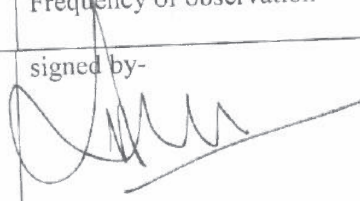





FORM A
(Format of covering letter of the annual audit report to be filed with the stock exchanges)

1.	Name of the Company	Era Infra Engineering Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Matter of emphasis
4.	Frequency of observation	First Time
5.	signed by-	
	 (H.S. Bharana) Chairman & Managing Director	 (CA. Pankaj Jain, Partner M/s. G.C. Sharda & Co.) Statutory Auditors
	 (Sanjay Gupta) Chief Financial Officer	 (Surya Datta Sharma) Audit Committee Chairman

CERTIFIED TRUE COPY

Era Infra Engineering Ltd.


 Company Secretary

Era Infra Engineering Limited
An ISO 9001, 14001 & OHSAS 18001 Certified Company

Head Office: C-56/41, Sector-62 Noida-201 303 INDIA,
 Ph: +91 (120) 4145000, Fax: +91 (120) 4145030
 Regd. Office: 1107, Indraprakash Building, 21, Barakhamba Road, New Delhi - 110001, INDIA
 CIN: L74899DL1990PLC041350. E - mail : eiel@eraqroup.in

Delivering Excellence through Diversity



Believe in difference



24th Annual Report 2013-14



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Corporate Information

H S Bharana

Chairman & Managing Director

T D Arora

Whole Time Director

Arvind Pande

Director

S D Sharma

Director

S D Kapoor

Director

A K Mehta

Director

Sanjay Gupta

Chief Financial Officer

Kapil Kumar

Company Secretary

Registered Office:

1107, Indraprakash Building,
21, Barakhamba Road,
New Delhi – 110 001

Head Office:

C-56/41, Sector 62,
Noida – 201 303 (U.P.)

Auditors:

G C Sharda & Co.
Chartered Accountants

Internal Auditors:

P C Bindal & Co.
Chartered Accountants

Bankers & Financial Institutions:

Union Bank of India
IDBI Bank Limited
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of India
Punjab National Bank
Bank of India
Bank of Maharashtra
Canara Bank
Corporation Bank
Karnataka Bank Limited
Punjab & Sind Bank
State Bank of Hyderabad
Syndicate Bank
UCO Bank
Vijaya Bank
Bank of Baroda
Allahabad Bank
Central Bank of India
General Insurance Corporation of India
Life Insurance Corporation of India
NPC Trustee A/c LIC Pension Fund Scheme – I
United Bank of India
SREI Equipment Finance (P) Ltd.
Sicom Ltd.

Registrar & Share Transfer Agent:

Beetal Financial & Computer Services Private Ltd.,
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi 110062

Investors Help:

e-mail: investorinfra@eragroup.in



Touching Life at Every Point

Every aspect of progress is being touched upon through diversified interests into Infrastructure from Power to Roadways, by Era Infra Engineering.





Infrastructure is very important to the development and growth of economies. Infrastructure is not only a key economic sector in terms of its direct GDP contribution but with its forward and backward linkage with about 300 other sub sector of the economy. Era Infra Engineering is India's leading Infrastructure Company providing multi-disciplinary services from project development and conceptualization to completion and operation and maintenance services for a diverse spectrum of projects.

Being an established player in the field of infrastructure, Era Infra Engineering has laid a solid foundation of technological brilliance and innovative engineering. Due to its leadership in technology and design, it is a favourite choice for Engineering, Construction and Project Management Corporations. Our diverse portfolio includes Power, Aviation, Roads & Highways, Railways, Metros, Social Infra and T&D.

With over two decades of experience and diversified presence across core sectors in the infrastructure industry, we have projects in various locations all over India. Our unmatched combination of knowledge, skill, experience and commitment to do every job, powers us to handle any challenging project at any scale.

Era Group achieved an impressive economic record the last decade, with one of the highest consistent growth rates in the country. With investments in research and development programs, we have continuously enhanced our ability to supply the construction industry with innovative products and technical services. Ability of entire team to adopt latest technologies and practices is core DNA of our existence.

In the absence of functional infrastructure in the rural and suburban areas where most of the MsMEs are located and operate from, the operational costs of businesses are bound to be high and therefore not sustainable. Infrastructure means the basic facilities which are necessary for the development of a nation. The progress of the nation will accelerate, new employment opportunities will be generated and there will be improvement in the infrastructure sector. We have been one of the major catalysts in setting a new lifeline through infrastructural pattern across the sector in various segments. Infrastructure sector operates in a difficult framework in India, But Company remains confident that the new progressive government will change things for better.



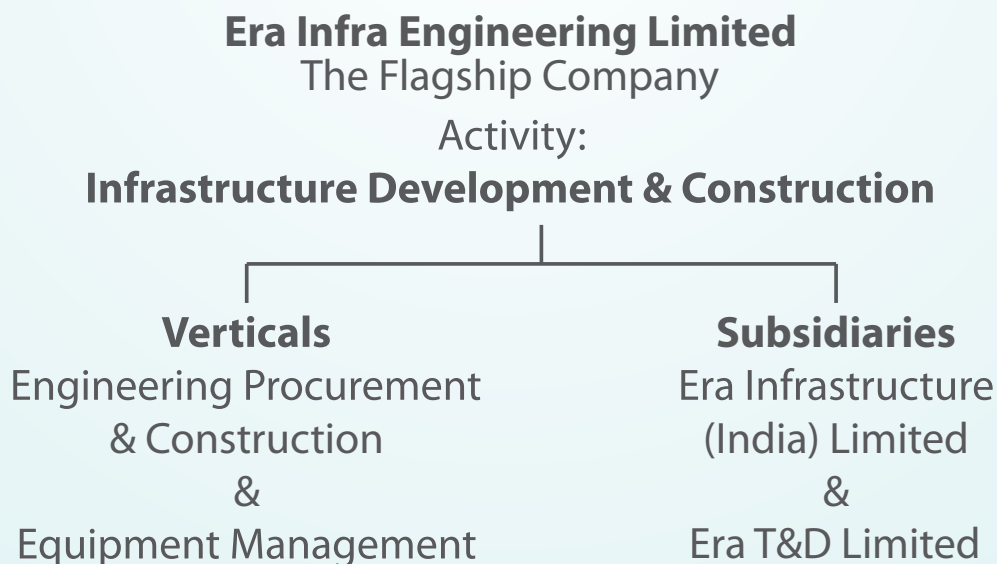
Beyond Excellence in Infrastructure

Set up in 1990 to pursue opportunities in the infrastructure sectors, Era Infra Engineering is a flagship company of a billion dollar conglomerate Era Group. We are committed towards developing the nation by building world-class infrastructure.

We are committed to a high standard of excellence in all activities that strive to establish a strong relationship of mutual trust and confidence with the clients. Converted to limited company in 1992 and with high standard, skill and determination, Era Infra Engineering Ltd. has become one of the leading construction companies having a striking turn over of ₹2669 Crores and a diverse portfolio.

Our aim is to provide high quality construction services in a smooth, convenient and impressive manner.

Our Business Structure





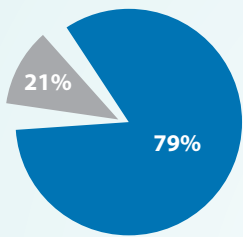
Our Growing Lifeline

Era Infra Engineering Ltd. has successfully attained current order book size of ₹15724 crores which is an evidence of company's contribution in country's infrastructural growth.




Business overview

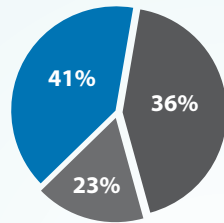
Client Breakup

Public Sector 
Private Sector 



Segment Wise Share

Infrastructure 
Social Infra 
Power 



Our Presence

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



100+ Projects 20 States 9 Sectors

Creating Landmarks

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

1986



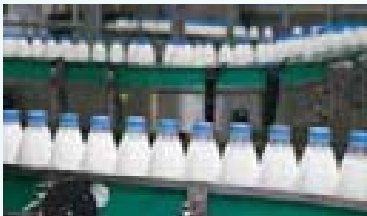
- Era Constructions (India) Pvt. Ltd. formed as an individual business entity.

1992



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

1994



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

1995



- Forayed into the Aviation Sector by bagging project from Airport Authority of India. Listed Era Constructions (India) Ltd
- E-zone became a listed company

2000



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

2004



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

2005



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

2006



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

2007



- Rechristened Era Constructions as Era Infra Engineering Ltd.
- Bagged its first BOT project from NHAI and ventured into highways.

2009



- Received two big ticket BOT Highway projects.
- Bagged orders in the T&D space.

2010



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

2011



- Commissioned tower manufacturing plant.

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

2012



- Bagged contract for Jama Masjid – Kashmere Gate section of DMRC Phase-III.
- Completion and commissioning of Hyderabad Ring Road.

