: 91-22- 5648 2710

Contact Person: Mr. V. Easwaran

Website: www.kotak.comE-mail: v.easwaran@kotak.com

**Union Bank of India**

UBI Building, 66/80,
Mumbai Samachar Marg,
Mumbai – 400 023.
Tel: 91-22- 2264 2744
Fax: 91-22- 2267 6685
Contact Person: Mr. Chandra Mohan
Website: www.unionbankofindia.com
E-mail: mundul_mk@unionbankofindia.com

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Auditors to the Company

P.C. Bindal & Co.,
Chartered Accountants,
101, Sitaram Mansion,
718/21, Joshi Road, Karol Bagh,
New Delhi – 110 005.
Tel: 91-11- 2354 9822 / 23 / 24
Fax: 91-11- 2362 3829
E-mail: pcbindal@rediffmail.com

Credit Rating

This being an Issue of Equity Shares, credit rating is not required.

Trustee

This being an Issue of Equity Shares, appointment of Trustee is not required.

Underwriting

The Issue (excluding Promoters' Contribution) is fully underwritten as follows:

Sr. No.	Name & Address of Underwriter	Date of Agreement	Amount Underwritten (Rs. in Lacs)
1	UTI Securities Ltd. Dheeraj Arma, 1 st Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai – 400 051. Tel: 91-22- 5551 5801 / 5551 5806 Fax: 91-22- 5502 3194 E-mail: era@utisel.com	28.05.05	2,052.00
2	Enam Financial Consultants Pvt. Ltd. Khatau Building, 2 nd Floor, 44, Bank Street, Mumbai - 400 023. Tel: 91-22- 2267 7901 Fax: 91-22- 2266 5613 E-mail: ajays@enam.com	28.05.05	2,052.00
	Total		4,104.00

In the opinion of the Lead Manager to the Issue, the underwriters' assets are adequate to meet their underwriting obligations.

Further, in the opinion of the Board, on the basis of the declaration given by the Underwriters, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The Underwriters referred above have obtained Certificate of Registration from SEBI under the SEBI (Underwriters) Regulations 1993 or the SEBI (Stock Brokers & Sub-brokers) Regulations 1992. The above Underwriting Agreements have been accepted by the Board at their meeting held on May 28, 2005.

3. Capital Structure

No. of Shares	Nominal Value (Rs.)	Aggregate Value (Rs.)
A. AUTHORISED CAPITAL		
16,000,000 Equity Shares of Rs. 10/- each	160,000,000	
B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
6,516,420 Equity shares of Rs. 10/- each	65,164,200	
C. PRESENT ISSUE		
6,833,580 Equity Shares of Rs. 10/- each	68,335,800	492,017,760
OUT OF WHICH		
1,133,580 Equity Shares of Rs. 10/- each towards Promoters' Contribution in the Issue	11,335,800	81,617,760
D. OFFER THROUGH THIS PROSPECTUS		
5,700,000 Equity Shares of Rs. 10/- each	57,000,000	410,400,000
OUT OF WHICH		
2,280,000 Equity Shares of Rs. 10/- each reserved for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis	22,800,000	164,160,000
570,000 Equity Shares of Rs. 10/- each reserved for allotment on competitive basis to Indian Mutual Funds & Indian and Multilateral Development Financial Institutions	5,700,000	41,040,000
E. NET OFFER TO PUBLIC		
2,850,000 Equity Shares of Rs. 10/- each	28,500,000	205,200,000
F. PAID UP CAPITAL AFTER THE PRESENT ISSUE		
13,350,000 Equity shares of Rs. 10/- each	133,500,000	
G. SHARE PREMIUM ACCOUNT		
Before the Issue	14,188,600	
After the Issue	423,681,960	

Notes to Capital Structure:

- 1) As per the requirement of Clause 3 (1)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; necessary disclosure in respect of allotment of Equity Shares in the present Public Issue to Promoters as part of Promoters' Contribution in the Issue is mentioned hereunder:

The identity of the acquirer / allottee who has agreed to acquire the shares	Disclosed under Sr. No. 11 of "Notes to Capital Structure"
The purpose of acquisition / allotment	Towards Promoters' Contribution
Consequential Changes in Voting Rights	The voting rights will be changed based upon subscription by the Promoters', as disclosed under Sr. No. 11 & 14 of "Notes to Capital Structure"
Consequential Changes in the Shareholding Pattern of the Company, if any	Disclosed under Sr. No. 14 of "Notes to Capital Structure"
Consequential Changes in the Board of Directors of the Company, if any	No
Whether such allotment would result in change in control over the Company	No

In view of the aforesaid disclosures, nothing contained in Regulations 10, Regulation 11 and Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; shall apply to the allotment of Equity Shares in the present Public Issue to Promoters as part of Promoters' Contribution in the Issue.



- 2) In case of over-subscription, allotment will be on proportionate basis as detailed in Para on “Basis of Allotment”. An over-subscription to the extent of 10% of the Net Offer to Public can be retained for the purpose of rounding off to the nearer multiple of 90 Equity Shares (which is minimum allotment lot), while finalizing the allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.
- 3) The Company has reserved 2,280,000 Equity Shares for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis and 570,000 Equity Shares for Indian Mutual Funds & Indian and Multilateral Development Financial Institutions on competitive basis. Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the net offer to public.
- 4) In case of under-subscription in the net offer to the public portion, spillover to the extent of under-subscription shall be permitted from the reserved category to the net public offer portion.
- 5) Details of Increase in Authorized Capital:

Sr. No.	Particulars of Increase	Date of Meeting	Nature of Meeting ^g
1.	Rs. 5 Lacs	Since Incorporation	—
2.	From Rs.5 Lacs to Rs.25 Lacs	27.12.91	EGM
3.	From Rs. 25 Lacs to Rs. 100 Lacs	31.12.92	EGM
4.	From Rs.100 Lacs to Rs.500 Lacs	30.07.94	EGM
5.	From Rs.500 Lacs to Rs.1000 Lacs	30.09.95	AGM
6.	From Rs. 1000 Lacs to Rs. 1600 Lacs	25.09.04	AGM

- 6) Capital Build-up: The existing share capital of the Company has been subscribed and allotted as under:

Date of Allotment/ Fully Paid-up	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
03.09.90	2	100	100	Cash	200	—
02.01.91	4,998	100	100	Cash	500,000	—
27.03.92	10,000	100	100	Cash	1,500,000	—
25.03.93	35,000	100	100	Cash	5,000,000	—
27.03.93	15,000	100	100	Cash	6,500,000	—
23.12.93	3,290	100	100	Cash	6,829,000	—
31.03.94	29,224	100	100	Cash	9,751,400	—
30.07.94	975,140	10	10	Share Split *	9,751,400	—
30.09.94	975,140	10	Nil	Bonus 1 : 1	19,502,800	—
10.05.95	1,500,800	10	25	Cash	34,510,800	22,512,000
09.11.00	893,200	10	25	Cash	43,442,800	35,910,000
30.11.04	2,172,140	10	-	Bonus 1 : 2	65,164,200	14,188,600
TOTAL	6,516,420				65,164,200	14,188,600

* The Equity Shares of the Company having face value of Rs.100/- were split into 10 Equity Shares having face value of Rs.10/- each vide a resolution passed in the extra-ordinary general meeting held on 30.07.94.

- 7) In the year 2000, the Company made a Preferential Issue of 8,93,200 Equity Shares at Rs. 25/- per Equity Share to Promoters, Promoters’ Group and others and the statutory auditors of the Company had certified that the Issue of said Equity Shares has been made in accordance with the requirements contained in the SEBI (DIP) Guidelines, 2000. The allotment was done on 9th November 2000, and an intimation of the same was sent to all the concerned stock exchanges on the same day. However, due to some administrative lapse on Company’s part, the “Listing Application” was made only in the year 2002. On account of lack of follow-up on the part of the Company, the listing was further delayed and was completed in the 2004-05.

- 8) The Company has made a Bonus Issue of Equity Shares in the ratio of One Equity Share for every Two Equity Shares held as on the record date i.e. 10th November 2004. . This bonus Issue was made through capitalization of share premium account. The allotment of these Equity Shares was made on 30th November 2004. The Company has complied with the provisions of Chapter XV of SEBI (DIP) Guidelines, 2000 as amended from time to time in respect of Bonus Issue.
- 9) As on date of filing of Prospectus with SEBI, the issued capital of the Company is fully paid up.
- 10) No payment, direct or indirect in the nature of discount, commission allowance or otherwise shall be made either by the Company or the Promoters to the persons who receive firm allotment in this Public Issue.
- 11) **Promoter's Contribution and Lock-in Period:**
The following Equity Shares shall be locked-in for a period of three years as part of the Promoters' Contribution:

Sr. No.	Name Promoters	Date of Allotment / Transfer and Made Fully Paid-up	Consider -ation	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period * (Years)
1	Mr. H. S. Bharana	30.09.94	Bonus 1:1	170,880	10	Bonus	1.28	3 Yrs.
		10.05.95	Cash	9,200	10	25	0.07	3 Yrs.
		27.11.98	Cash	100,000	10	Gift	0.75	3 Yrs.
		09.11.00	Cash	124,000	10	25	0.93	3 Yrs.
		31.07.01	Cash	61,860	10	4	0.46	3 Yrs.
		30.11.04	Bonus 1:2	413,750	10	Bonus	3.10	3 Yrs.
		15.02.05	Transmission of shares	101,250	10	—	0.76	3 Yrs.
	Subscription in the Issue	Cash	300,000	10	72	2.25	3 Yrs.	
		Total		1,280,940			9.60	
2	Mr. H. S. Bharana (HUF)	30.11.04	Bonus 1:2	15,000	10	Bonus	0.11	3 Yrs.
		Total		15,000			0.11	
3	Hi-Point Investment & Finance Pvt. Ltd.	31.10.98	Cash	5,300	10	8	0.04	3 Yrs.
		27.11.98	Cash	100	10	8	0.00	3 Yrs.
		09.11.00	Cash	199,200	10	25	1.49	3 Yrs.
		30.11.04	Bonus 1:2	187,300	10	Bonus	1.40	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		591,900			4.43	
4	Era Housing & Developers (I) Ltd.	09.11.00	Cash	58,000	10	25	0.43	3 Yrs.
		30.11.04	Bonus 1:2	29,000	10	Bonus	0.22	3 Yrs.
		Subscription in the Issue	Cash	233,580	10	72	1.75	3 Yrs.
		Total		320,580			2.40	
5	Mr. B.S. Bharana	30.11.04	Bonus 1:2	29,550	10	Bonus	0.22	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		229,550			1.72	
6	Mr. D.S. Bharana	30.11.04	Bonus 1:2	32,030	10	Bonus	0.24	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		232,030			1.74	
	Grand Total			2,670,000			20.00	

* The lock in period shall commence from the date of allotment of Equity Shares in the present Public Issue.



12) Promoter's Contribution and Lock-in Period in respect of Promoters, whose name figure in the Prospectus as Promoters in the paragraph on "Promoters":

Sr. No.	Name Promoters	Date of Allotment / Transfer and Made Fully Paid-up	Consider -ation	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period * (Years)
1	Mr. H. S. Bharana	03.09.90	Cash	1	100	100		
		02.01.91	Cash	1,811	100	100		
		27.03.92	Cash	3,100	100	100		
		05.09.92	Cash	660	100	100		
		27.03.93	Cash	15,000	100	100		
		31.03.94	Cash	8,755	100	100		
		Sub-Total		29,327	100			
		30.07.94	Share Split	293,270	10	—	2.20	
		30.09.94	Bonus 1:1	122,390	10	Bonus	0.92	
		30.09.94	Bonus 1:1	170,880	10	Bonus	1.28	3 Yrs.
		10.05.95	Cash	9,200	10	25	0.07	3 Yrs.
		15.02.96	Cash	(54,100)	10	35	(0.41)	
		27.11.98	Cash	100,000	10	Gift	0.75	3 Yrs.
		09.11.00	Cash	124,000	10	25	0.93	3 Yrs.
		31.07.01	Cash	61,860	10	4	0.46	3 Yrs.
		30.11.04	Bonus 1:2	413,750	10	Bonus	3.10	3 Yrs.
		15.02.05	Transmission of shares	101,250	10	—	0.76	3 Yrs.
		Subscription in the Issue	Cash	300,000	10	72	2.25	3 Yrs.
		Total		1,642,500			12.30	
2	Mr. H. S. Bharana (HUF)	27.03.92	Cash	1,660	100	100		
		05.09.92	Cash	(660)	100	100		
		23.12.93	Cash	2,000	100	100		
		Sub-Total		3,000	100			
		30.07.94	Share Split	30,000	10	—	0.22	
		30.09.94	Bonus 1:1	30,000	10	Bonus	0.22	
		15.02.96	Cash	(30,000)	10	35	(0.22)	
		30.11.04	Bonus 1:2	15,000	10	Bonus	0.11	3 Yrs.
		Total		45,000			0.34	

Sr. No.	Name Promoters	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period * (Years)
3	Hi-Point Investment & Finance Pvt. Ltd.	25.03.93	Cash	11,000	100	100		
		Sub-Total		11,000	100			
		30.07.94	Share Split	110,000	10	0	0.82	
		30.09.94	Bonus 1:1	110,000	10	Bonus	0.82	
		12.12.94	Cash	(50,000)	10	10	(0.37)	
		31.10.98	Cash	5,300	10	8	0.04	3 Yrs.
		27.11.98	Cash	100	10	8	0.00	3 Yrs.
		09.11.00	Cash	199,200	10	25	1.49	3 Yrs.
		30.11.04	Bonus 1:2	187,300	10	Bonus	1.40	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		761,900			5.71	
4	Era Housing & Developers (I) Ltd.	09.11.00	Cash	58,000	10	25	0.43	3 Yrs.
		30.11.04	Bonus 1:2	29,000	10	Bonus	0.22	3 Yrs.
		Subscription in the Issue	Cash	233,580	10	72	1.75	3 Yrs.
		Total		320,580			2.40	
5	Mr. B.S. Bharana	02.01.91	Cash	260	100	100		
		31.03.94	Cash	1,325	100	100		
		12.07.94	Cash	2,000	100	100		
		Sub-Total		3,585	100			
		30.07.94	Share Split	35,850	10	—	0.27	
		30.09.94	Bonus 1:1	35,850	10	Bonus	0.27	
		15.01.96	Cash	(12,600)	10	35	(0.09)	
		30.11.04	Bonus 1:2	29,550	10	Bonus	0.22	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		288,650			2.16	
6	Mr. D.S. Bharana	02.01.91	Cash	2,477	100	100		
		25.03.93	Cash	1,200	100	100		
		31.03.94	Cash	1,361	100	100		
		Sub-Total		5,038	100			
		30.07.94	Share Split	50,380	10	—	0.38	
		30.09.94	Bonus 1:1	50,380	10	Bonus	0.38	
		15.01.96	Cash	(36,700)	10	35	(0.27)	
		30.11.04	Bonus 1:2	32,030	10	Bonus	0.24	3 Yrs.
		Subscription in the Issue	Cash	200,000	10	72	1.50	3 Yrs.
		Total		296,090			2.22	
	Grand Total			3,354,720			25.13	

* The lock in period shall commence from the date of allotment of Equity Shares in the present Public Issue.



13) The specific written consent has been obtained from the respective shareholders for inclusion of such number of their existing shares and further subscription in the Issue to ensure minimum Promoters' contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Capital.

14) The Pre-Issue (as on 31.03.2005) & Post-Issue shareholding pattern of Promoters & Promoters' Group is as under:

Particulars	Pre-Issue		Post-Issue	
	No. of Shares @ Rs. 10/- each	% Holding	No. of Shares @ Rs. 10/- each	% Holding
Promoters				
Mr. H.S. Bharana	13,42,500	20.60%	16,42,500	12.30%
Mr. B.S. Bharana	88,650	1.36%	2,88,650	2.16%
Mr. D.S. Bharana	96,090	1.47%	2,96,090	2.22%
Hi-Point Investment & Finance Pvt. Ltd.	5,61,900	8.62%	7,61,900	5.71%
Era Housing & Developers (I) Ltd.	87,000	1.34%	3,20,580	2.40%
Sub-Total	2,176,140	33.39%	3,309,720	24.79%
Promoters' Group				
a. Immediate Relatives of the Promoters	291,352	4.47%	291,352	2.18%
b. Companies in which 10% or more of the share capital is held by the Promoters / an immediate relative of the Promoters / a firm or HUF in which the Promoters or any one or more of their immediate relative is a member	28,500	0.44%	28,500	0.21%
c. Companies in which Company mentioned in b. above holds 10% or more of the share capital	—	0.00%	—	0.00%
d. HUF or firm in which the aggregate share of the promoters and their immediate relatives is equal to or more than 10% of the total	45,000	0.69%	45,000	0.34%
e. All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the Promoters' Group"*	94,200	1.45%	94,200	0.71%
Grand Total	2,635,192	40.44%	3,768,772	28.23%

* Includes directors, other relatives & associates of the Promoters.

15) The details about the natural persons, who are in control or who are directors in the companies forming part of the promoters' group, are appearing under heading "Financial Information of Group Companies" on page 69 of this Prospectus.

16) The pre-Issue (as on 31.03.05) & proposed post-Issue shareholding pattern of Era Constructions (India) Limited is as under:

Category	Pre-Issue		Post Issue	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters & Promoters' Group	2,635,192	40.44	3,768,772	28.23
NRIs / OCBs / FIIs	130,424	2.00	2,410,424	18.06
Indian Mutual Funds & Financial Institutions	—	—	570,000	4.27
Other Public Category	3,750,804	57.56	6,600,804	49.44
Total	6,516,420	100.00	13,350,000	100.00

17) The Promoters, their relatives & associates, and the Directors of the Company, directly or indirectly, have not purchased and/or sold/financed any shares of the Company during the last 6 months.

18) Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

- 19) The Promoters' contribution is not being brought-in less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.
- 20) The promoters have already brought in an amount of Rs. 504 Lacs upto 30th May 2005 towards Promoters' Contribution including premium which has been utilized towards purchase of plant & machinery and public issue expenses forming part of the proposed project as envisaged in this prospectus.
- 21) The Promoters shall bring in the balance amount of Rs. 312.18 Lacs; at least one day prior to the Issue opening date, which will ensure 100% subscription towards Promoters' Contribution including premium, as stated in this Prospectus. The said amount shall be kept in an escrow account with a Scheduled Commercial Bank and the said contribution / amount shall be released to the Company along with the Public Issue proceeds.
- 22) The Equity Shares to be held by the Promoters under lock-in period shall not be sold / hypothecated / transferred during the lock-in period. However, the Equity Shares held by Promoters, which are locked in, may be transferred to and among promoters/Promoters' group or to a new Promoter(s) or persons in control of the Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable. The Promoters may pledge their Equity Shares with banks or financial institutions as additional security for loans whenever availed by them from banks or financial institutions.
- 23) The Company / Promoters / Directors / Lead Manager undertakes that they have not entered in to any buy-back / standby or similar arrangements for purchase of Equity Shares offered by the Company through this Prospectus.
- 24) There are no outstanding warrants, options or rights to convert debentures or other instruments into Equity Shares as on date. The Company does not currently have any Employee Stock Option Plan.
- 25) The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash (except the Issue of bonus shares).
- 26) As certified by P.C. Bindal & Co., Chartered Accountants, the Company has complied with the provisions of Chapter XIII of SEBI (DIP) Guidelines, 2000 as amended from time to time in respect of allotment of Equity Shares to Promoters, Relatives / Associates & others (other than promoter group).
- 27) Top ten shareholders (as on 09.06.03) two years prior to the date of filing of the Prospectus with ROC:

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face Value Rs.10/- each
1	Mr. H.S. Bharana	827,500
2	Era Financial Services (India) Ltd.	375,600
3	Hi-Point Investment & Finance Pvt. Ltd.	374,600
4	Ms. Rekha Bharana	353,000
5	Nagode International Pvt. Ltd.	320,000
6	Sulabh Credit & Leasing Pvt. Ltd.	154,000
7	Privy Financial Services Ltd.	75,800
8	Mr. R. S. Bharana	67,500
9	Mr. D. S. Bharana	64,060
10	Aarvee Techno Structure India Pvt. Ltd.	60,600
	Total	2,672,660

- 28) Top ten shareholders (as on 30.05.05) 10 days prior to the date of filing of the Prospectus with ROC:

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face Value Rs.10/- each
1	Mr. H.S. Bharana	1,342,500
2	Hi-Point Investment & Finance Pvt. Ltd.	561,900
3	Ms. Rekha Bharana	215,002
4	Ms. Poonam Bansal	187,500
5	Tata Investment Corporation Limited	135,000



Sr. No.	Name of the Shareholders	No. of Equity Shares of Face Value Rs.10/- each
6	Mr. D.S. Bharana	95,985
7	Mr. B.S. Bharana	88,650
8	Era Housing & Developers (India) Limited	87,000
9	Mr. Ravinder Kumar	75,000
10	Ms. Usha	75,000
	Total	2,863,537

29) Top ten shareholders as on (as on 09.06.05) the date of filing of the Prospectus with ROC:

Sr. No.	Name of the Shareholders	No. of Equity Shares of Face Value Rs.10/- each
1	Mr. H.S. Bharana	1,342,500
2	Hi-Point Investment & Finance Pvt. Ltd.	561,900
3	Ms. Rekha Bharana	215,002
4	Ms. Poonam Bansal	187,500
5	Tata Investment Corporation Limited	135,000
6	Mr. D.S. Bharana	95,985
7	Mr. B.S. Bharana	88,650
8	Era Housing & Developers (India) Limited	87,000
9	Mr. Ravinder Kumar	75,000
10	Ms. Usha	75,000
	Total	2,863,537

- 30) As per SEBI guidelines, a minimum of 50% of the net offer to the public is reserved for allotment to individual investors applying Equity Shares of or for a value of not more than Rs. 1,00,000/-. The remaining 50% of the offer to the public is reserved for individuals applying for Equity Shares of a value more than Rs.1,00,000/- and corporate bodies / institutions etc. Unsubscribed portion in either of these categories shall be added to the other category interchangeably.
- 31) The Company has not availed any bridge loans against the proceeds of this Issue.
- 32) The Company undertakes that it shall not make any further Issue of capital whether by way of Issue of bonus shares, preferential allotment, rights Issue or Public Issue or in any other manner, during the period commencing from the submission of Prospectus to SEBI for Public Issue till the Equity Shares referred in the Prospectus have been listed or application moneys refunded on account of failure of Issue.
- 33) The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including Issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, or if the Company goes in for acquisitions and joint ventures, the Company might consider raising additional capital to fund such activity or use shares as currency for acquisition and/or participation in such joint venture.
- 34) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- 35) The Equity Shares offered through this Public Issue shall be made fully paid up on allotment.
- 36) No single applicant can make an application for number of Equity Shares, which exceeds the number of Equity Shares offered.
- 37) The Company has 7,310 members as on 08.06.05.

4. **Objects of the Issue**

The Company proposes the Present Issue to:

- a) Augment Long Term Working Capital Requirement;
- b) Acquire Plant & Machineries
- c) Meet the Expenses of the Issue
- d) Utilize funds for General Corporate Purposes
- e) List the Equity Shares of the Company to be issued through this Prospectus on the BSE, ASE and DSE.

The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised in the present issue. Further, it is confirmed that the activities, which the Company has been carrying out until now is in accordance with the object of Memorandum of Association of the Company.

Funds Requirement

The Company has estimated funds requirement as under:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Long Term Working Capital	3,273.03
2	Plant & Machineries	2,610.62
3	Public Issue Expenses	280.00
4	General Corporate Purposes	820.03
	Total	6,983.68

Long Term Working Capital

Era Constructions has been presently sanctioned working capital limits of Rs. 10,700 Lacs by its bankers consisting of fund-based limits of Rs. 1500 Lacs and non-fund based limits of Rs. 9,200 Lacs, which comprises of Letter of Credit issuance limit aggregating Rs. 2,950 Lacs and Bank Guarantee issuance limit aggregating Rs. 6,250 Lacs. Further, Era Constructions has been awarded orders of Rs. 17,569.52 Lacs from April 2004 till May 30, 2005; which are forming part of table appearing on page 38 of this Prospectus. With the large value addition to the contracts on hand and ECIL's plan to expand further, the Company has estimated its Long Term Working Capital requirement, as under, which has not been assessed by any bank or financial institution:

PARTICULARS	Amount (Rs. in Lacs)
Raw Material	1,950.00
Work-in-Progress	400.87
Sundry Debtors	5,625.00
Advance to Suppliers	562.50
Margin Money	800.00
Sub-total	9,338.37
Less: Sundry Creditors	2,306.25
Other Current Liabilities (other than Bank Borrowings)	529.00
Sub-total	2,835.25
Total Working Capital Requirement	6,503.12
Less: Available Net Working Capital with the Company as on 31.03.05	1,730.09
Long Term Working Capital Requirement	4,773.03

The Company already has the sanctioned limits of Rs. 1500 Lacs from the banks. The balance long-term working capital funds requirements of Rs. 3,273.03 Lacs will be financed through Public Issue.



Plant & Machineries

The Company has estimated the requirement of Plant & Machineries aggregating Rs. 2,610.62 Lacs. The Company has already acquired and taken possession of Plant & Machineries aggregating Rs. 768.94 Lacs till 30th May 2005. Further, the Company has received quotations for the balance requirement of Plant & Machineries aggregating Rs. 1,841.68 Lacs (including Escalation & Contingencies), the orders for which will be placed only after availability of Public Issue proceeds for utilization. The Plant & Machineries proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. Further, the expected date of supply of these Plant & Machineries is within two months from the date of placement of orders. The detailed break-up of Plant & Machineries is given on page 26 of the Prospectus.

Public Issue Expenses

The Company estimates that overall Public Issue expenses will not be more than Rs.280.00 Lacs. The detailed break-up of Public Issue Expenses is given on page 97 of the Prospectus.

General Corporate Purposes

The Company intends to deploy the proceeds of this Issue aggregating Rs. 820.03 Lacs, for General Corporate Purposes including but not limited to strategic initiatives, entering into strategic alliances, partnerships, joint venture and acquisitions, developing vendors and ancillaries, investment in research and technology up-gradation, investment in other segments of the industry, meeting exigencies which the Company in the ordinary course may not foresee and repayment of debts.

As of the date of this Prospectus, the Company has not entered into any letter of intent or any other commitment for any such acquisition/investments/joint ventures or definitive commitment for any such strategic initiatives and acquisitions. The Board of Directors of the Company will review various opportunities from time to time.

Funding Plans (Means of Finance)

The funding plans proposed by the Company are as under:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Promoters' Contribution in Public Issue	816.18
2	Net Public Issue	4,104.00
3	Equipment Finance	2,000.00
4	Internal Accruals	63.50
	Total	6,983.68

In terms of clause 6.8.4.3 of SEBI (DIP) Guidelines, 2000, as amended from time to time, the Company hereby confirms that firm arrangements have been made through verifiable means towards 100% of the stated means of finance, excluding the amount to be raised through proposed Public Issue.

The Company has received sanction from SREI Infrastructure Finance Limited, "Lakshmi Kunj", 8, Central Lane, Bengali Market, New Delhi – 110 001 vide its letter dated 28th December 2004 and revised sanction letter dated 21st May 2005 to finance the cost of Plant & Machineries to the extent of Rs. 2000 Lacs.

The brief terms of the sanctions from SREI Infrastructure Finance Limited are mentioned hereunder:

Assets	New Standard construction equipment
Asset Cost	Upto Rs.3000 Lacs (Three thousand Lacs only)
Margin	15% of the Asset value for mobile assets-excluding tractors - which would attract a margin of 25%, and 20% for Crushing, Asphalting, and other equipment not considered standard as per SREI's internal grid.
Finance Amount	Residual of the margin paid- Aggregate not exceeding Rs.2000.00 Lacs (Two thousand Lacs only) at any point of time.
Tenure	3 yrs.
Interest Rate	8.00% p.a. on a reducing balance basis. - This is based on the SREI's Benchmark rate (SBR), and would vary depending on the prevalent SBR at the time of drawl.
Insurance	Comprehensive for full value with SREI as loss payee
Other Terms	As per the Loan or Hire-Purchase agreement as may be applicable.

Transaction	Loan/Hire-purchase/Lease as may be mutually agreeable.
Personal Guarantee	All the Promoter Directors.
Indentures	<ol style="list-style-type: none"> 1. This offer is binding on ERA, and SREI reserves the right of refusal if the above terms are renegotiated in any manner. 2. The draw down period is Upto 31st August 2005, by which time at least 60% of the sanctioned amounts needs to be drawn. 3. This sanction will be effective for the disbursement made on or after 1st October 2004.
Security	Hypothecation of respective assets

The sanction terms covers financing for new equipment purchases only, both domestic and imported. SREI if required can arrange for opening of Letter of Credit (LC's) and retire maturing LC's for imported equipment. SREI reserves the right to classify and change the margin requirements, and any other terms of financing of the assets.

Appraisal

The funds requirement and funding plans are Company's own estimates, and have not been appraised by any bank / financial institution.

Schedule of Implementation

Net Issue proceeds after meeting public issue expenses will be utilized for long-term working capital requirement and general corporate purposes, as and when required. Further, the Company has already acquired Plant & Machineries aggregating Rs.768.94 Lacs, details of which are given on page 26 of the Prospectus. The remaining Plant & Machineries aggregating Rs.1,841.68 Lacs proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. The schedule related to Placement of Orders and procurement of remaining Plant & Machineries is as under:

Particulars	Schedule
Completion of Placement of Orders	July 2005
Completion of Procurement	September 2005

As per the original implementation schedule, the Company has initially envisaged the Public Issue in the month of April 2005, and accordingly placement of orders for Plant & Machineries was to be completed by April 2005 and the procurement of the same was planned to be completed by June 2005. However, due to delay in the Public Issue, the implementation schedule has been revised accordingly.

Funds Deployed

The Company has already deployed Rs. 688.91 Lacs upto May 30, 2005 towards the proposed project as envisaged in the present Issue. The same has been certified by P.C. Bindal & Co., Chartered Accountants, vide their certificate dated May 30, 2005. The details of funds already deployed are as under:

Particulars	Amount (Rs. in Lacs)
Plant & Machineries #	669.24
Public Issue Expenses	19.67
Total	688.91

The Company has already acquired and taken possession of Plant & Machineries aggregating Rs. 768.94 Lacs, against which a part payment of Rs. 669.24 Lacs has been made. The balance amount will be paid as per the payment terms, from the proceeds of the Promoters Contribution / Public Issue Proceeds.

Sources of Financing of Funds already Deployed

The funds already deployed have been sourced as under:

Particulars	Amount (Rs. in Lacs)
Promoters' Contribution	504.00
Equipment Finance	121.41
Internal Accruals	63.50
Total	688.91



Cash Flow Statement indicating Use of Funds Received as Promoters' Contribution

As certified by P.C. Bindal & Co., Chartered Accountants, the cash flow statement in respect of Promoters' Contribution received upto 30th May 2005 for the Public issue has been utilized as under:

Rs. in Lacs	
Sources of Funds	Amount
Fund Received towards Promoters' Contribution	504.00
Total	504.00
Deployment of Funds	
Purchase of Plant & Machineries	496.14
Public issue Expenses	7.86
Total	504.00

Details of Balance Funds Requirement

The break up of funds already deployed and year-wise balance funds requirement is mentioned hereunder:

Rs. in Lacs			
Particulars	Already Deployed (till 30.05.05)	Balance during 2005-06	Total
Long Term Working Capital	—	3,273.03	3,273.03
Plant & Machineries	669.24	1,941.38	2,610.62
Public Issue Expenses	19.67	260.33	280.00
General Corporate Purposes	—	820.03	820.03
Total	688.91	6,294.77	6,983.68

Interim Use of Funds

Pending utilization in the project as per the manner as referred to above, the proceeds of the Public Issue will be deposited in a bank account as stated under the undertaking given for utilization of Issue proceeds on page 112 of this Prospectus.

Basic Terms of Issue:

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles of the Company and shall rank *pari passu* with the existing Equity Shares of the Company. Allottees of the Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Mode of Payment of Dividend

The Company shall pay dividend to its shareholders as per the provisions of the Companies Act, 1956.

Face Value and Issue Price

The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is Rs. 72/- per Equity Share, which is 7.2 times of the Face Value.

Rights of the Equity Shareholders

- i. Right to receive dividend, if declared.
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law.
- iii. Right to vote on a poll either personally or by proxy.
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation.
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a Public Limited Company under the Companies Act, 1956.

Market Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 90 Equity Shares.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the net offer to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Period of Subscription

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.

Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Annual General Meeting of the Company held on September 25, 2004. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on August 28, 2004. Further, vide a resolution dated February 12, 2005; the Board of Directors of the Company determined the number of Equity Shares to be issued for cash through Prospectus.

Reservations

- 1) Reservation on competitive basis has been made in the Public Issue for:
 - NRIs and/or FIIs for 2,280,000 Equity Shares, and
 - Indian Mutual Funds & Indian and Multilateral Development Financial Institutions for 570,000 Equity Shares.
- 2) Reservation on competitive basis shall mean reservation wherein allotment of Equity Shares is made in proportion to the shares applied for by the concerned reserved categories.
- 3) Person(s) belonging to NRIs and/or FIIs or Indian Mutual Funds & Indian and Multilateral Development Financial Institutions Categories shall not make an application in the 'Net Public Offer' category.

Minimum and Maximum Application Size

Applications should be for minimum of 90 Equity Shares and in multiples of 90 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In the case of reserved categories, a single applicant in the reserved category can make an application for a number of Equity Shares, which exceeds the reservation.

Terms of Payment

The entire Issue price of Rs. 72/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Interest on Excess Application Money

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment and unpaid calls will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director/Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the following guidelines:

Proportionate Allotment Procedure

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 90 Equity Shares.

Reservation for Retail Individual Investor

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:



- a) A minimum 50% of the net offer of Equity Shares to the public shall initially be made available for allotment to retail individual investors, as the case may be.
- b) The balance net offer of Equity Shares to the public shall be made available for allotment to:
- individual applicants other than retail individual investors, and;
 - other investors including Corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall / may be made available for allotment to applicants in the other category, if so required.

The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange).

An illustration explaining the proportionate allotment procedure is given herein below:

- Total Equity Shares Offered @ Rs. 72/- per share: 68,33,580 Equity Shares
- Minimum Equity Shares Offered to Retail Category: 14,25,000 Equity Shares
- Application can be made for a minimum of 90 Equity Shares and in multiples thereof.
- If the total issue is over subscribed 4 times whereas the retail category is over subscribed 8.25 times.
- Assume three retail investors X, Y & Z. X has applied for 810 shares. Y has applied for 720 shares and Z has applied for 450 shares. As per allotment procedure, the allotment to retail individual investors would be on proportionate basis i.e., at $1/8.25$ th of the total number of shares applied for. The actual entitlement shall be as follows:

Sr. No.	Name of Investor Applied for	Total Number of Equity Shares	Total Number of Equity Shares eligible to be Allotted (No. of Equity Shares Applied for / 8.25)
1	X	810	$810/8.25 = 98.20$ Equity Shares rounded off to 100 Equity Shares.
2	Y	720	$720/8.25 = 87.30$ Equity Shares rounded off to 90 Equity Shares (i.e. minimum application size).
3	Z	450	$450/8.25 = 54.50$ Equity Shares. Application liable to be rejected (as the entitlement is less than the minimum application size). However, the successful applicants out of the total applicants shall be determined by drawal of lots.

The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (designated stock exchange) and the public representative in addition to the Lead Manager and the Registrar to the Issue.

Despatch of Refund Orders

The Company shall ensure despatch of Refund Orders of value up to Rs.1500/- Under Certificate of Posting & Refund Orders of value over Rs.1500/- and Share Certificates by Registered Post only. Further, adequate funds for the said purpose shall be made available to the Registrar by the Company.

Interest in Case of Delay in Dispatch of Allotment Letters / Refund Orders

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been despatched to the applicants within 30 days from the date of the closure of the Issue. However applications received after the closure of Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

Basis for Issue Price:

Qualitative Factors

1) A profit making Company since incorporation.

The Company has been earning profits since incorporation as under:

Rs. in Lacs	
Year	Profit after Tax
31.03.91	1.36
31.03.92	18.63
31.03.93	65.52
31.03.94	85.76
31.03.95	208.17
31.03.96	246.54
31.03.97	272.23
31.03.98	274.59
31.03.99	245.77
31.03.00	207.36
31.03.01	218.15
31.03.02	174.75
31.03.03	235.11
31.03.04	288.61
31.03.05	544.95

2) A professionally managed organization.

The Company functions under the control of a Board consisting of professional Directors. The day-to-day matters are looked after by qualified key personnel, under the supervisions of a Chairman (Executive), Managing Director and Executive Director. At present, the Company employs around 275 engineering professionals having versatile experience.

3) ISO 9001: 2000 Company certified by NQAQSR.

The Company has been awarded ISO 9001: 2000 by NQAQSR Certification Private Limited, which is accredited by RvA, a Dutch Council for Accreditation and is valid upto 11th December 2006.

4) Having confirmed orders in hand worth Rs. 55,380.45 Lacs as on May 30, 2005, which are under various stages of implementation.

Currently, the Company is having confirmed orders in hand aggregating Rs. 55,380.45 Lacs from various clients including NTPC, Power Grid Corporation, Airports Authority of India, PWD, CPWD, Institute of Human Behaviour & Allied Sciences, New Delhi, Delhi Metro Rail Corporation Ltd., Rajasthan Urban Infrastructure Development Project, Cadila Pharmaceuticals Limited, Paras Pharmaceuticals Limited, Panacea Biotec Ltd., Mother Dairy Foods Processing Limited, Alps Industries Limited, etc. The details of these orders are mentioned on page 38 of this Prospectus.



Quantitative Factors

1.	Adjusted Earning Per Share (EPS)	Amount (Rs.)	Weights
(a)	2002-03	5.38	1
(b)	2003-04	4.43	2
(c)	2004-05	8.36	3
(d)	Weighted Average (EPS)	6.55	
2.	Price/ Earning Ration (P/E) in relation to Issue Price of Rs. 72.00		
(a)	Based on 2004-05 EPS of Rs. 8.36	8.61	
(b)	Industry P/E *		
(i)	Highest	51.5	
(ii)	Lowest	5.6	
(iii)	Average	21.4	
	(*Based on Capital Market May 9 - 22, 2005)		
3.	Return on Net Worth	%	Weights
(a)	2002-03	10.60	1
(b)	2003-04	11.79	2
(c)	2004-05	16.93	3
(d)	Weighted Average	14.16	
4.	Minimum Return on Increased Net Worth required to maintain pre-issue EPS i.e. Rs. 8.36		
	For Issue at Rs. 72.00		
	Total Net Worth After Issue (Rs. in Lacs)	7,562.81	
	No. of Equity shares after the issue (in Lacs)	133.50	
	Profits required to get required EPS (Rs. in Lacs)	1,116.06	
	Min. Required RONW for maintaining above EPS	14.76%	
5.	Net Asset Value (NAV) Per Share	Amount (Rs.)	
(a)	As at 31.03.2005	44.50	
(b)	After the Issue	56.65	
(c)	Issue Price	72.00	

Comparison with Financial Ratios of Peer Group*

Name of the Peer Group Company	Period Ended	Accounting Ratios			
		Book Value	RONW %	EPS	P/E Ratio
Ansal Housing	March 2004	40.80	6.3	2.5	13.5
JMC Projects	March 2004	35.50	(21.8)	—	15.1
MSK Projects	March 2005	39.60	15.2	4.1	14.5
Subhash Projects	March 2004	19.50	(0.3)	—	—
Unitech	March 2004	120.60	9.7	11.1	16.1
Valecha Eng.	March 2004	63.90	18.8	10.9	13.2
Issuer Company					
Era Constructions	March 2004	37.7	10.9	3.8	11.6

(* Based on Capital Market May 9 - 22, 2005)



The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is Rs. 72/- per Equity Share, which is 7.2 times of the Face Value.

The Lead Manager believes that the Issue Price of Rs. 72/- per Equity Share is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report appearing on page 55 of the Prospectus to have a more informed view of the investment proposition.

Tax Benefits

The Company has been advised by P.C. Bindal & Co., Tax Auditors of the Company, vide their letter dated 28th May 2005 that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, *inter alia*, will be available to the Company and the Members. However, an investor is advised to consider in his own case the tax implications of an investment in the shares from time to time. The statement of tax benefits certificate from the Tax Auditors of the Company is reproduced below:

To,
Board of Directors,
Era Constructions (India) Ltd.,
New Delhi.

"We hereby report that the enclosed annexure states the possible tax benefits available to Era Constructions (India) Ltd., (the "Company") and its shareholders under the current direct tax laws. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill. The benefits discussed below are not exhaustive.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefit have been / would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws.

**FOR P.C. BINDAL & CO.
CHARTERED ACCOUNTANTS**

Sd/-

K.C. GUPTA
Partner
Membership No. 88638

Dated: 28th May 2005
Place: New Delhi



ANNEXURE TO THE STATEMENT OF TAX BENEFITS

A. TO THE COMPANY

Under the Income Tax Act, 1961 (“Act”)

1. As per the provisions of section 80-IB(10) of the Act, the Company is eligible to claim 100% tax benefit with respect to profit derived from “Developing and Building Housing Projects”. However, the benefit is available subject to fulfillment of conditions prescribed under the section.
2. The Company is eligible under section 35D of the Act to a deduction equal to one-fifth of certain specified expenditure, including specified expenditure incurred in connection with the issue for the extension of the industrial undertaking, for a period of five successive years subject to the limits provided and the conditions specified under the said section.
3. As per the provisions of section 10(34) of the Act, dividends received from domestic companies are exempt in the hands of company.
4. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
5. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

B. TO THE RESIDENT MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 (“Act”)

1. Members will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.
2. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
3. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

Under Wealth Tax Act, 1957

Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

C. TO THE NON-RESIDENT INDIAN MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 (“Act”)

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).
3. Under section 115E of the Act, capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange and held for a period exceeding 12 months shall be concessionaly taxed at the flat rate of 10% (without indexation benefit plus surcharge as applicable).
4. Under section 115F of the Act, long-term capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange shall be exempt from income tax, if net consideration is invested in specified asset within six months of the date of transfer. If only part of the consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax, if the specified assets are transferred or converted within three years from the date of their acquisition.
5. Under provision of section 115G of the Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
6. Under provision of section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of chapter XII-A for any Assessment Year by furnishing his Return of Income under section 139 of the Act declaring therein that the provision of this chapter shall not apply to him for that Assessment Year and if he does so, the provisions of this chapter shall not apply to him for that assessment year; instead the other provision of the Act shall apply.
7. Non-Resident shareholders will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.

8. Where any Double Taxation Avoidance Agreement [DTAA] entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
9. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession" arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

Under Wealth Tax Act, 1957

Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

D. TO FOREIGN INSTITUTIONAL INVESTORS

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).
3. Under Section 115AD(1)(b)(ii) of the Act, Income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess).
4. Under Section 115AD(1)(b)(iii) of the Act, Income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 1 above) held in the Company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 45 of the Act are not available to Foreign Institutional Investors.
5. Income by way of dividend received on shares of the Company is exempt u/s 10(34) of the Act.
6. Where any Double Taxation Avoidance Agreement (DTA) entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
7. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession" arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

E. TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax. Subject to conditions as the Central Government may by modification in the official Gazette specify in this behalf.

F. VENTURE CAPITAL COMPANIES/FUND

In terms of section 10(23FB) of the Income Tax Act, 1961 all venture capital companies/funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from Income Tax on all their income, including dividend from and income from sale of shares of the company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2005.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
3. In respect of Non-Residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the Non-Resident has fiscal domicile.
4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the Issue.



IV. ABOUT ERA CONSTRUCTIONS

1. Industry Overview

Construction activity is an integral part of a country's infrastructure and industrial development. It includes hospitals, schools, townships, offices, houses and other buildings; urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc. Covering as it does such a wide spectrum, construction becomes the basic input for socio-economic development. Besides, the construction industry generates substantial employment and provides a growth impetus to other sectors through backward and forward linkages. It is, essential therefore, that, this vital activity is nurtured for the healthy growth of the economy.

With the present emphasis on creating physical infrastructure, massive investment is planned during the Tenth Plan. The construction industry would play a crucial role in this regard and has to gear itself to meet the challenges. In order to meet the intended investment targets in time, the current capacity of the domestic construction industry would need considerable strengthening.

The construction sector is one of the largest employers in the country. In 1999-00, it employed 17.62 million workers, a rise of 6 million over 1993-94. The sector also recorded the highest growth rate in generation of jobs in the last two decades, doubling its share in total employment. (Source: TENTH FIVE YEAR PLAN: 2002-07)

The main advantage of the construction sector in employment generation lies in the fact that it:

- (i) absorbs rural labour and unskilled workers (in addition to semi-skilled and some skilled);
- (ii) provides opportunity for seasonal employment thereby supplementing workers' income from farming; and
- (iii) permits large-scale participation of women workers.

Share of Construction Sector in Gross Domestic Product (GDP) and Gross Capital Formation (GCF)

The share of construction sector in gross domestic product (GDP), which was 5.4 per cent in 1970-71, came down to 4.4 per cent in 1990-91. Subsequently it picked up and stood at 5.1 per cent in 1999-00. (Source: TENTH FIVE YEAR PLAN: 2002-07)

The share of the construction sector in total gross fixed capital formation (GCF) came down from 60 per cent in 1970-71 to 34 per cent in 1990-91. Thereafter, it increased to 48 per cent in 1993-94 and stood at 44 per cent in 1999-00. (Source: TENTH FIVE YEAR PLAN: 2002-07)

Clearly, there has been a decline in the share of construction sector in the GDP and capital formation. The main reason for this was reduced Government spending on physical infrastructure in the last decade due to fiscal constraints. Though there has now been an increasing emphasis on involving the private sector in infrastructure development through public-private partnerships and mechanisms as Build-Operate-Transfer (BOT) or Build-Own-Operate-Transfer (BOOT), private sector investment has not reached the expected levels. The Government is now providing substantial fiscal stimuli by way of programmes like the National Highways Development Project (NHDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), power projects etc., which would provide necessary impetus to the construction sector.

Considering the significance of the construction sector, it is necessary to identify the major Issues affecting the efficiency of the sector and take corrective action.

Improvement in Productivity

There is a need to enhance productivity through appropriate mechanisation to meet the physical targets set in the Plans. There is a clear case for encouraging mechanisation to build up the sector's capacity to deliver the critical infrastructure needed for economic development.

The poor state of technology adopted by the construction sector adversely affects its performance. Upgrading of technology is required both in the manufacturing of construction material and in construction activities. As a large number of construction materials are manufactured in the unorganised sector, effective monitoring and regulation of the production of these materials to ensure proper quality becomes difficult.

Use of low-grade technology in the construction sector leads to low value addition and low productivity, apart from poor or sub-standard quality of construction and time overruns in projects. The non-availability of quality construction tools is the main reason for this. Besides, the construction sector also lacks information about new technology.

Introduction of new technology in the construction sector is entirely owner-driven. It is only when they demand quality and is prepared to pay the price that the contractors would have the incentive to adopt better technology. It may, therefore, be necessary to introduce higher specification and technical conditions in the bid documents in order to encourage adoption of superior technology.

Labour and Human Resource Development

The construction industry is characterized by the predominance of migratory and unskilled labour. Therefore, there is need to expand the training and skill certification programmes, both in terms of content as well as geographical reach. To encourage such training, incentives may be provided to contractors for funding the skill upgradation of construction workers. However, there is no institutional framework to impart training at the worker's level, barring a few initiatives taken by the Construction Industry Development Council (CIDC) and some companies. There is need to involve the Industrial Training Institutes (ITIs) in a big way with training for the construction sector to bridge the demand-supply gap for skilled labour force.

In addition, schemes for registering construction labour and providing them with a permanent registration number could be considered. This would help in maintaining a databank on them. Besides, contract conditions could carry a stipulation that a minimum percentage of trained/certified workers would need to be employed. The stipulations made by the National Highway Authority of India about employing at least 5 per cent trained and certified workers as a pre-qualification condition needs to be replicated. The percentage of such workers should progressively be enhanced to 10 per cent by the end of the Tenth Plan, and effort must be made to raise the share to 25 per cent by the end of Eleventh Plan.

Need to Reduce Cost of Construction

The high cost of operation has been identified as one of the major problems that not only affects the construction industry directly but also the overall economy indirectly, as high input and process costs are reflected in high cost of infrastructure, which, in turn, translates into higher user charges. This also reduces the surplus that can be ploughed back into construction technology upgradation and labour welfare. Steps to do this would include improving the procurement and dispute resolution mechanism and measures for instituting more competition and transparency among contractors. As part of the process of standardisation and improving efficiency in the construction sector, harmonised bidding conditions and standard bidding documents for domestic construction contracts have been developed and circulated to all Government agencies and public sector organisations as guidelines.

There is need for an appropriate dispute resolution mechanism in the construction sector. A substantial amount of money is locked up due to disputes between contractors and clients, leading to cost and time overruns. Any comprehensive dispute resolution mechanism needs to address all these Issues. At present, the Arbitration and Conciliation Act, 1996 is the basis for all dispute resolutions. In sectors like National Highways, provisions are made in the contract document for a Dispute Review Expert (DRE) and Dispute Review Boards (DRBs). It is necessary to review the functioning of DREs and DRBs.

An important factor in time and cost overruns has been the lack of proper project preparation. Details are often ignored at the preparatory stage, leading to problems later on. Project planning needs to be strengthened through adequate field investigation, data collection and its analysis. The complementary facilities to be created for making the project operational also need to be identified and included in the project.

Flow of Institutional Credit

At present, the high resource requirements of the construction industry are not matched by the availability of finance. The high cost of raising finance also translates into high costs, which again has a cascading effect on the economy. Appropriate measures and instruments should be formulated and implemented to reduce financing costs and ease the flow of funds to the industry.

The deployment of gross bank credit indicates that the share of construction sector in total bank credit available to the industry sector went down from 2.13 per cent in 1990 to 1.37 per cent in 2000. In order to increase the flow of institutional credit to the construction sector, it was declared as an industrial concern under the Industrial Development Bank of India Act in March 2000. While this step was in the right direction, it is necessary now to encourage banks and lending institutions to develop lending norms and special funding instruments that could address both the requirements of the construction industry as well as the concerns of the bankers. The need for specialised financial institutions like the Karnataka Contractors' Credit Cooperative Society may also be considered. (Source: TENTH FIVE YEAR PLAN: 2002-07)

Asset Management and Maintenance

The creation of physical assets is an important outcome of construction activity. Building Infrastructure is a continuous activity, which, apart from improving the quality of life of the citizens, also creates wealth and sustains the growth of the economy. However, it is also essential to ensure that such assets are maintained properly. Suitable policies relating to ownership, management and maintenance of assets, therefore, need to be evolved.

Project Export

The Indian construction industry has been very active in the overseas markets, especially in the Gulf during the 1970s and 1980s when Indian companies ventured there to meet the demand of construction activities generated by the oil boom. Between 1975 and 1980, Indian companies handled construction work amounting to nearly US\$ 5 billion. But this trend did not last and by the late 1980s, the volume of contracts secured fell sharply. In 1996-97, the value of project export was Rs. 338 crore (US\$ 95.2 million), which increased to Rs. 1,500 crore (US\$ 346.2 million) in 1999-00. (Source: TENTH FIVE YEAR PLAN: 2002-07)



Action needs to be taken to streamline the functioning of the construction sector to get a larger share of the global business. Such action would include formulation of business-friendly policies, development of insurance instruments to mitigate the business risks and adoption of aggressive marketing of the Indian construction industry abroad.

Path Ahead

- Upgrade technology to improve productivity and quality as also to ensure the timely completion of projects.
- Invest in human capital to improve the quality of labour. This must be done through more training and certification institutes to augment the supply of skilled labour; associating ITIs with training of construction workers; stipulating the widespread use of trained labour as a pre-qualification condition for bidding. The percentages stipulated could be increased over time.
- Review of the procurement and dispute resolution mechanism to reduce the cost of construction so that infrastructure services could be provided at competitive costs.
- Develop lending norms and special funding instruments so as to increase the flow of credit to the construction sector.
- Develop a policy framework relating to ownership, management and maintenance of assets so as to ensure the proper upkeep of the assets already created.
- Formulate a business-friendly policy, develop insurance instruments to mitigate business risks and adopt aggressive marketing of Indian construction industry so as to increase project exports.

2. Business Overview

Details of the Business of Issuer Company

The details of Company's Registered Office and godowns are provided below:

Sr. No.	Location	Utilization	Nature of Possession
1	370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi –110 014.	Registered Office	Through registered Lease Deed
2	Khasra Nos. 436 & 451, Fatehpur Beri, Mehrauli, New Delhi –110 030.	Godowns	Through Unregistered Lease Deed

Location of the Project

Considering the nature of Company's business i.e. construction, the location of project depends upon the contracted site, which usually varies from project to project. Currently, the Company is having almost 28 projects in hand with almost a same number of locations.

Plant, Machinery, Technology, Process, etc.

Though the Construction industry is predominantly labour intensive, the kind of machinery and equipment which are required to perform various activities involved in construction and quality control thereof, are bulky and have high procurement cost. Currently, the Company has estimated the requirement of Plant & Machineries aggregating Rs.2,610.62 Lacs. The Company has already acquired and taken possession of Plant & Machineries aggregating Rs. 768.94 Lacs till 30th May 2005, the details of which are mentioned hereunder:

(Rs. in Lacs)

Sr. No.	Particulars	Name of the Supplier	Quantity	Total Cost
1	Schwing Pump BP350 E with accessories	Schwing Stetter India Pvt. Ltd.	3 No.	58.14
2	Mini Batching & Mixing Plant	Bhai Sunder Dass & Sons	1 No.	19.86
3	Hydraulic Mobile Crane	Action Const. Equipt. P. Ltd.	3 No.	25.68
4	JCB 3D Excavator Loader	JCB India Limited	2 No.	33.66
5	Scaffolding & shuttering material -MS Angle	Sushila Steels	864 MT	238.19
6	Scaffolding & shuttering material -MS Sheet	-do-	912 MT	289.95
7	Fabrication of Scaffolding & shuttering	Shri Mahavir Enterprises	1,389 MT	43.73
8	Fabrication of Scaffolding & shuttering	EMM AAR EL Constructions P. Ltd.	387 MT	12.19
9	Mobile Tower Crane Model -MTC 2418	Action Const. Equipt. P. Ltd.	3 No.	35.38
10	Tractor model- MF - 1035 - DI - J	Oswal Motors	4 No.	12.16
	Total			768.94



Further, the Company has received quotations for balance requirement of Plant & Machineries aggregating Rs. 1,841.68 Lacs (including Escalation & Contingencies), which are 70.55% of the total requirement. The brief details of balance Plant & Machineries required to be acquired are mentioned hereunder:

(Rs. in Lacs)

Sr. No.	Description	Supplier	Quantity	Unit	Total Estimated Cost	Date of Quotations Relied Upon
1	Stetter Batching Plant CP30	Schwing Stetter India Pvt. Ltd.	2	No.	77.42	24.05.05
2	Stetter Batching Plant M1	-do-	2	No.	145.17	24.05.05
3	Stetter Transit Mixer AM6SHN	-do-	5	No.	49.90	24.05.05
4	Schwing Pump BP350DXT with accessories and 100 mtr. pipe line	-do-	1	No.	20.06	24.05.05
5	Schwing Pump BP 1800 with accessories and pipe line	-do-	2	No.	66.73	24.05.05
6	Truck Chasis -Model LPK 2516 (6x4) 24 V, SW Frame, Euro -II	TELCO	5	No.	56.61	20.05.05
7	Tipper -Model SK 1613TC/36 CAB PS, Euro-II, SRAM Box 330 D	TELCO	5	No.	48.22	20.05.05
8	Tractor model- MF - 1035 - DI - J	Oswal Motors	8	No.	24.32	23.05.05
9	Mobile Tower Crane Model -MTC 2418	Action Const. Equip. P. Ltd.	1	No.	11.79	20.05.05
10	Mobile Tower Crane Model -MTC 3625	-do-	4	No.	87.10	20.05.05
11	JCB JS 210 Long Carriage Excavator	LEO Earthmovers P. Ltd.	1	No.	42.62	20.05.05
12	Concrete Mixer VIKRANT 200 ltr.	Construction Equip. Corpn.	20	No.	15.60	20.05.05
13	Builder Hoist VIKRANT 500 kg	-do-	20	No.	32.24	20.05.05
14	Scaffolding & shuttering material - MS Angle	Sushila Steels	195	MT	52.65	20.05.05
15	Scaffolding & shuttering material - MS Sheet	-do-	130	MT	45.50	20.05.05
16	Fabrication of Scaffolding & shuttering	Shri Mahavir Enterprises	325	MT	10.24	21.05.05
17	Adjustable Span	Reliance Structures Pvt. Ltd.	3000	No.	45.24	20.05.05
18	Adjustable Prop 3 M	-do-	5000	No.	39.00	20.05.05
19	Adjustable Head Jack 350mm Long	-do-	5000	No.	9.10	20.05.05
20	Adjustable Base Plate Jack	-do-	5000	No.	8.84	20.05.05
21	Cup Lock Standard 3.00 mtr.	-do-	5000	No.	28.08	20.05.05
22	Cup Lock Standard 2.00 mtr.	-do-	5000	No.	23.92	20.05.05
23	Ledger 2.00 mtr.	-do-	10000	No.	27.04	20.05.05
24	Ledger 1.50 mtr.	-do-	10000	No.	21.84	20.05.05
25	Swivel Coupler	-do-	10000	No.	5.20	20.05.05
26	Right Angle Coupler	-do-	10000	No.	5.20	20.05.05
27	Black Pipe 48.3X3.2X6.0 mtr long	-do-	12000	No.	91.73	20.05.05
28	Bitumen Sprayer truck mounted 6000 ltr cap.	Speedcrafts Limited	3	No.	48.46	23.05.05
29	AMZ Pothole Repairing M/C. mounted on truck	-do-	3	No.	90.73	23.05.05
30	Drum Mix Plant DM 60 Plant 90 -120TPH	-do-	3	No.	126.66	23.05.05
31	Road Sweeper Tractor Mounted	-do-	5	No.	14.68	23.05.05
32	Wet Mix plant 160 TPH Model WMM-160	-do-	3	No.	90.19	23.05.05
33	Four Speed Road Roller	-do-	5	No.	43.33	23.05.05
34	Paver Finisher WMPF - 45	-do-	3	No.	36.84	23.05.05
35	Tandem Vibratory Roller	Maxmech Engineers	5	No.	111.90	20.05.05
36	Soil Compactor	-do-	5	No.	99.80	20.05.05
	Sub-total				1,753.95	
	Escalation & Contingencies (including transportation etc.)				87.73	
	Total				1,841.68	



The specifications and vendors of the plant & machinery mainly depend on the nature of the contract undertaken. Therefore, the above-mentioned specifications & the make of machinery may be subject to variation depending upon the nature of the projects undertaken.

The Plant & Machineries proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. Further, the expected date of supply of these Plant & Machineries is within two months from the date of placement of orders.

Further, The Company has not bought or does not propose to buy any second hand Plant & Machineries out of the Issue proceeds.

Technology

The Company is in construction business since 1990 and is having sufficient expertise and time-tested technical know how to execute the projects within prescribed parameters. The Company employs modern construction technology with modification suitable to Indian conditions. Further, the Company is promoted by a technocrat and has also employed engineers who have rich experience in the line of construction and engineering activities

Process

The process in construction starts from the stage of tendering and ends at the completion of project. Once the Company receives the tender from the prospective client, a survey is conducted at the proposed site by a team of engineers, as regards to availability of basic amenities near the site, availability of labour, distance from the sources of material and other related factors. On the basis of the survey and keeping in view factors such as site conditions, time schedule and other terms and conditions of the contract, the value of the contract is estimated and tendering is done. Once the contract is awarded to the Company, a project team is constituted to execute the work as per the conditions of the contract. The Team Head procures the relevant drawings and other details of the project from the consultant appointed by the client and based on that the team selects the labour agencies, employs direct labour, plans purchasing of material, arranges for deployment of labour, arrangements for labour hutments and staff quarters etc. and makes necessary arrangement for machines, power and water. The actual construction process begins with soil testing and includes land development, road, development, masonry, concrete reinforcing, mixer operations, plumbing, plaster work, finishing etc. Each stage of construction activity is closely monitored for quality and timely execution of work. The Company also has a separate quality control department, which supervises and ensures the quality of the work done. The work done by the Company is duly certified by an independent architect approved by the clients and interim payments are released to the Company on this basis. After completion of the entire project, the bills are settled after deducting the retention money.

Collaborations

A. With Valecha Engineering Limited (VEL): The Company has entered into the following technical and commercial collaboration with Valecha Engineering Limited having its registered office at Valecha Chambers, 4th Floor, Plot No. B-6, New Link Road, Andheri West, Mumbai – 400 053.

1. Memorandum of Understanding dated 8th April 2003 for execution of NTPC Project of SG Area Civil Works package of (2x500 MW) Stage II, Phase-I, Kahalgaon Super Thermal Power Station.

The brief terms of the scope of work between the two parties are as under:

- ECIL shall be the technical and commercial leader responsible for the single point contact with Employer. ECIL as a leader of the group shall be responsible for the execution of all the works.
- VEL shall be responsible for piling part of work as per Bills of Quantity as Associate Agency.

2. Memorandum of Understanding dated 6th September 2003 for execution of NTPC Project of Main Plant Civil Works package of (1x500 MW) Stage II, Phase-II, Unit – 7, Kahalgaon Super Thermal Power Station.

The brief terms of the scope of work between the two parties are as under:

- VEL shall be technical and commercial leader responsible for the single point contact with customer, VEL as a leader of the group shall be responsible for the execution of all the work.
- ECIL shall be responsible for the complete work as per Bills of Quantity related to concrete, fabrication & erection works as Associate/Collaborating Agency.

The brief particulars of Valecha Engineering Limited are mentioned hereunder:

Place of Registration	Mumbai, Maharashtra
Year of Incorporation	1977
Paid-up Share Capital (as on 31.03.04)	Rs.450.00 Lacs
Turnover of the financial year ending 31.03.04	Rs.11711.20 Lacs

B. With Ashoka Buildcon Limited (ABL): The Company has entered into the following technical and commercial collaboration with Ashoka Buildcon Limited having its registered office at Ashoka House, Ashoka Marg, Wadala, Nasik – 422 011.

1. MOU dated 19th July 2002 to form a Joint Venture for the purpose to bid and execute future projects to be executed on B.O.T. (Build, Operate and Transfer) basis sponsored by NHAI and State Governments.

The brief terms of the scope of work between the two parties are as under:

- i. ECIL as Partner-in-charge shall be wholly responsible for execution, operations and maintenance of the Project. It shall:

- Co-ordinate the day-to-day activities of the Joint Venture.
- Submit documents required for pre-qualification and shall pursue with the clients for their acceptance.
- Submit tenders after consultation with ABL regarding price and technical feasibility.
- Lead negotiations with the clients for final award of project.
- Sign all documents on behalf of J.V. in consultation with ABL.
- Mobilize all resources for mobilization and execution of the project.

- ii. ABL's responsibility and scope of work shall consist of and be limited to the following:

- Providing suitable experienced project team as per project requirement at the site for the purpose of general planning site management quality control and plant operation during the whole period of contract execution.
- Monitoring of contract execution through participation in the Management Committee.

2. MOU dated 19th July 2002 to form a Joint Venture for the purpose to bid and execute future:

- Highway projects of National Highway Authority of India/State Governments on tender basis.
- High value road projects as sub-contractors from the main contractors to whom work is already awarded.

The brief terms of the scope of work between the two parties are as under:

- i. ECIL as Partner-in-charge shall be wholly responsible for execution of the Project. It shall;

- Co-ordinate the day-to-day activities of the J.V.
- To submit documents required for pre-qualification and shall pursue with the clients for their acceptance.
- To Submit tenders after consultation with ABL regarding price and technical feasibility.
- Lead negotiations with the clients for final award of work.
- Sign all documents on behalf of J.V. in consultation with ABL.
- Mobilize all resources for mobilization and execution of the project.

- ii. ABL's responsibility and scope of work shall consist of and be limited to the following

- Providing suitable experienced project team as per project requirement at the site for the purpose of general planning site management quality control and plant operation during the whole period of contract execution.
- Monitoring of contract execution through participation in the Management Committee.

3. MOU dated 17th December 2004 to form an exclusive consortium for execution of work of Re-surfacing of secondary runway at NSCBI Airport, Kolkata.

The brief terms of the scope of work between the two parties are as under:

ABL shall be the leader for the project and shall:

- Coordinate the day-to-day activities of the consortium.
- Lead any negotiations with AAI with or without assistance of second partner.
- Sign all documents on behalf of the consortium to be submitted to AAI.
- Complete in stipulated time all works assigned under the contract.
- Attend and rectify all or any defects noticed and notified during the defect liability period.



The brief particulars of Ashoka Buildcon Limited are mentioned hereunder:

Place of Registration	Nasik, Maharashtra
Year of Incorporation	1993
Paid-up Share Capital (as 31.03.04)	Rs. 650.00 Lacs
Total Income of the financial year ending 31.03.04	Rs. 16530.28 Lacs

- C. With Minaean Vanitech Engineers Inc. (MVEI): The Company has entered into a MOU dated 13th August 2004 with Minaean Vanitech Engineers Inc. (MVEI), a company incorporated under the Federal laws of Canada and having its place of business at Vancouver, Canada through its representing office at 618, Jaina Tower-1, District Center, Janakpuri, New Delhi – 110 058 for promoting and execution of building and other projects with LGS Minaean Technology in Libya/India.

The brief terms of the scope of work between the two parties are as under:

- MVEI will primarily function in promotion and development of market for construction of residential, mass housing, commercial & international projects with LGS technology and in procurement of contracts. MVEI shall provide Minaean home kit (LGS) to the contractor for execution of such projects.
- MVEI shall further subject to jointly undertake contracts so procured with ECIL for execution.
- Notwithstanding the above, both parties agrees to establish a broad list of their respective functions for joint execution in India and Libya as to be mutually finalized by the two parties.
- This MOU shall be followed by a separate project agreement to be signed between MVEI and ECIL outlining detailed techno-commercial terms and conditions.
- The ECIL undertake that while carrying out the works, the ECIL shall fully comply with all applicable laws and regulations including but not limited to labour and municipal laws, regulations, environmental laws or any other laws, regulations or by law of any central, state, local or other statutory or other authority, including the standards or requirements of land lord or any association/body of architects, builders, etc.
- The ECIL shall get itself registered, at its own cost, with the Employees State Insurance Corporation and other department(s) in order to comply with contractual obligations.
- The MVEI shall liaise and coordinate with all government and other agencies to ensure that the works are carried out efficiently and in accordance with law.
- The ECIL agrees to get registered/enlisted as contractor with appropriate authority(s) in India/Libya if so desired by MVEI for the purpose of complying law of the land.
- The ECIL further agrees to bear all the expenses related to meet out with the above Clause.
- The ECIL and MVEI have also agreed to establish a separate administrative office in Tripoli (Libya) for the purpose of execution of the project.

- D. With Advance Construction Company Private Limited (ACCPL): The Company has entered into a Joint Venture Agreement dated 24th September 2004 to form a joint venture for the purpose of submitting the pre-qualification and thereafter submitting a tender to The Maharashtra Industrial Development Corporation, Mumbai for construction of Multistoried Building in SEEPZ-SEZ at Andheri, Mumbai.

The Company shall be the lead partner of the joint venture and in case the J.V. is successful, an endowment fund will be established, amount of which will be mutually agreed between the Company and ACCPL. However, the holding patterns of the said endowment fund will be 50%-50% from both the parties.

The brief particulars of Advance Construction Company Private Limited are mentioned hereunder:

Place of Registration	Baroda, Gujarat
Year of Incorporation	31.03.1980
Paid-up Share Capital (as on 31.03.04)	Rs. 200.00 Lacs
Total Income of the financial year ending 31.03.04	Rs. 3245.03 Lacs

- E. With Thai Summit Autoparts Industry Co. Limited (TSA) & Neel Metal Products Limited (NMPL): The Company has entered into a memorandum of understanding dated 27th April 2005 between Thai Summit Autoparts Industry Co. Limited & Neel Metal Products Limited to form a consortium for the purpose of submission of Bid-Tender/Application with National Highway Authority of India in connection with the Badarpur Elevated Highway Project.

TSA shall be treated as a Lead Financial Member of the consortium as per eligibility criteria and ERA shall be treated as a Lead Technical Member of the consortium as per eligibility criteria.

The brief particulars of Thai Summit Autoparts Industry Co. Limited are mentioned hereunder:

Place of Registration	Thailand
Year of Incorporation	16.03.1977
Paid-up Share Capital (as on 31.12.2003)	Baht 620 lacs
Total Income of the financial year ending 31.12.2003	Baht 45,365.85 lacs

The brief particulars of Neel Metal Products Limited are mentioned hereunder:

Place of Registration	New Delhi
Year of Incorporation	04.04.1997
Paid-up Share Capital (as on 31.03.04)	Rs. 247.52 Lacs
Total Income of the financial year ending 31.03.04	Rs. 11,388.21 Lacs

Infrastructure Facilities

Raw Materials

Major raw material required for the Company's activities in the construction field are as under: -

1. Cement
2. Steel Rods, Pipe, Sheets, Angles, Round etc.
3. Bricks, Tiles
4. Morram/sand/soil/aggregates
5. Wood
6. Plumbing & Sanitary Fittings
7. Electrical Fittings & Accessories
8. Hardware Fittings
9. Roofing – Cement & Steel
10. Glass and glass claddings

The Company has evolved a system of centralized purchases for bulk and valuable materials while basic inputs like bricks, murrum, sand, and graits are purchased from local market. There is no problem in the availability of the requisite quantity of raw material. The requirements of the raw material are estimated according to the contracts in hand and hence it is not possible to estimate the annual quantitative requirement of raw material.

Additionally, Era Constructions has set-up a procurement team, which is responsible for tracking the prices and monitoring of all raw material requirements. Era Constructions has never faced any difficulty on this front.

Utilities

The main utilities required in construction activity are:

Electric Power

The construction projects are not power intensive. Power is required at site for running various machineries and equipments and also for lighting. Generally power requirement is met at site through normal distribution channel and is generally provided by clients. However, if need arises, Company uses D.G Set to meet power requirements. Power requirement of the Company varies at each stage of project and depends upon the size and nature of the project.

Fuel

The fuel required to operate D.G. Sets and certain heavy equipment is usually met locally.



Water

The Company meets its water requirement largely by digging tube wells at project sites. The cost of utilities is taken care under job charges and administration and other miscellaneous expenses.

Manpower

The present strength of the Company is more than 500 employees. The Company has engaged more than 50 managerial staff for Finance, Technical & Commercial aspects of the business and around 450 supporting staff to ensure the proper functioning of the Company.

The existing manpower is though sufficient to handle the estimated growth of the Company, it may change from time to time as per need of the hour. Besides, most of the labour requirements at construction sites are met through petty contractors.

Products / Services of the Company

The Company is engaged into diversified construction activities comprise of construction of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings. The Company is providing its services to various Public Sector Undertakings, Private Sector Business Groups and Central Public Works Department. The Company has also undertaken certain Asian Development Bank aided projects for execution.

The market for the Company's service i.e. construction is directly linked with the economic development in the country, as construction is the key step for any development. In other words, more economic development results in more construction.

Competition

The construction industry is quite competitive. The Company also faces competition from number of other players in the industry. The award of contracts depends on successfully bidding the tenders. The tendering involves two-tier process. Firstly, the prospective bidders have to qualify technical bids. Only after qualifying the technical bid, the prospective bidders can participate in financial bid. This process of pre-qualification in technical bid wards off the Company from unhealthy competition from small players who are unable to qualify technical bid. Further, the key success factor in qualifying the financial bid is cost competitiveness and the Company has been able to sustain in the competition due to its competitive financial strength, technical competency and low overheads.

Key Players and Market Share

The construction industry is highly fragmented, wherein larger number of players is operating in an unorganized sector and only few of them are in organized sector. Some of the key players in the construction industry are Gammon (India) Ltd., L&T Ltd., Simplex Concrete Piles Ltd., Hindustan Construction Company Ltd., NBCC, Nagarjuna Constructions, Mukand Engineering, Jaiprakash Bholanath, Ansal Housing, JMC Projects, MSK Projects, Subhash Projects, Unitech, Valecha Engg., Afcons, Shapoorji and Pallonji, etc. Due to industry's fragmented nature, there is no authentic data available to the Company on total industry size and market share of the Company vis-à-vis the competitors.

Past Production Figures for the Industry

The construction industry is highly fragmented and is dominated by large number of unorganized players. There are no published data available to the Company for past production figures, existing installed capacity, past trends and future prospects regarding exports, demand & supply forecasts.

Approach to Marketing and Proposed Marketing Set-up.

The Company adopts direct marketing approach. It has set-up a separate full-fledged Tender Department to procure Contracts. The Tender Department is headed by Asstt. General Manager (Contracts) and is supported by his subordinates, which functions under direct supervision of Chairman (Executive) considering the importance and sensitive nature of the Department. Era Constructions undertakes construction contracts from Public Sector Undertakings, Government Departments and also from the Private Clients. The Company is also registered as Class-I Civil Contractor with Director General of works C.P.W.D., C.S.Q. Organizations, Contract & Manual Unit, Nirman Bhawan, New Delhi. While, Public Sector Undertakings and Government Departments invite tenders through public notice, tender from private sector are floated by their Architects/Consultants. The Company obtains tender document from Public Sector Undertakings/Government Department on the basis of such public notice and has been doing so. To procure contracts from Private Clients, the Company on continuous basis collects market information and makes presentation to Architects/ Consultants. The Company's past track record and its association with Architects/Consultants during last 14 years of its existence also helps it to get contracts. The Company has also been bagging repeat orders from its reputed existing client base.

Though, some of the Indian construction companies are targeting overseas market also, but for the time being Era Constructions plans to concentrate on the domestic market only.

Business Strategy

Considering the existing competition in the industry and future entrants, the Company has focused on the following business strategies:

- To operate into diversified sectors such as hospitals, schools, townships, offices, houses and other buildings urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc. The diversified business activities will mitigate business risk in case of slowdown in any particular field.
- To service diversified client base, which includes not only Public Sector Undertakings and Central Public Works Department, but also Private Sector Business Groups. The Company has also undertaken certain Asian Development Bank aided projects for execution. The diversified client base will facilitate adequate flow of revenues.
- To continuously improve size of the projects.

Future Prospects

The Company looks at future of construction industry with optimism. It derives its optimism from various factors including Government emphasis on creating world-class infrastructure, favourable investment climate leading to industrial growth and booming housing sector.

Road Infrastructure

During the Budget speech for the Financial Year 2003-04, Honbl. Finance Minister had announced that four laning of 48 new projects of road infrastructure with a total length of over 10,000 km at an estimated cost of about Rs.40,000 crore, would be taken up on Built-Operate-Transfer (BOT) basis (Source: www.morth.nic.in). Further, recently the Prime Minister's Committee on infrastructure has given in principle approval for an investment of Rs. 1,70,000 crore for national highway development projects over the next seven years. Under the programme, the ongoing phase I (golden quadrilateral) and phase II (North-East- East-West) of the NH projects would not only be completed, but "substantial additional work" would be taken up. The Company intends to grab opportunities in highway/road sector. It has entered into MOU with M/s. Ashoka Buildcon Ltd. to enable to enter into this sector.