2013



- Bagged Contract for construction/ upgradation of a NICD to NCDC from NBCC.
- Bagged contract from DDA for construction of 3,000 Multi Storey Dwelling Units at Community Centre Site.
- Completion and commissioning of Gwalior By-pass Road Project.

2014



- Bagged contract for Alwaye-Petta Line of Kochi Metro Rail Corporation.
- Bagged contract for SG & offsite Civil Work package for Nabinagar Super Thermal Power Project in Aurangabad.
- Bagged contract for Civil works package from NTPC Ltd. for Lara Super Thermal Power Project in Raigarh District.

Excellent presence through Diversity

Era Infra Engineering Limited is fully integrated and geared to Design, Build, Install and Operate within the required time frame, comprehensive solutions as a single point provider. Boosting practices that involve the use of the most current technologies in vogue worldwide ensures minimization of complex processes and ease constraining project execution labour. Quality and execution capability have been our forte as a group, and they continue to strengthen the foundation of our position as one of the premier names in the field of infrastructure.



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

Power

- We have completed several projects for some of the most reputed names in the country such as NTPC , BHEL , Lanco Infratel and Steel Authority of India.
- We have bagged two prestigious projects for Civil & Structural works of Super Thermal Power Projects from NTPC Ltd. at Aurangabad & Raigarh District.

Roads & Highways - Handled projects:

- Construction & Maintenance of 4 National Highway projects at Bareilly - Sitapur, Haridwar - Dehradun and Muzaffarnagar - Haridwar in the state of UP and Uttarakhand And Delhi-Haryana Border to Rohtak section in the State of Haryana.





Railways

- Design and construction of EMU maintenance car shed between Nallasopara & Virar stations of Western Railway-LOT-1 & LOT-2 at Mumbai.



Metros

- Design and construction contract for Jama Masjid – Kashmere Gate section of DMRC Phase-III.
- Design & construction contract for Alwaye-Petta line of Kochi Metro Rail Project at Kochi, Kerala.



Social Infra

- Construction of Club & Guest House, Schools , Hostel, Hospital and Shopping Complex etc. for RCF, Raebareli at Lalganj.
- Execution of 'Civil & Structural Works' at Spire South, Badshahpur, Sector-68, Sohna Road, Gurgaon.
- Construction/upgradation of NICD to NCDC from NBCC, Delhi
- Construction of 3,000 Multi Storeyed Dwelling Units at Community Centre Site for DDA.
- Executed Project of Deep Chand Bandhu Memorial Hospital at Ashok Vihar, Delhi.



T&D

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

Excellence beyond Motivation

Era Infra Engineering Ltd. is a leader in developing, managing and constructing infrastructure necessary to improve quality of life and sustain economic growth. The company has developed some of the best processes and technologies in the industry, saving customers millions and assuring quality results while meeting tight schedules on the most challenging projects.

With an absolute objective to craft immaculate infrastructure and grow steadily adhering to a strong belief to disseminate excellence while contributing to Indian economy & infrastructural growth, the company came into existence. Aspiring to contribute prolifically towards overall infrastructural development and growth, the company today focuses on infrastructure verticals including Roads, Urban Infrastructure and Power Projects



Building blocks- The team

Manpower Planning in infrastructure holds a very important place as it consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Era Infra team is comprised of diverse set of professionals with many decades of business experience in engineering, design and innovation. Committed to the principles of the company and determined to be nation's no.1 partner in infrastructure, the team takes pride in having a group of people, passionately driven to deliver excellence.



Achieving precision- The equipments

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



Seamless process- The project management

Era Infra Engineering Ltd. offers most comprehensive, on-demand and secured project management platform, encompassing and spanning across project initiation, planning and design, production or execution, real-time monitoring and controlling stages. It helps organizations across verticals to manage their projects most effectively minimizing instances of time and cost overruns. It also offers a proven platform for most comprehensive risk mitigation across the project stages under a highly collaborative environment.

Strengthening bonds- The alliances and partnerships

The strategic alliance and partnerships are the pillars of powering the company's ability to build a strong base across the infrastructural space. The development of infrastructure connects and link people and places to make life easier while enabling industrial and social infra development.

Managing deliverables- The supply chain

The most important link in Supply Chain Management supports the global operations by catering to the needs of all infrastructural needs. To manage the growing business volume and to support the company's operations, procurement is done seamlessly. The company has set up a team which ensures the seamless functioning of managing a variety of supplier, vendor and service provider.

Leading from the front- The vision

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



Chairman's Message



Dear Friends,

I would like to share with you the current business scenario & condition of economy wherein your company had to operate. With the continuing despair in the state of economy, especially destitute infrastructure sector, your company had to face innumerable challenges, wherein sustenance in itself was the biggest challenge. The liquidity crisis caused thereby has shaken even the most formidable players in the infrastructure segment in India. In such a situation of endemic liquidity crises, your company had to opt for a formally recognized process of debt restructuring in the last fiscal year under the framework of Corporate Debt Restructuring (CDR) of RBI. The CDR process is on track and has given your company a breathing space and has re-energized us so as to recover from this state of crises. With our full strength & your support friends, we sincerely hope to emerge again as a profitable & strong enterprise. The year 2013-14 has taught us a lesson of survival and in the process also made us stronger. We continue to look inwards to achieve greater heights.

Financial Review

The Indian infrastructure story for last few years continues to be slowing down. FY 2013-14 witnessed several hiccups in terms of slowdown in orders and galloping interest rates as well as input prices, we at Era Infra strongly feel that tough times will not last. Under these tough times and the pressures in the economy, Era Infra had to face liquidity crunch & working capital crises causing deficit to your company. The turnover of the Company for the year ended 31st March, 2014 is Rs. 2,68,964.30 lacs as against Rs. 4,70,181.37 lacs in the previous year and net loss amounting to Rs. 50,385.65 lacs. However, the company defines itself by being far sighted, customer focused, leaner and agile to convert opportunities into business.

Division Review: Engineering Procurement & Construction

Procurement is one of the key areas that can make or break a projects budgets, timelines and construction quality. Era Infra's seasoned expertise in design and engineering, construction, and construction management gives us added insight into the issues.

The construction industry has been a mainstay industry since the beginning of this decade. The performance of the EPC sector is primarily interlinked with infrastructure investment. With the projected 1 trillion dollars funding in infrastructure in India during 12th plan (2012-17) it is clear that the EPC sector will continue to be the predominant form of construction contract used.

With the increasing need for accelerating infrastructure development to fuel India's economic growth, there is no doubt that the EPC sector is in an advantageous position. Sectors including roads, oil and gas, and power have relatively higher construction opportunities since these segments have reached a matured stage. Nevertheless, sectors such as urban infrastructure, particularly water supply, waste management and urban transport system, are gradually demonstrating clear signs of positive growth.

We are stepping up our foray into areas where opportunities are being opened up as far as infrastructure is involved and where the competitive pressures are low. In the last fiscal, we have bagged few good projects, out of which two remarkable projects are SG and Offsite Civil Works Package for Nabinagar Super Thermal Power Project in Aurangabad and a contract from NTPC Limited for civil works of Main Plant and Offsite Civil Works Package for Lara Super thermal Power Project in Raigarh district.

Equipment Management Division

One planning tool any project needs is an equipment management. This division provides all the details of the equipment that our company currently owns. It is very important to know all about current stock of equipment, so that any allocation of resources is an objective assessment, and therefore budgets are based upon the actual quantity of equipment owned. This division also manages equipment effectively so that operational affordability can be calculated. This division helps to develop realistic plans for the future as we know our current equipment situation, therefore reduced wasting of funds, procuring new equipment while neglecting the replacement of existing essential items.

Our services often extend to providing a strategy for managing the selection and procurement of new specialist equipment and/or the moving, disposal or repair of existing equipment. The co-ordination of these complex engineering issues within the scheme design and construction stages is vital to the ultimate success of the project. With a mammoth equipment bank like ours, it is an ideal way to encash the idle machine time and earn revenues which make a robust revenue earner.

Subsidiary Review

Era Infrastructure

Infrastructure bottleneck has been a serious concern in India in its way of robust pace of economic progression. Like many advanced economies and fiscal constrained developing countries have developed their physical infrastructure successfully either through private participation or through public-private partnership (PPP) model, in India, private participation in the process of infrastructure development has received a great response too. The BOT model has taken precedence in the Indian infrastructure scenario today, and is set to grow even further.

Strategic Roadmap

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

Era T&D

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

Strategic Roadmap

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

Committed to serving stakeholders

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

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



H.S. Bharana
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

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

Particulars	(₹ in Lacs)	
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Total Income	2,68,964.30	4,70,181.37
Profit (Loss) before depreciation & tax	(37,533.12)	37,172.58
Depreciation	13,073.95	11,041.39
Profit (Loss) before tax & Extra Ordinary Items	(50,607.07)	26,131.19
Extra Ordinary Items	26,700.64	2,354.68
Profit (Loss) before tax	(77,307.71)	23,776.51
Provision for tax		
- Current Tax	-	4,676.43
- Deferred Tax	(26,922.06)	3,947.78
- MAT Credit/Fringe Benefit Tax	-	(1,675.15)
- Tax adjustment for earlier years	-	-
Profit (Loss) after tax	(50,385.65)	16,827.45
Proposed Dividend together with Tax thereon	*(845.30)	845.30
Transfer to General Reserve	-	1,682.75
Transfer to Debenture Redemption Reserve	-	310.00
Surplus carried to Balance Sheet	55,189.73	104,730.08

*Proposed dividend on Equity shares and tax thereon is reversed in the Current year as the proposed dividend was not approved by the Shareholders.