Power

Power generation is another focus area where substantial investments are likely to follow. The Ministry of Power has set a goal - Mission 2012: Power for All. A comprehensive Blueprint for Power Sector development has been prepared encompassing an integrated strategy for the sector development with following objectives:-

- Sufficient power to achieve GDP growth rate of 8%
- Reliable of power
- Quality power
- Optimum power cost
- Commercial viability of power industry
- Power for all

Government has already set up a Technology Mission on rural electricity, namely, "Rural Electricity Supply Technology Mission (REST Mission) under the auspices of Ministry of Power with representatives from other Ministries/Organizations like Rural Development, MNES, CSIR, BHEL etc.

Electricity Act, 2003 provides the requisite framework for expediting electrification in rural areas with necessary empowerment. It permits operation of the standalone system in rural areas, independent of regulatory regime. It also provides distribution of electricity in rural areas by NGOs, panchayati institutions etc. The policy framework in this regard to enable streamline and expedite implementation is being prepared separately.

The Company can look at this opportunity due to its vast experience in construction of Power Projects.

Military Accommodation Project

The Government has setup a new organization to undertake the gigantic task of construction of 1.99 Lac married quarters for three services - Army, Air Forces and Navy. The project is covering most the station in the peace as well as hard areas, where families of services persons are residing. The project is to cost approx Rs.17,358 crores and is planned to be completed in a period of 4 Years (Source: www.mod.nic.in). The Company has already been pre-qualified for five such projects aggregating around Rs.12,845 Lacs

Further, vibrant stock market, low interest rate regime and increase in consumer spending is leading to industrial growth and thereby opportunities to construction industry. Considering its diversified sectoral experience, geographical presence and client base, the Company looks ahead with optimism.



Capacity & Capacity Utilization

The Company is operating into construction industry, which can be termed as a service sector. The nature of construction industry prohibits it from reasonably ascertaining installed capacity and therefore capacity utilization. Hence existing installed capacities and capacity utilization for past three years and next three years are not being given.

Competitive Strengths

The Company is promoted by a technocrat having experience of over two decades in construction industry. The Company is professionally managed and has employed experienced professionals in all functional areas like; tendering, execution, finance and administration. At present, the Company employs around 275 engineering professionals having versatile experience. Since its inception, Company has been graduating itself to bid for larger projects and in new sectors of construction. Due to its adaptability according to need, the Company has grown into a construction Company having diversified client portfolio from Public Sector Undertakings to Government Departments to Private Sector.

The Company undertakes diversified construction activities spanning hospitals, schools, housing, urban infrastructure industries (particularly sugar, spinning and pharmaceuticals), multiplexes, power projects, multi-stories buildings and so on. The Company has got ability to execute contracts at geographically diversified locations, which adds to its competitive strength. At present, the Company is executing contracts in almost 15 states of the country. Due to its competitive strength, the Company has bagged certain projects against major companies in the construction industry.

Insurance

The insurers of the Company are:

1. Bajaj Allianz General Insurance Company Ltd.
C-31/32, 1st Floor, Connaught Place, New Delhi – 110 001.
2. Cholamandalam MS General Insurance Company Ltd.
9th Floor, Kanchanjunga Building Barakhamba Road, New Delhi – 110 001.
3. ICICI Lombard General Insurance Company Ltd.
ICICI Bank Towers, NBCC Place, Pragati Vihar Bhishma Pitamah Marg, New Delhi – 110 003.
4. IFFCO-TOKIO General Insurance Company Ltd.
F.A.I. Building, 10, Shaheed Jeet Singh Marg, Qutub Institutional Area, New Delhi – 110 067.
5. Oriental Insurance Company Ltd.
Oriental House P.B. No. 7037, A-25/27, Asaf Ali Road, New Delhi – 110 002.
6. Life Insurance Corporation of India
Branch Office:31,Community Center, New Friends Colony, New Delhi-110 065.
7. Tata AIG General Insurance Company Ltd.
Berjaya House, 8th Floor, Community Centre, New Friends Colony, New Delhi-110 065

The Company has insurance policies of the following nature:

1. Insurance of standard fire and special perils policy for furniture and fixtures in the office premises
2. Contractors All Risk Policies
3. Contractor Plant and Machinery Policies
4. Insurance of motor vehicles
5. Keyman Insurance Policies (Jeevan Shree)
6. Money Insurance.
7. Marine cargo inland policy
8. Burglary & standard fire and special perils policy for material at different projects.
9. Public Liability policy
10. Electronic equipment policy

Property

As per the audited balance sheet dated 31st March 2005, the Company doesn't own any immovable property.

Purchase of Property

The Company does not propose to purchase or acquire any property, which is to be paid for wholly or partly out of the proceeds of this Issue.

3. History and Corporate Structure of Era Constructions

History and Major Events

Era Constructions (India) Limited was incorporated as Era Constructions (India) Private Limited vide Certificate of Incorporation No. 55-41350 dated September 03, 1990 with Registrar of Companies, NCT of Delhi and Haryana at New Delhi and subsequently converted into a Public Limited Company and the name was changed to Era Constructions (India) Limited vide fresh Certificate of Incorporation dated October 19, 1992.

The Company is promoted by Mr. H.S. Bharana, a civil engineering professional, having more than two decades experience in Construction Industry. The Company came out with an IPO of 15,00,000 Equity shares of Rs.10 each for Cash at a premium of Rs.15/- per share aggregating Rs.375 Lacs in March 1995 to expand and strengthen its existing operations, augment the long-term working capital resources and to enlist the shares of the Company on Stock Exchanges.

Era, a medium sized construction Company, is ISO 9001:2000 certified and is engaged in diversified construction activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings catering to the PSUs, private sector, CPWD and Asian Development Bank aided projects. The Company has also undertaken area development works for Jodhpur city such as water supply, sewerage, road and drain works in various residential colonies and sewers work, construction of manholes & restoration of roads in Bikaner City, which are funded by Asian Development Bank.

The Company has completed more than 50 projects in a span of last fourteen years. The Company has serviced many reputed clients like National Thermal Power Corporation Ltd. (NTPC), Indian Railway Welfare Organization, NBCC, Public Works Department (PWD), Central Public Works Department (CPWD), National Dairy Development Board, NHPC, IRCON International Ltd., Unichem Laboratories Ltd. and Rajasthan Spinning & Weaving Mills Ltd.

The major suppliers of the Company include J.K. Cement Works Ltd., Kajaria Ceramics Ltd., S.P.L. Ltd., Birla Corporation Ltd., S K F Industries, Madhusudan Ceramics Ltd., Rajat Steel, Sushila Steel, Schwing Stetter India Pvt. Ltd., CICO Technologies Ltd. and Jayaswal Neco Ltd.

The Company is professionally managed through well qualified and experienced personnel in all areas including engineering, finance and administration combined with a full fledged ERP and MIS system.

Important Events in the History of the Company

Year	Event
1990	Incorporation in September
1991	Profit in the very first year of Incorporation
1994	Bonus in the ratio of 1:1
1995	Initial Public Offer of 15,00,000 Equity Shares of Rs.10/- each at a premium of Rs.15/- per share aggregating to Rs.375 Lacs
1996	Awarded "MA" Rating, which indicates adequate safety, for Fixed Deposit by ICRA
1997	Crossed Annual Turnover of Rs.5000 Lacs
1999	Awarded Talcher Super Thermal Power Project (Unit I & II) by NTPC for Rs.3134 Lacs
2000	ISO 9002 Certification from Det Norske Veritas on 31.10.00
2000	Awarded Talcher Super Thermal Power Project (Unit III & IV) NTPC for Rs.2983 Lacs
2001	Awarded Ramagundam Super Thermal Power Project by NTPC for Rs.2897 Lacs
2003	ISO 9001:2000 certification from NQAQSR on 15.12.03 valid upto 11.12.06
2003	Awarded Vindhyaachal Super Thermal Power Project by NTPC for Rs.4306 Lacs
2003	Awarded Kahalgaon Super Thermal Power Project by NTPC for Rs.5169 Lacs
2003	Crossed Annual Turnover of Rs.10000 Lacs
2004	Bonus Issue in the Ratio of 1:2.
2004	Awarded Bawana project by Delhi State Industrial Development Corporation Ltd. for Rs.4539 Lacs
2004	Awarded Sipat Super Thermal Power Project by NTPC for Rs.7857 Lacs



Registered Office of the Company

The existing registered office of the Company is on lease for a term of three years w.e.f. April 1, 2005 vide registered lease deed dated April 12, 2005 signed between the Company and Smt. Om Wati & Shri Amit Gupta for a rent of Rs.64,000/- per month.

Details of Changes in Registered Office of the Company

Old Place of Registered Office	Shifted to	Date of Change	Reason
D-8&9, Pushpa Bhawan, G-3, Alakananda Shopping Complex, New Delhi – 110 019.	E-43, Greater Kailash III, Masjid Moth, New Delhi –110 019	10.02.92	Shifted to a better premises
E-43, Greater Kailash III, Masjid Moth, New Delhi – 110 019.	A- 38/B Kailash Colony, New Delhi – 110 048.	24.05.93	Shifted to a better premises
A- 38/B Kailash Colony, New Delhi – 110 048.	370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014.	01.08.97	Shifted to a better premises

Changes in the Memorandum of Association of the Company

Since Incorporation of the Company, the following changes have been incorporated in the Memorandum, after approval of the Members:

Particulars	Date of the Meeting	Type of Meeting
Increase in Authorised Capital	27.12.91	EGM
Conversion from Pvt. Ltd. to Public Ltd.	05.09.92	EGM
Increase in Authorised Capital	31.12.92	EGM
Increase in Authorised Capital	30.07.94	EGM
Split in the Face Value of Shares	30.07.94	EGM
Increase in Authorised Capital	30.09.95	AGM
Increase in Authorised Capital	25.09.04	AGM

Major Projects Executed

The Company has catered to a wide variety of clients including National Thermal Power Corporation Ltd., Indian Railway Welfare Organization, NBCC Ltd., Public Works Department, Central Public Works Department, National Dairy Development Board, NHPC, IRCON International Ltd., Unichem Laboratories Ltd. and Rajasthan Spinning & Weaving Mills Ltd. The description of the type of work and value thereof for major projects executed by the Company since incorporation is given below:

		Rs. in Lacs
Sr. No.	Name of the Client and details of the Project	Contract Amount
1	National Buildings Construction Corporation Ltd., Chandigarh ● RCC framed multistoried State Institute Building for Health & Family Welfare at Phase VI, Mohali (Punjab)	450.00
2	Rainbow Denim, Mumbai ● Composite Denim Project at Lalru, Punjab	1,860.00
3	Unichem Laboratories Ltd., Ghaziabad ● Factory Building at Meerut Road, Ghaziabad	408.00
4	National Hydroelectric Power Corporation Ltd, Faridabad (Haryana) ● Multistoried Extension Building of NHPC Office Complex	450.00
5	Indian Railway Welfare Organisation ● RCC Framed Structure Four Storied Flats of 206 Dwelling Unit At Akurdi, Pune	1,208.33
6	National Dairy Development Board, Bangalore ● Construction of Civil, Structural, Internal Electrification works at Dry Wet Godown cum Office complex at Adugodu, Bangalore	523.62

Sr. No.	Name of the Client and details of the Project	Contract Amount
7	Krishak Sahkari Shakkar Karkhana Mydt., Guna (M.P) ● Civil & Structural Works for 2500 TCD Sugar Plant	1,026.00
8	Indian Railway Welfare Organisation ● 300 Dwelling Units At Vasundhara, Ghaziabad (U.P)	1,340.00
9	National Aluminium Company Ltd ● Balance Work For Township Expansion At Damanjodi, Orissa	693.16
10	Central Public Works Department ● International Training Institute For CAG of India At A-52, Sector-62, Noida (U.P)	1,053.64
11	Abhishek Spinfab Corp. Ltd., Sangrur ● Yarn processing unit & Terry Towel Project at Sangrur	1100.00
12	Public Works Department, S.U. Block, Pitampura, Delhi ● 200 Bedded Satyawadi Raja Harish Chandra Hospital at Narela, Delhi	1,550.00
13	Punjab Urban Planning & Development Authority ● District Administrative Complex at Hoshiarpur (Punjab)	1,908.58
14	Punjab Urban Planning & Development Authority ● PUDA Office Complex at Mohali, Punjab	1,825.00
15	National Thermal Power Corporation Limited ● Construction Of TG Area-Civil Works-I Package For Talcher Super Thermal Power Project I & II Unit of Stage-II	3,269.70
16	Central Government Employees Welfare Housing Organization, New Delhi ● Group Housing Project At Pune	1,145 .00
17	Indian Railway Welfare Organisation ● Construction of multi-storied flats at Sector-45, Faridabad	962.72
18	Public Works Department, New Delhi ● Construction of Dental Wing at Maulana Azad Medical College, New Delhi	802.00
19	S.R.S. Commercial Company Ltd. ● Construction of Multiplex at Faridabad	1,500.00
20	Rajasthan Urban Infrastructure Development Project ● Infrastructure and area development works for Jodhpur City	800.00
21	Central Government Employees Welfare Housing Organisation ● Construction Work of Army Institute of Management & Technology for Army Welfare Education Society at Greater Noida (U.P.)	1,500.00
22	Sun Pharmaceutical Industries ● Construction of civil work for Pharmaceutical Formulation Plant alongwith Ancillary Work at Jammu	528.93

Past Working Results

The contract receipts generated have also consistently grown from Rs. 9,163 Lacs in FY02 to Rs. 15,624 Lacs in FY05. Profit after tax has also witnessed consistent growth from Rs. 175 Lacs in FY02 to Rs. 234 Lacs in FY03 at a growth rate of 34%, Rs. 289 Lacs in FY04 at a growth rate of 24% and further to Rs. 545 Lacs in FY05 at a growth rate of 89%.



Present Business Operations and Projects on Hand

As stated above, the Company is engaged in diversified construction activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings catering to the PSUs, private sector, CPWD and Asian Development Bank aided projects. The Company typically enters into high value contracts for the aforesaid activities, which sometimes provide for levy of penalty, normally for time-overrun cases. The relevant details of some of the major projects on hand as on May 30, 2005 are given below:

Sr. No.	Name of Client	Description of Work	Value of Contract	Performance Guarantee	Security Deposit	Maximum Penalty	Expected Completion Date	Remarks
1.	National Thermal Power Corporation Limited	Civil Works for Talcher Super Thermal Power Project, Unit III & IV, Stage II (4x500 MW)	2,982.59	149.13	—	5% of contract value	31.07.05	No penalty has been imposed till date, but no confirmation of extension has been received from client.
2.	National Thermal Power Corporation Limited	Civil Works for Ramagundam Super Thermal Power Project, Stage III (1x500 MW)	2,896.94	144.85	—	5% of contract value	30.06.05	No penalty has been imposed till date
3.	National Thermal Power Corporation Limited	TG Area Civil Works Package for Vindhyaachal Super Thermal Power Project, Stage-III (2x500 MW)	4,306.23	215.31	—	5% of contract value	28.02.07	No penalty has been imposed till date
4.	National Thermal Power Corporation Limited	TG Area Civil Works Package for Kahalgaon Super Thermal Power Project, Stage II, Phase-I (2x500 MW)	5,168.88	258.44	—	5% of contract value	26.05.07	No penalty has been imposed till date
5.	National Thermal Power Corporation Limited	TG Area Civil Works Package for SIPAT Super Thermal Power Project, Stage-I (3x660 MW)	7,856.90	392.85	—	5% of contract value	06.12.08	No penalty has been imposed till date
6.	Public Works Department Division No. II, New Delhi	Construction of General ward and Specialty ward at Lok Nayak Hospital, New Delhi	2,530.30	—	5.00	10% of contract value	31.12.05	No penalty has been imposed till date.
7.	Public Works Department, PWD-31 (NCTD), New Delhi	Construction of Casualty Block at Lok Nayak Hospital, New Delhi.	2,417.00	104.00	5.00	10% of contract value	31.07.05	No penalty has been imposed till date
8.	Power Grid Corporation of India Ltd., New Delhi	Civil and other allied works for non-residential buildings including school and sports complex at Sector - 43, Gurgaon	865.12	45.76	—	7.50% of contract value	31.01.05 (Extension applied for)	No penalty has been imposed till date, but no confirmation of extension has been received from client

Sr. No.	Name of Client	Description of Work	Value of Contract	Performance Guarantee	Security Deposit	Maximum Penalty	Expected Completion Date	Remarks
9.	Power Grid Corporation of India Ltd., New Delhi	Civil and other allied works for Township complex at Sector - 43, Package-IA, Gurgaon	1,530.34	79.02	—	7.50% of contract value	30.04.05 (Extension applied for)	No penalty has been imposed till date
10.	Power Grid Corporation of India Ltd., New Delhi	Civil and other allied works for Township complex at Sector - 46, Package-IB, Gurgaon	1,106.80	57.84	—	7.50% of contract value	31.07.05	No penalty has been imposed till date
11.	Rajasthan Urban Infrastructure Development Project	Infrastructure and area development works for Bikaner City – Lot I	905.49	90.55	45.27	10% of the contract value	30.06.05	An amount of Rs.271664/- has been held towards penalty for delay in completion
12.	Rajasthan Urban Infrastructure Development Project	Infrastructure and area development works for Bikaner City – Lot II	940.93	94.09	47.05	10% of the contract value	30.06.05	An amount of Rs.345453/- has been held towards penalty for delay in completion
13.	Central Public Works Department	Construction of Homeopathic Pharmacopoeia Lab (HPL) and Pharmacopeial Lab of Indian Medicine (PLIM) at Ghaziabad	506.59	—	5.00	10% of contract value	14.02.05 (Extension applied for)	No penalty has been imposed till date, but no confirmation of extension has been received from client
14.	Central Public Works Department	Construction of C.I.S.F. campus Phase-II at Indirapuram, Ghaziabad (U.P.) – Housing Project	487.26	24.36	24.36	10% of contract value	11.01.05 (Extension applied for)	No penalty has been imposed till date, but no confirmation of extension has been received from client
15.	Public Works Department, NCT of Delhi	Construction of Keshav Mahavidyalaya at Pitampura, Delhi	786.22	39.31	39.31	10% of contract value	31.07.05	No penalty has been imposed till date
16.	National Institute of Open Schooling, New Delhi	Development of campus and construction of office complex at Noida (U.P.)	1,721.20	86.06	25.00	5% of contract value	14.07.05	No penalty has been imposed till date
17.	Institute of Human Behaviour & Allied Sciences, New Delhi	Construction of Institutional and Residential buildings at Shahdara, Delhi, Phase I.	2,335.22	116.76	116.76	10% of contract value	26.02.05 (Extension Applied for)	No penalty has been imposed till date



Sr. No.	Name of Client	Description of Work	Value of Contract	Performance Guarantee	Security Deposit	Maximum Penalty	Expected Completion Date	Remarks
18.	Delhi State Industrial Development Corporation Ltd.	Construction of Houses with cost effective technologies Pocket A & B (3164 dwelling units) composite work at Bawana Industrial Complex, New Delhi	4,539.00	226.95	226.95	10% of contract value	11.06.06	No penalty has been imposed till date
19.	Delhi Metro Rail Corporation Ltd.	Construction of ITI Building at Dheerpur, New Delhi	1,245.04	124.50	—	10% of contract value	11.01.05 (Extension applied for)	No penalty has been imposed till date, but no confirmation of extension has been received from client
20.	Panacea Biotech Ltd.	Civil Construction at Baddi site (H.P.)	539.78	—	26.99	5% of contract value	26.03.05 (Extension applied for)	No penalty has been imposed till date
21.	Airports Authority of India	Construction of Integrated Cargo Complex (Phase-I) at NSCBI Airport, Kolkata	2,936.74	—	20.00	10% of contract value	01.03.06	No penalty has been imposed till date
22.	Alps Industries Limited	Construction of 25000 Spindles Spinning Unit at Haridwar (Uttaranchal)	2,560.26	25.00	—	5% of contract value	16.07.05	No penalty has been imposed till date
23.	Ganpati Shopping Malls Pvt. Ltd.	Construction of Galaxy World Multiplex at Sector 7, Ambala City, Haryana	478.51	12.50	15.00	10% of contract value	12.04.06	No penalty has been imposed till date
24.	Mother Dairy Foods Processing Limited	Construction of Office Building at Sector-1, Noida (U.P.)	633.22	31.66	—	10% of contract value	03.11.05	No penalty has been imposed till date
25.	Agrawal Polyfil Private Limited	Construction of Spinning Unit at Bhilad, Distt. Valsad, Gujarat (Only letter of intent has been received so far by ECIL, contract has not been signed)	212.00	10.00	—	NIL	07.07.05	No penalty has been imposed till date
26.	Cadila Pharmaceuticals Limited	Civil construction for factory building at Samba, Distt. Jammu	791.32	—	39.57	Nil	30.06.05	No penalty has been imposed till date

Sr. No.	Name of Client	Description of Work	Value of Contract	Performance Guarantee	Security Deposit	Maximum Penalty	Expected Completion Date	Remarks
27.	Paras Pharmaceuticals Limited	Construction of Pharmaceutical Building for new formulation facility at Baddi, Himachal Pradesh	1,080.57	NIL	5%	5% of contract value	31.08.05	No penalty has been imposed till date
28.	Neel Metal Products Limited	Construction work at NMPL, Sector 5, IIE, Haridwar	1,020.00	Nil	10%	10%	30.11.05	No penalty has been imposed till date
		TOTAL	55,380.45					

As per the existing order book of the Company, more than 70% contracts in terms of value are from few customers viz. National Thermal Power Corporation Limited, Delhi State Industrial Development Corporation Ltd., Airports Authority of India, Public Works Department & Power Grid Corporation of India Ltd. This as on date customer concentration makes majority of Company's revenues dependable upon these few customers, until there are no major additions in the order book.

Focus Areas of Business

Presently, the thrust areas of the Company are:

- Airports and metro railways
- Power projects
- Infrastructure
- Institutions
- Industrial complexes
- Multistoried complexes and residential buildings

Main Objects

The main objects of the Company as given in Memorandum of Association of the Company are reproduced below:

1. To carry on the business of builders, civil contractors, and sanitary engineers, architects, town planners and to submit tenders for the aforesaid business.
2. To layout, develop, construct, build, erect, demolish, re-erect, repair, re-model or do any other work in connection with any building or building schemes, factory, workshop, road, wells, sanitary, water and electrical installations, or any other structural or architectural work of any kinds and for such purpose to prepare estimates, designs, plans, specification or models thereof and allied business thereto.

The Company, vide a special resolution passed at the Extra Ordinary General Meeting of the shareholders held on 08.05.95, has approved the commencement of business in relation to the object(s) covered by sub-clauses (1) to (46) of Part III – C under the other objects of the Memorandum of Association of the Company other than the main object or objects incidental or ancillary thereof as specified in its Memorandum of Association.

Subsidiaries of Era Constructions

As per the audited balance sheet dated 31st March 2005, the Company doesn't have any subsidiaries.

Shareholders' Agreement

There is no Shareholders' Agreement existing as on date.

Other Agreements

Except the Agreements, as mentioned under the sub-heading "Collaborations" appearing on page 28 of this Prospectus and the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

Financial / Strategic Partners

The details of financial / strategic partners for specific purposes are mentioned under the sub-heading "Collaborations" appearing on page 28 of this Prospectus.



4. Management

The Company is a professionally managed organization. The Company functions under the control of a Board consisting of professional Directors. The day-to-day matters are looked after by qualified key personnel, under the supervisions of a Chairman (Executive), Managing Director and Executive Director.

Board of Directors

Name, Age, Designation, Address & Occupation	Other Directorships
Mr. H.S. Bharana (45 years) Chairman (Executive), C-146, 1 st Floor, Sarvodaya Enclave, New Delhi – 110 017. Businessman	WTD Era (India) Limited Era Exports (India) Limited Era Infrastructure (India) Limited
Mr. B. K. Vinayak (67 years) Managing Director, 66, Lok Nayak Apartments, Sector-9, Rohini, New Delhi – 110 085. Business Executive	Nil
Mr. P.P. Mainra (56 years) Executive Director, Flat No.86, Sector “A”, Pocket – C, Vasant Kunj, New Delhi – 110 070. Business Executive	Nil
Mr. A.K. Mehta (55 years) Director, A-5, Empire Estate, Sultanpur, Mehrauli Gurgaon Road, New Delhi – 110 030. Business Executive	WTD Era (India) Limited Era Exports (India) Limited Era Infrastructure (India) Limited
Mr. A.K. Seth (52 years) Director, W – 19, Rajouri Garden, New Delhi – 110 027. Chartered Accountant	Nil
Mr. J.L. Khushu (63 years) Director, Block P-II C, Apartment No. 036, Princeton Estate, DLF Phase – V, Gurgaon – 122 002. Consultant (Engineering)	Era Infrastructure (India) Limited
Mr. Arvind Pande (63 years) Director E-148 (FF), East of Kailash New Delhi –110 065 Retired Senior Executive	HDFC Bank Limited IVCRL Infrastructure & Projects Limited Sandhar Locking Devices Limited Visa Industries Limited Asset Care Enterprises Limited
Mr. B.B. Kumar (58 years) D-137, Sector-27 Noida (U.P.) Retired Senior Executive	Nil
Mr. S.D. Sharma (65 years) C-1/24, Safdarjang Development Area, New Delhi – 110 016. Retired Senior Executive	Surya Datta Nirmal Engineering Pvt. Ltd.

Brief Profile of the Board of Directors is given below:

The brief profile of Executive Directors is mentioned under sub-heading “Brief Profile of Executive Directors” on page 1 of this Prospectus.

The brief profile of other members of the Board of Directors is mentioned hereunder:

Mr. A. K. Mehta

Mr. A. K. Mehta is having 34 years of experience in management and administration. He had been in the Indian Army from 1970 to 1976 as a Commissioned Officer and thereafter has worked with various companies including Vardhman Spinning & Gen. Mills Ltd. as Admin. & Security Officer from 1976 to 1977, Northern India Hotels Ltd. as Manager Commercial, Admin & Personnel from 1978 to 1985, Kajeco Industries as Divisional Manager & Manager Admin from 1981 to 1985, Raunaq Group of Industries as General Manger & Project Manger during 1985 to 1991 and Rico Agroils as Chief Executive (Advisor) during the year 1991 to 1994. Thereafter he became the director of Era Constructions (India) Limited on 20th August 1994. Mr. A.K. Mehta is the Chairman of Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee of the Board of Directors of Era Constructions (India) Limited.

Mr. A.K. Seth

Mr. A.K. Seth is a Chartered Accountant having about three decades of experience in the areas of finance and accounts. Having worked with organization such as M/s. H & H Corporate Buying Office as CEO, Era Constructions as Head - Commercial and Accounts & Finance and Sewa Group as CEO, in the past, he has gained experience in financial & commercial areas of the corporate world. Mr. A.K. Seth has been associated with Era Constructions (India) Limited since 24th June 2002. He is also a member of Audit Committee, Remuneration Committee and Share Transfer Committee of the Board of Directors of the Company.

Mr. J.L. Khushu

Mr. J.L. Khushu, a Civil Engineer and Master in Structural Engg., is a retired Chief Engineer, Ministry of Urban Development. He has held varied posts from Asstt. Executive Engineer to Chief Engineer and having about 40 years of experience in total project management of large size Roads, Bridges and Building projects. He has been involved in pre & post award of work, budgeting & finance control, standardization & quality control, material management, co-ordination of projects. He has also acted as Advisor to many autonomous bodies for project management of centrally financed projects. Mr. J.L. Khushu has been appointed as Director of Era Constructions ((India) Limited on 30th November, 2004. Mr. J.L. Khushu is a member of Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee of the Board of Directors of the Company.

Mr. Arvind Pande

Mr. Arvind Pande, B.Sc., B.A. (Hons.), M.A. (Eco), Cambridge University, U.K., is a retired IAS Officer having about 40 years of versatile experience with Govt. of India and various public sector undertakings. He started his career in Indian Administrative Service in 1965 and worked in various Government positions which include:

- a) Director, Department of Economic affairs, Ministry of Finance Govt. of India (1974-1978) – dealing with World Bank aided projects;
- b) Special Secretary, Government of Madhya Pradesh, Department of Finance (1978 - 1981);
- c) Joint Secretary to the Prime Minister of India (From April 1981 to August 1986) – Economic, Science & Technology Issues;
- d) He joined Steel Authority of India Ltd., (SAIL) in 1986 as Director (Corporate Planning) and subsequently as Director (Personnel & Corporate Planning). From January 1993 to January 1997, he became Vice Chairman of SAIL. He was Chairman and Chief Executive Officer from January 1997 to September 2002 of SAIL. He was Advisor to Executive Director for India, Bangladesh and Sri Lanka at the World Bank, Washington D.C USA (1971-1974), and assisted him in Policy Issues relating to the Bank in the processing of Bank assisted projects to India. He travelled extensively within and outside India, participated in several aid/trade/procurement related negotiations;
- e) He was earlier associated as a Director/Member of Indian Institute of Metals; International Management Institute, New Delhi; International Iron & Steel Institute Belgium; National Council for Applied Economic Research (NCAER), Board of Governors, New Delhi; Confederation of Indian Industry, New Delhi; Indian Institute of Technology, Guwahati; Technology Information, Forecasting and Assessment Council, New Delhi.

At present, Mr. Pande is also a director of HDFC Bank Ltd., IVCRL Infrastructure & Projects Limited, Sandhar Locking Devices Limited, Visa Industries Limited & Asset Care Enterprises Limited. Mr. Pande has joined Era Constructions (India) Limited w.e.f 19th March 2005.



Mr. B.B. Kumar

Mr. B.B. Kumar, a B.Tech (Civil), is having about 38 years of experience in construction Industry. Having worked for around four decades with NBCC Ltd., he has held last post as Executive Director in NBCC Ltd. As Executive Director of NBCC Ltd., he has functioned in the capacity of Technical Advisor to functional Board of Directors and as in-charge of law, contracts engineering and consultancy division of NBCC Ltd. Mr. B.B. Kumar has joined Era Constructions (India) Limited w.e.f 19th March 2005.

Mr. S.D. Sharma

Mr. S.D. Sharma is a Civil Engineer and Master in Structural Engineering. He is a fellow member of the Institution of Engineers and Institution of Permanent Way Engineers (India) and is a member of Arbitration Council of India. He started his career as Assistant Engineer with Northern Railways and after having worked for more that four decades with Northern Railways, he has retired as Director - Technical from IRWO (Indian Railway Welfare Organization). He has been associated with Northern Railways in planning execution of major projects (in India as well as abroad) involving group housing projects with multi storied construction, construction of bridges, tunnels, buildings and railway yards on Northern Railway etc. Mr. S.D. Sharma has been appointed on the Board of Era Constructions (India) Limited w.e.f. 28th May 2005.

Details of Borrowing Powers

Vide a resolution passed at the Annual General Meeting of the Company held on 25th September 2004, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), shall not exceed in the aggregate at any one time Rs. 200.00 crores (Rupees Two Hundred Crores only) irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

The Board was also authorized to do all such acts, deeds and things as may be required for the purpose of giving effect to the above resolution.

Compensation of Whole time Directors / Managing Director

Remuneration of Chairman

As per the resolution passed at AGM of the Company held on 25th September 2004, the Company approved the appointment of Mr. H.S. Bharana, as a whole time Director designated as Chairman of the Company for a period of five years with effect from 28th August 2004. The remuneration of Mr. H.S. Bharana was fixed as under:

- a) Salary : Rs. 1,00,000/- per month
- b) Perquisites : subject to maximum of Rs. 12,00,000/- per annum
- c) Commission : 5% of the net profit less remuneration payable under point no. a & b above.

Further, it was also resolved that Mr. H.S. Bharana shall not be liable to retire by rotation.

Remuneration of Managing Director

As per the resolution passed at AGM of the Company held on 25th September 2004, consent of the Company was accorded for the reappointment of Mr. B.K. Vinayak as Managing Director of the Company for a further period of two (2) years w.e.f. 24th June 2004. The remuneration of Mr. B.K. Vinayak was fixed as under:

Salary: Rs. 30,000/- per month

In addition to the above salary, the following perquisites classified into three categories - Part A, B & C as follows equal to annual salary or Rs. 3,60,000/-per annum whichever is less, is payable.

CATEGORY - "A"

- 1. Housing
 - i. The expenditure by the Company in hiring unfurnished accommodation will be subject to the ceiling of maximum of Rs. 12000/- per month.
 - ii. In case no accommodation is provided by Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down as above.
- 2. Medical Re-imbursement Expenses incurred for self and family subject to a ceiling of maximum of Rs.1250/- per month.

CATEGORY - "B"

- 1. Leave Travel Concession For self and family once in a year incurred in accordance with the Rules specified by the Company.

CATEGORY “C”

1. Other Perquisites Subject to the overall ceiling on perquisites mentioned as above the Managing Director may be given other allowance, benefits and perquisites as the Board of Directors may from time to time decide.

Further, it was also resolved that Mr. B.K. Vinayak shall not be liable to retire by rotation.

Remuneration of Executive Director

As per the resolution passed at AGM of the Company held on 25th September 2004, consent of the Company was accorded for the appointment of Mr. P.P. Mainra as Executive Director of the Company for a period of three (3) years w.e.f. 1st March 2004. For the period from 1st March 2004 till 27th August 2004, the remuneration of Mr. P.P. Mainra was fixed as under:

Salary: Rs. 16,065/- per month

In addition to the salary of Rs. 16,065/- as stated above, Mr. P.P. Mainra was also entitled for the following perquisites as classified into three categories - Part A, B & C: -

CATEGORY - “A”

1. Housing
- i. The expenditure by the Company in hiring unfurnished accommodation will be subject to the ceiling of maximum of sixty percent of basic salary.
 - ii. In case no accommodation is provided by Company, the Executive Director shall be entitled to House Rent Allowance subject to the ceiling laid down as above
2. Medical Re-imburement Expenses incurred for self and family subject to a ceiling of maximum of 8.33 percent of basic salary.

CATEGORY - “B”

1. Gratuity Not exceeding half month’s salary for each completed year of service.
2. Leave Travel Concession For self and family once in a year incurred in accordance with the Rules specified by the Company, subject to ceiling of maximum of one month’s basic salary.

CATEGORY “C”

1. Conveyance Reimbursement Reimbursement of actual expenses incurred on conveyance.
2. Bonus/Exgratia payment Shall be entitled to bonus/ exgratia payment subject to the maximum of 20% of basic salary.

Vide another resolution passed at AGM of the Company held on 25th September 2004, w.e.f. 28th August 2004, the remuneration of Mr. P.P. Mainra was fixed as under:

Salary: Rs. 25,000/- per month

In addition to the salary of Rs. 25,000/- as stated above, Mr. P.P. Mainra is also entitled for the following perquisites as classified into three categories - Part A, B & C: -

CATEGORY - “A”

1. Housing
- i. The expenditure incurred by the Company in hiring unfurnished accommodation will be subject to the ceiling of sixty percent of basic salary.
 - ii. In case no accommodation is provided by Company, the Executive Director shall be entitled to House Rent Allowance subject to the ceiling laid down as above.
2. Medical Re-imburement Expenses incurred for self and family subject to a ceiling of Rs. 1,250/- per month.

CATEGORY - “B”

1. Gratuity Not exceeding half month’s salary for each completed year of service.
2. Leave Travel Concession For self and family once in a year incurred in accordance with the Rules specified by the Company, subject to ceiling of one month’s basic salary.

CATEGORY “C”

1. Conveyance Reimbursement Reimbursement of actual expenses incurred on conveyance.
2. Bonus/Exgratia payment Shall be entitled to bonus/Exgratia payment subject to the maximum of 20% of basic salary.



Corporate Governance

The Company has complied with SEBI guidelines in respect of Corporate Governance specially with respect to broad basing of Board, constituting the committees such as Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration Committee and Share Transfer Committee. The Company being an existing listed Company, has complied with the provisions of Corporate Governance as follows:

Composition of Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly not less than 50% of the Board of Directors comprises of non-executive and independent Directors.

Sr. No.	Name of the Director	Status*	Date of Expiry of Terms
1	Mr. H.S. Bharana	Executive Director	27 th August 2009 (As Executive Director, not liable to retire by rotation)
2	Mr. B.K. Vinayak	Independent & Executive Director	23 rd June 2006 (As Executive Director, not liable to retire by rotation)
3	Mr. P.P. Mainra	Independent & Executive Director	28 th February 2007 (As Executive Director, liable to retire by rotation)
4	Mr. A.K. Mehta	Independent & Non-Executive Director	To be retired by rotation
5	Mr. A.K. Seth	Independent & Non-Executive Director	To be retired by rotation
6	Mr. J.L. Khushu	Independent & Non-Executive Director	Additional Director, to hold office upto the date of next AGM
7	Mr. Arvind Pande	Independent & Non-Executive Director	Additional Director, to hold office upto the date of next AGM
8	Mr. B.B. Kumar	Independent & Non-Executive Director	Additional Director, to hold office upto the date of next AGM
9	Mr. S.D. Sharma	Independent & Non-Executive Director	Additional Director, to hold office upto the date of next AGM

* As per Clause 49 of the Listing Agreement

There is no service contract between the Company and its Executive Directors, which provides for benefits upon termination of employment.

Audit Committee

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the listing agreement entered into with the Stock Exchanges. The Committee consists of non-executive as well as Independent Directors. All members of the Audit Committee are financially literate. Mr. A.K. Seth, member of the Audit Committee, being a chartered accountant, possesses requisite accounting expertise.

The Audit Committee provides directions to and reviews functions of the Audit Department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.

Composition of Audit Committee

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. A.K. Mehta	Chairman	Independent & Non-Executive Director
2	Mr. A.K. Seth	Member	Independent & Non-Executive Director
3	Mr. J.L. Khushu	Member	Independent & Non-Executive Director

Shareholders' / Investors' Grievance Committee

The Company has a Shareholders' / Investors' Grievance Committee to redress the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialisation of shares, non-receipt of declared dividend etc.

Composition of Shareholders' / Investors Grievances Committee

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. A.K. Mehta	Chairman	Independent & Non-Executive Director
2	Mr. B.K. Vinayak	Member	Independent & Executive Director
3	Mr. J.L. Khushu	Member	Independent & Non-Executive Director

Remuneration Committee

The Remuneration Committee determines the Company's policy on specific packages for Executive Directors.

Composition of Remuneration Committee

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. A.K. Mehta	Chairman	Independent & Non-Executive Director
2	Mr. A.K. Seth	Member	Independent & Non-Executive Director
3	Mr. J.L. Khushu	Member	Independent & Non-Executive Director

Share Transfer Committee

The Share Transfer Committee mainly approves & registers transfer and/or transmission of shares. It also ensures sub-division, consolidation and issuance of share certificates.

Composition of Share Transfer Committee

Sr. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. H.S. Bharana	Chairman	Executive Director
2	Mr. B.K. Vinayak	Member	Independent & Executive Director
3	Mr. A.K. Seth	Member	Independent & Non-Executive Director

Shareholding of Directors

Name of the Director	No. of Shares Held
Mr. H.S. Bharana	13,42,500
Mr. A.K. Mehta	1,650

Interest of the Directors

Except as otherwise stated in this Prospectus, all the directors of Era Constructions may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The Directors may also be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Era Constructions with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

The Chairman (Executive), Managing Director and Executive Director of the Era constructions are interested to the extent of remuneration paid to them for services rendered to the Company (For more details, please refer "Related Party Disclosures" as mentioned under Sr. No. 18 of the Auditors' Report given on page 55 of this Prospectus). Further, the Directors are interested to the extent of Equity Shares that they are holding and or allotted to them out of the present Issue, if any, in terms of the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.



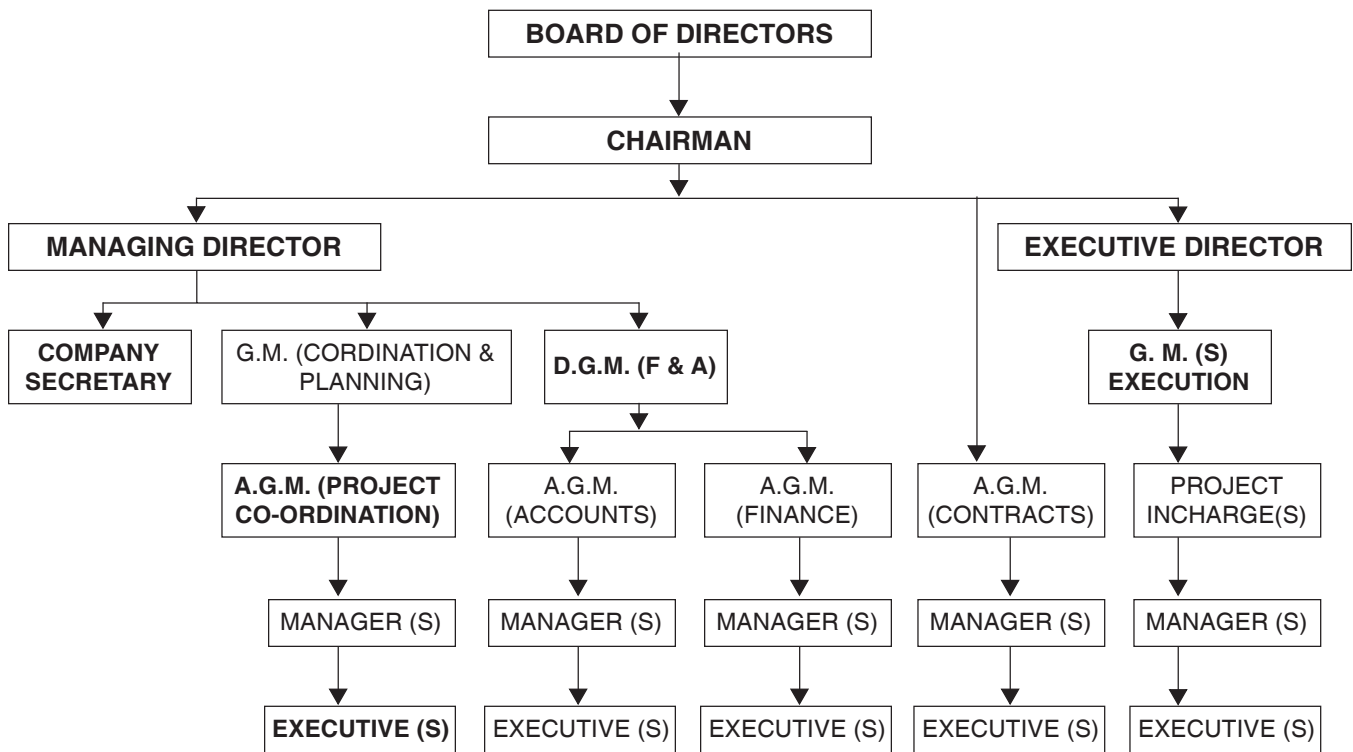
Mr. H.S. Bharana is also Promoter of Era Financial Services (India) Limited, which is having business transactions with Era Constructions. The details of such transactions are given under Sr. No. 18 i.e. “Related Party Disclosures” of the Auditors’ Report given on page 55 of this Prospectus.

Except as stated otherwise in this Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Changes in Directors during Last Three Years

Name	Date of Appointment	Date of Cessation	Reason
Mr. N.V. Singh	01.08.92	25.12.04	Pre Occupation
Mr. A.K. Seth	24.06.02	N.A.	Appointed as Additional Director, designated as Director - Commercial
Mr. P.P. Mainra	01.03.04	N.A.	Appointed as Additional Director
Mr. J.L. Khushu	30.11.04	N.A.	Appointed as Additional Director (Independent Director)
Mr. Arvind Pande	19.03.05	N.A.	Appointed as Additional Director (Independent Director)
Mr. B.B. Kumar	19.03.05	N.A.	Appointed as Additional Director (Independent Director)
Mr. S.D. Sharma	28.05.05	N.A.	Appointed as Additional Director (Independent Director)

Management Organization Structure



Details Regarding Key Management Personnel

Sr. No.	Name	Designation	Age (Yrs.)	Qualification	Date of Joining	Experience (Yrs.)	Functional Responsibility	Previously Employed	Salary Paid during 2004-05 (Rs. in Lacs)
1	Mr. H.S. Bharana	Chairman (Executive)	45	Civil Engineer	Since Beginning	23	Business Development & Marketing	Partner in Era Engineers (India)	17.89
2	Mr. B.K. Vinayak	Managing Director	67	ICWA	01.04.02	39	Overall Project Monitoring & Planning	Era Financial Services (India) Ltd.	5.19
3	Mr. P.P. Mainra	Executive Director	56	BITS, Pilani	27.12.95	35	Project Execution & Monitoring	NBCC Ltd.	4.92
4	Mr. T.D. Arora	General Manager	38	Diploma in Civil Engineering	22.06.93	18	Project Co-Ordination & Planning	All India Federation of Co-Op. Spinning Mills Ltd.	4.64
5	Mr. P. K. Arora	General Manager	54	Diploma in Civil Engineering	19.12.03	32	Project Execution	Consultant	5.45
6	Mr. S.K. Sharma	General Manager	56	BITS, Pilani	06.01.05	34	Project Execution	RSB Projects Ltd.	0.96 ⁽¹⁾
7	Mr. Sanjay Gupta	DGM (F&A)	37	C.A.	30.10.92	12	In-charge Finance & Accounts	None	3.29
8	Ms. Gunjan Singh	Company Secretary	30	C.S.	04.10.04	2	Secretarial & Compliance	Management Trainee with Frontline Securities Ltd., New Delhi	0.49 ⁽²⁾

⁽¹⁾Joined w.e.f. 06.01.05

⁽²⁾Joined w.e.f. 04.10.04

All the above employees and whole time directors are on the roll of the Company as permanent employees/whole time directors/managing director and none of them is having family relationship with each other. Except as otherwise stated in this Prospectus, it is confirmed that except as otherwise stated in this Prospectus, all the above-mentioned key managerial personnel has no other material / pecuniary interest in the Company. Further, none of the key managerial personnel has been selected as director / member of senior management by virtue of any arrangement or understanding with major shareholders, customers, suppliers or others.

Brief Profile of Key Managerial Personnel

The brief profile of Mr. H.S. Bharana, Mr. B.K. Vinayak & Mr. P.P. Mainra is mentioned under sub-heading "Brief Profile of Executive Directors" on page 1 of this Prospectus.

The brief profile of other Key Managerial Personnel is mentioned hereunder:

Mr. T.D. Arora

Mr. T. D. Arora, General Manager, aged about 38 years, is holding Diploma in Civil Engineering. He is having around 18 years of experience in Construction field. He takes care of Project Co-Ordination and Planning for the Company. In his capacity as General Manager, he plans the implementation schedule of various projects of the Company and also ensures mobilization of resources.

Mr. P. K. Arora

Mr. P. K. Arora, General Manager, aged about 54 years, is holding Diploma in Civil Engineering. He is having around 32 years of experience in civil construction. He takes care of Project Execution for the Company. He has also worked with organizations like Punjab state Ware Housing Corporation & Bharat Overseas Construction Ltd.

**Mr. S.K. Sharma**

Mr. S.K. Sharma, General Manager, aged about 56 years, is educated from BITS, Pilani in Civil. He is having around 34 years of experience in construction field. He is having experience in preparation of cost estimates and tenders, negotiation with clients, project planning, assignment of resources on site and monitoring & control of the projects.

Mr. Sanjay Gupta

Mr. Sanjay Gupta, Deputy Gen. Manager – Finance & Accounts, aged about 37 years, is a Chartered Accountant from the Institute of Chartered Accountants of India. He is having around 12 years of experience in Finance & Accounts. He has started his career with the Company itself as 'Accounts Officer' and has been able to attain & heading the Finance & Accounts Department of the Company.

Ms. Gunjan Singh

Ms. Gunjan Singh, Company Secretary, aged about 30 years, is a Company Secretary from the Institute of Company Secretaries of India. She is having around two years of experience in secretarial work.

Shareholding of the Key Managerial Personnel

Name of the Key Managerial Personnel	No. of Equity Shares Held
Mr. H.S. Bharana	13,42,500
Mr. T.D. Arora	5,400

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no fixed or certain bonus or profit sharing plan for the Key Managerial Personnel. However, sometimes, the Company makes ex-gratia payments to its employees on the basis of their performance.

Changes in Key Managerial Personnel during last 3 years:

Sr. No.	Name	Designation	Date of Joining	Date of Leaving	Remarks
1	Mr. M. K. Sharma	General Manager	26.06.01	10.05.03	Resigned
2	Mr. A.K. Seth	Director - Commercial	01.10.01	31.12.02	Resigned *
3	Mr. R.K. Sharma	Vice-President	24.10.01	18.09.02	Resigned
4	Mr. A. K. Gupta	General Manager	07.07.03	19.07.03	Resigned
5	Mr. A. K. Jain	Vice-President	22.07.03	06.09.04	Resigned
6	Mr. Ashok Kaul	General Manager	03.09.03	21.01.04	Resigned
7	Mr. P.K. Arora	General Manager	19.12.03	N.A.	Joined
8	Mr. Rajesh Kainth	General Manager	10.01.04	25.08.04	Resigned
9	Mr. Onkar Sharma	General Manager	16.08.04	01.09.04	Resigned
10	Mr. M. K. Sharma	General Manager	24.09.04	10.05.05	Resigned
11	Ms. Gunjan Singh	Company Secretary	04.10.04	N.A.	Joined
12	Mr. S.K. Sharma	General Manager	06.01.05	N.A.	Joined

* **Note:** Resigned as Director - Commercial (being an Executive Director post) from the Company.

Employees

The total manpower directly employed by the Company is more than 500 including site staffs. For entire labour requirement, the Company banks mainly on its labour contractors.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Payment or Benefit to Officers of the Company

Except the payment of salaries and perquisites, the Company makes ex-gratia payments to its officers as and when it deems fit.

5. Promoters



Mr. H. S. Bharana - Chairman

Voter ID No. : Not Available

Driving License No. : P03091999157561

Mr. H. S. Bharana, aged 45 years, is a Civil Engineering professional. He has about 23 years of experience in the field of construction and administration. He started his career as a Civil Engineer in Willard India Ltd. in 1981. In 1982, he joined Ahuja Kashyap Pvt. Ltd. as a Sr. Civil Engineer. In 1985, he formed a proprietary firm in the field of civil constructions, which he closed in 1986 and became a partner in Era Engineers (India), a partnership firm engaged in civil construction business.

In 1990, he promoted Era Constructions (India) Ltd., and currently heads the Company in the capacity of the Chairman.



Mr. B.S. Bharana

Voter ID No. : Not Applied For

Driving License No. : B-2142/MRT

Mr. B.S. Bharana, aged about 53 years, is an agriculturist. He is also director of Hi-Point Investment & Finance Company Private Limited and Era Housing & Developers (India) Limited. However, He doesn't have experience in the line of business of the Company.



Mr. D.S. Bharana

Voter ID No. : Not Applied For

Driving License No. : D-5235/MRT/99

Mr. D.S. Bharana aged about 40 years is an agriculturist. He is also director of Hi-Point Investment & Finance Company Private Limited. However, He doesn't have experience in the line of business of the Company.

Corporate Promoters:

Era Housing & Developers (India) Limited

Era Housing & Developers (India) Limited is a Public Limited Company incorporated on 15th September 1995. The company is promoted by Mr. H.S. Bharana, who is also in control of the company. The Company has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi –110 014. The Company has been formed mainly for the business of developing housing projects and is yet to start its business activities.

Shareholding Pattern:

Name of the Shareholder	No. of Shares	% Holding
Mr. H.S. Bharana & Family	262,050	56.71
Era Financial Services (India) Limited	200,000	43.28
Others	20	0.00
Total	462,070	100.00

The existing Board of Directors of the company comprises of Mr. B.S. Bharana, Mr. D.S. Bharana and Mr. Amit Bharana.



Brief Financial Performance (For Last Three Years):

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
Share Capital	46.21	46.21	46.21
Reserves (excluding revaluation reserve)	(5.06)	(5.17)	(5.19)
Net worth	41.00	40.93	40.95
Total Income	—	0.24	0.34
PAT	(0.16)	(0.11)	(0.01)
NAV per Share (Rs.)	8.87	8.86	8.86
EPS per Share (Rs.)	(0.03)	(0.02)	(0.003)

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Hi-Point Investment & Finance Private Limited

Hi-Point Investment & Finance Private Limited has been incorporated on 18th September 1992. The company is promoted by Mr. H.S. Bharana, who is also in control of the company. The company has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi –110 014 and is mainly earning income through lease rental.

Shareholding Pattern:

Name of the Shareholder	No. of Shares	% Holding
Promoter & Promoter's Group	28,970	87.87
Others	4,000	12.13
Total	32,970	100

The existing Board of Directors of the company comprises of Mr. B.S. Bharana and Mr. D.S. Bharana.

Brief Financial Performance (For Last Three Years):

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
Share Capital	32.97	32.97	32.97
Reserves (excluding revaluation reserve)	31.52	31.24	29.61
Net worth	64.28	64.08	62.51
Total Income	—	0.34	0.70
PAT	(0.18)	(0.28)	(1.64)
NAV per Share of Rs. 100/- each (Rs.)	194.97	194.36	189.61
EPS per Share of Rs. 100/- each (Rs.)	(0.55)	(0.84)	(4.96)

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Declaration

It is confirmed that the PAN, Bank Account details and Passport Number of Mr. H.S. Bharana is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Prospectus with them. Further, since both Mr. B.S. Bharana & Mr. D.S. Bharana is agriculturist, their PAN and Passport Number are not available. However, their Bank Account Details are being submitted to the Stock Exchanges, on which Equity Shares are proposed to be listed. In respect of corporate promoters, i.e. Era Housing & Developers (India) Limited and Hi-Point Investment & Finance Private Limited, their respective PAN, Bank Account details, Company Registration Number and the addresses of the Registrars of Companies where these companies are registered; are being submitted to the Stock Exchanges, on which Equity Shares are proposed to be listed.

Common Pursuits

Corporate Promoters of the Company i.e. Hi-Point Investment & Finance Private Limited & Era Housing & Developers (India) Limited are authorized by their main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these companies and Era Constructions.

Further, the individual Promoters of the Company are having interest in the following ventures, which are authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these ventures and the Company:

Name of the Promoter	Name of the Venture	Nature of Interest
Mr. H.S. Bharana	Era Housing & Developers (India) Ltd. WTD Era (India) Ltd. Hi-Point Investment & Finance Private Ltd. Era Infrastructure (India) Ltd.	Promoter & Shareholder (12.34%) Director & Shareholder (0.04%) Promoter & Shareholder (11.74%) Promoter, Director & Shareholder (20%)
Mr. B.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (15.44%) Director & Shareholder (22.72%)
Mr. D.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (10.62%) Director & Shareholder (21.64%)

Interest of Promoters

Except as otherwise stated in this Prospectus, our Promoters are interested in the Company in the following manner:

Individual Promoters

Mr. H.S. Bharana

Mr. H.S. Bharana, one of the Promoters of the Company is interested in the Company to the extent of his shareholding, for which he is entitled to receive the dividend declared, if any, by the Company. Further, since he is also Chairman (Executive) of the Company, he is interested to the extent of his remuneration from the Company, as disclosed under the sub-heading "Compensation of Whole time Directors / Managing Director" appearing on page 44 of this Prospectus.

Except as stated hereinabove under "Common Pursuits", Mr. H.S. Bharana is also promoter of Era Financial Services (India) Limited & co-promoter and director of Era Exports Ltd. Era Constructions has paid financial charges against financial assistance taken from Era Financial Services (India) Limited. Further, Era Construction has also purchased certain leased assets from Era Financial Services (India) Limited. The details of these transactions are given under "Related Party Disclosures" at Sr. No. 18 of the Auditors' Report appearing on page 55 of this Prospectus.

Further, Mr. H.S. Bharana is also a Managing trustee of Ch. Raghuvir Singh Memorial Trust.

Mr. B.S. Bharana

Mr. B.S. Bharana, one of the Promoters of the Company is interested in the Company to the extent of his shareholding, for which he is entitled to receive the dividend declared, if any, by the Company. Further, Mr. B.S. Bharana is a director of Hi-Point Investment & Finance Company Private Limited and Era Housing & Developers (India) Limited, which in turn are the Corporate Promoters and one of the major shareholders of the Company. Mr. B.S. Bharana is also a trustee of Ch. Raghuvir Singh Memorial Trust.

Mr. D.S. Bharana

Mr. D.S. Bharana, one of the Promoters of the Company is interested in the Company to the extent of his shareholding, for which he is entitled to receive the dividend declared, if any, by the Company. Further, Mr. D.S. Bharana is a director of Hi-Point Investment & Finance Company Private Limited and Era Housing & Developers (India) Limited, which in turn are the Corporate Promoters and one of the major shareholders of the Company. Mr. D.S. Bharana is also a trustee of Ch. Raghuvir Singh Memorial Trust.



Corporate Promoters

Era Housing & Developers (India) Limited

Era Housing & Developers (India) Limited, one of the Promoters of the Company is interested in the Company to the extent of his shareholding, for which he is entitled to receive the dividend declared, if any, by the Company.

Hi-Point Investment & Finance Company Private Limited

Hi-Point Investment & Finance Company Private Limited, one of the Promoters of the Company is interested in the Company to the extent of his shareholding, for which he is entitled to receive the dividend declared, if any, by the Company.

Payment or benefit to Promoters of Era Constructions

During the last two years, the Company has paid the following amounts to the Promoters:

Name of the Promoter	Particulars	2003-04	2004-05
Mr. H.S. Bharana	Remuneration (including Perquisites) Dividend*	16,63,308 8,27,500	17,89,291
Mr. B.S. Bharana	Dividend*	59,100	
Mr. D.S. Bharana	Dividend*	64,060	
Era Housing & Developers (India) Ltd.	Dividend*	58,000	
Hi-Point Investment & Finance Company Pvt. Ltd.	Dividend*	3,74,600	

***Note:** Dividend for the year 2003-04 was paid in 2004-05. Further, the Board of Directors in its meeting held on 28th May 2005 has recommended for the payment of dividend @ 10% i.e. Re. 1/- per Equity Share, which would be subject to the approval of shareholders in the annual general meeting of the Company.

Related Party Transactions as per the Financial Statements

Please refer "Related Party Disclosures" as mentioned under Sr. No. 18 of the Auditors' Report given on page 55 of this Prospectus.

6. Exchange Rates

For the time being, Era Constructions plans to concentrate on the domestic market only. Thus, its revenues are not directly affected by fluctuations in foreign exchange rates. However, sometimes the Company imports certain Plant & Machineries or consumables, wherein payments of foreign currency is involved and are thus affected by fluctuations in foreign exchange rates.

7. Currency of Presentation

In this Prospectus, all references to "INR", "Rupees" and "Rs." are to the official currency of India, all references to "U.S. Dollar" and "US\$" are to the legal currency of the United States.

8. Dividend Policy

The Company doesn't have any written policy for dividend payment. During the last three years, only for the financial year 2003-04, the Company has paid dividend @ 10% i.e. Re. 1/- per Equity Share. Further, the Board of Directors in its meeting held on 28th May 2005 has recommended for the payment of dividend @ 10% i.e. Re. 1/- per Equity Share, which would be subject to the approval of shareholders in the annual general meeting of the Company.

V. FINANCIAL STATEMENTS

1. Financial Information of Era Constructions

AUDITORS' REPORT

To,

The Board of Directors
Era Constructions (India) Ltd.
New Delhi

We have examined the following financial information of Era Constructions (India) Ltd. ("the Company") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000, in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications and in accordance with the instructions dated 10th May, 2005 issued by the Company in connection with the Offer Document to be issued by the Company in connection with its proposed Equity Shares.

Annexure I	Statement of Assets and Liabilities as at 31 st March 2005, 31 st March 2004, 31 st March 2003, 31 st March 2002 and 31 st March 2001.
Annexure II	Statement of Profit & Loss Account for the years ended on 31 st March 2005, 31 st March 2004, 31 st March 2003, 31 st March 2002 and 31 st March 2001.
Annexure III	Significant Accounting Policies and Standard Notes on accounts as per the audited accounts.
Annexure IV	Statement of Accounting Ratios
Annexure V	Capitalization Statement
Annexure VI	Statement of changes in Share Capital
Annexure VII	Statement of rate of dividend
Annexure VIII	Statement of Unsecured loan
Annexure IX	Statement of other income
Annexure X	Statement of Tax Shelter
Annexure XI	Statement showing Age-wise analysis of Sundry Debtors & Details of Loans and Advances
Annexure XII	Principal terms of loans & assets charged as security.

Based on examination of the above statements with the respective audited financial statement and on the basis of information and explanations given to us, we report as under:

- (i) The statements referred to as Annexure I to XII read with the respective Significant Accounting Policies and read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required have been prepared out of audited financial statements for the years.
- (ii) Restatement of financial information in respect of years earlier to 31st March, 2005 has not been considered necessary since (a) changes in the accounting policies made pursuant to applicability of new mandatory accounting standards are prospective in nature; and (b) on grounds of materiality.
- (iii) We confirm the calculations of (a) Accounting ratios in Annexure IV; (b) debt / equity ratios mentioned in the Annexure V; and (c) statement of tax shelter in Annexure X.

For P.C. Bindal & Co.
Chartered Accountants

Place: New Delhi
Dated: 28th May 2005

K.C. GUPTA
Partner
Membership No. 88638


ANNEXURE I
STATEMENT OF ASSETS AND LIABILITIES
(Rupees in Lacs)

Particulars	AS AT 31 ST MARCH				
	2001	2002	2003	2004	2005
A) Fixed Assets:					
Gross Block	2,991.83	3,354.63	3,430.32	3,711.08	4,756.75
Less: Depreciation	548.02	699.31	859.30	965.55	1,031.72
Net Block Total (A)	2,443.81	2,655.32	2,571.02	2,745.53	3,725.03
B) Investments Total (B)	33.17	36.82	36.72	52.56	52.56
C) Current Assets, Loans & Advances					
Inventories	578.83	1,072.45	942.95	1,214.20	1,922.23
Sundry Debtors	1,253.93	1,411.80	2,033.37	2,499.36	4,045.87
Cash & Bank Balances	347.83	357.05	404.19	778.32	1027.02
Other Current Assets	19.57	5.13	1.40	4.87	12.75
Loans & Advances	367.81	445.39	408.89	639.11	1,092.63
Total (C)	2567.97	3291.82	3790.80	5135.86	8100.50
D) Liabilities & Provisions					
Secured loans	1,140.43	1,177.78	976.04	1,210.85	2,997.22
Unsecured loans	209.37	383.55	344.09	581.65	730.48
Current Liabilities & Provisions	1,417.69	1,892.46	2,291.90	3,055.73	4,240.73
Deferred Income Tax Liability	-	562.80	581.64	637.44	690.80
Total (D)	2,767.49	4,016.59	4,193.67	5,485.67	8,659.23
NET WORTH (A+B+C-D)	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86
NET WORTH REPRESENTED BY:					
Share Capital	434.43	434.43	434.43	434.43	651.64
Share Application Money	-	-	-	-	319.00
Reserve & Surplus	1,858.28	1,544.38	1,778.07	2,017.66	2,270.99
Total	2,292.71	1,978.81	2,212.50	2,452.09	3,241.63
Less: Misc. Expenditure (to the extent not written off)	15.25	11.44	7.63	3.81	22.77
NET WORTH	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86

STATEMENT OF PROFIT & LOSS ACCOUNT
(Rupees in Lacs)

Particulars	YEAR ENDED ON 31 ST MARCH				
	2001	2002	2003	2004	2005
Income					
Turnover	6,114.21	9,163.39	10,140.70	10,946.58	15,624.02
Other income	45.50	43.79	39.83	87.22	123.06
Increase/(decrease) of stock	14.50	82.50	-25.43	53.84	210.50
Total Income	6,174.21	9,289.68	10,155.10	11,087.64	15,957.58
Expenditure					
Direct Contract Expenses	5,065.05	7,822.95	8,739.38	9,423.54	13,346.55
Administrative Expenses	527.25	669.52	645.57	739.67	1084.59
Interest & Financial Charges	183.77	324.66	270.11	317.03	568.08
Depreciation	132.74	155.25	169.69	182.89	215.53
Extra ordinary items	—	—	—	—	—
Total Expenditure	5,908.81	8,972.38	9,824.75	10,663.13	15,214.75
Net Profit Before Tax	265.40	317.30	330.35	424.51	742.83
Provision for Income Tax					
Current	47.25	68.50	76.40	80.10	144.52
Deferred		74.05	18.84	55.80	53.36
Profit after Tax	218.15	174.75	235.11	288.61	544.95
Extra ordinary items	—	—	—	—	—
Income Tax adjustment related to earlier years	-2.01	-0.10	1.42	—	—
Net profit after Tax	220.16	174.85	233.69	288.61	544.95
Balance of Profit brought forward	1,150.04	881.45*	1,056.30	1,289.99	1,515.09
Dividend	—	—	—	43.44	65.17
Corporate Tax on Dividend	—	—	—	5.57	9.25
Transfer to General Reserves	—	—	—	14.50	27.25
Balance Carried to Balance sheet	1,370.20	1,056.30	1,289.99	1,515.09	1,958.37

* Reduced by Rs. 488.75 Lacs on account of Deferred Tax Liability upto 31st March 2001.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1) GENERAL**

The Company generally follows the mercantile system of accounting. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2) CONVENTION

The Accounts are prepared under historical cost convention and on the basis of going concern.

3) REVENUE RECOGNITION

- i) The Company follows the percentage of completion method as per Accounting Standard-7 to recognize revenue in respect of Contracts executed.
- ii) Subject to (i) above, Contract receipt are accounted for on the basis of Bills submitted to clients/bills certified by clients and do not include material supplied by clients free of cost.

4) FIXED ASSET

Fixed Assets are recorded at cost of acquisition inclusive of relevant levies. They are stated at historical cost less accumulated depreciation.

5) DEPRECIATION

Depreciation has been provided on the basis of Straight Line Method as per Schedule XIV of the Companies Act, 1956 and on addition/Sale during the year, on pro-rata basis.

6) CAPITAL WORK IN-PROGRESS

Advances paid towards the acquisition of fixed assets and cost of assets not put to use before the year end are disclosed under capital Work-in-Progress.

7) INVESTMENTS

Investments are stated at the cost of acquisition. Provisions for diminution in the value of Investments are made only if such decline is other than temporary, in the opinion of the management.

8) INVENTORIES

Raw materials, stores and spares and Work-in-Progress are valued at the lower of cost and the net realisable value.

9) CUSTOM DUTY

Custom Duty payable on raw materials, stores and spares and machinery are accounted for on clearing of goods from Custom Warehouse.

10) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transactions. In the case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rates prevailing at the period end) is included in the carrying amount of the related fixed assets. In the case of current assets and current liabilities, the net result of conversion at the rates prevailing at the period end is charged/credited to the profit and loss account. In the case of forward contract, difference between forward rates and exchange rates on the date of transaction is recognized as income or expenses over the life of the contract.

11) RETIREMENT BENEFITS

- i) Contribution to Provident Fund is accounted for on accrual basis. The Company continues to make contribution to Provident Fund plan administered by the Government of India.
- ii) Leave encashment are charged to Profits & Loss account through provision for accruing liabilities based on assumptions that such benefits are payable to eligible employees at the end of accounting year. Liabilities with regard for gratuity are determined by actuarial valuation.

12) PUBLIC ISSUE EXPENSES

Public Issue expenses have been amortised in accordance with Section 35-D of the Income Tax Act, 1961.

13) INCOME TAX

Income Tax is 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 result between profit offered for income tax and the profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing difference, namely differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only if there is reasonable/virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. Provision has been made for income tax on an yearly basis, under the tax payable method, based on the tax liability as computed after taking credit for allowances and exemptions.

In case of matters under appeal, if any, due to disallowances or otherwise, full provision is made when the said liabilities are accepted by the Company.

B. Contingent Liability not provided for in respect of as at:

(Rs. in Lacs)

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Disputed Sales Tax Matters	7.50	7.50	7.86	8.10	15.44
Legal Cases	27.78	30.93	22.76	36.30	24.76
Guarantees and Letter of Credits issued by Banks	508.51	905.84	1319.93	1829.97	3156.71

C. Pursuant to Accounting Standard – 7, the Company has not recognized Contract Receipt, being below stipulated percentage and profit thereon:

(Rs. in Lacs)

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Contract Receipt not recognized	31.14	99.08	58.94	181.67	211.50
Profit not recognised	3.17	12.88	8.82	22.64	28.79

D. Notes for the Year ended on 31st March, 2005

1. Company has not acknowledged claims amounting to Rs. 656.54 Lacs as debts as in the opinion of the management, these claims are frivolous. Company has also lodged counter claims of Rs. 961.39 Lacs against these claims.
2. Issued and paid up share capital includes 31,47,280 Equity Shares of Rs. 10/- each allotted as fully paid up bonus shares by capitalization of Revenue Reserve.
3. Secured loans are secured:
 - a) Term Loan from Union Bank of India is secured by way of hypothecation of movable and immovable fixed assets of the Company, created out of Term Loan.
 - b) Working capital facilities from Banks (Union Bank of India, Bank of Baroda, and Andhra Bank) are secured by way of hypothecation of stock and book-debts both present and future of the Company through *pari passu* charge
 - c) Working capital facilities from banks are further secured by way of first *pari passu* charge on movable and immovable fixed assets of the company, both present and future
 - d) Term Loan and Working Capital facilities from Banks are further secured by equitable mortgage of certain assets of chairman/their associates/ relatives and further by personal guarantee of chairman and relatives
 - e) Mobilisation Advances from clients are secured against Bank Guarantees.
 - f) Hire purchase finance is secured by way of hypothecation of respective assets.
 - g) Assistance under receivable finance from SIDBI is secured by way of second charge on movable and immovable fixed assets of the company and first charge on residential property located at L-733, Shastri Nagar, Meerut, (U.P) belonging to chairman and relatives. Facilities from SIDBI is further secured by personal guarantee of chairman and relatives



h) Advances from Life Insurance Corporation of India are secured against insurance policies.

4. Market value of Quoted Investments as on 31st March, 2005 is Rs 7.21 Lacs (Previous year: Rs. 2.17 Lacs)
5. Parties' balances are subject to confirmation from them.
6. The Company has not given any loans or advances in nature of loans, which are required to be disclosed pursuant to Clause 32 of the Listing Agreement.
7. Maximum amount due at any time during the year from Concern/Companies in which Directors and / or their relatives are interested.

Name	Current Year	Previous Year
WTD Era (India) Ltd	19,92,006.68	19,92,006.68

8. Provisions for diminution in the value of quoted investment has not been made, as in the opinion of the Board, such diminution is temporary.
9. Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs.59,63,361.20 (P.Y. Rs. NIL).
10. Managerial Remuneration paid/payable to the Directors

	Current Year	Previous Year
i) Remuneration	18,16,478.00	15,76,065.00
ii) Allowances & perquisites	9,84,025.00	6,35,856.00
	<u>28,00,503.00</u>	<u>22,11,921.00</u>

11. Amount paid/payable to Auditors

	Current Year	Previous Year
a) Audit Fee	3,75,000.00	2,75,000.00
b) Taxation Matters	25,000.00	25,000.00
c) Certification / Others	2,00,000.00	—
d) Service Tax	61,200.00	24,000.00
	<u>6,61,200.00</u>	<u>3,24,000.00</u>

12. In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
13. Profit for the year has been arrived after adjusting prior period debits of Rs. Nil (P.Y. Rs. NIL) and prior period credits of Rs. NIL (P.Y. Nil) charged/credited to Profit & Loss account.
14. In accordance with the Accounting Standard 22 relating to accounting for taxes on income issued by the Institute of Chartered Accountants of India, made applicable w.e.f. 1st April 2001, Income taxes for the current year have been provided for using tax effect accounting method and deferred tax assets/liability has been recorded.
15. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

	Current Year	Previous Year
Deferred Tax Assets	March 31, 2005	March 31, 2004
a) Fixed Assets	---	---
b) Others	14,69,232.00	12,89,962.00
Deferred Tax Liabilities	March 31, 2005	March 31, 2004
a) Fixed Assets	7,05,49,421.00	6,50,34,049.00
b) Others	---	---

16. **Segment Reporting:**

The Company is operating in construction industry. Since there is only one segment in which company is operating, segment reporting as required under Accounting Standard-17 issued by the Institute of Chartered Accountants of India is not applicable.

17. **Earning Per Share:**

Calculation of earning per share – Basic & Diluted

Sr. No.	Particulars	Equivalent No. of Shares	
		Year ended March 31, 2005	Year ended March 31, 2004
1.	Opening number of shares	43,44,280	43,44,280
2.	Allotted during the year (Bonus shares)	21,72,140	- - -
3.	Outstanding number of shares at the year end	65,16,420	43,44,280
4.	Adjusted number of shares	65,16,420	65,16,420*
5.	Net Profit after Tax (Rs.)	5,44,95,089	2,88,60,484
6.	Earning Per Share (Rs.)	8.36	4.43

*including Bonus Shares issued during financial year 2004-05

18. Related Party Disclosures

(As identified and certified by the Management)

A. Related party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2005 are given below:

a. Individuals exercising significant influence, key management personnel and their relatives.

Sh. H.S. Bharana, Sh. B.K. Vinayak, Sh. P.P. Mainra, Sh. A.K. Mehta, Sh. A.K. Seth, Sh. J.L. Khushu, Sh. Arvind Pande, Sh. Brij Bhushan Kumar

b. Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Era Financial Services (India) Ltd., WTD Era (India) Ltd., Era Exports (India) Ltd, Era Infrastructure (India) Ltd.

(Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	18.31	18.31
- Lease/hire charges paid	-	3.57	3.57
- Rent, Secretarial & other charges recovered	-	3.03	3.03
- Purchase of assets	-	32.37	32.37
- Salary paid	28.01	-	28.01

Balances as on 31.03.2005

Due from	NIL	NIL
Due to	1.23	129.08

B. Related party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2004 are given below:

a. Individuals exercising significant influence, key management personnel and their relatives.

Sh. H.S. Bharana, Sh. B.K. Vinayak, Sh. P.P. Mainra, Sh. A.K. Mehta, Sh. A.K. Seth, Sh. N.V. Singh

b. Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Era Financial Services (India) Ltd., WTD Era (India) Ltd., Era Exports (India) Ltd.

(Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	11.53	11.53
- Lease/hire charges paid	-	8.57	8.57
- Rent, Secretarial & other charges recovered	-	3.84	3.84
- Salary paid	22.12	-	22.12

Balances as on 31.03.2004

Due from	NIL	20.34
Due to	1.85	127.03



C. Related party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2003 are given below:

- a. Individuals exercising significant influence, key management personnel and their relatives.
Sh. H.S. Bharana, Sh. B.K. Vinayak, Sh. A.K. Mehta, Sh. A.K. Seth, Sh. N.V. Singh
- b. Enterprises over which personnel referred in (a) above mentioned exercise significant influences:
Era Financial Services (India) Ltd., WTD Era (India) Ltd., Era Exports (India) Ltd.

(Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	0.65	8.43	9.08
- Lease/hire charges paid	-	10.75	10.75
- Rent, Secretarial & other charges recovered	-	3.84	3.84
- Purchases	-	0.02	0.02
- Salary paid	23.73	-	23.73

Balances as on 31.03.2003

Due from	NIL	14.05
Due to	NIL	106.60

19. The name of small scale industries to whom company owes a sum outstanding for more than 30 days at the Balance Sheet date is as under:

- (i) Solid Shutter Industries (ii) Veer Sain Jain & Co. (iii) Cico Technologies Ltd. (iv) Karshni Aluminium Co. Pvt. Ltd. (v) Shree Mahavir Enterprises (vi) Pioneer Plastic Ind. Ltd (vii) U.P. Concrete Product (P) Ltd. (viii) Ganpati Steel (ix) B.S. Bhatta Company (x) Ganpati Stone Crushers (xi) S.J. Bricks (xii) Bansal Stone Crusher (xiii) Krishna Stone Crusher (xiv) Shri Shirdi Sai Stone Crusher (xv) Choudhari Bricks Klin (xvi) Allied Glass Pvt. Ltd. (xvii) Deshwal Bricks (xviii) Sri Sai Stone Crusher.