FINANCIAL PERFORMANCE

The turnover of the Company for the year ended 31st March, 2014 is ₹ 2,68,964.30 lacs as against ₹ 4,70,181.37 lacs in the previous year.

Loss before depreciation and taxation was ₹ 37,533.12 lacs and after providing ₹ 13,073.95 lacs towards depreciation, Extra-Ordinary Item on account of Foreign Currency Translation Loss of ₹ 26,700.64 lacs and deferred tax of ₹ (26,922.06) lacs towards tax, the net loss amounts to ₹ 50,385.65 lacs.

BUSINESS PERFORMANCE

Infrastructure development in India has been going through a very difficult phase over the last three years.

The Company principally being an EPC Player was directly impacted due to stress in the construction and infrastructure sector. Few of the Company's Road projects also got impacted considerably on account of delay in availability & environmental clearance which resulted in heavy cost escalation. The Company is facing severe pressure on its operational cash flow and liquidity attributable to several external factors such as:

- (a) Slowdown in Infrastructure sector
- (b) Considerable blockage of funds in Working Capital
- (c) Higher cost of borrowings etc.

Under these circumstances, the Company had to approach the Corporate Debt Restructuring (“CDR”) cell during 2013 for debt restructuring through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India (the “RBI”). The CDR Cell approved the debt restructuring of the Company vide letter dated March 29, 2014 (the “LOA”). The Company has also executed a Master Restructuring Agreement (“MRA”) dated March 29, 2014 which was subsequently amended on May 19, 2014 with the CDR Lenders in furtherance to the CDR package of the Company, besides various other related documents as envisaged under the MRA. The broad terms of the Company’s CDR scheme includes inter alia:

- a. Restructuring the existing debt facilities including term loans, non-convertible debentures (NCDs), External commercial borrowings (ECBs), term loans from Non-CDR lenders, working capital term loan, funded interest term loan and Fund Based & Non-Fund Based Working Capital Limits in all aggregating to ₹ 8754.75 Crores (Approximately) availed by the Company, including revision of the interest rates, principal payment schedule and grant of priority (fresh) term loan of ₹ 120.05 crores;
- b. Creation of additional security for the facilities covered under the MRA, personal guarantee of Shri H.S. Bharana, Chairman & Managing Director and Pledge of entire promoter shareholding in favour of CDR Lenders within the permissible time frame.
- c. The promoters are also required to contribute/ infuse funds into the Company to the extent of 25% of the sacrifice being made by the Lenders (amounting to ₹ 223.31 Crores) of which ₹ 178.65 Crores is required to be brought within 120 days of implementation of the restructuring scheme and the balance ₹ 44.66 Crores to be brought in within 1 year of approval of CDR Package. The Promoters are also required to bring in their contribution towards priority loan amounting to ₹ 40.02 Crores and additional promoter contributions to be made in financial year 2016-17, 2017-18 & 2018-2019 for ₹ 200.00 Crores, ₹ 150.00 Crores & ₹ 150.00 Crores, respectively.

The Company is expected to come out with the stressful circumstance, once the debts obligations are completed restructured in line with the LOA and MRA (including amendments thereto).

Despite of the above said constrains, the Order Book of Company as at 31.03.2014 is maintained at ₹ 15,723.95 Crores across sectors, to be implemented over a period of next two to three years. All ongoing projects are monitored on a regular basis by the senior management based at Noida offices. The company has aggressively invested in an in-house ERP system, which encompasses different areas of efficient construction management with greater efficiency, accuracy and predictability.

The Company is professionally managed with well-qualified and experienced personnel in all areas including engineering, finance and administration combined with a full-fledged Enterprise Resource Planning (ERP) and MIS system. As on 31st March, 2014, the Company has on its roll approximately Two Thousand (2000) employees.

A few of recent Infrastructure projects (including Social Infra) secured by the company from prestigious clients in Public/ Private Sectors are as follows:

1. A project for Construction of phase II hostel complex consisting of 376 bachelor and 144 married accommodation for trainees of Bhabha Atomic Research Centre (BARC)/Homi Bhabha National Institute (HBNI) at Anushaktinagar, Mumbai from Department of Atomic Energy.
2. Contract for “Procurement of Trespassing Control measures including provision of Escalators” at various stations at Mumbai from Mumbai Railway Vikas Corporation Ltd.
3. A Contract for “SG and Offsite Civil Works Package for Nabinagar Super Thermal Power Project, (3x660 MW) in Aurangabad district of Bihar by Nabinagar Power Generating Company Private Limited (NPGC)- a joint venture of NTPC Limited and Bihar State Electricity Board.
4. A Contract for “Construction of elevated viaduct, 5 elevated Stations viz Kadavanthara, Elamkulam, Vyttila, Thaikoodam & Petta (from Chainage 19329.685 m to 25119.278 m) including Architectural Finishing, Plumbing works of Stations on Always-Petta Line of Kochi Metro Rail Project” at Kochi, Kerala by Delhi Metro Rail Corporation Ltd., in joint venture with Chengdu Ranken, China.
5. A Contract from NTPC Limited, for civil works of Main Plant and Offsite Civil Works Package for Iara Super thermal Power Project, Stage-I (2 x 800 MW) in Raigarh district of Chhattisgarh.

Presently the company operates through two strategic divisions:

A) EPC Division (National & International)

This division is in a growth phase, the order book position has improved considerably over the years and it has bagged orders from prestigious clients like NHAI, NTPC, Airport Authority of India, Delhi Metro Rail Corporation Limited, Naya

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

B) Equipment Management Division:

This Division was set up to cater to the growing in-house and external demand for a wide range of construction machinery and to make revenue by using the equipments in most efficient manner and further to provide the strength to internal execution. The division's large Equipment Bank spans machinery for diverse uses and includes Cranes/ Material Handling Equipment, Pilling Equipment, Aerial Platform & Boom Lifts, Motor Graders etc.

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

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year ended March 31, 2014.

MATERIAL CHANGES

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

PUBLIC DEPOSITS

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

DIRECTORS

There were no changes in the Directorship of the Company since last reporting.

As per the provisions of the Companies Act, 2013, Independent Directors are eligible to hold office for a term upto five consecutive years and are eligible for re-appointment for the second term on passing special resolutions by the Company. During their tenure, they will not be liable to retire by rotation. The Company has received from all the Independent Directors consents for their appointment and declarations confirming that they meet the criteria of independence as envisaged under the Companies Act, 2013 and Listing Agreement.

Notices under Section 160 of the Companies Act, 2013 have been received from members proposing their candidature along with requisite deposits. Accordingly, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013, the Board recommends the appointment of the above directors as Independent Directors who shall hold office upto March 31, 2019 and shall not be liable to retire by rotation during their tenure. In accordance with the provisions of the Companies Act, 2013, Mr. H.S. Bharana, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resumes of these directors proposed to be appointed/ re-appointed and other relevant information have been furnished in the Notice convening the Annual General Meeting. Appropriate resolutions for their appointment / re-appointment are proposed for approval of the members at the Annual General Meeting.

INTRODUCTION AND APPLICABILITY OF NEW COMPANIES ACT, 2013

The Ministry of Corporate affairs vide its Notification dated: 26th March, 2014 has notified the commencement of New Companies Act, 2013, w.e.f. 01st April, 2014. In pursuance of General Circular No. 08/2014 issued by Ministry of Corporate Affairs, the present Directors' Report is prepared in accordance with the provisions of the Companies Act, 1956 and thus the new provisions of Companies Act, 2013 will be complied with in the next Directors' Report.

Your Board of Directors endeavors to comply with all other new requirements of the Companies Act, 2013.

AUDITORS

In terms of the provisions of the Companies Act, 2013, M/s. G.C. Sharda & Co., Chartered Accountants, Statutory Auditors of the Company, will complete their first term of 8 (eight) consecutive years at the conclusion of the ensuing Annual General Meeting.

As per the provision of Section 141 of the Companies Act, 2013 read with rule 6 of the Companies (Audit & Auditors) Rules, 2014. They can be further appointed as statutory auditors for another term of 3 (Three) consecutive years i.e., till the conclusion of Annual General Meeting to be held in the year 2017. The Company has obtained necessary certificate under section 141 of the Companies Act, 2013 from the auditor conveying their eligibility for the above appointment. The Audit Committee and the Board reviewed their eligibility criteria, as laid down under section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the above said period.

AUDIT COMMITTEE

The Audit Committee consists of four members namely Mr. S.D. Sharma, Mr. S.D. Kapoor, Mr. Arvind Pande and Mr. T.D. Arora out of which three are independent Directors. Mr. S.D. Sharma is the Chairman of Audit Committee. All members of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts. The Committee composition is in accordance with the provisions of Companies Act and Listing Agreement.

AUDITORS' REPORT

The Auditors' Report does not contain any adverse remark or qualification hence the same do not call for further information or explanation. The observations and comments given by the Auditors read together with notes to accounts are self explanatory, hence do not call for any further comments under Section 217 of the Companies Act, 1956.

SUBSIDIARY COMPANIES

In terms of the general exemption granted by the Government of India vide its general circular no. 2/2011 dated February 08, 2011, from attaching the Directors' Report, Balance Sheet, Statement of Profit & Loss and other particulars of the subsidiaries, the Board of Directors in its meeting held on May 30, 2014 decided not to attach Directors. Report, Balance Sheet, Statement of Profit & Loss and other particulars of Subsidiary Companies with the Annual Report of the Company this year.

The Company will make available the Annual Accounts of the subsidiary company and other related information upon request by any member of the Company or its subsidiary company. The Annual Accounts of the subsidiary company will also be kept open for inspection at the registered office of the Company and the subsidiary company during business hours.

LISTING

The Equity shares continue to be listed on the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). Both these Stock Exchanges have nationwide terminals and therefore, shareholders/investors are not facing any difficulty in trading the shares of the Company from any part of the Country. The Company has paid annual listing fee for 2014-15 to the BSE Ltd. and the National Stock Exchange of India Ltd. and annual custody fee to National Securities Depository Limited and Central Depository Services (India) Limited.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy:**

The core activity of the company is civil construction which is not an energy intensive activity, however all steps are taken to conserve energy at all levels of operations wherever possible. There are no particulars to be disclosed as per Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Technology Absorption:

During the year, there was no Technology Absorption, as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment and the effect of the same cannot be quantified.

Foreign exchange earnings and outgo:

The foreign exchange earning /outgo during the year are as under: (₹ in Lacs)

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	5870.99	6,366.35

PARTICULARS OF EMPLOYEES

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. The applicable accounting standards have been followed by the Company in preparation of the annual accounts for the financial year ended 31st March, 2014.
2. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2014 and of the loss of the Company for the financial year ending 31st March, 2014.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared accounts for the financial year ended 31st March, 2014 on a going concern basis.

ACKNOWLEDGEMENT

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

Place: Noida
Date : August 14, 2014

For and on Behalf of the Board

(H.S. Bharana)
Chairman & Managing Director
(DIN: 00007018)

Annexure-A

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDING MARCH 31, 2014

A. Employed throughout the year and in receipt of remuneration not less than ₹ 60,00,000 for the year.

S.	Name	AGE (yrs.)	Qualification	Designation	Nature of Duty	Experience (in yrs.)	Date of Joining	Remuneration (in ₹)	Last Employment
1.	TULSI DAS ARORA	47	M.Tech, MBA	WHOLE TIME DIRECTOR	CMG*	26	22-June 93	97,94,673.00	ALL INDIA FEDERAL CORPORATION SHIPPING MILLS
2.	ALOK KHANNA	51	B.E. CIVIL ENGG.	CHIEF OPERATING OFFICER	CMG*	28	01-Apr-09	68,42,762.00	OMAXE LTD.
3.	SANJAY GUPTA	46	C.A.	CHIEF FINANCIAL OFFICER	FINANCE & ACCOUNTS	24	30-Oct-92	86,28,309.00	MC BHANDARI & CO.

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

S.	Name	AGE (yrs.)	Qualification	Designation	Nature of Duty	Experience (in yrs.)	Date of Joining	Remuneration (in ₹)	Last Employment
1	RAKESH KUMAR GUPTA	59	B.E. CIVIL ENGG.	GROUP PRESIDENT	CMG*	37	01-Apr. 11	86,28,309.00	N.T.P.C.

* CMG - Central Monitoring Group

MANAGEMENT DISCUSSION & ANALYSIS REPORT

“Paying for infrastructure is a vexing issue in both developed countries and emerging markets, and can be a tough political challenge. Yet the search for funding must be a top priority for the public and private sectors alike if infrastructure investment is to accelerate and economies are to continue to grow. The bank ability of infrastructure projects enhanced by new revenue sources and supported by enforceable contracts designed to match local institutional capacity is what will accelerate their delivery”.

- *World Economic Forum Report: Accelerating Infrastructure Delivery*

In the recent past the policy focus in India has been on infrastructure investment as the growth of the economy in general and the manufacturing sector in particular is largely dependent on creation of suitable infrastructure. Such investment has increased manifold over time with increased private-sector participation in the country. The Twelfth Five Year Plan has also laid special emphasis on infrastructure development as quality infrastructure is important not only for sustaining high growth but also ensuring that the growth is inclusive. Large infrastructure investment during the last decade or so has helped India emerge as one of the fastest growing economies in the world.

However, over the past few years, need has been felt to kick-start stalled infrastructure projects by stepping up infrastructure investment, improving the productivity and quality of infrastructure spending, removing procedural bottlenecks, and improving governance. In the current perspective, the real challenge is not only to identify a core set of projects that are crucial for accelerating overall economic growth but also to ensure channelization of investment for such viable infrastructure projects and expedite their implementation by addressing issues like delays in regulatory approvals, land acquisition and rehabilitation in fast-track mode.

ECONOMIC AND INDUSTRY OVERVIEW

After achieving unprecedented growth of over 9 per cent for three successive years between 2005-06 and 2007-08 and recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that culminated in lower than 5 per cent growth of GDP at factor cost at constant prices for two consecutive years, i.e. 2012-13 and 2013-14. Sub-5 per cent GDP growth for two years in succession was last witnessed a quarter of a century ago in 1986-87 and 1987-88.

Persistent uncertainty in the global outlook, caused by the crisis in the Euro area and general slowdown in the globaleconomy, compounded by domestic structural constraints and inflationary pressures, resulted in a protracted slowdown. The slowdown is broadly in sync with trends in other emerging economies, but relatively deeper. India's growth declined from an average of 8.3 per cent per annum during 2004-05 to 2011-12 to an average of 4.6 per cent in 2012-13 and 2013-14. Average growth in the emerging markets and developing economies including China declined from 6.8 per cent to 4.9 per cent in this period (calendar-year basis).

Availability of quality infrastructure is key for the growth of industry and services. From the infrastructure development perspective, while important issues like delays in regulatory approvals, problems in land acquisition and rehabilitation, and environmental clearances need immediate attention, time overruns in the implementation of projects continue to be one of the main reasons for underachievement in many of the infrastructure sectors. According to the Ministry of Statistics and Programme Implementation (MOSPI) Flash Report for February 2014, of 239 central-sector infrastructure projects costing ₹ 1000 crore and above, 99 are delayed with respect to the latest schedule and 11 have reported additional delays with respect to the date of completion reported in the previous month.

The total original cost of implementation of these 239 projects was about ₹ 7,39,882 crore and their anticipated completion cost is likely to be ₹ 8,97,684 crore, implying an overall cost overrun of ₹ 1,57,802 crore (21.3 per cent of the original cost). The expenditure incurred on these projects till February 2014 was ₹ 4,10,684 crore, which is 45.7 per cent of the total anticipated cost.

Major sector-wise performance of core industries and infrastructure services during 2013-14 shows a mixed trend. While the growth in production of power and fertilizers was comparatively higher than in 2012-13, coal, steel, cement, and refinery production posted comparatively lower growth. Crude oil and natural gas production declined during 2013-14. Among infrastructure services, growth in freight traffic by railways and cargo handled by major ports and the civil aviation sector (except import cargo) has been comparatively higher during 2013-14. In the road sector the National Highways Authority of India (NHAI) posted negative growth of 33 per cent during 2013-14 as compared to the 26.5 per cent growth during 2012-13.

However, now with politically stable government at the Centre, it is widely believed that the entire economy will turn around in the days to come.

OPPORTUNITIES

The Twelfth Five Year Plan lays special emphasis on development of the infrastructure sector as an imperative for sustaining high growth and also ensuring that the growth is inclusive. According to the Twelfth Plan projections, during the Plan period, i.e. 2012-17, an investment of US\$ 1 trillion is required in the infrastructure sector in India. About half of this is expected to come from the private sector. Sluggish growth & development of economy created in the Era of previous government is expected to garner pace with the arrival of pro-reform & developmental agenda of new government. Initiatives already taken by the government like, expediting projects under the NHDP through new mechanism, streamlining environmental clearances for projects, changes in FDI policy regime to attract high inflow of FDI into infra, give a positive impetus & opportunity for growth in our infrastructure segment.

Recent Initiatives for Development of the Infrastructure Sector in India:

(1) Harmonized Master List of Infrastructure Sub-sectors:

To resolve the issue of uniform definition of infrastructure, a Harmonized Master list of Infrastructure Sub-sectors has been drawn up and published in the Gazette of India dated 7 October 2013. An institutional mechanism has been set up under the chairmanship of the Secretary, Department of Economic Affairs, with representation from the Planning Commission, Department of Revenue, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), and concerned ministry for updating the master list and revisiting the sub-sectors outside the master list on the basis of well-defined principles.