20. Additional information pursuant to provisions of paragraph 4 D of part II of the Companies Act, 1956.

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Value of Import on CIF basis		
RAW MATERIAL	273.15	28.09

21. Expenses incurred in Foreign Currency:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Travelling	NIL	1.74

Notes for the year ended on 31st March 2002

1. In accordance with the Accounting Standard- 22 relating to accounting for taxes on income issued by The Institute of Chartered Accountants of India, made applicable w.e.f. 1st April 2001, income tax for the current year has been provided for using tax effect accounting method and deferred tax assets/liability has been recorded. Whereas in the earlier years income tax provisions were made using tax payable method. Accordingly net profit after tax for the current year is not comparable with the previous year to the extent of deferred tax liability.
2. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred Tax Assets	March 31, 2002	March 31, 2001
a) Fixed Assets	-	-
b) Others	-	-
Deferred Tax Liabilities	March 31, 2002	March 31, 2001
a) Fixed Assets	5,62,80,238.00	4,88,75,465.00
b) Others	-	-

ERA CONSTRUCTIONS (INDIA) LIMITED						ANNEXURE – IV
STATEMENT OF ACCOUNTING RATIOS						
						(Rs. in Lacs)
PARTICULARS		31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Earning per Share (EPS)						
Profit After Tax (Rs. in Lacs)	(a)	220.16	174.85	233.69	288.61	544.95
No. of Shares (in Lacs)	(b)	43.44	43.44	43.44	43.44	65.16
EPS (in Rupees)	(a)/(b)	5.79*	4.02	5.38	4.43**	8.36
RETURN ON NETWORTH						
Profit after Tax (Rs. in Lacs)	(a)	220.16	174.85	233.69	288.61	544.95
Net Worth (Rs. in Lacs)	(b)	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86
RETURN ON NETWORTH-%	(a)/(b)	9.67	8.89	10.60	11.79	16.93
NET ASSETS VALUE PER SHARE						
Total Assets (Rs. in Lacs)	(a)	5,044.95	5,983.96	6,398.54	7,933.95	11,878.09
Total Liabilities (Rs. in Lacs)	(b)	2,767.49	4,016.59	4,193.67	5,485.67	8,659.23
Assets Value (a)-(b) (Rs. in Lacs)	(c)	2,277.46	1,967.37	2,204.87	2,448.28	3,218.86
Less: Share Application Money received	(d)	—	—	—	—	319.00
Net Assets Value (c)-(d) (Rs. in Lacs)	(e)	2,277.46	1,967.37	2,204.87	2,448.28	2,899.86
No of shares (in Lacs)	(f)	43.44	43.44	43.44	43.44	65.16
Net Assets Value Per Share (Rs.)	(e)/(f)	52.42	45.29	50.75	56.36	44.50

* Weighted EPS **Adjusted EPS

ERA CONSTRUCTIONS (INDIA) LIMITED			ANNEXURE-V
CAPITALISATION STATEMENT			
			(Rs. in Lacs)
PARTICULARS		PRE-ISSUE (As on 31.03.05)	POST ISSUE
Loans-Secured & Unsecured			
Working Capital Loan		1711.76	1500.00
Short Term Debt		1148.41	1148.41
Long Term Debt		867.53	2771.87
Shareholder's funds:			
Share Capital		651.64	1335.00
Share Application Money		319.00	—
Reserves & Surplus		2270.99	6507.81
Miscellaneous Expenditure not Written off		(22.77)	(280.00)
Total Shareholder's funds		3218.86	7562.81
Long Term Debt/Shareholder's funds		0.27:1	0.37:1



ERA CONSTRUCTIONS (INDIA) LIMITED			ANNEXURE-VI	
STATEMENT OF CHANGE IN SHARE CAPITAL				
PARTICULARS	BALANCE SHEET AS AT			
	31.03.04	31.03.05		
Share Capital				
Authorised Share Capital				
No of Shares of Rs. 10 Each	1,00,00,000	1,60,00,000		
Amount (Rs. in Lacs)	1000	1600		
Issued Subscribed & Paid Up				
No. of Shares of Rs. 10 Each	43,44,280	65,16,420		
Amount (Rs. Lacs)	434.43	651.64		

ERA CONSTRUCTIONS (INDIA) LIMITED						ANNEXURE VII
STATEMENT OF RATE OF DIVIDEND						
PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	
EQUITY SHARES						
Rate of Dividend	-	-	-	10%	10%*	
Dividend Amount (Rs. in Lacs)	-	-	-	43.44	65.16*	
No of Equity Shares of Rs. 10 Each	43,44,280	43,44,280	43,44,280	43,44,280	65,16,420	

*Proposed

ERA CONSTRUCTIONS (INDIA) LIMITED				ANNEXURE-VIII
STATEMENT OF UNSECURED LOANS AS ON 31st MARCH, 2005				
PARTICULARS	AMOUNT (Rs. in Lacs)	RATE OF INTEREST	TERMS OF REPAYMENT	
A - Short Term Loan from Body Corporate- Promoter, group companies & associates	129.08	9% per annum	Payable on demand	
-Others	75.05	9 % per annum	- do -	
B – Public Deposits	526.35	Various Rates not exceeding as prescribed by RBI	On maturity which varies from 6 months to 36 months	

ERA CONSTRUCTIONS (INDIA) LIMITED						ANNEXURE IX
STATEMENT OF OTHER INCOME- (IF>20% OF PROFIT BEFORE TAX)						
(Rs. in Lacs)						
PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	
Profit Before Tax	265.40	317.30	330.35	424.51	742.83	
20% of Profit Before Tax	53.08	63.46	66.07	84.90	148.57	
Other Income during the period / year	45.50	43.79	39.83	87.22	123.06	

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Other Income Details					
Interest on FDR/Others	31.94	26.90	26.17	28.06	39.21
Miscellaneous Income	9.52	16.89	13.14	9.17	11.38
Surplus on Sale of Assets/Investments	4.04	-	0.52	49.99	72.47
TOTAL	45.50	43.79	39.83	87.22	123.06

ANNEXURE X

ERA CONSTRUCTIONS (INDIA) LIMITED

TAX SHELTER STATEMENT

(Rs. in Lacs)

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
Profit as per Books of Account-Before Tax	265.40	317.30	330.35	424.51	742.83
Tax Rate (including surcharge) %	39.55	35.70	36.75	35.875	36.5925
Notional Tax Payable- (A)	104.97	113.28	121.40	152.29	271.82
B) Permanent Difference					
1- Impact in respect of Profit on Development of Housing Project u/s 80-1B (10) of Income Tax Act, 1961	-	-	-	(16.63)	(27.72)
2 - Impact in respect of Depreciation on Fixed Assets	(57.98)	(59.76)	(46.28)	(37.89)	(78.54)
3 - (Profit) / Loss on Sale of Assets (Different treatment in tax)	(1.60)	1.84	-	(17.94)	(25.07)
4 – Other Adjustments	1.76	14.15	1.31	0.38	4.03
Total- (B)	(57.82)	(43.77)	(44.97)	(72.08)	(127.30)
Tax Burden/ (Savings) thereon	(57.82)	(43.77)	(44.97)	(72.08)	(127.30)
Total Tax	47.15	69.51	76.43	80.21	144.52

ANNEXURE XI

ERA CONSTRUCTIONS (INDIA) LIMITED

STATEMENT SHOWING AGE-WISE ANALYSIS OF SUNDRY DEBTORS & DETAILS OF LOANS & ADVANCES AS AT 31st March, 2005

PARTICULARS	(Rupees in Lacs)
Sundry Debtors (Unsecured, Considered Goods) (Unless otherwise stated)	
Exceeding Six Months	309.72
Others	3736.15
Total	4045.87
Loans & Advances, Unsecured, Good (Unless otherwise stated)	
Advances recoverable in cash or in kind or for value to be received	151.33
Earnest Money Deposit	22.38
Advances to Suppliers	160.90
Prepaid Taxes	186.67
Advances to Petty Contractors	486.75
Other Advances	84.60
Total	1092.63



**PRINCIPAL TERMS OF LOANS & ASSETS CHARGED AS SECURITY
DIRECT FINANCIAL ASSISTANCE SANCTIONED TO THE COMPANY**

A. Facility from The Union Bank of India, Asaf Ali Road, New Delhi Branch

The Company has been sanctioned the following credit facilities by The Union Bank of India, Asaf Ali Road, New Delhi Branch vide their letter dated 13th August, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
1.	Cash Credit	900.00 + Adhoc Limit 200.00	1,122.80	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	Interest at the Bank's PLR (Presently 10.75%) plus 3.0% p.a. payable monthly in arrears.
2.	Letter of Credit	1,100.00 **	1,045.47	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	In accordance with the commissions listed on the Bank's Schedule of Rates and Fees, as amended from time to time payable at the time of opening of each such letter of credit.
3.	Letter of Guarantee	2,500.00	2,307.43	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives. 4) Counter Guarantee of the company	Rs. 100+3% p.a.on financial andRs. 100+2% p.a.on Performance Guarantee
4.	Term Loan	23.00	8.01	Hypothecation of assets created out of term loan	Interest at the banks PLR +3.75%
	Total	4,723.00	4,483.71		

** Interchangeable with Letter of Guarantee Limit

B. Facility from Bank of Baroda, Nehru Place, New Delhi Branch

The Company has been sanctioned the following credit facilities by Bank of Baroda, Nehru Place, New Delhi Branch vide their letter dated 22nd December, 2003:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
1.	Cash Credit	150.00	153.92	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	Interest at the Bank's PLR (Presently 10.75%) plus 2.50% p.a. payable monthly in arrears.
2.	Letter of Credit	700.00	697.03	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	In accordance with the commissions listed on the Bank's Schedule of Rates and Fees, as amended from time to time payable at the time of opening of each such letter of credit.

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
3.	Letter of Guarantee	1,440.00	586.81	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives. 4) Counter Guarantee of the company	Rs. 150+3% p.a.on financial and Rs. 150+2% p.a.on Performance Guarantee
Total		2,290.00	1,437.76		

C. Facility from Andhra Bank, Connaught Circus, New Delhi Branch

The Company has been sanctioned the following credit facilities by Andhra Bank, Connaught Circus, New Delhi Branch vide their letter dated 13th July, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
1.	Cash Credit	450.00	435.04	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	Interest at the Bank's PLR (Presently 10.75%) plus 2.50% p.a. payable monthly in arrears.
2.	Letter of Credit	900.00	932.61	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives.	In accordance with the commissions listed on the Bank's Schedule of Rates and Fees, as amended from time to time payable at the time of opening of each such letter of credit.
3.	Letter of Guarantee	1,560.00	520.52	1) Hypothecation of stock and book debts. 2) First pari passu charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives. 4) Counter Guarantee of the company	Rs. 100+3% p.a.on financial and Rs. 100+2% p.a.on Performance Guarantee.
Total		2,910.00	1,888.17		

D. Facility from ICICI Bank Ltd., New Delhi Branch

The Company has been sanctioned the following facilities by ICICI Bank Ltd., New Delhi Branch vide their letter dated October 25, 2004 as amended vide their letter dated May 12, 2005:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
1.	Bank Guarantee	1,000.00	70.00	Personal Guarantee of Chairman and his relatives	0.50% per annum as commission 0.50% per annum as handling charges Minimum commission Rs.1000/- per guarantee.
2.	Letter of Credit*	[250.00]	0.00	Personal Guarantee of Chairman and his relatives	2.5% per annum 500/- at the time of opening and 500/- at the time of retirement as SWIFT charges for Foreign LC only. (minimum charges Rs.500/- per lac)
Total		1,000.00	70.00		

*One-way interchangeability between Letter of Credit limit and Bank Guarantee Limit.



E. OTHER SECURED LOANS

Sr. No.	Credit Facility	Outstanding as on 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
1	Hire Purchase Equipment Finance	181.44	Hypothecation of respective assets	Interest rates varying from 7% to 8.5% per annum.
2	Equipment Finance from Clients	155.48	Hypothecation of respective assets	Interest rates varying from 12% to 18% per annum.
	Total	336.92		

IN ADDITION TO THE AFORESAID, THE COMPANY HAS ALSO RECEIVED THE FOLLOWING SANCTIONS, WHICH ARE NOT FORMING PART OF ITS WORKING CAPITAL LIMITS, AS THESE FACILITIES HAVE BEEN SANCTIONED FOR THE SUPPLIERS OF THE COMPANY:

A. Facility from Small Industrial Development Bank of India, New Delhi Branch

The Company has been sanctioned the following facilities by Small Industrial Development Bank of India, New Delhi Branch vide their letter dated 16th March, 2004 as amended vide their letter dated 2nd April, 2004:

Credit Facility	Sanction Amount (Rs. in Lacs)	Utilized upto 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
Assistance under Receivable Finance Scheme	450.00	417.93	1. Bill of Exchange 2. 2 nd charge on the movable & immovable fixed assets & current assets 3. Personal Guarantee of Chairman and his relatives 4. First charge on residential property located at L-733, Shastri Nagar, Meerut, U.P. belonging to Chairman's relatives	Discounting charges @ 10.50% per annum
Total	450.00	417.93		

B. Facility from IDBI BANK LTD., K.G. Marg, New Delhi Branch

The Company has been sanctioned the following facilities by IDBI Bank Ltd., K.G. Marg, New Delhi Branch vide their letter dated December 06, 2004:

Credit Facility	Sanction Amount (Rs. in Lacs)	Utilized upto 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
Inland documentary bills backed by letter of credit	1000.00	25.49	NIL	Interest and other charges will be decided by the Bank from time to time.
Total	1000.00	25.49		

C. Facility HDFC BANK LTD., K.G. Marg, New Delhi Branch

The Company has been sanctioned the following facilities by HDFC Bank Ltd., K.G. Marg, New Delhi Branch vide their letter dated December 31, 2004:

Credit Facility	Sanction Amount (Rs. in Lacs)	Utilized upto 31.03.2005 (Rs. in Lacs)	Security	Fees/Pricing
LC backed Bill Discounting	600.00	70.20	NIL	Processing fees Rs.500/- per bill
Total	600.00	70.20		



Except as stated hereinabove, there are no other material notes to the auditors' report, which have bearing on the financial status of the Company. Further, all notes to the accounts, significant accounting policies as well as the auditors' qualifications, if any, have been incorporated in the Prospectus.

2. Financial Information of Group Companies

ERA Financial Services (India) Ltd.

ERA Financial Services (India) Ltd., a public limited listed Company, incorporated on 6th January 1993, is promoted and controlled by Mr. H.S. Bharana, who holds 16.20% Equity Shares of the company. Era Financial Services (India) Limited is listed on BSE, ASE & DSE and is a Non-Banking Financial Company registered with RBI vide Regn. No. B-14.01384 dated 26.08.00. The company is having its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014.

The present Directors of the Company are Mr. Bijander Singh, Mr. Sanjay Gupta, Mr. A.K. Birla, Mr. T.D. Arora and Mr. I. S. Gulia.

Shareholding Pattern (as on 31st March 2005):

Name of the Shareholder	No. of Shares	% Holding
Promoters & Promoters' Group	1,642,825	30.82
Private Corporate Bodies	217,381	4.08
Indian Public	3,465,714	65.02
Any Other (Demat Transit)	4,080	0.08
Total	5,330,000	100.00

Brief Financial Performance (For Last Three Years):

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
Share Capital	533.00	533.00	533.00
Reserves (excluding revaluation reserve)	(48.58)	(39.75)	(29.57)
Net worth	478.80	489.49	501.52
Total Income	38.40	29.89	35.50
PAT	17.01	8.83	10.18
EPS per Share (Rs.)	0.32	0.17	0.19
NAV per Share (Rs.)	8.98	9.18	9.41

The stock market data of the company for the last six months is as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded	Net Turnover
Nov'04	6.67	4.85	43092	257,231.00
Dec'04	7.74	5.60	74778	492,908.00
Jan'05	8.01	5.50	55281	408,043.00
Feb'05	8.65	4.82	104756	708,327.00
Mar'05	8.62	5.00	91811	664,464.00
Apr'05	8.39	5.40	55738	428,291.00

The closing price of Equity Shares of Era Financial Services (India) Ltd. as on 08.06.05 was Rs. 9.35



Other Details:

Public or rights Issue in the preceding three years	No
Whether the company has become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up	No
Whether the company has made a loss in the immediately preceding year and if so, the profit or loss figures for the immediately preceding three years	No

The company has a Shareholders' / Investors' Grievances Committee to redress the complaints of the shareholders in respect of the matters pertaining to transfer of shares, non-receipt of annual report, dematerialisation of shares etc. The Committee comprises of three members namely Mr. A.K. Birla, Mr. Sanjay Gupta and Mr. I.S. Gulia. The Committee functions under the chairmanship of Mr. A.K. Birla.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

WTD Era (India) Limited

WTD Era (India) Limited is a joint venture of Era Constructions (India) Limited and WTD S.r.l. of Italy. The company was incorporated on 15th April, 1997 and has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014. The Company has been formed to execute projects related to construction of effluent treatment plants in India. At present, this company is not executing any project.

Shareholding Pattern:

Name of the Shareholder	No. of Shares	% Holding
Era Constructions (India) Limited	39,120	49.96
WTD Trattamento Aque S.R.L., Italy	39,120	49.96
Others	70	0.08
Total	78,310	100.00

The present directors of the company are Mr. H.S. Bharana, Mr. A.K. Mehta and Mr. Giuseppe Odone. Mr. H.S. Bharana and Mr. A.K. Mehta are in control of this company.

Brief Financial Performance (For Last Three Years):

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
Share Capital	7.83	7.83	7.83
Share Application Money	10.00	10.00	10.00
Reserves (excluding revaluation reserve)	(29.05)	(27.20)	(27.97)
Net worth	(11.45)	(9.56)	(10.28)
Total Income	42.42	10.95	2.61
PAT	(13.26)	0.23	(0.77)
EPS per Share (Rs.)	(16.93)	0.29	(0.98)
NAV per Share (Rs.)	(14.63)	(12.21)	(13.13)

WTD Era (India) Limited is not a listed company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.



ERA Exports (India) Ltd.

Era Exports (India) Limited is a public Limited Company incorporated on 30th December 1991. The Company was initially a Private Limited Company and was converted into a Public Limited Company on 19th August 1993. The Company has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014 and is mainly engaged in the business of international trading.

Shareholding Pattern:

Name of the Shareholder	No. of Shares	% Holding
Mr. H.S. Bharana & Family	3,554	48.33
Mr. A.K. Mehta & Family	3,800	51.67
Total	7,354	100.00

The present Directors of the Company are Mr. H.S. Bharana, Mr. A.K. Mehta, Mrs. Shireen A. Mehta, Mr. Paramjeet Dhingra and Mr. Manil Harjai. The company is promoted and controlled by Mr. H.S. Bharana and Mr. A.K. Mehta.

Brief Financial Performance (For Last Three Years):

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31 st		
	2002	2003	2004
Share Capital	7.35	7.35	7.35
Reserves (excluding revaluation reserve)	0.81	(0.11)	1.28
Net worth	8.16	7.24	8.63
Sales	11.54	1.92	28.00
PAT	0.08	(0.91)	1.39
NAV per Share of Rs. 100/- each (Rs.)	110.92	98.45	117.37
EPS per Share of Rs. 100/- each (Rs.)	1.12	(12.42)	18.92

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Era Infrastructure (India) Limited

Era Infrastructure (India) Limited is a Public Limited Company incorporated on 24th March 2005. This company is promoted and controlled by Mr. H.S. Bharana. The Company has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi –110 014 and has been formed mainly for construction business.

Shareholding Pattern:

Name of the Shareholder	No. of Shares	% Holding
Promoter & Promoter's Group	47,000	94.00
Others	3000	6.00
Total	50,000	100.00

The Board of Directors comprises of Mr. H.S. Bharana, Mr. J.L. Khushu and Mr. A.K. Mehta.

Brief Financial Performance (For Last Three Years):

The company is yet to start its business activities.



The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Note: The Board of Directors of the Company in its meeting held on 29th December 2004 has authorized Shri H.S. Bharana and his Associated Promoters to apply to Registrar of Companies, NCT of Delhi & Haryana at New Delhi for availability of name "Era Infrastructure (India) Limited" and "Era Engineers (India) Ltd.". It was also resolved that the Company shall have no objection if the said name is made available to Shri H.S. Bharana and his Associated Promoters.

Other relevant details about Group Companies:

- a) The Promoters have not disassociated themselves from any of the companies / firms during preceding three years.
- b) Corporate Promoters of the Company i.e. Hi-Point Investment & Finance Private Limited & Era Housing & Developers (India) Limited are authorized by their main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these companies and Era Constructions.

Further, the individual Promoters of the Company are having interest in the following ventures, which are authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these ventures and the Company:

Name of the Promoter	Name of the Venture	Nature of Interest
Mr. H.S. Bharana	Era Housing & Developers (India) Ltd. WTD Era (India) Ltd.Hi-Point Investment & Finance Private Ltd. Era Infrastructure (India) Ltd.	Promoter & Shareholder (12.34%) Director & Shareholder (0.04%) Promoter & Shareholder (11.74%) Promoter, Director & Shareholder (20%)
Mr. B.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (15.44%) Director & Shareholder (22.72%)
Mr. D.S. Bharana	Hi-Point Investment & Finance Private Ltd. Era Housing & Developers (India) Ltd.	Director & Shareholder (10.62%) Director & Shareholder (21.64%)

However, at present Era Housing & Developers (India) Limited and Hi-Point Investment & Finance Private Limited are not carrying similar business activities. Whereas, WTD Era (India) Limited was engaged in execution of specific projects related to effluent treatment, but, at present, WTD Era (India) Limited does not have any ongoing project. Further, Era Infrastructure (India) Limited is yet to start its business.

- c) There are no sales or purchase between companies in the Promoters' group, wherein such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Issuer Company. The material items of income or expenditure arising out of transactions in the Promoters' group are disclosed under "Related Party Disclosures" as mentioned under Sr. No. 18 of the Auditors' Report appearing on page 55 of this Prospectus.

3. Changes in Accounting Policies in the Last Three Years

There are no major changes in accounting policies in the last three years except as stated otherwise in the sub-heading "Auditors' Report" appearing on page 55 of this Prospectus..

4. Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements

(i) Overview of the Business of the Company

ECIL, a medium sized construction Company, is ISO 9001:2000 certified and is engaged in diversified construction activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings catering to the PSUs, private sector, CPWD and Asian Development Bank aided projects.

ECIL has completed more than 50 projects in a span of last fourteen years valued at more than Rs. 50,000 Lacs till date. The spectrum of major clients encompasses areas such as infrastructure projects, power sector, airport, pharmaceuticals, textile units, hospitals, chemical plants, residential complexes, multiplexes and engineering industries etc.

The wide variety of clients includes National Thermal Power Corporation Ltd., Indian Railway Welfare Organization, NBCC Ltd., Public Works Department, Central Public Works Department, National Dairy Development Board, NHPC, IRCON International Ltd., Unichem Laboratories Ltd. and Rajasthan Spinning & Weaving Mills Ltd. etc.

(ii) Significant Developments Subsequent to the Last Financial Year

The Directors of the Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in the Prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

(iii) Factors that may Affect Results of the Operations

Except as otherwise stated in this Prospectus, the Risk Factors given in this Prospectus and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting construction activity;
- Increasing competition in the construction industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the construction industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

(iv) The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the Company for the year ended 31st March 2003, 2004 and 2005:

Rs. in Lacs

Particulars	Year ended 31 st March 2003	Year ended 31 st March 2004	Year ended 31 st March 2005
Sales	10,140.70	10,946.58	15,624.02
% Increase	10.67%	7.95%	42.73%
Other Income	39.83	87.22	123.06
% Increase	-9.04%	118.71%	41.09%
Increase/ (Decrease) in Stock	-25.43	53.84	210.50
Total Income	10,155.14	11,087.63	15,957.58
% Increase	9.32%	9.18%	43.92%
Contract Cost	8,739.38	9,423.54	13,346.55
% to Sales	86.18%	86.09%	85.42%
Administrative Expenditure	645.57	739.67	1084.59
% to Sales	6.37%	6.76%	6.94%
Financial Expenses	270.11	317.03	568.08
% to Sales	2.66%	2.90%	3.64%
Depreciation	169.69	182.89	215.53
% to Sales	1.67%	1.67%	1.38%
Profit before Tax	330.35	424.51	742.83
Current Tax	76.4	80.1	144.52
Deferred Tax	18.84	55.8	53.36
Profit for the Year	235.11	288.61	544.95
Prior-Period Tax Adjustments	1.42	-	-
Net Profit after Extraordinary & Prior-Period Items	233.69	288.61	544.95
% Increase of Net Profit after Extraordinary & Prior-Period Items	34.54%	23.50%	88.82%



Rs. in Lacs

Particulars	Year ended 31 st March 2003	Year ended 31 st March 2004	Year ended 31 st March 2005
Inventory	942.95	1,214.20	1,922.23
a) Stock in Hand	837.76	1055.18	1552.71
b) Work in Progress	105.19	159.02	369.52
Sundry Debtors	2,033.37	2,499.36	4,045.87
a) Outstanding for a period exceeding six months	165.05	134.52	309.72
b) Others	1,868.32	2,364.84	3,736.15
Loans and Advances	408.89	639.11	1,092.63
a) Advances Recoverable in Cash or in Kind for Value to be received	306.16	523.80	905.96
b) Prepaid Taxes	102.73	115.31	186.67
Secured Loans	976.04	1,210.85	2,997.22
a) Working Capital Facilities from Union Bank of India	498.54	704.56	1,711.75
b) Term Loan from Union Bank of India	86.27	31.54	8.01
c) Equipment Advances from Clients	132.30	168.90	155.48
d) Mobilisation Advances from Clients	196.09	178.09	427.16
e) Hire Purchase Finance	15.64	58.53	181.44
f) Advances against Insurance Policies	47.20	69.23	95.45
g) Assistance under Receivable Finance From SIDBI	-	-	417.93
Unsecured Loans	344.09	581.65	730.48
a) Inter Corporate Deposits	128.67	217.93	204.13
b) Loan from Directors	-	-	-
c) Fixed Deposits	168.11	297.43	526.35
d) Deferred Liabilities	47.31	66.29	-
Current Liabilities and Provisions	2,291.90	3,055.73	4,240.73
I. Current Liabilities	2,179.61	2,890.67	3,978.25
a) Sundry Creditors			
- Outstanding with SSI Units	13.89	65.38	46.50
- Others	1,920.36	2,360.98	3,364.92
b) Mobilisation & Other Advances	72.09	228.77	303.22
c) Bank Reconciliation Overdraft	65.23	61.65	23.42
d) Others Liabilities	108.03	173.89	240.19
II. Provisions	112.28	165.06	262.47
a) Provision for Tax	76.40	80.10	144.52
b) Provision for Retirement Benefit	35.88	35.96	43.65
c) Proposed Dividend	-	43.44	65.16
d) Tax on Proposed Dividend	-	5.56	9.14

(a) Comparison of Performance and Analysis of Developments for Financial year ended 31st March 2004 vis-à-vis 31st March 2003

Major Events

During the year 2004, the Company bagged some prestigious projects like Bawana Project by Delhi State Industrial Development Corporation Ltd., National Institute of Open Schooling and Institute of Human Behavior and Allied Sciences.

Sales

The Company achieved sales of Rs.10,946.58 Lacs during the year 2004, an increase of 7.95% as against the previous year sales.

Other Income

During the year other income increased from Rs.39.83 Lacs to Rs.87.22 Lacs, recording a growth of more than 100%. This increase was on account of profit on sale of investments/assets of Rs.50 Lacs.

Expenditure

Contract cost accounted for 86.09% of sales during the year at Rs.9,423.54 Lacs as compared to 86.18% of sales at Rs.8,739.38 Lacs during the last year, while the administrative expenditure accounted for 6.76% of sales at Rs.739.67 Lacs during the year as compared to 6.37% of sales at Rs. 645.57 Lacs during the last year.

Finance charges

Financial charges increased during the year from Rs.270.11 Lacs to Rs.317.03 Lacs due to additional loans taken during the year. The Company got credit facility in form of Cash Credit, L/C and Guarantee from Bank of Baroda during the year for Rs.2,290 Lacs.

Depreciation

Depreciation increased from Rs.169.69 Lacs to Rs.182.89 Lacs during the year, due to purchase of additional fixed assets.

Profit after tax

The Company booked profit after tax of Rs.288.61 Lacs, recording an annual growth of 22.76% during the year.

Inventory

The inventory during the year was Rs. 1,214.20 Lacs as compared to the previous year's Rs. 942.95 Lacs. This increase was due to higher consumption of raw materials in the closing of the year 2003.

Sundry Debtors

During the year, the increase in the holding level of Sundry Debtors was from Rs. 2,033.37 Lacs to Rs. 2,499.36 Lacs, which was on account of increase in number of large value projects with longer execution period.

Loans & Advances

Loans & Advances during the year was Rs. 639.11 Lacs as compared to Rs. 408.89 Lacs as on 31st March 2003. This increase was due to increase in advances to raw material suppliers and petty contractors in order to facilitate the operations of the Company in view of improved growth in the construction industry.

Secured Loans

The Secured Loans during the year was Rs. 1210.85 Lacs as compared to Rs. 976.03 Lacs as on 31st March 2003. This increase was mainly due to increase in amount of projects under execution, which resulted into significant increase in requirement of funds especially the working capital requirement.

Unsecured Loans

The Unsecured Loans during the year was Rs. 581.65 Lacs as compared to Rs. 344.09 Lacs as on 31st March 2003. This was due to increased requirement of working capital on account of projects under execution.

Current Liabilities & Provisions

The Current Liabilities & Provisions during the year was Rs. 3,055.73 Lacs as compared to Rs. 2,291.89 Lacs as on 31st March 2003. This was mainly on account of corresponding increase in overall business of the Company as well as provision for dividend by the Company.



(b) Comparison of Performance and Analysis of Developments for Financial year ended 31st March 2005 vis-à-vis 31st March 2004

Major Events

During the year 2005, the Company bagged some bigger projects like Construction of Cargo Complex at Kolkata Airport, Sipat Super Thermal Power Project of NTPC, and Construction of Factory Building for Alps Industries Limited.

Sales

The Company achieved sales of Rs.15,624.02 Lacs during the year 2005, recording a growth of 42.73% as against the previous year sales.

Other Income

During the year, other income increased from Rs.87.22 Lacs to Rs.123.06 Lacs, an increase of more than 41%. The other income during the year 2005 includes profit on sale of investments/assets of Rs.72.47 Lacs.

Expenditure

Contract cost accounted for 85.42% of sales during the year at Rs.13,346.55 Lacs as compared to 86.09% of sales at Rs.9,423.54 Lacs during the last year, while the administrative expenditure accounted for 6.94% of sales at Rs.1,084.59 Lacs during the year as compared to 6.76% of sales at Rs. 739.67 Lacs during the last year.

Finance charges

Financial charges increased during the year from Rs. 317.03 Lacs to Rs.568.08 Lacs due to additional loans taken during the year. During the year, the Company got credit facility in form of Cash Credit, L/C and Guarantee from Andhra Bank for Rs.2,910 Lacs.

Depreciation

During the year, depreciation increased from Rs. 182.89 Lacs to Rs. 215.53 Lacs, due to purchase of additional fixed assets.

Profit after tax

The Company booked profit after tax of Rs.544.95 Lacs, recording a growth of 88.82% against the previous year.

Inventory

The inventory during the year was Rs. 1,922.23 Lacs as compared to Rs. 1,214.20 Lacs as on 31st March 2004. This increase was due to execution of large value projects.

Sundry Debtors

The Sundry Debtors during the year were Rs. 4,045.87 Lacs as compared to the previous year's Rs. 2,499.36 Lacs. This was on account of increase in number of large value projects with longer execution period.

Loans & Advances

Loans & Advances during the year were Rs. 1,092.63 Lacs as compared to Rs. 639.11 Lacs in previous year. This was due to increase in advances to raw material suppliers and petty contractors in order to facilitate the operations of the Company in view of improved growth in the construction industry.

Secured Loans

The Secured Loans during the year were Rs. 2,997.22 Lacs as compared to Rs. 1,210.85 Lacs in previous year. This increase was mainly on account of increase in amount of projects under execution, which resulted into significant increase in requirement of funds especially the working capital requirement.

Unsecured Loans

The Unsecured Loans during the year were Rs. 730.48 Lacs as compared to Rs. 581.65 Lacs in previous year. This was due to increased requirement of working capital on account of projects under execution.

Current Liabilities & Provisions

The Current Liabilities & Provisions during the year were Rs. 4,240.73 Lacs as compared to Rs. 3,055.73 in previous year. This was mainly on account of corresponding increase in overall business of the Company as well as provision for dividend by the Company.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

a. Unusual or infrequent events or transactions:

There have been no unusual or infrequent transactions that have taken place during the last three years.

b. Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Government's focus on infrastructure will have major bearing on the companies involved in construction in infrastructure sector. Any major changes in policies of the Government would have the significant impact on the profitability of the Company.

Except the above, there are no significant economics changes that may materially affect or likely to affect income from continuing operations.

c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

Apart from the risks as disclosed under heading "RISK FACTORS" appearing on page v of this Prospectus, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

d. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known:

Direct Contract expenses as a % to Receipts have remained in the range of around 82% to 86% of Receipts in all the above financial years. Administrative Expenses have also remained in the range of around 6.5% to 8.75% of Receipts, which are expected to decline further due to continuous increase in turnover.

The expansion of the current operations would enable the Company to procure raw materials such as cement and steel in bulk. This may result in negotiations for competitive prices and help the Company to achieve economies of scale.

e. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:

The increase in turnover is mainly on account of increase in sales volume.

f. Total turnover of each major industry segment in which the Company operated:

The Company is operating only in one segment namely construction industry. However, there are no published data available to the Company for total turnover of the Construction Industry.

g. Status of any publicly announced new products or business segment:

The Company has not announced any new product or segment.

h. The extent to which business is seasonal:

The business of the Company is not seasonal in nature. However, the construction activities are affected sometimes, due to heavy rains.

i. Any significant dependence on a single or few suppliers or customers:

The Company sources its raw materials from a number of suppliers and is not under threat from excessive dependence on any single supplier.

Similarly, the Company is engaged in diversified construction activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings catering to both PSUs and Private sector and hence there is no dependence on any single customer. As per the existing order book of the Company, more than 70% contracts in terms of value are from few customers viz. National Thermal Power Corporation Limited, Delhi State Industrial Development Corporation Ltd., Airports Authority of India, Public Works Department & Power Grid Corporation of India Ltd. This as on date customer concentration makes majority of Company's revenues dependable upon these few customers, until there are no major additions in the order book.

j. Competitive conditions

The Company faces stiff competition from larger and well-established players. The Company is smaller in size compared to the market leaders, which acts as deterrent for very large projects. However, the Company has bid for large projects in past and bagged a few large projects inspite of big companies in fray like Gammon India Ltd., Larsen & Toubro Ltd., Hindustan Construction Company Ltd., Simplex, NBCC Ltd., Mukand Engineering and Jaiprakash Bholanath.

Further, smaller proprietary firms also create competition for the Company. But, considering the size and entry norms for the contracts, for which the Company is bidding, the competition from smaller proprietary firms is minimal.



VI. LEGAL & OTHER INFORMATION

1. Outstanding Litigations and Material Developments

The Company certifies that except as stated herein, there are no:

- a. Pending litigations in which the Promoters is involved, defaults to financial institutions/banks, non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters and the companies/firms promoted by the promoters.
- b. Pending litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoters was associated in the past but is no longer associated, where his name continues to be associated with particular litigation(s).
- c.
 - i) Litigations against the Company or against any other company whose outcome could have a materially adverse effect of the position of the Company.
 - ii) Litigations against the Promoters or directors involving violation of statutory regulations or criminal offence.
- d.
 - i) Pending proceedings initiated for economic offences against the directors, the promoters, companies and firms promoted by the promoter.
 - ii) Past cases in which penalties were imposed by the concerned authorities.
- e. Outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of the Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956).
- f. Pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/Civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board/ stock exchanges against the Company/Promoters and his other business ventures (irrespective of the fact whether they fall under the purview of Sec 370 (1B) of the Company's Act, 1956) / Directors.

Outstanding Litigations involving Era Constructions

Filed against the Company

Pertaining To Criminal Laws:

(in INR)

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
1.	Ravi Builders & Transporters V/s. ECIL& others Criminal Complaint No. 300 of 1999 Appeal No. 40 of 2001	Judicial Magistrate, Class I, Bhopal	Cheque issued by ECIL had bounced due to insufficiency of funds	05.04.99	Non-Bailable Warrants were issued against Mr. H.S. Bharana, Mr. Ravinder Bahl and others. Appeal has been filed by ECIL against the issuance of non-bailable warrants before the Hon'ble High Court of Madhya Pradesh at Jabalpur, who has granted stay of execution of the warrants and the proceedings of the trial court till listing of the appeal.	Court may direct payment of cheque amount, arrest of concerned officers of ECIL and/ or fine/ penalty/ damages	28,369/-	28,369/-

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
2.	Kuldeep Singh Saluja V/s. ECIL Criminal Complaint No. 244/04 of 1998 Appeal No.5010 of 2005	Additional Civil Judge, Ajmer	Cheque issued by ECIL had bounced due to insufficiency of funds	05.05.98	Bailable warrants were issued against ECIL, acting through its directors. Appeal has been filed by ECIL before the Hon'ble District & Sessions Court, Ajmer, against the issuance of bailable warrants by the trial court on the ground of limitation.	Court may direct payment of cheque amount, arrest of concerned officers of ECIL and/ or fine/ penalty/ damages	8,000/-	8,000/-

Pertaining To Securities Laws:

As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations") information with regard to the shareholding of equity shares of the company has to be disclosed to all the stock exchanges on which the equity shares of the company are listed within the time period specified therein.