(2) Infrastructure Financing:

- (i) The Cabinet Committee on Investment (CCI), cleared 303 projects with aggregate investment of ₹ 6,95,437 crore up to end February 2014.
- (ii) Infrastructure Debt Fund: The government has conceptualized Infrastructure Debt Funds (IDF) for sourcing long-term debt for infrastructure projects. Potential investors under IDFs may include off-shore institutional investors, off-shore High Net-worth Individuals (HNIs), and other institutional investors (insurance funds, pension funds, sovereign wealth funds, etc.). An IDF can be set up either as a trust or as a Non-Banking Financial Company (NBFC). The income of IDFs has been exempted from income tax. So far, two IDF-NBFCs and five IDF-Mutual Funds (MFs) have been operationalized.
- (iii) Tax-free Bonds: The government has attempted to broaden the corporate bond market by according tax-free status to infrastructure bonds for addressing the specific needs of infrastructure deficit, especially in sectors such as roads, ports, airports, and power, which are essential for economic growth in any country. During financial year 2013-14, the government has allowed issue of tax-free bonds amounting to ₹ 50,000 crore, to Central Public Sector Undertakings (CPSUs), for a period of 10, 15, and 20 years.
- (iv) Municipal Borrowing: With a view to deepening the bond markets for infrastructure finance, draft guidelines/framework has been prepared for issuance of municipal bonds in India.

(3) Public-Private Partnership Initiatives in India

The Government of India is promoting Public-Private Partnerships (PPP) as an effective tool for bringing private-sector efficiencies in creation of economic and social infrastructure assets and for delivery of quality public services. By end March 2014 there were over 1300 projects in the infrastructure sector with a Total Project Cost (TPC) of ₹ 6,94,040 crore. These projects are at different stages of implementation, i.e. bidding, construction, and operational.

SECTORIAL DEVELOPMENTS

Major sectors pertaining to infrastructure include roads, aviation, energy and railways. Some of the recent developments relating to these sub-sectors are stated hereafter.

Roads

Roads account for 80 per cent of passenger traffic and 65% freight traffic in India. The annual growth of road network in India is projected at over 12% for passenger traffic and over 15% for cargo traffic. Indian Road Network is divided into National Highways, State Highways/PWD roads and rural roads. The Indian

Government estimates around ₹ 1,62,000 Cr plus private investment is required over FY12-FY17 to improve the country's road infrastructure.

Of late, financing of road projects has also run into difficulty as leveraged companies implementing road projects are unable to raise more debt in the absence of fresh equity. In current market conditions these firms are unable to raise new equity. Exit conditions, therefore, need to be eased in such a manner that promoters can sell equity positions after construction, passing on all benefits and responsibilities to entities that step in to take over the project. Promoters can then use the equity thus released for new projects. Further, the toll should have correlation with users' capacity to pay as well as reasonable payback for the financing entities. From the lending institutions' perspective, keeping in view of the asset-liability mismatch issue, there is a need to design new financing products so as to avoid undue burden on the developer. Going by international practice, concepts like 'traffic trigger' and 're-equilibrium discount' could be examined to see whether they can be applied to address some of the problems of the Indian road sector. A 'traffic trigger' clause in the contract implies that if a certain volume of identified traffic is reached, the concessionaire is obligated to increase roadways capacity in order to maintain a minimum level of service to users. 'The re-equilibrium discount' is used to reduce tariff when performance parameters are not being met. A table of discounts is pre-defined in the contract. The discounts represent the resources that are not invested as a result of a failure to meet performance parameters.

The National Highways Development Project (NHDP) is planned to be implemented over seven phases. The program envisages an investment outlay of over ₹ 2,40,000 Cr. Currently 33,500 kms are already developed or are under implementation with balance 21,000 kms are yet to be awarded. Extensive contribution of the private sector is being utilized for implementation of NHDP through contracting and Public Private Partnership (PPP) mode. The procurement process for highway developers/contractors is highly streamlined and concession agreements and other agreements have been standardized by the government. The processes are oriented towards players with good

experience and sound financial strength. Additionally, a lot of states are also actively developing their highways with the help of private sector. While the average value of these projects is smaller than the NHDP projects, they will be substantial and provide a good entry point for those looking to delve into the Indian market.

Sensing a change in the economic scenario of the country and taking into account feedback from various developers, the Government is pushing towards a stronger regulatory regime by setting up of an Independent Regulator specifically for road sector projects in the country. Revision to the bidding process and documents in view of changing economic and market landscape is also underway.

Railways

Indian Railways has the world's fourth largest rail network comprising 115,000 km of track over a route of 65,000 km and 7,500 stations. Indian Railways carried 1,009 million tonnes of Freight Traffic and 8,501 million passengers (more than 23 million daily) in the FY 2012-13. There is an estimated annual traffic growth of 4% to 5%. Indian Railways is also the world's second largest employer with a workforce of 1.5 million. Indian Railways is one of the largest systems of passenger carriers in the world. However, Passenger services tend to be cross subsidized in India through freight earnings. Almost 70% of total earnings of Indian Railways come through freight services.

The Indian Railways network has an operating ratio of almost 90%. The Indian Government has recognized existing infrastructure gaps and capacity constraints in the rail system, and as a consequence plans large scale investment over the next five years of around ₹ 5,19,000 Cr. of which around 19% is expected to be contributed by the Private Sector.

One major programme is the Dedicated Freight Corridor project. The project is intended to decongest the routes of Delhi-Mumbai and Delhi-Kolkata by building dedicated cargo lines at an estimated cost of ₹ 40,000 Cr. Other initiatives undertaken to attract investments include the development of rolling stock factories with long-term off take guarantees. Further, City metro systems have come up in India in a big way over the last 10 years. Indian Railways is also looking for private partners to help modernize railway stations to world class levels. Further, port connectivity projects are also a focus area of the Indian Railways.

Recently the Government of India has also allowed private sector to set up rail connected freight terminals. Further, the monopoly of Government operated rail system has been loosened by allowing private sector to run their own rakes for containers, freight, automobile etc.

Urban Infrastructure:

Only 30% of Indian population lives in urban areas. As per Government of India estimates, urbanization in India is expected to grow at an astonishing rate of 38%.

The Twelfth Five Year Plan document expects 48% of the Plan investment to come from private sources, dependent on several national policy initiatives to restore investor confidence. To boost urban infrastructure across the country, the Government of India has initiated numerous measures and has allocated almost ₹ 12,000 Cr. under Jawaharlal Nehru National Urban Renewal Mission. The Government has also launched the Urban Infrastructure Development Scheme for Small and Medium Towns with an outlay of ₹ 6,000 Cr. to address infrastructure needs of small towns and cities. Additionally, there is a renewed push towards PPPs in the sector. Delhi-Mumbai Industrial Corridor (DMIC) is an ambitious Infrastructure programme conceptualized with Government of India and aiming at developing new industrial cities as "Smart Cities" and converging next generation technologies across infrastructure sectors. Projects worth investment of ₹ 12,00,000 Cr. have already been approved under DMIC. Success of DMIC has prompted many similar corridors including Bangalore Chennai corridor etc. There are key investment opportunities for private firms in this sector, particularly in the sphere of Solid Waste Management, Urban Transport, Water management etc. Further, with tier II cities also opting for metro systems, there is a space for large scale private participation through technology and equipment supply.

Aviation/Airports

By 2020, passenger traffic at Indian airports is expected to touch US\$ 450 billion from 159.3 billion in 2012-13. The travel & tourism industry is predicted to grow 7.9 per cent to US\$ 270.5 billion in 2023 from US\$ 119.4 billion in 2012.

India is the ninth largest civil aviation market in the world and fourth in terms of domestic passenger volumes (116.3). The country's civil aviation market is also set to become the world's third largest by 2020. Total freight traffic registered a compound annual growth rate (CAGR) of 6.6 per cent over FY 06-13; it stood at 2.19 million tonnes in FY 13. Domestic freight traffic also increased at a CAGR of 7.1 per cent over FY 06-13 while international freight traffic rose 6.2 per cent over the same period. In FY13, domestic freight traffic was 0.78 million tonnes, while international freight traffic was at 1.41 million tonnes.

The government has done its bit to support the airport sector in the country. It has focused on infrastructure as well as liberalised policies. One such policy is, the Open Sky Policy – a concept that calls for the liberalisation of the rules and regulations of the international aviation industry (especially commercial aviation) so as to foster a free-market environment for the airline industry. Furthermore, it has constantly provided policy support and encouraged foreign direct investment.

The Indian aviation sector is likely to see investments totaling US\$ 12.1 billion during the Twelfth Five Year Plan. It aims to boost MRO business in India, which is currently worth US\$ 500 million and is estimated to grow over US\$ 1.5 billion by 2020.

Power

In an emerging economy, like ours, experiencing rapid urbanization and industrialization, is the world's fourth largest energy consumer. However, the country has always experienced power demand-supply gap. The peak power deficit for FY 2013 was 8.7% (Source: Central

Electricity Authority). This power deficit, coupled with an increasing demand, provides significant growth opportunities for India's power sector.

In the draft of 12th Five Year Plan, the Planning Commission had recommended a capacity addition target of 88,537 MW, as compared to the 11th Five Year Plan's actual capacity addition of 54,964 MW. An additional 30,000 MW of renewable energy capacity addition is targeted during the 12th Five Year Plan. Hence, there is an immediate need to create power transmission infrastructure to support this planned expansion of generation capacity. The transmission line capacity addition plan at 1,07,440 circuit kms is 54% higher than the 11th Five Year Plan's actual addition of 69,926 circuit kms. The Plan includes a multi-fold increase of 765 KV transmission lines addition, which requires a comparatively higher investment. During the 12th Five Year Plan, the Central Transmission Utility namely Power Grid Corporation of India Limited (PGCIL) plans to invest ₹ 1,00,000 Cr in a phased manner for transmission line systems. These systems are associated with central sector linked generation, Ultra Mega Power Projects (UMPP), Independent Power Producers (IPP) and grid strengthening.

Besides, Green Energy Corridors, viz.-transmission line system for power evacuation from renewable energy generation. PGCILs July 2012 report indicates a necessity of ₹ 42,000 Cr. investments to create several transmission line corridors for 40,000 MW renewable energy generation capacities.

Apart from PGCIL, the State Electricity Boards (SEBs) are also planning investments to expand the intra-state transmission networks. In some cases, SEB's investments are backed by multilateral funding agencies, like the World Bank, Asian Development Bank (ADB) etc. Private sector participation in the transmission sector is increasing. Till FY 2013, nine transmission projects had been awarded through competitive bidding processes. The Government is encouraging more private participation, even at the state level. The substation capacity addition projected in 12th Five Year Plan at 2,70,000 MVA is 80% higher, as compared to actual addition (latest estimate) of 1,50,362 MVA during the 11th Five Year Plan. of the total capacities planned, 55% is at 765 KV level.

SEGMENT WISE PERFORMANCE

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

CHALLENGES & OUTLOOK

While large infrastructure investment during the last decade or so has placed India in the global league of fast growing economies, concerns have been raised over the past few years about stalled infrastructure projects. The ongoing global downturn and slowdown in India's Economic growth poses a cause of concern for all business entities operating in India. Industry specifically, the contracting and construction markets in our country are competitive and require substantial resources and capital investment in equipment, technology and skilled personnel. We are increasingly moving towards larger projects with stringent Pre-qualification requirements where intense competition is expected to continue and may even increase as a result of the entry of foreign construction companies into the Indian market. All this is likely to lead to significant challenges to our maintaining historical growth rates and acceptable profit and margins. Our contracts are awarded after a competitive bidding processes and satisfaction of other prescribed pre-qualification criteria.

The need for infrastructure development for economic prosperity and global integration cannot be overemphasized. Infrastructure sector has suffered from financing and time lag in physical capacity creation and time over-runs. These not only delay availability, but through cost overruns raise pricing and affordability issues. Infrastructure costs, as these are often non-tradable may also affect the competitiveness of economy in long run. The key to global competitiveness of the Indian economy lies in building world class infrastructure and service delivery at competitive rates. Lack of infrastructure not only results in reduced economic output, it also translates into additional costs in terms of time, effort, and money for accessing essential services such as health care and education. Rapid economic growth in recent years has put enormous pressure on existing infrastructure, particularly in transport, energy, and communications. Unless it is significantly improved, infrastructure will continue to be a bottleneck for growth and an obstacle to poverty reduction. In other words, the challenge is to ensure strong, sustainable, and balanced development through integration of economies with environmentally sustainable development of infrastructure.

Stepping up infrastructure investment, improving productivity and quality of infrastructure spending, removing procedural bottlenecks, improving governance, and above all maintaining consistency in government's infrastructure policies are some issues that need to be urgently addressed in this context. From a broader perspective, a high level of investment in the infrastructure sector is essential for the overall revival of investment climate which may finally lead to sustainable growth in an economy. However, in the current macroeconomic environment, to achieve this objective, there is need to address sector-specific issues over the medium to long-term horizon in India.

RISK, CONCERNS AND THREATS

Infrastructure projects take a long time to plan and implement. Delays in the execution of projects not only lead to shortfalls in achieving targets but widen the availability gaps. Time overruns in the implementation of projects continue to be one of the main reasons for underachievement in many infrastructure sectors. Delays in land acquisition, municipal permission, supply of materials, award of work, operational issues, etc. continued to drag down implementation of these projects. A large number of major central-sector projects are delayed with respect to their latest scheduled dates of completion.

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

Of late, financing of road projects has also run into difficulty as leveraged companies implementing road projects are unable to raise more debt in the absence of fresh equity. In current market conditions, these firms are unable to raise new equity. Exit route needs to be eased so that promoters can sell equity positions after construction, passing on all benefits and responsibilities to entities that step in. Promoters can then use the equity thus released for new projects. Steps are also needed to up-scale projects in PPP mode for achieving the targets envisaged for the development of roads in the Twelfth Plan.

INTERNAL CONTROL SYSTEMS

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

1. Operating parameters and various factors relating to production.
2. Efficient use and protection of resources.
3. Accuracy and Promptness of financial reporting.
4. Compliance of laws and regulations.
5. An effective MIS & ERP system.

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

RISK MANAGEMENT

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

FINANCIAL PERFORMANCE

(Operational Results 2013-14 vs 2012-13)	₹ In Lacs)	
	2013-14	2012-13
Total Income	268,964.30	470,181.37
Interest & Financial Charges	69,637.31	54,946.94
Expenses	236,860.11	378,061.85
Depreciation	13,073.95	11,041.39
Total Expenditure	319,571.37	444,050.18
Profit Before Tax & Extraordinary Items	-50,607.07	26,131.19
Extraordinary Items	26,700.64	2,354.68
Profit Before Tax (PBT)	-77,307.71	23,776.51
Provision for Tax	-26,922.06	6,949.06
Profit After Tax (PAT)	-50,385.65	16,827.45
Equity Capital	3,636.55	3,636.55
Reserve & Surplus	142,009.49	191,549.84
Earnings per Share (After extraordinary items):		
Basic	-27.71	9.25
Diluted	-27.71	9.25

Your company had to face challenging environment in FY 13-14. The turnover of the Company for the year ended 31st March, 2014, reported at ₹ 2,68,964.30 lacs from ₹ 4,70,181.37 lacs in the previous year.

Loss before depreciation and taxation was ₹ 37,533.12 lacs and after providing ₹ 13,073.95 lacs towards depreciation, Extra-Ordinary Item on account of Foreign Currency Translation Loss of ₹ 26,700.64 lacs and deferred tax of ₹ 26,922.06 lacs towards tax, the net loss amounts to ₹ 50,385.65 lacs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

During the year, the company has focused at consolidating the work culture embodying values and ways of doing things that may exert

sharpening influence on the individual's efforts towards excellence and fulfillment of Organization's vision. Efforts have also been made to integrate the needs and aspirations of the employees into strategic objectives and mission of the Organization; and to proactively deal with the issues as movement to develop Organizational capabilities to manage change and Challenge. The underlying HR philosophy based on its belief in limitless potential of human beings, trust in their basic integrity and respect for their dignity led to creation of work climate in the company where employees experience a sense of involvement and belongingness; where employees find fulfillment in work and seek newer horizons for self-development and organizational growth.

There has been complete Industrial peace and harmony across the Organization during the year.

In order to cope up with manpower requirement on account of diversification and expansion of business activities, the company has further strengthened its Engineering, Marketing, Commercial and Operational cadres. Today we have a strong complement of about 2000 quality manpower on the rolls of the company. Their matchless competencies and expertise are the backbone of the company.

The process of human resource management which has moved from strength to strength over the years has been further augmented, inter alia, through following initiatives:-

1. In order to keep the employees of the company abreast of latest knowledge in their respective field of specialization, the company had deputed a good number of employees, both to external and In house training programs; and professional Seminars.
2. Quality management systems (QMS) have been steered across the Organization in order to strengthen initiative and commitment of the employees in continuous improvement. Number of seminars and conferences have been organized to generate quality awareness and commitment amongst every employee segment. In collaboration with prestigious clients like Delhi Metro Rail Corporation (DMRC) a good number of client specific/ Job specific Quality conformance programs have also been organized.
3. The induction of fresh graduate engineers in multi-disciplines under the scheme named as 'UDAAN", launched in the year 2011 proved as an asset in meeting out the growing requirements of specialized manpower and also in providing for replacements against normal attritions. Through UDAAN-3 in 2013 & UDAAN-4 in 2014, a large number of fresh Engineering talents have been hired from the best Engineering Institutions of the Country, thereby strengthening the pool of highly skilled, specialized and motivated man power of the company.
4. In order to achieve and maintain lean and cost effective organization structure at all the levels of the company operations, system of periodical review adopted continues to be applied in the organization under the direct supervision of the Chairman and Managing Director.
5. Resource Management Group (RMG), constituted in the year 2012 to centrally undertake and monitor recruitment, selection, promotions and placements continues to immensely helped in streamlining the systems and providing timely inputs across the organization in the year 2013.
6. ERA RESOURCE DEVELOPMENT CENTRE (ERDC), constituted by the group as part of CSR (Corporate Social Responsibility) initiative for generating employment opportunities to the rural undergraduates has been enlarged and restructured to bring under its umbrella other activities like, Organizing Camps in the rural areas focused at (1) Hygiene (2) Adult Education (3) Family Welfare (4) Medical Check-ups and medical Assistance and (5) Donations for the social cause, etc."