The Company had received a Notice vide Letter No. CFD/DCR/RC/TO/20949/04 dated September 20, 2004 from SEBI, for violation of regulations 6(2) and 6(4) for 1997 and 8(3) for the period 1998 till 2002 under the said Regulations, in respect of not filing the required information in accordance with the said Regulations.

SEBI has decided to consider Company's request for Consent Order if the Company is willing to pay an amount of Rs.1,75,000/- as penalty for the aforesaid violations, subject to acceptance by the learned Adjudicating Officer.

The Company, vide its letter dated 27th December 2004, has given its consent to pay the aforesaid penalty of Rs. 1,75,000/- and waived its right to a hearing under Rule 4(5) of SEBI (Procedure for Holding Enquiries and Imposing of penalties by Adjudicating Officer) Rules, 1995.

Pertaining To Statutory Laws:

Tax Disputes

Sr. No.	Assessment Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
1.	Sales Tax Officer, Angul Assessment Order for the year 2000-01	Assistant Commissioner of Sales Tax, Cuttack-II Range, Cuttack	Excess sales tax of Rs.6,62,959.23 levied by Sales Tax Officer, Angul has been disputed by ECIL due to disallowance by the concerned Officer of the expenses on account of labour and services charged in ECIL's accounts	07.07.04	Pending for Argument	The Department may direct ECIL to deposit entire additional demand, along with interest on balance amount (after adjustment of security)	6,62,959.23	NIL Rs.3,75,000 has been deposited as security by ECIL under protest
2.	Assessing Authority, Orissa Entry Tax Assessment Order for the year 2000-01	Assistant Commissioner of Sales Tax-cum-Entry Tax, Cuttack-II Range, Cuttack	Excess entry tax of Rs.130955.13 levied by Sales Tax Officer, Angul has been disputed by ECIL	07.07.04	Pending for Argument	The Department may direct ECIL to deposit entire additional demand, along with interest	1,30,955.13	NIL



Sr. No.	Assessment Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
3.	Dy. Comm., Trade Tax Ghaziabad Uttar Pradesh Assessment Order for the year 1994-95	Assessing Authority UP Trade Tax Ghaziabad	Assessment Order for the Period 1994-1995 was reopened by Dy. Commr., Trade Tax, Ghaziabad u/s 10.B of UPST on 21.08.99 and additional demand was raised on account of 10% tax on supply of LDP to M/s. Bindal Agro Chem. (I) Ltd. Shahjahanpur	21.08.99	Decided on 18.11.03 in favour of ECIL and remanded to Tax Assessing Authority for re-assessment.	Tax Assessing Authority may raise demand for the entire amount, along with interest on balance amount (after adjustment of security), as he deems fit.	7,50,000/-	NIL 2,50,000/- has been deposited as security by ECIL under protest

Arbitration Matters

Sr. No.	Parties	Court/ Arbitrator and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
1.	Indian Oil Corporation Limited (IOCL) V/s. ECIL	Justice J.K. Mehra (Retd.)	IOCL has claimed compensation for work offloaded by it due to alleged delay in the completion of the project by ECIL, alongwith liquidated damages and costs.	20.03.01	Argument proceedings have been completed and award is awaited.	Arbitrator may award entire amount, along with interest and costs, in favour of IOCL	4,44,43,999.48 +Interest @18% p.a.	NIL
2.	Mr. D.K. Sharma, Proprietor, M/s Keshav Securities Services (Regd.) V/s. ECIL OMP 130 of 2004	Hon'ble High Court of Delhi	The claimant seeks payment on account of security provided at various sites of ECIL, alongwith interest and costs.	02.04.04	Award has been passed against ECIL by Arbitrator Justice Mohd. Shamim (Retd.) for Rs. 20,56,833/- (including pendente lite interest @10%) and future interest @18%. Objections have been filed by ECIL before the Hon'ble High Court of Delhi at New Delhi, being OMP 130 of 2004, against this award, which are still pending	In case the Company's objections are dismissed, the entire amount may become payable along with interest and costs.	20,56,833/- + Interest @18% p.a.	2,980.97 ECIL's counter claims are: 55,10,779/- + Interest

Sr. No.	Parties	Court/ Arbitrator and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
3.	Sur Iron & Steel Company (P) Ltd. (SISCO) V/s. ECIL	Sole Arbitrator Shri J.L. Khushu Delhi	The claimant seeks balance payment towards supply of crushing system plant to ECIL, alongwith interest and costs	31.10.02	The proceedings are at the stage of final arguments	Arbitrator may direct ECIL to pay the entire amount, alongwith interest and damages	37,21,695.99 + Interest @30% p.a.	NIL ECIL's counter claims are: 1,13,53,777 + Interest

Pertaining To Civil Laws

Sr. No.	Parties	Court/ and Counsel	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
1.	Narinder Kumar V/s. ECIL Suit No.378 of 1994 Appeal No. 232 of 2000	Civil Judge, Tis Hazari Court, Delhi	Bills raised by the petty contractor are allegedly outstanding against ECIL	22.09.94	Ex-parte decree was passed by Civil Judge, Delhi, against ECIL for entire amount and application for setting aside of ex-parte decree and stay of execution filed by ECIL was dismissed. Appeal filed by ECIL before the Additional District Judge has been allowed vide his order dated 16.05.2000 and the case has been remanded.	Court may direct ECIL to pay entire amount, along with interest and costs	78,364.53 + Interest	NIL
2.	Sadiq Ali M. Allah Bux V/s. ECIL Suit No. 74 of 1998	Additional District Judge-II, Bhiwarra	Bill raised by the petty contractor are allegedly outstanding against ECIL	30.05.98	Ex parte order was passed by the Additional District Judge against ECIL, against which ECIL has filed Application No. 9 of 2002 for setting aside ex parte proceedings	Court may direct ECIL to pay entire amount, along with interest and costs	51,650.51 + Interest @18% p.a.	NIL
3.	Girraj Kishore V/s. ECIL Suit No. 226 of 1998	Civil Judge (Senior Division), Etah	Supplier's bills are allegedly outstanding against ECIL	21.05.98	Ex parte proceedings were commenced against ECIL due to non-appearance, against which ECIL has filed application for setting aside the same.	Court may direct ECIL to pay entire amount, along with interest and costs	1,47,614/- + Interest @24% p.a.	1,47,614/-



Sr. No.	Parties	Court/ and Counsel	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
4.	Jamuna Hotel Enterprises Pvt. Ltd. V/s. ECIL Suit No. 57 of 1996 Appeal No. 6 of 2003	District Judge, Tehri Garhwal	Supplier's bills are allegedly outstanding against ECIL	09.05.03	Decree for a sum of Rs. 4,68,816/- along with interest was passed against ECIL by the District Judge vide his order dated 10.04.03. Appeal has been filed by ECIL before the Hon'ble High Court of Uttaranchal at Nainital, being First Appeal No. 6 of 2003. Stay of execution of the decree has been granted subject to deposit of full decretal amount along with interest, which has not been deposited till date. In the meanwhile, Execution Court, Tehri, has already recovered Rs. 3,92,000/- on 18.11.04 from ECIL. ECIL intends to file an application before Hon'ble High Court for stay of execution proceedings upon deposit of balance decretal amount	The stay on the execution of the decree may be vacated due to non-deposit of security amount. Also, the appeal may be decided against ECIL and Court may direct ECIL to pay entire amount, along with interest and costs	4,68,816/- + Interest @20% p.a.	NIL
5.	Gujarat Framing Mart V/s. ECIL Suit No. 232 of 1997	Civil Judge (Sr. Division), Himmat Nagar, Gujarat	Petty contractor's bill is allegedly outstanding against ECIL	10.07.97	The case is listed for completion of pleadings. In the meantime, the Hon'ble Civil Judge had granted stay against ECIL restraining it from engaging third parties to get balance work executed, which was vacated upon deposit of a sum of Rs.25,000/- in court.	Court may direct ECIL to pay entire amount, along with interest and damages	37,127.39 + Interest	Rs.25,000/- has been deposited as security by ECIL under protest
6.	Industrial Agencies V/s. ECIL & others Suit No. 1375 of 1996	2nd Joint Civil Judge (Sr. Division), Nagpur	Supplier's bills are allegedly outstanding against ECIL	19.10.96	Written statement has been filed, Issues are to be framed.	Court may direct ECIL to pay entire amount, along with interest and damages	47,954/- + Interest @18% p.a.	38,750/-

Sr. No.	Parties	Court/ and Counsel	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
7.	Surendra Steel Rolling Mills V/s. ECIL Suit No. 262 of 1999 Appeal dated 03.01.2005	Civil Judge (Sr. Division), Amloh, Fatehgarh Sahib	Supplier's bills are allegedly outstanding against ECIL	07.09.99	Decree has been passed against ECIL for Rs.1,17,958/- Appeal has been filed by ECIL before the District Judge, Fatehgarh Sahib	In case ECIL's appeal is not allowed, Court may direct ECIL to pay entire decretal amount, along with interest and damages	1,17,958/- + interest @12% p.a.	NIL
8.	Johriral Bansidhar V/s. ECIL & others Civil Suit No. 10-S/1 of 1996 Appeal dated 18.10.2004	District Judge, Solan	Supplier's bills are allegedly outstanding against ECIL	12.11.96	Decree has been passed against ECIL by the District Judge vide order dated 19th July 2004 for a sum of Rs. 2,23,942.67 + interest @ 12% per annum. No execution proceedings have been instituted till date. Appeal has been filed by ECIL before Hon'ble High Court of Himachal Pradesh at Simla. However, no stay of the execution of the decree has been granted till date	Execution proceedings may be initiated for realization of entire decretal amount, along with interest	2,23,942.67 + Pendente Lite Interest @12% p.a.+Future Interest @6% p.a.	NIL
9.	Makrand Ganesh Puranik V/s. ECIL Special Civil Suit No.287 of 1998	Civil Judge (Sr. Division), Kolhapur	Petty contractor's bills are allegedly outstanding against ECIL	15.04.98	Written Statement has been filed, the matter is now fixed for evidence	Court may direct ECIL to pay entire amount, along with interest and damages	1,26,205.70 + Interest @15% p.a.	NIL
10.	M/s. Gopal Paints V/s. ECIL and others Summary Civil Suit No. 2739 of 1999	City Civil Judge, Ahmedabad	Supplier's bills are allegedly outstanding against ECIL	14.06.99	Ex-parte Summons for Judgement has been issued against ECIL, against which ECIL has filed application for setting aside ex parte order.	Court may direct ECIL to pay entire amount, along with interest and damages	2,17,044.45 + interest @24%	6,465/-
11.	Sushil Kumar and Roop Lal V/s. ECIL and others Suit No. 124 of 2000	Civil Judge (Jr. Division), Barnala	Supplier's bills are allegedly outstanding against ECIL	19.08.00	Decree was passed against ECIL by the Civil Judge vide order dated 15.05.04 for the admitted amount, i.e. Rs.10,312/-, outstanding in ECIL's books along with interest @6% p.a. No execution proceedings have been initiated till date.	Execution proceedings may be initiated for realization of decretal amount, along with interest. Alternatively, Plaintiff may appeal against decree and seek decree for the entire suit amount of Rs. 3,54,664.40 + interest @18% p.a.	10,312/- + Interest @6% p.a.	10,312/-



Sr. No.	Parties	Court/ and Counsel	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
12.	M/s. D.P. Khandelwal & Sons V/s. ECIL Suit No. 256 of 2004	Civil Judge Delhi	Interest claimed on delayed payment of Supplier's bills outstanding against ECIL.	30.04.05	ECIL received the intimation through bailiff of Civil Judge, Delhi for the first time on 27.04.05 in respect of execution of warrants of attachment passed by the Civil Judge. The Company has filed an application under order 9 Rule 13 of Civil Procedure Code, 1908 to set aside the exparte decree on the ground that no opportunity was given to the Company to defend the case.	Execution proceedings may be initiated for realization of decretal amount along with interest and legal cost.	1,52,206.00 + Interest @10% p.a. + Legal Cost	NIL

Pertaining To Labour Laws

Sr. No.	Parties	Court/ and Counsel	Issue	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
1.	Mahamantri Bhawan Nirman Majdoor Sabha V/s. ECIL MWA/03/05	Dy. Labour Commission NOIDA	Non payment of worker's wages who was employee of subcontractor working under ECIL	16.03.05	Written Statement filed by ECIL stating that the claim has not been filed with the appropriate authority.	Court may direct ECIL to pay entire amount claimed	1,37,100/-	NIL
2.	Chhotelal, Ramavtar & Others (Labourers of Petty Contractor Ravinder) V/s. ECIL PWA 891 of 2004	Authority, Payment of Wages Act, 1936, Noida	Wages were not paid by the petty contractor hired by ECIL to his labourers, who have filed claim against ECIL as the principal employer, through United Trade Union Congress	23.09.04	Written Statement is yet to be filed by ECIL, in which it intends to take the ground that the State Authority has no jurisdiction to entertain the matter, and the case should have been filed before the Central Authority	Court may direct ECIL to pay entire amount, along with interest and damages. Alternatively, the Court may dismiss the matter on the ground that it lacks jurisdiction to entertain the matter.	87,350/-	NIL
3.	Godharam, Hawa Singh & Smt. Dharam Devi V/s. ECIL Petition No. 1682 of 2003	Commissioner under Workmen's Compensation Act, Bhiwani	A workman employed by a petty contractor died of electrocution on ECIL's project site on 07.05.03, the relatives of the workman are seeking compensation from ECIL	12.08.03	The case is listed for arguments	Court may direct ECIL to pay entire amount, along with interest and damages	8,00,000/-	NIL

The Company confirms that as on date of this Prospectus, its name is not appearing on CIBIL website.

Filed by the Company

Pertaining To Criminal Laws:

Sr. No.	Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
1.	ECIL V/s. Director, Health Services, through its Secretary / Director Dr. Joginder Singh & Mr. Shingara Singh Mann, Administrative Officer (F.W.) Criminal Complaint No. 228 of 2003	Judicial Magistrate, Class I, Chandigarh	Cheque for a sum of Rs.7,62,433/- was issued by the Accused to ECIL but upon deposit, was returned unpaid by the bank as payment was stopped by the Accused.	04.04.03	The Director, Health Services has filed an application seeking exemption from personal appearance, which is pending for arguments.	No negative implications	Not Applicable	Rs.7,62,433/-
2.	ECIL V/s. WTD S.r.l. ITALY and others Criminal Complaints No. 317/1, 318/1, 319/1 and 325/1of 2004	Additional Chief Metropolitan Magistrate, New Delhi	Cheques aggregating to Rs.6,94,809/- were issued to ECIL against book balance of Rs.31,07,771/- but upon deposit, were returned unpaid due to insufficient funds/ payment stopped by the Accused.	20.12.04	The case is fixed for admission and Issue of summons to the Accused.	No negative implications	Not applicable	31,07,771/-

Pertaining To Securities Laws: Nil

Pertaining To Statutory Laws:

Tax Disputes: Nil

Arbitration Matters

Sr. No.	Parties	Court/ Arbitrator and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
1	ECIL V/s. Indian Oil Corporation Limited (IOCL)	Justice J.K. Mehra (Retd.)	ECIL has claimed balance amount outstanding against its final bill, cost of extra item executed by ECIL, loss of profit on the work illegally withdrawn by IOCL, loss of goodwill and other costs.	01.05.01	The case has been argued and judgment has been reserved	Arbitrator may not award the claims of ECIL	4,79,78,131/- + Interest @18% p.a.	65,76,950/52



Sr. No.	Parties	Court/ Arbitrator and Council	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
2	ECIL V/s. Hindustan Petroleum Corporation Limited (Ajmer) Petition No. 81 of 2004	High Court of Mumbai	ECIL has challenged the deduction of liquidated damages by HPCL from the final bill raised by ECIL, and has also claimed cost of extra work executed for HPCL	07.07.04	Award has been passed by Arbitrator Shri R. Roy, Deputy GM, Commercial (P&P), HPCL in favour of ECIL for a sum of Rs. 18,19,572/- + interest @ 7% per annum. Petition has been filed by HPCL before the Hon'ble High Court of Maharashtra at Mumbai, being Petition No. 81 of 2004, for appointment of fresh arbitrator	In case fresh arbitrator is appointed, the entire claim raised by ECIL may not be granted.	92,91,134/- + interest @ 24% claims filed by ECIL) No counter claim filed by HPCL	22,68,063/-
3	ECIL V/s. Union of India, Public Work Department, Office of the Chief Engineer, Zone-III, Delhi	Mr. A.K. Singhal	ECIL has claimed Rs.2,42,73143.19 towards escalation and extra work executed by it, along with interest @ 18% per annum for the extended period beyond the contractual date of completion and other costs.	19.08.04	The date of the first hearing has not yet been fixed. Counter claim has been filed by Union of India, PWD Division No. 28 (MCTD) for a sum of Rs.1,54,34,124/- towards liquidated damages for alleged delay in completion and arbitration cost.	Arbitrator may not award the claims of ECIL and may award the counter claims of the Respondent	2,42,73,143.19 Counter claims of the Respondent are: 1,54,34,124/-	Nil

Pertaining To Civil Laws: Nil

Pertaining To Labour Laws: Nil

Outstanding Litigations Involving Promoters / Directors

Filed Against the Promoters / Directors

Pertaining To Criminal Laws:

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
1)	Rajendra Kr. Mishra, Proprietor, M/s. Siddhartha Traders V/s. Shri H.S. Bharana, Shri P.P. Mainra & Others Criminal Miscellaneous No. 179 of 2000 Appeal No.2121 of 2001	Chief Judicial Magistrate, Shahjahanpur	FIR has been lodged by the Complainant alleging violence due to dispute regarding alleged non-payment of bills by ECIL	06.06.00	Application for quashing of FIR filed by ECIL before the Hon'ble High Court of Uttar Pradesh at Allahabad was rejected vide its order dated 13.09.2004 and the case was remanded Appeal has been filed in Hon'ble High Court at Allahabad for transfer of the case to another Court on the ground of bias, to ensure fair trial	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
2)	Rajendra Kr. Mishra, Proprietor, M/s. Siddhartha Traders V/s. Shri H.S. Bharana, Shri P.P. Mainra & Others Criminal Miscellaneous No.1057 of 1998 Appeal No. 599 of 1999	Chief Judicial Magistrate, Shahjahanpur	Complaint was filed by the Complainant alleging violence due to dispute regarding alleged non-payment of bills by ECIL.	03.09.98	Non-Bailable Warrants were issued by the Chief Judicial Magistrate for securing personal appearance of the directors of ECIL. Appeal was filed on 17.03.1999 by ECIL against this order before the Hon'ble High Court of Uttar Pradesh at Allahabad, The Hon'ble High Court has granted stay of the proceedings of the trial court as well as execution of personal warrants till listing of the case vide its order dated 17.03.99.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable
3)	Naresh Chandra Jain V/s. Shri H.S. Bharana & Others Criminal Miscellaneous No. 845 of 1999 Appeal No.972 of 2004	Chief Judicial Magistrate, Tehri	Complainant has alleged cheating and non-payment of outstanding bills by ECIL.	25.04.99	The Chief Judicial Magistrate directed the issuance of Non-Bailable Warrants for securing the personal appearance of the directors of ECIL. Appeal No. 2392 of 2000 has been filed by ECIL against this order before Hon'ble High Court of Uttar Pradesh at Allahabad, which has been admitted. Stay has been granted by the Hon'ble High Court till further orders against execution of warrants and further proceedings of trial court vide its order dated 06.11.2000. In the meanwhile, the case has been transferred to the Hon'ble High Court of Uttaranchal at Nainital due to creation of a new state and consequent change in jurisdiction, and the appeal has been re-numbered as Appeal No.972 of 2004.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable



Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
4)	S.N. Jain V/s. Shri H.S. Bharana & Others Criminal Miscellaneous No.1091 of 1998 Appeal No. 971 of 2004	CJM, New Tehri	Complainant has alleged cheating due to stopping of payment by ECIL of a cheque issued by it against salary	25.05.98	The Chief Judicial Magistrate directed the issuance of Non-Bailable Warrants for securing the personal appearance of the directors of ECIL. Appeal No. 2391 of 2000 has been filed by ECIL against this order before the Hon'ble High Court of Uttar Pradesh at Allahabad, which has been admitted. Stay has been granted by the Hon'ble High Court till further orders against execution of warrants and further proceedings of trial court vide its order dated 06.11.2000. In the meanwhile, the case has been transferred to the Hon'ble High Court of Uttaranchal at Nainital due to creation of a new state and consequent change in jurisdiction, and the appeal has been re-numbered as Appeal No. 971 of 2004.	Court may direct arrest of concerned directors, and fine/ penalty/ damages	Not Applicable	Not Applicable
5)	State V/s. Shri H.S. Bharana	Metropolitan Magistrate, Patiala House,	New Delhi Complaint by an ex-employee under Sections 406 and 498A of the Indian Penal Code	13.07.01	The case is listed for framing of charges	Court may direct arrest of concerned directors, and fine/penalty/ damages/ maintenance	Not Applicable	Not Applicable

Pertaining To Securities Laws: Nil

Pertaining To Statutory Laws: Nil

Pertaining To Civil Laws:

Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
Meena alias Dr. Rakshita V/s. Shri H.S. Bharana	Additional District Judge, Tis Hazari	Petition for divorce	04.06.2001	The case is listed for Petitioner's evidence	No negative implications	Not Applicable	NIL

Pertaining To Labour Laws: Nil

The Promoters and directors of the Company confirm that as on date of this Prospectus, name of any one of them is not appearing on CIBIL website. Further, it is confirmed that except as otherwise stated in this Prospectus, none of the Directors have any litigation towards tax liabilities, or any criminal/ civil prosecution against them for any offences.

Filed By Promoters/ Directors

Pertaining To Criminal Laws:

Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
Shri H.S. Bharana V/s. Dwarika Parshad & Others	Chief Metropolitan Magistrate, Delhi	Complaint has been filed due to nuisance by Contractor by staging demonstrations in front of the office and residence of the director for payment of his alleged outstandings against ECIL.	16.10.03	The case is fixed for evidence of the complainant	No negative implications	Not Applicable	Not Applicable

Pertaining to Securities Laws: Nil

Pertaining to Statutory Laws: Nil

Pertaining to Civil Laws: Nil

Pertaining To Labour Laws: Nil

Outstanding Litigations Involving Promoters' Group Companies

Filed Against Promoters' Group Companies: NIL

It is confirmed that as on date of this Prospectus, name of any of the group companies is not appearing on CIBIL website.

Filed By Promoters' Group Companies

ERA FINANCIAL SERVICES (INDIA) LIMITED (EFSIL)

Pertaining to Criminal Laws:

Parties	Court and Counsel	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount (in Rs.)	Provisions made in the Financial Statements
EFSIL V/s. Rohini Strips Ltd. & Others Cases No. 1694 of 2001, 1695 of 2001, 1670 of 2001	Chief Metropolitan Magistrate, Patiala House, Delhi	Cheques were received by EFSIL towards financing of lease assets but, upon deposit, were returned unpaid due to insufficient funds and excess arrangement	03.06.98	Warrants have already been served, party is repaying the amounts involved in installments	No negative implications	7,40,376/-	Provided for as NPA

Pertaining to Securities Laws: Nil

Pertaining to Statutory Laws: Nil

Pertaining to Civil Laws: Nil

Pertaining to Labour Laws: Nil

WTD ERA (INDIA) LIMITED: Nil

ERA EXPORTS (INDIA) LIMITED: Nil

ERA HOUSING & DEVELOPERS (INDIA) LIMITED: Nil

HI-POINT INVESTMENT & FINANCE (P) LIMITED: Nil



Amounts Owed to Small Scale Undertakings

The name of Small Scale Undertakings to whom the Company owes a sum exceeding Rs. 1 Lac which is outstanding more than 30 days, as on March 31, 2005, are as follows:

Sr. No.	Name of Small Scale Undertakings
1	Allied Glass Pvt. Ltd.
2	B.S. Bhatta Company
3	Bansal Stone Crusher
4	Choudhari Bricks Klin
5	Cico Technologies Ltd.
6	Deshwal Bricks
7	Ganpati Steel
8	Ganpati Stone Crushers
9	Karshni Aliminium Co. Pvt. Ltd.
10	Krishna Stone Crusher
11	Pioneer Plastic Ind. Ltd.
12	S.J. Bricks
13	Shree Mahavir Enterprises
14	Shri Shirdi Sai Stone Crusher
15	Solid Shutter Industries
16	Sri Sai Stone Crusher
17	U.P. Concrete Product (P) Ltd.
18	Veer Sain Jain & Co.

Material Developments since the Last Balance Sheet Date

There have been no material developments after the date of last balance sheet i.e. March 31, 2005.

2. Government Approvals / Licensing Arrangements

Investment Approvals (FIPB/ RBI, etc.).

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

All Government and Other Approvals

The Company has received the following Government approvals/licenses/permissions:

1. Certificate of Incorporation No.55-41350 dated September 03, 1990 and Fresh Certificate of Incorporation dated October 19, 1992 upon change of name on conversion to Public Limited Company to Era Constructions (India) Limited by the Registrar of Companies, Delhi & Haryana at New Delhi.
2. Certificate of Registration of Trade Mark in respect of class 5, 23 & 29 under Trade Marks Act, 1999 dated 25.08.03 issued by the Registrar of Trade Marks, Trade Marks Registry, Govt. of India
3. Certificate of Importer Exporter Code (IEC) obtained from Government of India, Ministry of Commerce dated April 13, 2000, IEC No. 0500001995.

4. Certificate of Registration vide Office Order 1024 (Civil) dated 20.02.04 issued by Govt. of India, Directorate General of Works, CPWD, CSQ Organisation, Contract & Manual Unit, Nirman Bhawan, New Delhi as Class I (Civil) Contractor, valid upto 13.08.08.
5. Labour License U/S 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 for construction of group housing for Central Government Housing Welfare Organisation, obtained from Govt. of Uttar Pradesh, Office of Licensing Officer, Noida, valid upto 31.07.05.
6. Renewal of Labour License of the Contract Labour (Regulation and Abolition) Act, 1970 for NTPC, Talcher Super Thermal Power Project, obtained from Govt. of Orissa, Office of Licensing Officer, Angul, valid upto 30.08.05.
7. Renewal of Labour License U/S 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970 for construction work of Panacea Biotec Ltd., obtained from Govt. of Himachal Pradesh, Office of Licensing Officer, Solan, valid upto 31.07.05.
8. Renewal of Labour License U/S 12 (2) of the Contract Labour (Regulation and Abolition) 1970 for Rajasthan Urban Industrial Development Project at Bikaner, obtained from Govt. of Rajasthan, Office Of Licensing Officer, Bikaner, valid upto 30.06.05.
9. Renewal of Labour License U/S 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 for power project of NTPC, obtained from Govt. of Bihar, Office of Licensing Officer, Bhagalpur, valid upto 12.11.05.
10. The License from Ministry of Labour, Office of the Assistant Labour Commissioner (C) – Kolkata for the construction of Integrated Cargo Complex (PH-I) at NSCBI Airport, valid till 14.10.05.
11. Labour License for Construction of ITI building at Dheerpur for Delhi Metro Rail Corp. Ltd., valid upto 04.11.05.
12. Renewal of Labour License for Civil Works, Foundation, RAFT etc. of stage-III for NTPC, Ramagundam obtained from Govt. of Andhra Pradesh, Office of Licensing Officer, Warangal, valid upto 31.07.05.
13. Renewal of Labour License for doing the work of development of campus and construction of office complex of National Institute of office Schooling at Noida (UP) in the establishment of Secretary of National Institute of Open Schooling, Kailash Colony, New Delhi, obtained from Govt. Of India, Ministry of Labour Office of the Assist. Labour Commissioner (Central), Dehradun and is valid upto 30.12.05.
14. Renewal of Labour License for doing the work of construction of CISF CAMPUS in the establishment of Executive Engineer, CPWD, Noida Central Division, CPWD, IP Bhavan, New Delhi, obtained from Govt. of India, Ministry of Labour, Office of the Assist. Labour Commissioner (central), Dehradun, valid upto 04.01.06.
15. Labour License for TG area civil works package for NTPC, Super Thermal Power Project, SIPAT, Stage-I, valid upto 31.12.05.
16. Renewal of Labour License U/S 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970 for construction work of NTPC, Vindhyaachal Project, obtained from Govt. of Madhya Pradesh, Office of Licensing Officer, Singrauli, valid upto 31.12.05.
17. Labour License for Construction of building for Homeopathic Pharmacopocia Lab (HPL) and Pharmacopeial Lab of India Medicine (PLIM) at Ghaziabad, obtained from Govt. Of India, Ministry of Labour, Office of the Assist. Labour Commissioner (central) Dehradun, valid upto 04.01.06.
18. Labour License for Construction of spinning mill at Haridwar of Alps Industries Ltd., obtained from Office of the Licensing Officer and Asstt. Labour Commissioner, Devpura, Haridwar, valid upto 22.12.05.
19. Renewal of Labour License U/S 12 (2) of the Contract Labour (Regulation and Abolition) Act, 1970 for Rajasthan Urban Industrial Development Project, obtained from Govt. of Rajasthan, Office of Licensing Officer, Jodhpur, valid upto 31.12.05.
20. Renewal of Labour License towards doing the work of construction of Casualty Block, in the establishment of Executive Engineer, DIV.-31, C/o LNJP Hospital, Casualty block, Delhi Gate, New Delhi – 02, valid upto 31.10.05.
21. Renewal of Labour License for doing the work in the establishment of PWD Division No. – II, LNJP, Hospital, Delhi Gate, Delhi-02, at General Ward & Special Ward Block at LNJP Hospital, obtained from Govt. of National Capital Territory of Delhi, Office of Licensing Officer, New Delhi, valid upto 30.09.05.
22. Labour License for construction of civil & other allied works for non residential buildings (including school & sports complex) at Sect-43, Gurgaon for Powergrid Corporation of India Limited valid upto 10.04.06.



23. Labour License for construction of civil & other allied works for township complex at sector 46, Gurgaon, Package-IB for Powergrid Corporation of India Limited valid upto 10.04.06.
24. Labour License for construction of houses with cost effective technologies (composite work) at Bawana Industrial Complex of Delhi State Industrial Development Corp. Ltd., valid upto 25.08.06.
25. Renewal of labour license for doing the work of construction in the establishment of PWD Executive Engineer, Project Division PWD (DS) Sector 6, Rohini, Delhi – 85, obtained from Govt. of National Territory of Delhi, Office of Licensing officer, New Delhi, valid upto 30.12.05.
26. Labour License for doing the work of Construction of Institutional & Residential Building in the establishment of Institute of Human Behaviour & Allied Sciences, Shahadara, Delhi, obtained from Government of National Capital Territory of Delhi, Office of Licensing Officer, New Delhi valid up to 07.10.05.
27. Labour License for doing the work of Construction of 25000 Spindles Spinning Unit of Alps Industries Limited at Haridwar (Uttaranchal) obtained from Office of Licensing Officer & Asstt. Labour Commissioner, Devpura, Haridwar valid upto 22.12.05.
28. Labour License for doing the work of Construction of Pharmaceutical Building of Paras Pharmaceuticals Limited at Baddi, Himachal Pradesh obtained from Office of Licensing Officer, Himachal Pradesh valid upto 31.03.06.
29. Labour License for doing the work of Construction of factory building of Neel Metal Products at Haridwar (Uttaranchal) obtained from Office of Licensing Officer & Asstt. Labour Commissioner, Devpura, Haridwar valid upto 31.03.06.
30. State Sales Tax Registration No. NZB/07/02/2715/95-96 effective from 26.12.95 and Central Sales Tax Registration No. N.Z.B./07/02/1929/1995-96 effective from 26.12.95 issued by the Govt. of Andhra Pradesh, Department of Sales Tax, Patancheru.
31. State Sales Tax Registration No. B.H. 3420-R effective from 22.09.03 and Central Sales Tax Registration No. B.H. 3084(C) effective from 22.09.03 issued by the Govt. of Bihar, Department of Sales Tax, Bhagalpur.
32. Works Contract Tax Registration No. WC/4/482002216/1299 effective from 01.12.99 and Central Sales Tax registration no. LC/085/07150270001/0903 effective from 19.01.04 issued by the Govt. of Delhi, Department of Sales Tax, New Delhi.
33. State Sales Tax Registration No. FBD/HGST/209808 effective from 07.09.93 and Central and Local Sales Tax Registration No. FBD/CST/209808 effective from 07.09.93 issued by the Govt. of Haryana, Department of Sales Tax, Faridabad.
34. State Sales Tax Registration No. S.O.L.-III-4220 effective from 19.09.95 and Central Sales Tax registration no. S.O.L.-CST-4362 effective from 19.09.95 issued by the Govt. of Himachal Pradesh, Department of Sales Tax, Solan.
35. State Sales Tax Registration No. 01743181 effective from 10.07.98 and Central Sales Tax Registration No. 01793184 effective from 10.07.98 issued by the Govt. of Karnataka, Department of Sales Tax, Bangalore.
36. State Sales Tax Registration No. 0112/XXXVII/1239/3/S effective from 12.11.92 and Central Sales Tax Registration No. 0112/IND/XXXVI/0872/C effective from 12.11.92 issued by the Govt. of Madhya Pradesh, Department of Sales Tax, Indore.
37. State Sales Tax Registration No. 440002/S/5206 effective from 04.07.00 and Central Sales Tax Registration No. 440002/C/3879 effective from 04.07.00 issued by the Govt. of Maharashtra, Department of Sales Tax, Nagpur.
38. State Sales Tax Registration No. DL-3639 effective from 16.07.99 and Central Sales Tax Registration No. DLC-1605 effective from 16.07.99 issued by the Govt. of Orissa, Department of Sales Tax, Angul.
39. State Sales Tax Registration No. 46322018 effective from 27.10.93 and Central Sales Tax Registration No. 46322018 (central) effective from 27.10.93 issued by the Govt. of Punjab, Department of Sales Tax, Ludhiana.
40. State Sales Tax Registration No. RST.No.415/12/BND/91-92 effective from 12.09.91 and Central Sales Tax Registration No. CST.No.55/56/BND/91-91 effective from 24.09.91 issued by the Govt. of Rajasthan, Department of Sales Tax, Bundi.
41. State Sales Tax Registration No. UPGD-0308125 effective from 06.12.90 and Central Sales Tax Registration No. CSTGD-5240859 effective from 21.03.91 issued by the Govt. of Uttar Pradesh, Department of Sales Tax, Ghaziabad.
42. State Sales Tax Registration No. HR – 0078187 effective from 09.11.04 and Central Sales Tax Registration No. CST – 5043166 effective from 18.11.04 issued by the Govt. of Uttaranchal, Department of Sales Tax, Haridwar.
43. State Sales Tax Registration No. 11 – 07 – 3301 – S effective from 24.09.04 and Central Sales Tax Registration No. 11 – 07 – 1896 – C effective from 24.09.04 issued by the Govt. of Chhattisgarh, Department of Sales Tax, Bilaspur.



44. ISO 9001: 2000 awarded by NQAQSR Certification Pvt. Ltd. vide Certificate No. 03/246/R dated December 15, 2003 for Constructions of Industrial Buildings, Residential and Office Complexes, Airport Runways, Roads, Hospitals, Educational Institutions, and other civil engineering projects as per customer designs, which is valid up to December 11, 2006.
45. Permanent Account Number (PAN) issued by the Director of Income Tax (Systems) bearing number AAACE1268K.
46. TAN No. issued by Income Tax Department bearing No. DELE00986G.
47. Service Tax Registration No. DLI/ST/CNS/18/ERA/2004 dated 12.10.04 issued by Office of the Assistant Commissioner, Service Tax, New Delhi
48. Unique ID No. 100275222 issued by NSDL on behalf of SEBI.

As certified by the Legal Advisor to the Issue, the Company has received all the necessary consents, licenses, permissions and approvals from the Government/RBI and various government agencies, which are required for its present business and no further approvals are required for carrying on the present business activities of the Company.

It must, however, be distinctly understood that in granting the above consents/licenses/permissions/approvals, the Government does not take any responsibility for the financial soundness of the Company or for the correctness of any of the Statements or any commitments made or opinions expressed.



VII. OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue and Details of the Resolution Passed for the Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Annual General Meeting of the Company held on September 25, 2004. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on August 28, 2004. Further, vide a resolution dated February 12, 2005; the Board of Directors of the Company determined the number of Equity Shares to be issued for cash through Prospectus.

Prohibition by SEBI

The Company, its Promoters, its directors, any of the Company's Associates of Group Companies, and Companies with which the directors of Issuer are associated, as directors or promoters, has not been prohibited from accessing the capital market under any order or directions passed by SEBI. Further, none of the directors or the person(s) in control of the Promoter Companies has been prohibited from accessing the capital market under any order or direction passed by SEBI. The listing of any securities of the Issuer has never been refused at anytime by any of the stock exchanges in India.

Eligibility of Era Constructions to Enter the Capital Market

Since, Era Constructions is a listed Company, it is eligible to make a Public Issue of Equity Shares as per Clause 2.3.1 of the SEBI (Disclosure & Investor Protection) Guidelines, 2000, as the aggregate of the Proposed Issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), issue size does not exceed 5 times its pre-issue net worth as per the audited balance sheet of the last financial year. The detailed working of the same is mentioned hereunder:

	Rs. in Lacs
a). Proposed Issue Size	4,920.18
b). All Previous Issues made in the same financial year in terms of size (i.e. offer through offer document + firm allotment + Promoters' contribution through the offer document)	NIL
c). Aggregate of a). & b).	4,920.18
d). Pre-Issue Net worth as per the audited balance sheet of the last financial year i.e. March 31, 2005	3,218.86
e). 5 times of d).	16,094.30

Further, there is no change in the name of the Company within the last 1 year
(reckoned from the date of filing of the Prospectus)

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. LEAD MANAGER, UTI SECURITIES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, UTI SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 22, 2005 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS:

- i) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE;**

II.) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- (a) THE OFFER DOCUMENT FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;
- (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
- (d) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.
- (e) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

THE FILING OF PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS PROSPECTUS.

Caution

Era Constructions, its directors and the Lead Manager accept no responsibility for statements made otherwise than in this prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including Company's web site, www.eraconstructions.com, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager and Era Constructions and the Underwriting Agreement entered into between the Underwriters and Era Constructions.