ERA INFRA ENGINEERING LIMITED – DIVISIONS

A) EPC division (National & International)

Business overview

The surge in construction activity has led to exponential growth in infrastructure development across the country. This has naturally resulted in an increase in demand in construction activities, raising the potential bar manifold, which in turn has enabled the EPC Division of your company to foray into some of the most lucrative and growing segments of the infrastructure space. This division executes infrastructure development contracts across the spectrum for both external customers as well as for captive consumption. The division's business extends across major sectors of infrastructural growth and it broadly encompasses Roads/ Highways, Power, T&D, Metro, Aviation, Social Infra, Industrial Refinery. Through this division, Era Infra Engineering is executing projects for some the biggest names in the industry.

Building lifelines of tomorrow

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

B) Equipment Management division

Business overview

The Equipment Management division of Era Infra Engineering has been set up to cater to the growing in-house and external demand for a wide range of construction machinery. The division's large Equipment Bank spans machinery for diverse uses and includes:

Cranes/ Material Handling Equipment

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

Piling Equipment

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

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

Aerial Platform & Boom Lifts

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

Other Equipment

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

Building lifelines of tomorrow

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

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

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT FOR THE YEAR 2013-2014

1. Company's Philosophy on Code of Governance

In line with traditions of Era Group, the Company's philosophy is to conduct business with ethical standards, transparent governance practices, highest standards of professionalism, fairness and integrity for the growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. The Company believes that large organizations have both economic and social objectives and the principles of Corporate Governance are applied to achieve both these goals. The Board has a fiduciary relationship and a corresponding duty to all its stakeholders viz. customers, creditors, employees, vendors, community, the Government (of countries in which the company operates) and shareholders, to ensure that their rights are well protected.

Through the Corporate Governance mechanism, the Board along with its Committees and senior management endeavors to strike the right balance with its various stakeholders. At the highest level, the Company continuously endeavors to improve upon governance aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

Keeping in view the Company's size, complicity, operations and corporate tradition, the Corporate Governance framework of the Company is based on the following main principles:

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

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

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

2. Board of Directors

The Company is managed and controlled through a professional mix of Board of Directors ("BOARD") comprising of a combination of executive and non-executive independent directors to ensure proper governance and management. The composition of the Board of the Company is in conformity with the provisions of clause-49 of the Listing Agreement entered with the Stock Exchange(s).

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

- i) As on the date of this report, the Board consists of Six Directors, four of whom are Non-Executive Independent Directors. Independent Directors provide appropriate annual certifications to the Board confirming satisfaction of

the conditions of their being independent as laid down in Clause 49. Mr. H. S. Bharana, Chairman of the Company is an Executive Director & Promoter of the Company.

Category of Directors	No. of Directors	Percentage to total No. of Directors
Executive Directors	2	33
Non-Executive Independent Directors	4	67
TOTAL	6	100

- ii) The independent directors do not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries other than receiving sitting fee for attending the Board Meeting(s), which may affect the independence or judgment of the directors.
- iii) None of the Directors is a member of more than 10 committees or chairman of more than 5 committees, across all the companies in which he is a director. The necessary disclosures regarding committee positions have been made by the directors.
- iv) No director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956/Companies Act, 2013 to ensure independence and diversity in Board.

The details of attendance of each director at the Board Meeting (BM), Audit Committee Meeting (ACM), Shareholders/ Investors Grievance Committee Meeting (SIGCM) now Stakeholders' Relationship Committee and last AGM held during the financial year 2013-14 and details of number of outside directorship and committee positions held by each of the director as on 31st March, 2014 is given in Table 1 below:

Table 1

S.	Name of Director	Status	Attendance at Board, Committee Meetings, AGM				Other Directorship and Committee Position		
			No. of BMs	No. of ACMs	No. of SIGCMs	Last AGM	Directorship	Committee Positions	
								Chairman	Member
1.	Mr. H.S. Bharana	Executive Director	5	-	4	Yes	7	1	-
2.	Mr. T. D. Arora	Executive Director	5	4	4	No	1	-	-
3.	Mr. A.K. Mehta ¹	Independent and Non-Executive Director	4	3	-	No	1	-	-
4.	Mr. Arvind Pande	Independent and Non-Executive Director	5	4	-	No	3	2	-
5.	Mr. S.D. Sharma	Independent and Non-Executive Director	4	4	4	No	1	2	-
6.	Mr. S D Kapoor	Independent and Non-Executive Director	4	1	-	No	7	3	4

Note: 1. Mr. A.K. Mehta director has resigned from the Chairmanship & Membership of Audit Committee w.e.f 14th November, 2013, Mr. S.D. Sharma was nominated as chairman of the Audit Committee and Mr. S.D. Kapoor was appointed as member of the committee w.e.f. 14th November, 2013.

2. For the Purpose of calculating other directorship and committee membership of the Directors, Private Limited Companies (not being a subsidiary of a Public Company), Foreign Companies and Companies under Section 25 of the Companies Act, 1956/Section 8 of Companies Act, 2013 are excluded for above purposes.
3. Only Audit Committee, Shareholders/Investors Grievance Committee (Stakeholders Relationship Committee) are considered for the purpose of Committee positions as per listing agreement.

Board Meetings:

During the FY 2013-2014, the Board of Directors met Five times on:

30th May, 2013; 14th August, 2013; 30th September, 2013, 14th November, 2013 and 14th February, 2014 complying with Clause 49 of the Listing Agreement, the Board has adhered to the time gap of four months between two meetings.

Board Procedures:

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

The Schedule of each of the Board meeting is decided well in advance and communicated to the Directors. Board meetings are generally held at the Corporate Office/Head Office of the Company at Noida.

The agenda along with the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Finance Heads are invited at Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

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

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

Appointment and Re-appointment of Directors:

As per the provisions of the Companies Act, 2013, Independent Directors are eligible to hold office for a term up to five consecutive years and are eligible for re-appointment for the second term on passing special resolutions by the Company. During their tenure, they will not be liable to retire by rotation. The Company has received from all the Independent Directors consents for their appointment and declarations confirming that they meet the criteria of independence as envisaged under the Companies Act, 2013 and Listing Agreement.

Notices under Section 160 of the Companies Act, 2013 have been received from members proposing their candidature along with requisite deposits. Accordingly, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013, the Board recommends the appointment of the above directors as Independent Directors who shall hold office up to March 31, 2019 and shall not be liable to retire by rotation during their tenure. In accordance with the provisions of the Companies Act, 2013, Mr. H.S. Bharana, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

4. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are, inter-alia, as contained in Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 as follows:

I. Under Companies Act, 2013

- a) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) Examination of the financial statement and the auditors' report thereon;
- d) Approval or any subsequent modification of transactions of the company with related parties;
- e) Scrutiny of inter-corporate loans and investments;
- f) Valuation of undertakings or assets of the company, wherever it is necessary;
- g) Evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raised through public offers and related matters;
- i) Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors;
- j) Discussing any related issues with the internal and statutory auditors and the management of the company;
- k) Taking suitable action or reprimanding the director or employee against whom repeated frivolous complaints are being filed;
- l) To oversee the functioning of vigil mechanism;

m) Such other functions as may be prescribed under the Act or Rules made thereunder from time to time.

II. Under the Listing Agreement

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

III. Any other roles as prescribed by the Companies Act, 2013 and/or Listing Agreement.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

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

Composition of Audit Committee

The audit Committee comprises of four members namely Mr. S.D. Sharma, Mr. S.D. Kapoor, Mr. T. D. Arora and Mr. Arvind Pande, out of which three are independent. Mr. S.D. Sharma, is the Chairman of Audit Committee. All members of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts.

During the period under review four Audit Committee meetings were held on 30th May, 2013; 14th August, 2013; 14th November, 2013 and 14th February, 2014. The attendance of members of Audit Committee, therein, is given elsewhere in this report.

The Committee meetings are attended on invitation by the Finance Heads, the representatives of Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Auditors performing Internal Audit function, reports to the Audit Committee to ensure its independence.

The Committee relies on the expertise and knowledge of management, the internal auditors and the independent Statutory Auditor in carrying out its oversight responsibilities. It also uses external expertise, if required. Management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.