All information shall be made available by Era Constructions, the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three); Hindu Undivided Families through the Karta of the Hindu Undivided Family; Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares; Indian Mutual Funds registered with SEBI; Indian Financial Institutions & Banks; Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any; State Industrial Development Corporations; Insurance Companies registered with Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs.2500 Lacs; Pension Funds with minimum corpus of Rs.2500 Lacs; Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company; Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from Reserve Bank of India; Permanent and Regular employees of the Company; Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of



this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of or at any time subsequent to this date.

Disclaimer Clause of the Stock Exchange, Mumbai

The Stock Exchange, Mumbai ("the Exchange") has given vide its letter dated 04th May 2005 granted permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii) warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of any thing stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the Stock Exchange, Ahmedabad

The Stock Exchange, Ahmedabad has given the vide letter dated 11th May 2005 granted permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which the company, securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii) warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this company and it should not for any reason be deemed or construed that this offer document has been cleared or approved by this Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of any thing stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the Delhi Stock Exchange Association Limited

The Delhi Stock Exchange Association Ltd. has given its no objection to the company dated 13th May 2005 to use the name of the Exchange in this offer Document as one of the Stock Exchanges on which the company's securities are proposed to be listed. The Delhi Stock Exchange has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the company and has also relied on the in-principle approval given by the Designated Stock Exchange i.e. The Stock Exchange, Mumbai. The Delhi Stock Exchange does not in any manner:

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document.
- ii) Warrant that this company's securities will be listed or continue to be listed on the DSE.
- iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by DSE. Every person who desires to apply for otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against DSE, whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of any thing stated in the offer document or any other reason whatsoever.

Filing of Prospectus with the Board and the Registrar of Companies

A copy of this Prospectus has been filed with SEBI, Mumbai. A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 60 of the Companies Act has been delivered for registration to the

Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhavan, 'B' Block, II Floor, C.G.O. Complex, Lodhi Road, New Delhi – 110 003.

Listing

The existing Equity Shares of the Company are presently listed on BSE (Designated Stock Exchange), ASE & DSE. The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE, ASE & DSE and listing applications have been made to these Stock Exchanges for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company.

The Company had also made an application to NSE for listing of its existing as well as Equity Shares to be issued through this Prospectus, relying upon the eligibility criteria as mentioned on the website of NSE i.e. the paid-up equity capital of the applicant shall not be less than Rs. 10 crores and the market capitalisation of the applicant's equity shall not be less than Rs. 25 crores. The Post-Issue Paid-up Equity Capital of the Company would be Rs. 13.35 Crores and the market capitalization as per the manner prescribed by NSE is minimum of Rs. 26 Crores during the prescribed Period. However, NSE officials informed the Lead Manager that in respect of already Listed Companies, they would consider only the existing capital and that post issue capital would not be considered. In view of this, the Company decided to withdraw the application made to NSE.

In case, the permission for listing and or dealing & official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges i.e. BSE, ASE & DSE, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

The written consents of Directors, Company Secretary, Lead Manager to the Issue, Co-Manager to the Issue, Advisor to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Auditors, Tax Auditors, Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi as required under Section 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration.

Expert Opinion

The Company has not obtained any expert opinions related to the present Issue, except the opinion of the Tax Auditors, P.C. Bindal & Co., Chartered Accountants on the tax benefits available to the investors.

Public Issue Expenses

Public Issue expenses are estimated as follows:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Fees of Lead Manager, Registrar, Legal Advisor, Auditors, Tax Auditors, etc.	35.00
2	Printing & Stationery, Distribution, Postage, etc.	30.00
3	Underwriting Commission, Brokerage & Selling Commission	165.00
4	Advertisement & Marketing Expenses	30.00
5	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	10.00
6	Contingencies	10.00
	Total	280.00



Details of Fees Payable

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Lead Manager to the Issue	24.60	8.79	0.50
Registrar to the Issue	2.25	0.80	0.05
Legal Advisor to the Issue	3.5	1.25	0.07
Total	30.35	10.84	0.62

Note: No fees is payable to Co-Manager, Advisor and Bankers to the Issue.

Fees Payable to Lead Manager to the Issue

The total fees payable to the Lead Manager is 0.5% of the Issue Size, which is as per the Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to Registrar to the Issue

The total fees payable to the Registrar to the Issue is Rs. 2.25 Lacs, which is per the Memorandum of Understanding signed with the Registrar, copy of which is available for inspection at the Registered Office of the Company.

The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) / letter(s) of allotment / share certificate(s) by registered post.

Underwriting Commission, Brokerage and Selling Commission

The Underwriting Commission is payable @ 1.5% of the amount underwritten by the respective underwriters. Brokerage for the Issue will be paid not more than @ 1.5% of the Issue Price of the Equity Shares by Era Constructions (India) Ltd. on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/ Agents' codes on the application form, the Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

The Company, at its sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by the Company.

Previous Public or Rights Issues (during the last five years)

Era Constructions has not made any public or rights Issue during last five years.

Previous Issue of Shares Otherwise than for Cash

Era Constructions has not issued any Equity Shares for consideration other than cash except for the Issues of bonus shares, details of which are mentioned under sub-heading "Capital Structure" appearing on page 5 of this Prospectus.

Commission or Brokerage on Previous Issues

Era Constructions has made only one public Issue since its inception and has paid underwriting commission not exceeding 2.5% of the amount underwritten, subject to individual agreements with the underwriters. The Company has also paid the brokerage @ 1.5% on the Issue Price of the Equity Shares on the basis of allotment.

Particulars in regard to Era Constructions and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 which made any capital Issue during the last three years

Neither Era Constructions, nor any other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956, has made any capital Issue during the last three years.

Promise vis-à-vis Performance

Issuer Company

The Company has made only one Public Issue in March 1995 of 1,500,000 Equity Shares of Rs. 10 each at a premium of Rs. 15 per share aggregating Rs. 375 Lacs. There were certain shortfalls in Future Profitability, as disclosed in the earlier Prospectus of the Company, which are mentioned hereunder:

Financial Year	Y. E. Mar 31, 1995			Y. E. Mar 31, 1996		
	Promised	Actual	Variation	Promised	Actual	Variation
Installed Capacity	Projects Worth Rs.7030 Lacs in a Year					
Capacity Utilization	50%	60%	10%	65%	70%	5%
Sales & Other Income	3,515.00	4,233.91	718.91	4,569.50	4,949.16	379.66
PBDIT	282.59	303.06	20.47	450.26	440.03	(10.23)
PBDT	262.27	266.53	4.26	421.07	367.33	(53.74)
Depreciation (SLM)	20.88	18.35	(2.53)	38.42	50.79	12.37
PAT	146.93	208.17	61.24	241.27	246.54	5.27
Paid-up Equity	345.02	195.03	(149.99)	345.02	345.11	0.09
Reserves & Surplus	405.43	244.58	(160.85)	577.69	650.36	72.67
Dividend	18%	18%	-	20%	20%	-

Financial Year	Y. E. Mar 31, 1997			Y. E. Mar 31, 1998		
	Promised	Actual	Variation	Promised	Actual	Variation
Installed Capacity	Projects Worth Rs.7030 Lacs in a Year					
Capacity Utilization	75%	76%	1%	85%	77%	-8%
Sales & Other Income	5,272.50	5,331.91	59.41	5,975.50	5,425.50	(550.00)
PBDIT	529.66	507.47	(22.19)	607.04	537.51	(69.53)
PBDT	503.80	397.29	(106.51)	584.52	412.35	(172.17)
Depreciation (SLM)	45.55	79.06	33.51	52.67	96.01	43.34
PAT	282.32	272.23	(10.09)	321.34	274.59	(46.75)
Paid-up Equity	345.02	345.11	0.09	345.02	345.11	0.09
Reserves & Surplus	791.01	853.13	62.12	1,043.34	1,051.10	7.76
Dividend	20%	20%	-	20%	10%	-10%

There were some delays in schedule of implementation also, which are mentioned hereunder:

Particulars		Proposed Date	Actual Date
a)	Civil Works – Acquisition of Land Building	March' 1995 Apr' 1995	Not Acquired
b)	Plant & Machinery Placement of Orders Delivery at Site	March' 1995 May' 1995	May' 95 May' 95
c)	Project Implementation	May' 1995	May' 95

Further, the Company had estimated capital expenditure of Rs. 11.70 Lacs towards Land & Site Development and Rs. 12.75 Lacs towards Building, which was not incurred at all.

Reasons for Variation in Promises V/s. Performance

Initially, the Company had projected Issue proceeds to be available in March 1995, whereas, the allotment of Equity Shares in the first Public Issue was made during May' 1995, therefore the effect of increase in capital and share premium amount was not reflected in the financial account for the year ending 31st March 1995.

Further, due to down trend in overall economic scenario, there was a slump in the construction sector also, which had resulted into shortfall in PBDIT & PBDT, besides an increase in direct contract expenses and financial charges.



The Company initially proposed to acquire a land and to construct a building for use as godown. However, the Company could not acquire the land due to inability of seller to hand over the possession. As an alternative arrangement, the Company took the godown on rent.

Listed Ventures of Promoter

Era Financial Services (India) Ltd.

The Company has made only one Public Issue in Feb' 1996 of 22,50,000 Equity Shares of Rs. 10 each aggregating Rs. 225 Lacs.

Rs. in Lacs

Financial Year	Y. E. Mar 31, 1996			Y. E. Mar 31, 1997		
	Promised	Actual	Variation	Promised	Actual	Variation
Total Income	54.27	61.86	7.59	204.49	114.37	(90.12)
PBDIT	36.27	41.84	5.57	180.49	90.60	(89.89)
Depreciation	15.09	11.21	(3.88)	49.63	20.77	(28.86)
PAT	15.54	26.92	11.38	71.15	56.94	(14.21)
Share Capital	300.00	533.00	233.00	525.00	533.00	8.00
Reserves & Surplus	16.99	28.65	11.66	35.64	42.99	7.35
Dividend (%)	10%	12%	2%	10%	8%	-2%

Financial Year	Y. E. Mar 31, 1998			Y. E. Mar 31, 1999		
	Promised	Actual	Variation	Promised	Actual	Variation
Total Income	262.17	80.17	(182.00)	341.66	55.39	(286.27)
PBDIT	232.17	51.40	(180.77)	305.66	35.61	(270.05)
Depreciation	63.09	68.05	4.96	82.09	59.77	(22.32)
PAT	82.30	(22.31)	(104.61)	96.00	(30.27)	(126.27)
Share Capital	525.00	533.00	8.00	525.00	533.00	8.00
Reserves & Surplus	54.94	20.19	(34.75)	87.94	(10.08)	(98.02)
Dividend (%)	12%	-	-12%	12%	-	-12%

Reasons for Variation in Promises V/s. Performance

The company had raised funds for investing mainly into leasing, hire purchase finance, inter corporate deposits/loans, investment in securities. However, due to down trend in economic scenario, capital market & industrial sector, the Company could not invest the funds in the desired manner resulting into under performance.

As the funds were raised by the company to part finance the ongoing fund based activities like leasing, hire purchase, inter corporate deposits/loans etc., there was no exact schedule of implementation required to be mentioned in the Prospectus.

Outstanding Debentures or Bonds and Redeemable Preference Shares and Other Instruments issued by Era Constructions Outstanding as on the Date of Prospectus and Terms of Issue

Era Constructions (India) Limited has not made any public or rights Issue of Debentures, Redeemable Preference Shares or any other instruments. However, the Company has accepted public deposits u/s. 58A of the Companies Act, 1956; which has been rated as "MA" Rating (indicating adequate safety) by ICRA Ltd. The details of depositors & total amount of Deposits u/s 58A of the Companies Act, 1956 as on 30th April, 2005 are as under:

No. of Depositors	2,201
Total Amount (Rs. in Lacs)	549.78

Stock Market Data for Equity Shares of Era Constructions

The stock market data as provided by The Stock Exchange, Mumbai are mentioned hereunder:

Period	High				Low			
	Date	Rate	No. of Shares Traded	Net Turnover (Rs. in Lacs)	Date	Rate	No. of Shares Traded	Net Turnover (Rs. in Lacs)
2002	04.07.02	11.60	4,500	0.49	11.11.02	3.40	300	0.01
2003	29.12.03	16.69	6,655	1.11	13.05.03	2.25	100	0.001
2004 (Cum Bonus)	05.11.04	114.30	25,861	28.99	19.01.04	13.00	2,800	0.36
2004 (Ex Bonus)	12.11.04	82.95	16,500	13.62	22.12.01	59.85	19,547	12.02
December-04	02.12.04	69.25	3,616	2.47	22.12.04	59.85	19,547	12.02
January-05	10.01.05	63.20	11,745	7.42	25.01.05	52.20	6,063	3.17
February -05	04.02.05	65.50	1,08,871	71.60	01.02.05	53.00	30,690	17.21
March -05	31.03.05	77.85	5,04,376	396.43	11.03.05	58.10	1,38,863	82.63
April -05	07.04.05	79.70	2,76,869	223.83	29.04.05	68.65	85,576	58.59
May -05	03.05.05	68.15	15,989	11.01	26.05.05	85.20	2,98,127	250.74

Period	No. of Shares Traded	Net Turnover (Rs. in Lacs)
2002	54,118	3.83
2003	267,569	29.95
2004	71,50,660	5,025.30
December-04	371,928	240.85
January-05	192,135	112.62
February -05	20,23,300	1,283.34
March -05	80,92,098	5,763.29
April -05	17,43,808	1,339.28
May -05	38,27,575	3,144.53

The market prices immediately on 30th August 2004 after the date on which the Board of Directors approved the Public Issue and 27th September 2004 after the date on which the shareholders approved the Public Issue are given as under:

Date	High	Low
30.08.04	86.95	83.00
27.09.04	111.10	105.10

Mechanism Evolved for Redressal of Investor Grievances

Era Constructions (India) Ltd.

During the financial year 2002-03, two complaints were received from the Shareholders, which were replied / resolved to the satisfaction of the Shareholders and no investor's complaint has remained unattended / pending. Further, during the financial year 2003-04, eight complaints were received from the Shareholders, which were replied / resolved to the satisfaction of the Shareholders and there have been no complaints that have not been resolved to the satisfaction of the Shareholders. During the financial year 2004-05, total 77 complaints were received from the Shareholders, which were replied / resolved to the satisfaction of the Shareholders and there have been no complaints that have not been resolved to the satisfaction of the Shareholders.

The Company has appointed Ms. Gunjan Singh, Company Secretary of the Company, as Compliance Officer, who deals with various regulatory authorities with respect to implementation / compliance of various laws, rules, regulations and other directives issued by SEBI / Stock Exchanges and matters related to investor complaints. The Compliance Officer can be contacted at the Registered Office of the Company.



Recently, the Company has appointed M/s. Aarthi Consultants Pvt. Ltd. as Registrar to the Issue and also Share Transfer Agent of the Company. Registrar to the Issue will also handle the investors' grievances related to the Issue in co-ordination with Compliance Officer of the Company. All grievances relating to the Present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name of the applicant, address, number of Equity Shares applied for, amount paid on application and bank and branch. The Company would monitor the work of the Registrar to ensure that the investors' grievances are settled expeditiously and satisfactorily.

As per the agreement entered with Registrar to the Issue, the following investors' grievances would be handled by it upto 12 months after the Issue:

Type of Investors' Grievance	Time Taken for Reply (No. of Days)
Non-receipt of Refund Order	7
Non-receipt of Share Certificate	7
Transfer of Shares	30
Change of Address	15
Correction of Address	7

The Registrar to the Issue will handle investors' grievance pertaining to this Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances of the investors.

Era Financial Services (India) Ltd.

The Board of Directors of the company at its meeting held on 25th March 2003, constituted a Shareholders' / Investors' Grievance Committee comprising Mr. A.K. Birla, Mr. Sanjay Gupta and Mr. I.S. Gulia. The Committee functions under the chairmanship of Mr. A.K. Birla. The Committee looks into the redressal of the Investors' Grievances pertaining to the:

- a) transfer of shares,
- b) non-receipt of annual report,
- c) dematerialisation of shares,
- d) non-receipt of declared dividend, etc.

As per the requirement of the Listing Agreement with the Stock Exchange, Mr. A.K. Birla, Director of the company acts as Compliance Officer of the company. He is responsible for implementation / compliance of various laws, rules, regulations and other directives issued by SEBI / Stock Exchanges and matters related to investor complaints.

The company has appointed M/s. Beetal & Computer Services (P) Ltd. as its Registrar and Share Transfer Agent. The transfers of Equity shares are handled by M/s Beetal & Computer Services (P) Ltd. The shareholders can directly approach the Registrar & Share Transfer Agent for any share and demat related problems.

The Compliance Officer of the company regularly monitors the work of the Registrar and in coordination with the Registrar & Share Transfer Agent ensures that the investors' grievances replied/resolved to the satisfaction of the shareholders. The Compliance Officer can be contacted at the Registered Office of the company.

During the financial year 2002-03, there have been no complaints that have not been resolved to the satisfaction of the Shareholders. However, during the financial year 2003-04, the company received two complaints from the shareholders, which were resolved to the satisfaction of shareholders. During the financial year 2004-05, the company received only one complaint from the shareholder, which was resolved to the satisfaction of shareholder.

Changes in Auditors during the Last Three Years and Reasons thereof

There has been no change in auditors of the Company during the last 3 years.

Capitalisation of Reserves or Profits (during last five years)

During November 2004, the Company has made a Bonus Issue of Equity Shares in the ratio of One Equity Share for every Two Equity Shares held as on the record date. This bonus Issue was made through capitalization of share premium account. The allotment of these Equity Shares was made on 30.11.04.

Revaluation of Assets, if any (during last five years)

None of the assets of the Company have been revalued during last five years.

VIII. ISSUE INFORMATION

1. Terms of the Issue

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles of the Company and shall rank *pari passu* with the existing Equity Shares of the Company. Allottees of the Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Face Value and Issue Price

The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is Rs. 72/- per Equity Share, which is 7.2 times of the Face Value.

Rights of the Equity Shareholders

- i. Right to receive dividend, if declared.
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law.
- iii. Right to vote on a poll either personally or by proxy.
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation.
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a Public Ltd. Company under the Companies Act, 1956.

Market Lot

As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one Equity Share. Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of 90 Equity Shares.

Nomination Facility to Investor

In accordance with Section 109A of the Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company. In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the net offer to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Period of Subscription

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.



Arrangements for Disposal of Odd Lots

Since the Equity Shares of the Company are traded under the demat mode, trading lot is of one share. Further, no odd lot of Equity Shares will arise out of this Issue, as the tradable lot is One (1) Equity Share. Therefore, no arrangements are required for disposal of odd lot.

Restrictions, if any, on Transfer and Transmission of Shares and on their Consolidation/Splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of the Articles of Association of Era Constructions" appearing on page 113 of this Prospectus.

2. Issue Procedure

Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Annual General Meeting of the Company held on September 25, 2004. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on August 28, 2004. Further, vide a resolution dated February 12, 2005; the Board of Directors of the Company determined the number of Equity Shares to be issued for cash through Prospectus.

Principal Terms and Conditions of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, Memorandum and Articles of the Company, the terms of this Prospectus, Application Form, and other terms and conditions as may be incorporated in the Letters of Allotment/Equity Share Certificates or other documents that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the Issue of capital and listing of Equity Shares offered from time to time by SEBI, Government of India, Stock Exchanges, RBI, Registrar of Companies and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Reservations

- 1) Reservation on competitive basis has been made in the Public Issue for:
 - NRIs and/or FIIs for 2,280,000 Equity Shares, and
 - Indian Mutual Funds & Indian and Multilateral Development Financial Institutions for 570,000 Equity Shares.
- 2) Reservation on competitive basis shall mean reservation wherein allotment of Equity Shares is made in proportion to the shares applied for by the concerned reserved categories.
- 3) Person(s) belonging to NRIs and/or FIIs or Indian Mutual Funds & Indian and Multilateral Development Financial Institutions Categories shall not make an application in the 'Net Public Offer' category.

Application may be made by:

- a) Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three)
- b) Hindu Undivided Families through the Karta of the Hindu Undivided Family
- c) Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares
- d) Indian Mutual Funds registered with SEBI
- e) Indian Financial Institutions & Banks
- f) Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
- g) State Industrial Development Corporations
- h) Insurance Companies registered with Insurance Regulatory and Development Authority
- i) Provident Funds with minimum corpus of Rs.2500 Lacs
- j) Pension Funds with minimum corpus of Rs.2500 Lacs
- k) Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company

- l) Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India
- m) Permanent and Regular employees of the Company
- n) Non-Resident Indians (NRIs) on repatriation / non-repatriation basis
- o) Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis

Applications not to be made by:

- a) Minors
- b) Partnership firms or their nominees
- c) Foreign Nationals (except NRIs)
- d) Overseas Corporate Bodies (OCBs)

Applications by Hindu Undivided Families (HUF)

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

Minimum and Maximum Application Size

Applications should be for minimum of 90 Equity Shares and in multiples of 90 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In the case of reserved categories, a single applicant in the reserved category can make an application for a number of Equity Shares, which exceeds the reservation.

Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Manager to the Issue, Registrar to the Issue, Underwriters to the Issue and at the collection centres of the Bankers to the Issue, as mentioned on the Application Form.

NRIs / FIIs / Indian Mutual Funds & Indian and Multilateral Development Financial Institutions can obtain the Application Form from the registered office of the Company.

Applications under Power of Attorney

In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of trusts, Provident Funds, Superannuation Funds, Gratuity Funds; a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.

The Company in its absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

Instructions for Applications by NRIs/FIIs (on Repatriable Basis):

1. As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
2. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.
3. In case of application by NRIs on repatriation basis, the payments must be made through Indian rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking



channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to NRE or FCNR account.

4. In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.
5. Duly filled Application Forms by NRIs / FIIs will be accepted at designated branches of the Bankers to the Issue at Mumbai and New Delhi only.
6. Refunds/dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges / commission. In case of applicants who remit their application money from funds held in NRE / FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.
7. Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Instructions for Applications by Indian Mutual Funds & Indian and Multilateral Development Financial Institutions:

1. A separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications. The applications made by the Asset Management Company or Trustees / Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
2. Indian Mutual Funds & Indian and Multilateral Development Financial Institutions should apply in this Public Issue based upon their own investment limits and approvals.
3. Application forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. 72/- per share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the application form.
4. A separate single cheque / bank draft must accompany each application form.

Terms of Payment

The entire Issue price of Rs. 72/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Pre-Issue Advertisement

A statutory advertisement will be issued by the Company after the filing of the Prospectus with the RoC. This advertisement will contain the information that has to be set out in the statutory advertisement. Any material updates, if any, between the date of filing of Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

General Instructions for Applicants

1. Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	Colour of Application Form
Net Offer to Public including NRIs / FIIs on non-repatriation basis	White
NRIs/ FIIs on repatriation basis	Pink
Indian Mutual Funds & Indian and Multilateral Development Financial Institutions	Blue

- Thumb impressions and signatures other than in English/ Hindi/ Marathi or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.
- Bank Account Details of Applicant**
The name of the Applicant, Depository Participant's name, Depository Participant's Identification (DPID) number and the Beneficiary number provided by the Depository participant must be mentioned correctly in the Application Form at the appropriate place. The Registrar will obtain the Demographic details such as Address, Bank account details and occupation from the depository participants. The refunds, if any, will be printed with the Bank details as given by the Depository participant.
- Applicants should write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.
- Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non-Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.

Payment Instructions

- Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. In case payment is effected in contravention of the conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon.
- Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
- A separate cheque / bank draft must accompany each application form.
- All cheques / bank drafts accompanying the application should be crossed "**A/c Payee Only**" and made payable to the Bankers to the Issue and marked:

Category of Application	Cheques / Bank Drafts favouring
Net Offer to Public including NRIs / FIIs on non-repatriation basis	" _____ Bank A/c. ECIL – Public Issue "
NRIs/ FIIs on repatriation basis	" _____ Bank A/c. ECIL – Public Issue – NR "
Indian Mutual Funds & Indian and Multilateral Development Financial Institutions	" _____ Bank A/c. ECIL – Public Issue – Indian Institutions "

- Investors will not have facility of applying through stockinvest instruments as RBI has withdrawn the stockinvest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/2003-04 dated 5/11/2003.

Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/ cheques/ bank drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Application(s) should not be sent to the office of the Company or the Lead Manager to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, Aarthi Consultants Pvt. Ltd., superscribing the envelope "Era Constructions (India) Limited – Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Hyderabad only. The Company will not



be responsible for postal delays and loss in transit. The Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form. The acknowledgement of receipt of application moneys given by the collection agents shall be valid and binding on the issuer company and other persons connected with the issue. Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

Other Instructions

1. Joint Applications in case of Individuals: Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.
2. Multiple Applications: An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same. NRIs/ FIIs applying on a repatriation basis or Indian Mutual Funds & Indian and Multilateral Development Financial Institutions shall not make an application in the public category and such applications made in both the categories i.e. reserved category and Public Category shall be treated as multiple applications. The Company reserves the right to accept or reject, in its absolute discretion, any or all-multiple applications. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/ draft must accompany each application form.
3. PAN / GIR Number

Where application(s) is/are for Rs. 50,000 or more, the applicant or in the case of an application in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the IT Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.** In case the sole/first applicant and joint applicant(s) is/are not required to obtain PAN, each of the applicant(s) shall mention "Not Applicable" and in the event that the sole applicant and/or the joint applicant(s) have applied for PAN, which has not yet been allotted, each of the applicant(s) should mention "Applied for" in the Application Form. Further, where the applicant(s) has mentioned "Applied for" or "Not Applicable", the sole/first applicant and each of the joint applicant(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration card (b) Passport (c) Driving licence (d) Identity card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All applicants are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

4. Unique Identification Number – MAPIN

In terms of SEBI (Central Database of Market Participants) Regulations, 2003 as amended from time to time and SEBI Notification dated 25th November 2003 and 30th July 2004, circular dated 16th August 2004 and press release dated 31st December 2004, no specified investor being a body corporate shall subscribe to securities which are proposed to be listed in any recognized stock exchange unless such specified investor, its Promoters and directors have been allotted unique identification numbers (UIN) save and except:

- (i) Those Promoters or directors who are persons resident outside India, who are required to obtain UIN before December 31, 2005; and
- (ii) Where such specified investor being a body corporate has applied for allotment of a UIN before December 31, 2004 and has not yet been allotted the UIN until the disposal of his application or, where he has filed an appeal, till the disposal of the appeal, as the case may be.

In terms of the above it shall be compulsory for specified investor being a body corporate making application in this Issue to give their UIN. In case where a body corporate has made an application for such number before 31st December 2004 but the

same has not been allotted, or where an appeal has been filed, but not disposed off, the investor shall indicate the same in the space provided in the Application Form. Application forms from specified investors being body corporate not providing their UIN or UIN application status, in cases where they have applied for such UIN before 01st December 2004, shall be liable to be rejected.

5. Equity Shares in Demat Form with NSDL or CDSL

In the year 2001, to enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the then Registrar and Share Transfer Agent, Beetal Financial & Computer Services (P) Ltd.:

- a) An agreement dated September 4, 2001 with CDSL and Beetal Financial & Computer Services (P) Ltd.
- b) An agreement dated September 6, 2001 with NSDL and Beetal Financial & Computer Services (P) Ltd.

The Company's shares bear an ISIN no. INE039E01012.

However, recently, the Company has appointed M/s. Aarhi Consultants Pvt. Ltd. as Registrar to the Issue and also as Share Transfer Agent of the Company. To facilitate the connectivity with NSDL & CDSL through the newly appointed Registrar, the Company has signed the following new tripartite agreements with both the Depositories and the Registrar to the Issue i.e. M/s. Aarhi Consultants Pvt. Ltd.:

- i. An agreement dated February 21, 2005 with CDSL and Aarhi Consultants Private Limited, Registrar to the Issue.
- ii. An agreement dated March 4, 2005 with NSDL and Aarhi Consultants Private Limited, Registrar to the Issue.
 - a. An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
 - b. The Applicant must necessarily fill in the details (including the Beneficiary Account no. and DP ID no.) in the Application Form.
 - c. Equity Shares allotted to an applicant in the electronic mode will be credited directly to the respective Beneficiary Accounts (with the DP)
 - d. Name(s) in the Share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
 - e. The Registrar to the Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
 - f. Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic form' in the Application Form.
 - g. The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her DP.
 - h. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. Both the Stock Exchanges where the Equity Shares of the Company are proposed to be listed are connected to NSDL and CDSL.
 - i. Trading in the Equity Shares of the Company would be in only dematerialised form for all investors.

6. Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

Note:

§ Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully.

Disposal of Applications and Application Money

The Company reserves, in its own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application



money so refunded. Refund will be made by cheques or demand drafts drawn in favour of the sole/first applicant (including the details of his/her savings/current account number and the name of the bank with whom the account is held) to the Issue and will be despatched by Registered Post/ Speed Post for amounts above Rs.1,500 and by Certificate of Posting otherwise. Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and the Company shall not have access to such funds unless approvals for dealing from all the Stock Exchanges, where listing has been proposed and approval of the Designated Stock Exchange for utilisation has been obtained.

The Company has undertaken to make adequate funds available to the Registrar to the Issue for complying with the requirements of despatch of Allotment Letters/Refund Orders by Registered Post/Speed Post.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

- a. **makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b. **otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Interest on Excess Application Money

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment and unpaid calls will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director/Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the following guidelines:

Proportionate Allotment Procedure

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 90 Equity Shares.

Reservation for Retail Individual Investor

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:

- a) A minimum 50% of the net offer of Equity Shares to the public shall initially be made available for allotment to retail individual investors, as the case may be.
- b) The balance net offer of Equity Shares to the public shall be made available for allotment to:
 - i) individual applicants other than retail individual investors, and;
 - ii) other investors including Corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall / may be made available for allotment to applicants in the other category, if so required.

The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange).

An illustration explaining the proportionate allotment procedure is given hereinbelow:

1. Total Equity Shares Offered @ Rs. 72/- per share: 68,33,580 Equity Shares
2. Minimum Equity Shares Offered to Retail Category: 14,25,000 Equity Shares
3. Application can be made for a minimum of 90 Equity Shares and in multiples thereof.
4. If the total issue is over subscribed 4 times whereas the retail category is over subscribed 8.25 times.

5. Assume three retail investors X, Y & Z. X has applied for 810 shares. Y has applied for 720 shares and Z has applied for 450 shares. As per allotment procedure, the allotment to retail individual investors would be on proportionate basis i.e., at 1/8.25th of the total number of shares applied for. The actual entitlement shall be as follows:

Sr. No.	Name of Investor	Total Number of Equity Shares Applied for	Total Number of Equity Shares eligible to be Allotted (No. of Equity Shares Applied for / 8.25)
1	X	810	810/8.25 = 98.20 Equity Shares rounded off to 100 Equity Shares.
2	Y	720	720/8.25 = 87.30 Equity Shares rounded off to 90 Equity Shares (i.e. minimum application size).
3	Z	450	450/8.25 = 54.50 Equity Shares. Application liable to be rejected (as the entitlement is less than the minimum application size). However, the successful applicants out of the total applicants shall be determined by drawal of lots.

The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (designated stock exchange) and the public representative in addition to the Lead Manager and the Registrar to the Issue.

Letters of Allotment or Refund Orders

The Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalisation of the basis of allotment of Equity Shares. The Company shall dispatch refund orders, if any, of value up to Rs.1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or first applicant's sole risk. The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made within 30 days from the Issue closing date
- Dispatch of refund orders will be done within 30 days from the Issue closing date
- The Company shall pay interest at 15% per annum (for delay beyond 30 day time as mentioned above), if refund orders are not dispatched and/or demat credit are not made to investors within the 30 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques or pay-orders drawn on the bank(s) appointed by the Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.

Despatch of Refund Orders

The Company shall ensure despatch of Refund Orders of value up to Rs.1500/- Under Certificate of Posting & Refund Orders of value over Rs.1500/- and Share Certificates by Registered Post only. Further, adequate funds for the said purpose shall be made available to the Registrar by the Company.

Interest in Case of Delay in Dispatch of Allotment Letters / Refund Orders

The Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been despatched to the applicants within 30 days from the date of the closure of the Issue. However applications received after the closure of Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

**Undertaking by the Company:**

The Company undertakes:

- i. that the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
- ii. that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within seven working days of finalisation of basis of allotment.
- iii. that the funds required for despatch of refund orders/ allotment letters/certificates by registered post shall be made available to the Registrar to the Issue by the Company.
- iv. that the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.
- v. that the certificates of the Equity Shares / refund orders to the non-resident Indians shall be despatched within specified time.
- vi. that no further Issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

- a. all monies received out of this Issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73;
- b. details of all monies utilized out of the Issue referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilized; and
- c. details of all unutilized monies out of the Issue of Equity Shares, if any, referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilized monies have been invested.

The Board of Directors of the Company further certifies that:

- i. the utilisation of monies received under Promoters' contribution and reservations shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised.
- ii. the details of all unutilised monies out of the funds received under Promoters' contribution and reservations shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company undertakes that it shall not access the money raised in the Issue till finalisation of basis of allotment or completion of offer formalities.

IX. DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Main Provisions of the Articles of Association of Era Constructions

The Articles of Association of the Company, inter alia, includes following clauses:

SHARES

2. This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 32.
3. Save as permitted by section 77 of the Act, the funds of the Company shall be employed in the purchase of, or lent on the security of shares in the Company and the Company shall not give, directly or indirectly, any financial, whether by way of loan, guarantee, the provision of security of otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a subsidiary.
4. Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time provided under clause No. V of the Memorandum of Association of the company.

The company shall have the power to subdivide, consolidate and increase or decrease and with power, from time to time, to Issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the subdivision of share to apportion the right to participate in profit in any manner as between the shares resulting from such sub-division.

5. Subject to the provisions of these Articles, the shares shall be under the control of the board who may allot or otherwise dispose of the same to such person, on such terms and conditions, at such time, either at par or at a premium and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section 81(1A) of the Act, the Board shall Issue such shares in the manner set out in Section 81(1) of the Act. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.
6. As regards all allotments made from time to time, the Directors shall duly comply with Section 75 of the Act.
7. Subject to the provision of these Articles the Company shall have power by special resolution to Issue preference shares carrying a right to redemption out of the profits which would otherwise be available for dividend or out of the proceeds of a fresh Issue of shares made for the purpose of such redemption is liable to be redeemed at the option of the Company and the Board may subject to the provision of Section 80 of the Act exercise such powers in such manner as may be provided in these Articles.
8. The Company may exercise the powers of paying commission conferred by Section 76 of the Act, In such case it shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any Issue of shares or debentures pay such brokerage as may be lawful.
9. With the previous authority of the Company in General Meeting and the sanction of the Company law Board and upon otherwise complying with Section 79 of the Act, the Board of Directors may Issue, at a discount, shares of a class already issued.
10. If, by the conditions of allotment of any share, the whole or part of the amount or Issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the company the person who, for the item being, shall be the registered holder of the shares or by his executor or administrator.
11. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such share.
12. Save as herein otherwise provided and Subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of Competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.
13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint-holders of any share. No share shall be allotted to or registered in the name of a person of a person of unsound mind or a partnership.



CERTIFICATES

14. (a) The Issue of share certificates and duplicates and the Issue of new share certificates on consolidation or subdivision or in replacements of share certificates which are surrendered for cancellation due to their being defaced, torn, old decrepit or worn out or the cages for recording transfers having been utilised or of share certificates which are lost or destroyed shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof. If any share certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate.
- (b) Every members shall be entitled free of charge to one or more certificates in marketable lots for all the shares of each class registered in his name or if the Board so approves, to several certificates each for one or more of such shares. Unless the conditions of Issue of any share otherside provide, the Company shall, within two months after the date of either allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of Issue against letters of acceptance or of renunciaton or in cases of Issue of bonus shares) or within two months of receipt of the application for registration of the transfer of any of its shares, as the cases may be, complete and have ready for delivery the certificates of such shares. In respect of any share held jointly by several persons, the Company shall not be bound to Issue more than one certificate and delivery of a certificate to one of the several joint holders named first on the Register shall be sufficient delivery to all such holders.

CALLS

15. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Sections of 91 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the condition of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
16. No call shall be made payable within one month after the last preceding call was payable.
17. Not less than thirty day's notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
18. (a) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holders for the time being in respect of the share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 18 (Eighteen) percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
19. If by the terms of Issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by instalments at fixed times, whether on account of the share or by way of premium every such amount of instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in repect of calls shall relate to such amount or instalment accordingly.
20. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder, or one of the holders, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made, nor that the meeting at which any call made was duly convened or constituted, nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.
21. The Board, may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sum actually called for, and upon the money so paid or satisfied in advance or so much thereof as, from time to time, exceeds the amount of the calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate as the Board thinks fit. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such members not less than three months' notice in writing.

22. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

23. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
24. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
25. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares but not actually paid before the forfeiture, subject to section 205 A of the Act.
26. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
27. (a) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share, and all others rights incidental to the share except only such of those rights as by these Articles are expressly saved.
- (b) Any share so forfeited shall be deemed to be the property of the Company, and the Board, may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
28. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
29. A person whose share has been forfeited shall cease to be a member in respect of the shares but shall, notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company all calls, or instalments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture, until payment, at 18 (Eighteen) per cent per annum or at such other rate as the Board may determine and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value for the shares at the time of forfeiture, but shall not be under any obligation to do so.
30. A duly verified declaration in writing that declarant is a Director or secretary of the Company, and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom any such share, is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
31. The provisions of Articles 23 to 27 hereof shall apply in the case of non-payment of any sum which by the terms of Issue of a share becomes payable at a fixed time whether on account of the nominal value of a share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
32. The Company shall have a first and paramount lien upon every share (not being fully paid up) registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends and bonus from time to time, declared in respect of such share, Subject to Section 205 A of the Act, unless otherwise agreed the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share. The Board may at any time at their sole discretion declare any shares wholly or in part to be exempt from the provisions of this Article.
33. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have elapsed and until notice in writing of the



intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonus or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for fourteen days after the date of such notice.

34. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the persons entitled to the share at the date of the sale.
35. Upon the sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
36. Where any share under the powers in that behalf herein contained is sold by the Board and the Certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may Issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

37. The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
38. (a) The instrument of transfer shall be in writing and all the provisions of the Section 108 of the Companies Act, 1956, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.
(b) No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.
39. The instrument of transfer shall be accompanied by such transfer evidence as the Board may require to prove the title of the transferor of his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register in respect thereof.
40. The Board shall have power on giving not less than twenty one days prior notice by advertisement in some newspaper circulating in the district in which the office of the company is situated to close the Transfer Books, the Register of Members of Register of Debenture holders at such time or times and for such periods or period, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as to it may seem expedient.
41. Subject to the provisions of section 111 of the Act and Section 22A of the securities contracts (Regulation) Act, 1956, the Board may refuse to register any transfer of, or the transmission by operation of law of the right to any shares of interest of a member in, or debenture of the company, provided, however that the registration of share/debenture shall not be refused on the ground of the transfer being either alone or jointly with any other person or persons indebted to the company on any account whatsoever provided further that in the event of refusal to register any such transfer of, or the transmission of the right to any shares or interest of a member in, or debentures of the company, the Company shall within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of such refusal to transferee and the transferor or the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. In any other case the Company will move a reference to the Company Law Board and forward copies of such references to the transferor and transferee.
42. Where, in the case of partly paid shares, an application is made by the transferor, the Company shall give notice of the applications to the transferee in accordance with the provisions of Section 110 of the Act.
43. In the case of the death of anyone or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
44. The executors or administrators or holders of a succession Certificate or the legal representative of a deceased

Member (not being one or two or more joint-holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such Members and the company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representative shall have first obtained probate or letters of Administration or succession Certificate, as the case may be, from a duly constituted court in Union of India and Estate duty clearance certificate from a Competent Authority, provided that in any case where the Board in its absolute discretion thinks fit the Board may dispense with production of Probate or letters of Administration or succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a Member.

45. No share shall be transferred to any insolvent, person of unsound mind or a firm without the consent of the Board.
46. Subject to the provisions of Article 57 and 58, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Article may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient either be registered himself as the holder of the shares or to elect to have some person nominated by him and by the Board registered as such holder, provided, nevertheless that if such persons shall elect to have his nominee registered he shall testify the election by executing in favour or his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he will not be freed from any liability in respect of the shares.
47. A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends or money as hereinafter provided, be, entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.
48. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect whatever inconsequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting so to do, through it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

48A. DEMATERIALIZATION OF SECURITIES

(a) Definition :

For the purpose of this Article: -

“Beneficial owner” means a person or persons whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996 (922 of 1996).

“SEBI” means the Securities and Exchange Board of India Constituted under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

“Securities means such security as may be specified by SEBI from time to time and includes all kinds of shares or debentures which may be issued from time to time by the Company and which are entitled to be dematerialized.

“Members” in respect of dematerialized share means of beneficial owner thereof, i.e, the person or persons whose name is recorded as a beneficial owner in the register maintained by a Depository under the Depositories Act, 1996, and in respect of the shares, the person or persons whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the Memorandum of Association but does not include a bearer of the share warrant of the company Issue in pursuance of Section 114 of the Act or any person/body corporate / entity as may be defined under Section 41 of the Companies Act, 1956 from time to time.

“Corporate benefits” means and includes the benefits like dividend on the shares interest on debentures rights option and bonus entitlements which may at any time be bestowed on the holders of the securities by virtue of holding the securities.



(b) Dematerialization of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the provisions of the Depositories Act, 1996, or otherwise.

(c) Issue of securities and option for investors

Notwithstanding anything contained in these Articles, every Issue of securities by the Company may be in the dematerialized form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new Issue and the beneficial owners shall have the option to dematerialize the shares subsequent to the allotment or dematerialization, as the case may be, in which event the company shall Issue to investors / beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

(d) Securities of the depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialized and be in fungible form. To such securities held by a depository owner, nothing contained in sections 153, 153A, 153B, 187B, 187C, 372 of the Act shall apply, in accordance with Section 9(2) of the Depositories Act, 1996 (22 of 1996)

(e) Right of Depositories and Beneficial Owners: -

(i) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (b) above, the depository as the registered owner of the securities shall not have other membership rights or be entitled to the corporate benefits that may accrue to the members of the company.

(iii) Every person holding securities of the company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities like payment of unpaid call monies and furnishing of such information as may be necessary to enable the company to enter his name in the register and index of beneficial owners or other records as applicable, in respect of the Securities held in the depository mode of which he is the beneficial owner.

(f) Service of documents on company

Notwithstanding anything in the Act or these articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the company by means of electronic mode or by delivery of floppies or discs.

(g) Service of notice on beneficial owner

Wherever required, the company may serve a notice for any purpose under the act in accordance with the provisions of section 53 of the Act or as permissible under any law or statute for the time being in force.

(h) Transfer of securities

Nothing contained in Section 108 of the Act or these articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act, 1996 (22 of 1996).

(i) Distinctive numbers of securities held in depository mode

Nothing contained in the Act or under these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to the securities held in the depository mode.

(j) Register and index of members

(i) The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 (22 of 1996) with details of shares in material and dematerialized forms in any media as may be permitted by law, including in any form of electronic media.

(ii) The register and index of beneficial owners maintained by the depository under Depositories Act, 1996 shall be deemed to be Register and index of members and holders of securities for the purpose of these articles and the Act.

(k) Issue of Share Certificate

In the case of transfer and transmission of shares where the Company has not issued any Certificates and where such shares are being held in an electronic and fungible form in a depository, the provisions of the Depositories Act, 1996 Shall apply.

50. Subject to any special rights for the times being attached to any shares in the capital of the Company then issued and to the provisions of Section 81 of the Act, the new shares may be issued upon such terms and conditions, and with such right attached thereto as the general meeting resolving upon the creation thereof, shall direct, and, if not direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.
51. Before the Issue of any new shares, the Company in General Meeting may subject to the provision of the Act, make provisions as to the allotment and Issue of new shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or at a discount.
52. Except so far as otherwise provided by the conditions of Issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provision herein contained with reference to the payment of dividends, call and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.
53. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, or any difficulty shall arise in the apportionment of such new shares, or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.
54. The Company may, from time to time, by special resolution, reduce its, capital and any Capital Redemption Reserve Account or share Premium Account in any manner and with and subject of any incident authorised and consent required under sections 100 to 104 of the Act.

ALTERATION OF CAPITAL

55. Subject to the applicable provisions of the Act, the Company in General Meeting may, from time to time: -
- (a) Consolidate and divide all or any or its share capital into shares of larger amount than its existing shares.
 - (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share is derived.
 - (c) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.
 - (d) Convert all or any of its fully paid shares into stock and reconvert that stock into fully paid-up shares of any denomination,
56. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferential or special advantage as regards dividend, capital voting or otherwise over or as compared with the other or other, subject nevertheless, to the provisions of Sections 85, 87, 88 and 106 of the Act.
57. Subject to the provisions of Sections 100 to 105 both inclusive of the Act, the Board may accept from any members the surrender on such terms and conditions, as shall be agreed, of all or any of his shares.

RIGHTS OF SHAREHOLDERS

58. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may, from time to time, fix the minimum amount of stock transferable provided that such minimum shall not exceed the normal amount of the shares from which stock arose.



59. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at the meetings of the Company, and other matters as if they hold the shares from which the stock arose; but not such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
60. Such of the Articles of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholder" therein shall include "Stock" and "Stockholder" respectively.

60A Nomination

Notwithstanding anything contained in these Article, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of such holder/s. Any nominations so made shall be dealt with by the companies in accordance with the provisions of Section 109B of the Companies Act, 1956.

SHARE WARRANTS

61. Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in general meeting, the Directors may Issue Share Warrants in such manner and on such terms and conditions as the Board thinks fit, if case of such Issue, regulation 40 to 43 of Table "A" of Schedule I to the Act shall apply

MODIFICATION OF RIGHTS

62. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of Issue of the shares of that class) may Subject to the provisions of section 106 and 107 and whether or not the Company is being wound up, be varies with the consent in writing of the holders of not less than three-fourth of the issued shares of the class or with the sanction of a special resolution passed at a separate Meeting of the holders of the shares of that class. To every such separate Meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares class in question.

BORROWING POWERS

63. The Board may, from time to time and at its discretion, subject to the provisions of Sections 58-A, 292, 293 and 370 of Act and the Regulations made thereunder and directions issued by Reserve Bank of India raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company.
64. The Board may raise or secure the repayment or payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the Issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
65. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special rights, as to redemption, surrender, drawing, allotment of shares, appointment of Director and otherwise, Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81(3) of the Act.
66. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferor has been delivered to the Company together with the certificate or certificates of the debentures.

GENERAL MEETING

67. In addition to any other meeting, Annual General Meeting of the Company shall be held within such intervals as are specified in Section 166(1) and 210(3) of the Act, and subject to the Provision of section 166(2) of the act at such times and places as may be determined by the Board. All other meetings of the Company, shall except in the case of a statutory meeting, be called Extraordinary General Meeting, and shall be convened under the provision of next following Article.

68. The Board may, whenever, it thinks fit, can call extraordinary general meeting and it shall, on the requisition of the members in accordance with Section 169 of the Act proceed to call an Extraordinary General Meeting as provided by Section 169 of the Act.
69. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
70. Subject to the provisions of Section 171 to 186 of the Act, notice of every meeting of the Company shall be given to such persons and in such manner as provided by Section 172 of the Act, where any business consist of "Special business" as hereinafter defined in Article 71 there shall be annexed to the notice a statement complying with Sections 173(2) and (3) of the Act.

PROCEEDINGS AT GENERAL MEETINGS

71. The ordinary business of Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the report of the Directors and of the Auditors, to elect directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividend. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed special business.

No business shall be transacted at any Meeting unless a quorum of members is present the time when the meeting proceeds to business. Save as herein otherwise provided five or more members present in person or by duly authorized representatives as shall hold between them atleast 10 (Ten) per cent of the paid up equity share capital for the time being of the Company, form a quorum.

73. If within half an hour from the time appointed for the meeting, quorum be not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved; but in any other case if shall stand adjourned in accordance with the provisions of sub sections (3), (4) and (5) of Section 174 of the Act.
74. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act, unless either the act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 189(2) of the Act.
75. The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on poll if properly demanded, elect one their numbers, being a member entitled to vote, to be Chairman of the meeting.
76. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the votes to which he may be entitled as a member.
77. At any general meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provision of Section 179 of the Act a declaration by the chairman that the resolution has or has not been carried or has been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the meeting of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.
78. (1) If a poll be demanded a aforesaid, if shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting any in any other case in such manner and at such time not being later than forty eight hours from the time when the demand was made, and at such places as the Chairman of the meeting directs and subject as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was demands.
- (2) The demand of poll may be withdrawn at any time, before the poll is held.
- (3) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.
- (4) On a poll member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be , need not, if he votes, use all his notes or cast in the same way all the votes he uses.
- (5) the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.



78A POSTAL BALLOT

Question / matters as may be provided for in the section 192-A and / or rules made thereunder, may be decided by way of postal ballot as per procedures laid down under the relevant rules in this regard.

79. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned for less than 30 (Thirty) days it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

80. (a) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy (as defined in Article 86) on behalf of a holder of Equity Share as a duly authorised representative of a body corporate being a holder of an Equity Share shall, if he is not entitled to vote in his own right, have one vote. On a poll the voting rights of a holder of any Equity Share shall be as specified in Section 87 of the Act.
 - (b) The holder of a Preference Share shall not be entitled to vote at general meeting of the Company except as provided for in Section 87 of the Act. At any meeting at which or upon any question the holders of the said Preference Shares are entitled to vote the said Preference Shares shall, on a show of hands, and on a poll confer the same voting rights as Equity Shares.
 - (c) No body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.
81. Where a Company or body corporate (herein after called "member Company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company shall not, by reason of such appointment, be deemed to be a proxy, and the lodging with Company at the office or production at the meeting of a copy of such resolution duly deigned by one Director of such member Company and certified by him or them as being a true copy of the resolution shall, on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and power, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.
 82. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his rights to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof, if any member be a lunatic, idiot or non compos mentis, he may vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last mentioned persons may give their votes by proxy.
 83. Where there are members registered jointly in respect of any one share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy that one of the said member so present whose name stands first on the Register in respect of such share be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed to be member registered jointly in respect thereof.
 84. On a poll votes may be given either personally or by proxy, or in the case of a body cooperate, by a representative duly authorised as aforesaid.
 85. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or Attorney duly authorise.

A person may be appointed a proxy whether he is a member or not of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and the proxy need not be a member of the Company.

86. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a naturally certified copy of that power or authority, shall be deposited at the office not less than fortyeight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.
87. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given, provided nevertheless the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
88. Every instrument appointing a proxy shall be retained by the Company and shall as nearly as circumstance admit, be in the forms set out in Schedule IX to the Act or as near thereto as possible or in any other form which the Board may accept.
89. No member shall be entitled exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right to lien.
90. (1) An objection as to the admission or rejection of vote either, on a show of hands or on a poll made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.
- (2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

- 91 Subject to Section 252 and 259 of the Act, the number of the Directors of the Company shall not be less than three and not more than Twelve.
92. The Company in general meeting may, from time to time increase or reduce the number of Director within the limits fixed by Article 91.
93. On the date of adoption of these Articles, following are the directors of the Company.
1. HEM SINGH BHARANA
 2. KRISHAN KUMAR MAWAI
 3. NARAIN VEER SINGH
- 93a. Whenever the Directors enter into a contract with any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Directors shall have, subject to the provision of section 255 of the Act, the power to agree that such person or persons shall have the right to appoint or nominate by a notice in writing addressed to the company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the Agreement and that such Director may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also be removed, from time to time, by the persons aforesaid who may appoint another or other in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Director appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the company with such person or person aforesaid.
94. A Director of the Company shall not be required to hold any share as his qualification.
- 95 (a) Subject to the provisions of the Companies Act, 1956 and rules framed thereunder each Director shall be entitled to receive out of the funds of the Company, byway of a sitting fee such sum as may be fixed by the Directors not exceeding the sum as may be prescribed by the Central Government under Section 310 of the Act, for every meeting of the Board or a Committed thereof, or an adjournment thereof attended by him. The Director shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending the board and the Committee meetings or otherwise incurred in the execution of their duties as Directors.



- 95 (b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment the company nor a Managing Director, may be paid remuneration either.
- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
 - (b) by way of commission if the company by special resolution authorised such commission.
96. If any Director being willing shall be called upon to perform extra services or to make any special exertions for any of the purposes of the company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections, 198, 309 and 310 of the Act, the board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
97. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the board shall not except for the purpose of filling vacancies or for summoning a general meeting of the Company, act so long as the number is below the minimum.
98. The office of a Director shall ipso facto become vacant, if at anytime he commits of any acts set out in Section 283 of the Act.
99. No Director or other person referred to in Section 314 of the Act, shall hold an office or place of profit save as permitted by that Section.
100. A Director of this Company may be or become a Director of any other Company promoted by this Company or in which it may interested as a member, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company.
101. Subject to the provisions of Section 297 and 299 of the Act, neither shall a Director be disqualified from contracting with Company either as vendor, purchase or otherwise for goods, materials or services or for underwriting the subscription of any share in or debentures of the company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director of relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any such member or so contract, arrangement by reason of such Director holding office or of the fiduciary relation thereby established.
102. Every Director shall comply with the provisions of Section 297 and 299 of the Act regarding disclosure of his concern of interest in any contract or arrangement entered into or to be entered into by the Company.
103. Save as permitted by Section 300 of the Act or any other applicable provisions of the Act, no Director shall, as a Director, take any part in the discussion, of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence counted for the purpose of forming a quorum at the time of such discussion or vote.
104. The Board shall have power, at any time and from time to time, to appoint any person as additional Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for reappointment.
105. Subject to section 313 of the Act, the directors may appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meeting of the Directors are ordinarily held and such appointment shall have effect and such appointee while he/she holds offices as an alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote there at accordingly, but he shall ipso facto vacate office if and when the absent Director returns to the State in which meetings of the Directors are ordinarily held or the absent Director vacates office as a Director.
106. If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall remain in his office so long as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 119.
107. At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

108. Subject to the provisions of these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
109. The Company may remove any Director before the expiration of his period of the office in accordance with the provisions of Section 284 of the Act and may, subject to the provisions of Section 262 of the Act, appoint another person in his place if the Director so removed was appointed by the Company in General Meeting or by the board under Articles 105 and 107.
110. Subject to the provisions of Sections 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, as per the provisions of Companies Act, 1956 and may, from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.
111. (a) Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determining the rotation of retirement of director or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to qualifications to, resignation and removal as the other Directors and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause. However, he shall be counted in determining the number of meeting Directors.
(b) If at any times the total number of Managing Directors is more than one-third of the total number of Directors, the Managing Directors who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the managing directors shall be determined by the date of their respective appointments as Managing Directors by the Board.
112. Subject to the provisions of Sections 198, 269, 309, 310 and 311 schedule XIII and other applicable provisions, if any, of the Act, a Managing Director shall in addition to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may, from time to time, be sanctioned by the Company in a general meeting.
113. Subject to the provision of the Act and in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time, being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf, and may, from time to time, revoke, withdraw alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

114. The Directors shall meet together at least once in every three calendar months for the despatch of business and may adjourn and otherwise regulate their meetings and proceedings as they think fit.
115. Director may, and the Manager or Secretary on the requisition of a Director shall at any time, convene a meeting of the Board.
116. The Board may appoint a Chairman of its meetings and determine the period for which he is to hold office, if no Chairman is appointed, or if at any meeting of the Board, the Chairman be not present within five minutes after the time appointed for holding the same, directors present shall choose one of their number to be Chairman of such meeting.
117. The quorum, for a meeting of the Board shall be two or 1/3rd of total strength whichever is higher subject to the provisions of Section 287 of the act, If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.
118. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.
119. Subject to the provisions of Sections 316 and 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.



120. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its power to a committee consisting of such director or directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board.
121. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulation the meetings and proceedings of the Board so far the same are applicable thereto, and/or not superseded by any regulations made by the Board under the last preceding Article.
122. All acts done by any meeting of the Directors, or by a Committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office by virtue of any provision contained in the Act or in these Articles be as valid as if every such Director or person had been duly appointed and was qualified to be a director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to be invalid or to have terminated.

Save in those cases where a resolution is required by Sections 262,292, 297, 319 and 372(5) and 386 of the Act or any other provisions of the Act to be passed at a meeting of the board, resolution shall be valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted if it is passed by circulation in the manner as provided in Section 289 of the Act.

MINUTES

- (a) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (b) Any such minutes of proceedings of any meeting of the Board or of any Committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of section 193 of the Act, shall be evidence of the matters stated in such minutes. The minute books of general meetings of the Company shall be kept at the office and shall be open to inspection by members as may be decided by the Board Subject to the Provisions of Section 196 of the Act.

POWERS OF THE BOARD

125. (a) Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder including regulation made by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate by prior act of the Board which would have been valid if that regulations had not been made.
- (b) Without prejudice to the general powers conferred by the preceding Article, the Directors may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to mangers, secretaries, officers, assistants and other employees or other person any of the powers , authorities and discretions for the time being vested in the Board and the Board may, at any time remove any person so appointed and may annual or vary such delegation.

LOCAL MANAGEMENT

- 126 The Board may subject to the provisions of the Act, make such arrangements as if may think fit for the management of the Company's affairs abroad and for this purpose appoint local bodies, attorneys and agents and fix their remuneration and delegate to them such powers as the board may deem requisite or expedient. The Company may exercise all the powers of Section 50 of the Act and the official seal be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such person as the Board shall from time to time by writing under the Seal appoint. The Company may also exercise the powers of section 157 and 158 of the Act with reference to the keeping of foreign registers.

MANAGEMENT

127. Subject to the provisions of section 197 A, 198 and 269, 309 and 310 or other applicable Provisions if any of the Act, the Company may appoint or re-appoint Managing Director, Whole-time Director, and manager upon such terms and conditions as it thinks fit.

128. Subject to Sec. 383 A of the Act, the Directors may appoint a Secretary and/or consultant and/or an advisor on such terms, at such remuneration and upon such conditions as they may think fit and any secretary or consultant or adviser so appointed may be removed by the Directors.
129. A Director may be appointed as a Secretary and/or consultant and or Advisor, Subject to the provisions of the Act.

AUTHENTICATION OF DOCUMENTS

130. Save as otherwise provided in the Act, any Director or the Secretary or any person appointed by the board for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts and where any books, records document or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
131. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the cases may be, that such extract is a true and accurate record of a duly constituted meeting of the Board.

THE SEAL

132. The Board shall provide for the safe custody of the seal and the seal shall not be affixed except by the authority of a resolution of the Board or a Committee of the Board authorised by the Board in that behalf and save as otherwise required by the Companies (ISSUE of Share Certificates) Rules, 1960, any one Director or such other person as the Board may authorise shall signatory instrument to which the seal is affixed, Provided nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to Issue the same. This is, however , subject to Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

RESERVES

133. (a) The Board may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures; debts or other liabilities of the Company, for equalisation of dividends, for repairing improving or maintaining any of the property of the Company and for such other purposes of the Company as the board in its absolute discretion thinks conducive to the interests of the Company, and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares in the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserves into such special funds as it thinks fit, with full power to employ the receives or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.
133. (b) The board may also carry forward any profits which it may think prudent not to divide without, setting them aside as a reserve.
134. Any general meeting may upon the recommendation of the Board resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company and standing to the credit of the reserves, or any Capital Redemption Reserve account, or in the hands of the Company and available for dividend or representing premiums received on the Issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, of the Company which shall be distributed accordingly or in or toward as payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholder in full satisfaction of their interest in the said capitalised sum.
135. The Company in general meeting may, at any time and from time to time, resolve that any surplus money in the hands of the Company representing capital profits arising from the receipt of money received or recovered in respect of or arising from the realisation of any capital assets of the Company, or any investment representing the same instead of being applied in the purchase of other capital assets or for capital purposes be distributed amongst the equity shareholders on the footing that they receive the same as capital and in the same proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend provided always that no such profits as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities an paid-up share capital of the Company for the time being.



136. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may Issue fractional certificates.

The net profits of the company (after making provisions, if any, for sinking, depreciation and reserve funds and for carrying forward balances for the next year) shall subject to the rights of holders of preference shares and to any resolution of the company attaching any special privileges to other shares and to the provisions of these Articles, be divisible among the Equity shareholders in proportion to the amounts paid up on the Equity shares held by them respectively. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portions of the period in respect of which the dividend is paid, but if any shares issued on terms providing that it shall rank for dividend as from a particular date; such share shall rank for dividend accordingly. Where capital is paid-up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, rank for dividends or confer a right to participate in profits.

138. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

139. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.

140. Subject to the provisions of section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of money provided by the central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

141. The declaration of the directors as to the amount of the net profit of the company shall be conclusive.

142. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

143. (a) The Directors may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) No unclaimed dividends shall be forfeited by the Board and the company shall comply with the provisions of Section 205(A) of the Act in respect of such dividend.

(c) The Directors may retain the dividend payable upon shares in respect of which any person in under “the Transmission Article” entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

144. Subject to section 205A of the Act, any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes not exceeding the amount remaining unpaid on the shares, but so that the call on each member also does not exceed the dividend payable to him and so the call be made payable at the same time as the dividend and in such case the dividend may, if so arranged between the Company and the members, be set off against the call.

145. No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.

146. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

147. The Company may pay interest on capital raised for the construction of works or buildings when and so far as it shall be authorised to do by Section 208 of the Act.

No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Articles shall be deed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 147.

149. Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

150. Notice of any dividend, whether interim or otherwise shall be given to the person entitled to share therein in the manner hereinafter provided.

151. Unless otherwise directed in accordance with Section 206 of the act, any dividend, interest or other money payable in cash respect of a share may be paid by cheque or warrant sent through the post to the registered address of the members or in case of members who are registered jointly to the registered address of that one of such member who is first named in the Register in respect of the joint-holding or to such person and such address as the member or members who are registered jointly, as the case may be, may direct, and every cheque or warrant so sent shall be make payable to the order of the person to whom it is sent. The Company shall not liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or fraudulent recovery thereof by any other means.
152. Any unclaimed or unpaid dividend shall be dealt with and regulated under section 205-A of the Companies Act, 1956 and the Rules made thereunder.

BOOKS AND DOCUMENTS

Subject to the provisions of sections 209 of the Companies Act 1956. The Books of Account shall be kept at the office or at such other place in India as the Board may, from time to time, decide.

ACCOUNTANT

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive.

AUDIT

- (a) Once at least in every year, the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet, ascertained by the Auditor or Auditors of the Company.
- (b) The first Auditors or Auditors of the Company shall be appointed by the Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office till be conclusion of the First Annual General meeting of the Company.
- (c) The Company at each Annual general Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.
- (d) Where the Company has a Branch Office the provisions of Section 228 of the Act shall apply.
- (e) All notices of any other communications relating to any General meeting of the Company which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditors of the Company and the Auditor shall also be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- (f) The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.

SERVICE OF NOTICE AND DOCUMENTS

156. (1) A notice or other document shall be given or sent by the Company to any member either personally or by sending it by post to him to his registered address in India or if he has no registered address in India, to the address, if any within India supplied by him to the Company for the giving of notices to him.
- (2) Where notice or other document is sent by post.
- (a) Services thereof shall be deemed to be effected by properly, addressing prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the members; and
- (b) Such service shall be deemed to have been effected:-
- (i) In the case of a notice of a meeting at the expiration of fortyeight hours after the letter containing the same is posted, and
- (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.
157. A notice or other document advertised in a newspaper circulating in the neighbourhood of the office of the company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the



Company who has no registered address in India and has not supplied to the Company an address for the giving of the notice to him.

158. A notice or other document may be served by the company on the person document may be served by the Company or the joint holders of a share by giving the notice to the joint-holder named first in the Register in respect of the share.
159. A notice or other document may be served by the company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which the same might have been if the death or insolvency had not accrued.
160. Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighbourhood of the office.
161. Every person who by operation of law or transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.
162. Subject to the provisions of Articles 157 to 161, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.
163. The signature to any notice to be given by the Company may be written or printed.
164. Subject to the provisions of Sections 497 and 509 of the Act, in the event of a winding-up of the Company, every member of the company who is not for the time being in Delhi shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company, to serve notice in writing on the Company appointing some householder reading in the neighbourhood of the office upon whom all summons, notice, process, orders and judgements in relation to or under the winding up of the Company, may be served and in default of such nomination, the liquidator of the Company shall be at liberty on behalf of such member, to appoint some such persons and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter should be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by the Articles.

INSPECTION

165. (a) The books of Account and other books and papers shall be open to inspection by any Director during business hours.
(b) The Board shall, from time to time, determine whether and to what extent and at what time and place and under what conditions or regulations, the books of account and other book and documents of the Company, other than those referred to in Article 124(b) and 167 or any of them, shall be open to the inspection of the members not being director and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
166. Subject to the provisions of Sections 209 A of the Act, where under any provisions of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return certificate, deed instrument or document required to be kept or maintained by the Company the person entitled to inspection shall on his giving to the Company not less than seven days previous notice in writing of his intention specifying which register, etc, he intends to inspect, be permitted to inspect the same during such hours on such business days as the Board may specify subject of the provision of the Act.
167. The Company may in accordance with the provisions of Section 154(1) of the Act close the Register of Members or of the Debenture-holders, as the case may be.

RECONSTRUCTION

168. On any sale of the undertaking of the Company, the Board or the liquidator on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company incorporated in India or to the extent permitted by law of a Company incorporated outside India, either then existing or to be formed for the purchase in whole or in part of the property of the Company and Board (if the profit of the Company permit) or the Liquidator (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner the meeting may approve and all holders of share shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is propose to be or in the course of being wound up, such statutory rights (if any) under Section 494 of the act, as are incapable of being varied or excluded by these Articles.

SECRECY

169. Every Director, Secretary, trustees for the Company, its members or debenture-holders, member of a committee, servant, officer, agent accountant or other person employed in or about the business of the company shall if so required by the Board, before entering upon his duties, sign a declaration pledging himself if to observe a strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall be such declaration pledge himself not to reveal any of be matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by Court of Law and except so far as may be necessary in order to comply with and of the provisions in these articles contained.

170. No shareholder or other persons (not being a Director) shall be entitled to enter upon the properties of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, subject to Article 165(b) and 166 to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, of secret process or of any matter whatever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

WINDING-UP

171. (a) In the event of the Company being wound up, the holders of Preference Shares, if any, shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment to them the amount paid-up on the Preference Shares held by them respectively and payment of arrears of dividend up to the commencement of the winding up, whether declared or not, but shall not be entitled to any further participation in such surplus assets. If the surplus available as aforesaid shall be insufficient to repay the whole of the amount paid up on the Preference Shares and any arrears of dividend, such assets shall be distributed amongst the holders of Preference Shares so that then losses shall be borne by the holders of Preference Shares in proportion to the capital paid up or which ought to have been paid up thereon and the arrears of dividend as aforesaid.

(b) If the Company shall be wound up and the assets available for distribution among the members as such after payment to the Preference Share holder as aforesaid shall be in sufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in the winding-up the assets available for distribution among the members after payment to the Preference Shareholders as aforesaid shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid-up or which ought to have been paid-up on the shares held by them respectively.

(c) This Article is to be without prejudice to the rights and privileges amongst the holders of Preference Shares or different series or shares issued upon special terms and conditions.

172. If the Company shall be wound up, whether voluntarily or otherwise the liquidator may with the sanction of a Special Resolution, divide amongst the contributories, in specie of kind, any part of the assets of the Company and may, with the like sanction, vest any part of assests of the Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators with the like sanction, shall think fit, subject to section 100 to 105 of the Act.



INDEMNITY

173. Subject to the provisions of section 201 of the Act, every Director, manager, Secretary and other officer/Auditor or employee of the company shall be indemnified against, and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses (including travelling expense) which any such Directors, manager or Secretary or other Officer or employee may incur or become liable to by reason of any contract entered into or in any way in the discharge of his/their duties and in particular and so as not to limit the generality or the foregoing provisions, against all liabilities incurred by him or them as-such Director, Manager, Secretary, Officer or employee in defending any proceedings whether civil or criminal, in which judgement is given in his or their favour or he or they is or are acquitted, or in connection with the any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach a lien on the property of the company and have priority as between the members over all other claims.

X. OTHER INFORMATION

1. List of Material Contracts and Documents for Inspection

The following contracts not being contracts entered in the ordinary course of business carried on by Era Constructions (India) Limited which are or may be deemed material contracts have been attached to the copy of this Prospectus delivered to the Registrar of Companies, NCT of Delhi & Haryana at New Delhi, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of Era Constructions (India) Limited at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014 between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Prospectus to until the date of closing of the Issue.

Material Contracts

- i. Memorandum of Understanding dated October 01, 2004 with UTI Securities Limited, appointing them as Lead Manager to the Issue.
- ii. Memorandum of Understanding dated February 04, 2005 signed with Aarthi Consultants Private Limited, appointing them as Registrar to the Issue.
- iii. Tripartite Agreement dated 21st February 2005 among the Company, CDSL and Aarthi Consultants Private Limited, Registrar to the Issue.
- iv. Tripartite Agreement dated 4th March 2005 among the Company, NSDL and Aarthi Consultants Private Limited, Registrar to the Issue.
- v. Tripartite Agreement dated September 4, 2001 among the Company, CDSL and Beetal Private Limited, Registrar to the Issue.
- vi. Tripartite Agreement dated September 6, 2001 among the Company, NSDL and Beetal Private Limited, Registrar to the Issue.
- vii. Registered Lease Deed dated April 12, 2005 between the Company and Smt. Om Wati & Shri Amit Gupta for office premises of the Company.
- viii. Unregistered Lease Deed dated May 22, 2003 between the Company and Mr. Sandeep Tanwar, Mr. Dinesh Tanwar, Mrs. Geeta, Mrs. Savita and Mrs. Santra for Godowns of the Company.
- ix. Joint Venture Agreement dated 23rd April 1997 between the Company and WTD S.r.l., a company incorporated under the laws of Italy, for the implementation of water and waste water treatment plants and other related projects in India.
- x. Memorandum of Understanding dated 8th April 2003 between the Company and Valecha Engineering Limited for execution of NTPC Project of SG Area Civil Works package of (2x500 MW) Stage II, Phase-I, Kahalgaon Super Thermal Power Station.
- xi. Memorandum of Understanding dated 6th September 2003 between the Company and Valecha Engineering Limited for execution of NTPC Project of Main Area Civil Works package of (1x500 MW) Stage II, Phase-II, Kahalgaon Super Thermal Power Station.
- xii. Memorandum of Understanding dated 19th July 2002 between the Company and Ashoka Buildcon Limited to form a Joint Venture for the purpose to bid and execute future projects to be executed on B.O.T. (Build, Operate and Transfer) basis sponsored by NHAI and State Governments.
- xiii. Memorandum of Understanding dated 19th July 2002 between the Company and Ashoka Buildcon Limited to form a Joint Venture for the purpose to bid and execute future:
 - Highway projects of National Highway Authority of India/State Governments on tender basis.
 - High value road projects and sub-contractors from the main contractors to whom work is already awarded.
- xiv. Memorandum of Understanding dated 17th December 2004 between the Company and Ashoka Buildcon Limited to form an exclusive consortium for execution of work of Re-surfacing of secondary runway at NSCBI Airport, Kolkata.
- xv. Memorandum of Understanding dated 13th August 2004 between the Company and Minaean Vanitech Engineers Inc. for promoting and execution of building and other projects with LGS Minaean Technology in Libya/India
- xvi. Joint Venture Agreement dated 24th September 2004 between the Company and Advance Construction Company Private Limited to form a joint venture for the purpose of submitting the pre-qualification and thereafter submitting a tender for construction of Multistoried Building in SEEPZ-SEZ at Andheri, Mumbai.



- xvii. Memorandum of Understanding dated 27th April 2005 among the Company, Thai Summit Autoparts Industry Co. Limited & Neel Metal Products Limited to form a consortium for the purpose of submission of Bid-Tender/Application with National Highway Authority of India in connection with the Badarpur Elevated Highway Project.
- xviii. Resolutions Passed at the AGM of the Company held on September 25, 2004 for appointment / re-appointment and affixing remuneration of whole time directors i.e. Mr. H.S. Bharana, Chairman (Executive), Mr. B.K. Vinayak, Managing Director & Mr. P.P. Mainra, Executive Director.
- xix. Copies of Underwriting Agreements dated 28.05.05.

List of Documents for Inspection

- a. Memorandum and Articles of Association of Era Constructions (India) Ltd., as amended from time to time.
- b. Certificate of Incorporation of Era Constructions (India) Pvt. Ltd. dated September 03, 1990.
- c. Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Ltd. Company of Era Constructions (India) Ltd. dated October 19, 1992.
- d. Resolution Passed by the Board of Directors at their meeting held on August 28, 2004 for the proposed Public Issue.
- e. Resolution passed under Section 81(1A) of the Act, at the AGM of the Company held on September 25, 2004.
- f. Resolution Passed by the Board of Directors at their meeting held on February 12, 2005 for determining the number of equity shares to be issued for cash through Prospectus.
- g. Sanction letter dated August 13, 2004 of Union Bank of India for Term Loan, Cash Credit (Hypothecation of Stocks & Book Debts), Inland / Import L/C (DP / DA 90 days) and Letter of Guarantee.
- h. Sanction letter dated July 13, 2004 of Andhra Bank for Open Cash Credit, Inland Letter of Credit on DA/DP basis and Bank Guarantee (Inland).
- i. Sanction letter dated December 22, 2003 of Bank of Baroda for Cash Credit (Hypothecation of Stock / Book Debts), Bank Guarantee and Letter of Credit (Inland / import DP / DA up to 90 days for procurement of raw material).
- j. Sanction letter dated April 02, 2004 of SIDBI for Assistance under Receivable Finance Scheme.
- k. Sanction letter dated October 25, 2004 as amended vide letter dated May 12, 2005 of ICICI Bank for Bank Guarantee & Letter of Credit.
- l. Sanction letter dated December 06, 2004 of IDBI Bank for facility of Inland Documentary Bills backed by Letter of Credit.
- m. Sanction letter dated December 31, 2004 of HDFC Bank Ltd. for LC backed Bill Discounting facility.
- n. Sanction letter dated December 28, 2004 and revised sanction letter dated May 21, 2005 of SREI Infrastructure Finance Limited for equipment finance.
- o. Consent from the Directors, Compliance Officer, Auditor, Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to the Company, and Legal Advisor to the Company to act in their respective capacities.
- p. Auditors' report dated May 28, 2005, included in the Prospectus and copies of the Balance Sheet referred in the said report.
- q. Tax Benefit Certificate dated May 28, 2005 from P.C. Bindal & Co., Tax Auditors of the Company.
- r. Copy of the Auditors Certificate dated May 30, 2005 regarding the Sources and Deployment of Funds as on May 30, 2005.
- s. Copies of listing applications made to BSE, ASE & DSE for permission to list the Equity Shares offered through this Prospectus and for an official quotation of the Equity Shares of the Company.
- t. Copies of Quotations obtained for purchase of Plant & Machineries.
- u. Copies of in-principal approvals from BSE, ASE & DSE.
- v. SEBI Acknowledgement Card dated May 17, 2005.
- w. Due Diligence Certificate dated February 22, 2005 to SEBI from UTI Securities Ltd.

2. DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS

Sd/- H.S. Bharana

Sd/- B.K. Vinayak*

Sd/- P.P. Mainra*

Sd/- A.K. Mehta

Sd/- J. L. Khushu

Sd/- A.K. Seth

Sd/- Arvind Pande*

Sd/- B.B. Kumar

Sd/- S.D. Sharma

***Signed through their Constituted Power of Attorney Ms. Gunjan Singh**

Place: New Delhi

Date: 09.06.2005



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