The Statutory Auditors, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

5. **Nomination & Remuneration Committee (Formerly known as Remuneration Committee):**

The Nomination & Remuneration Committee (Formerly known as Remuneration Committee) presently comprises of 3 Independent and Non-Executive Directors namely Mr. S.D. Sharma, Mr. Arvind Pande and Mr. S.D. Kapoor. Mr. S.D. Sharma is the Chairman of the Nomination & Remuneration Committee (Formerly known as Remuneration Committee). The terms of reference of Committee includes, responsibility of finalizing the remuneration of executive directors/Key Managerial Personnels(KMPs) their remuneration after taking into consideration, inter-alia, various factors such as qualification, experience, expertise of the director prevailing remuneration in the corporate world and financial positions of the company etc., formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance, Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal etc.

During the financial year 2013-2014, a meeting of remuneration committee was held on 14th February, 2014 for waiver of excess remuneration paid to Mr. H.S. Bharana, Chairman & Managing Director and Mr. T. D. Arora as Whole Time Director of the company for the financial year 2013-14.

Executive Directors

Details of remuneration paid to the Executive Directors for the financial year, 2013-2014 is given below:

	(In ₹)	
Particulars	Mr. H.S Bharana	Mr. T. D. Arora
Basic Salary	1,22,40,000	3,649,236
Perquisites and Contribution to PF and Other Funds	93,60,000	6,145,437
Total	2,16,00,000	9,794,673

Non-Executive Directors

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

The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any executive and/or non-executive director. No severance fees is payable on termination of appointment.

6. Stakeholders' Relationship Committee (Formerly Known as Shareholders/Investors Grievance Committee)

The Stakeholders' Relationship Committee (Formerly known as Shareholders/Investors' Grievance Committee) presently comprises of three members namely Mr. H. S. Bharana, Mr. T. D. Arora and Mr. S. D. Sharma. Mr. S. D. Sharma, Independent & Non-Executive Director, is the Chairman of the Shareholders/ Investors Grievance Committee.

The committee meetings were held during the year on 30th May, 2013; 14th August, 2013; 14th November, 2013 and 14th February, 2014. The attendance of members of committee is given elsewhere in this report. The terms of reference of this committee is to oversee the redressal of shareholders investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, dematerialization of shares, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints.

During the FY under review, the company not received any complaints from shareholders, However, the queries pertaining to share transfer/transmission process, address update request and other miscellaneous queries were resolved by Company's RTA to the satisfaction of shareholders.

Mr. Kapil Kumar, Company Secretary is the compliance officer of the company, can be contacted at kkumar@eragroup.in

7. (i) General Body Meetings

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

Year	Type	Venue	Date	Time	Special Resolutions passed
2010-11	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	19.09.2011	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956.
2011-12	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	29.09.2012	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956.
2012-13	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	28.09.2013	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956.

(ii) Postal Ballot

During the Financial Year 2013-14, the; no resolution was passed through Postal Ballot.

Procedure for Postal Ballot

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

In compliance with Clause 35B of the Listing Agreement with Stock Exchange(s), the company has entered into e-voting registration agreement with NSDL / CDSL to provide e-voting facilities to its shareholders.

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

8. Disclosures

- i) No transaction of material nature has been entered into by the company with its promoters, directors or management or relatives etc. that may have potential conflict with the interest of the company.
- ii) Related Party Transactions:
The details of transactions with related parties are placed before the audit committee on quarterly basis. The same are disclosed by way of a Note No. 30 under “Notes to Accounts” in the Financial Statements for the financial year ended 31.03.2014.
- iii) Disclosure of Accounting Treatment:
The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company.
- iv) Compliance by the Company:
There were no instances of non-compliance or penalty structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- v) Number of Shares Held by Non-Executive Directors:
None of the Non-Executive Directors hold any shares of the company.

9. Compliance with other mandatory requirements

- i) Management Discussion and Analysis :
Management Discussion and Analysis is given elsewhere in this Annual Report.
- ii) Subsidiary Companies and Transactions :
At the end of the financial year 2013-2014 the Company had twelve direct subsidiaries, two step subsidiaries and two foreign subsidiaries. M/s Era Infrastructure (India) Ltd. is a material subsidiary of the company. The details of transactions with subsidiaries are given in Note No. 25 under “Notes to Accounts” in Balance Sheet as at 31.03.2014.
- iii) Risk Management :
The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.
- iv) CEO/ CFO Certification :
A Certificate from Chairman and Managing Director and Chief Financial Officer (CFO) on the financial statements of the Company was placed before the Board.
- v) Code of Conduct :
The Board has formulated a code of Conduct for the Board members and Senior Management of the Company. It is hereby affirmed that all the Directors and Senior Management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

10. Compliance with Non-Mandatory requirements

- i) Nomination & Remuneration Committee (Formerly known as Remuneration Committee):
The board has set up a Nomination & Remuneration Committee (Formerly known as Remuneration Committee) details whereof are furnished at Sr. No. 5 of this report.
- ii) Whistle Blower Policy :
The Company has established a Whistle Blower Policy, a vigil mechanism as promulgated under Section 177 of the Companies Act, 2013, covering covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

An employee can have direct access to chief financial officer, the chief vigilance & ethics officer, or Chairman of the Audit Committee, Chairman & Managing Director, in exceptional cases.

11. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end communication in following manner has been made by the company:

- Quarterly/Half Yearly/ Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchange(s) immediately after they are approved by the Board.
- Publication of Quarterly/ Half Yearly/ Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within stipulated time frame of the conclusion of the Board in which they are considered, at least in one nationwide English newspaper and in one vernacular newspaper of the NCT of Delhi where the Registered Office of the Company is situated.

The unaudited quarterly results for the quarters ended 30.06.2013, 30.09.2013, 31.12.2013 and audited results for the quarter and year ended 31.03.2014 were published in Financial Express & Jansatta in following manner:

Quarters/FY	Date of Board Meeting	Date of Press Release and Newspaper
April-June, 2013	14/08/2013	16 th August, 2013 'The Financial Express' 16 th August, 2013 'Jansatta'
July-September, 2013	14/11/2013	18 th November, 2013 'The Financial Express' 18 th November, 2013 'Jansatta'
October-December, 2013	14/02/2014	16 th February, 2014 'The Financial Express' 16 th February, 2014 'Jansatta'
January-March 2014 and FY April 2013- March, 2014 (Audited)	30/05/2014	11 th June, 2014 'The Financial Express' 11 th June, 2014 'Jansatta'

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

- Company's Website: Company can be reached at website: www.eragroup.co.in. It provides the basic information about the company and is being regularly updated.

12. GENERAL SHAREHOLDER INFORMATION:

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

a) Annual General Meeting

Date : 27th September, 2014
 Day : Saturday
 Time : 3:30 p.m.
 Venue : Executive Club 439, Village Shahoarpur
 P.O. Fatehpur Beri, New Delhi-74.

b) Financial Calendar: 1st April 2013 to 31st March 2014.

Results for the quarter ending June 30 th , 2014	: By mid of August 2014.
Results for the quarter ending September 30 th , 2014	: By mid of November 2014.
Results for the quarter ending December 31 st , 2014	: By mid of February 2015.
Results for the quarter and year ending March 31 st , 2015	: By end of May 2015.
Annual General Meeting for the year ending March 31 st , 2015.	: Latest by end of Sept 2015

c) Book Closure Period: 20.09.2014 to 27.09.2014 (both days inclusive).

d) Dividend: Due to losses, no dividend is proposed.

e) **Listing on Stock Exchanges**

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

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

Listing fees payable to NSE & BSE and Depository fees payable to NSDL & CDSL for the year 2014-15 has been paid on due dates.

f) **Market Price Data**

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

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2013	137.85	131.25	137.75	130.85
May, 2013	159.00	144.70	159.15	144.60
June, 2013	150.55	130.40	150.55	129.50
July, 2013	159.15	141.95	159.05	142.35
August, 2013	154.20	142.85	154.05	142.90
September, 2013	153.20	110.00	153.15	109.80
October, 2013	104.55	37.85	104.35	37.75
November, 2013	36.00	17.90	35.90	17.80
December, 2013	21.55	13.75	21.45	13.65
January, 2014	18.77	14.27	18.70	14.25
February, 2014	14.67	12.60	14.70	12.65
March, 2014	14.65	12.67	14.35	12.45

(Source : BSE & NSE Website)

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



(Source : www.moneycontrol.com)

h) Stock Code

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

i) Registrar and Share Transfer Agent

M/s. Beetal Financial & Computer Services Private Limited is the Registrar and Share Transfer Agent of the Company. The shareholders are advised to approach M/s Beetal Financial & Computer Services Private Limited at the following address for any share and demat related queries and problems:

Beetal Financial & Computer Services Private Limited,
Beetal House, 3rd Floor, 99,
Madangir behind Local Shopping Centre,
New Delhi-110062.Tel: 011-29961281, 29961282 Fax: 011-29961284
E-Mail ID: beetal@beetalfinancial.com; beetalrta@gmail.com
Website: www.beetalfinancial.com

j) Share Transfer System

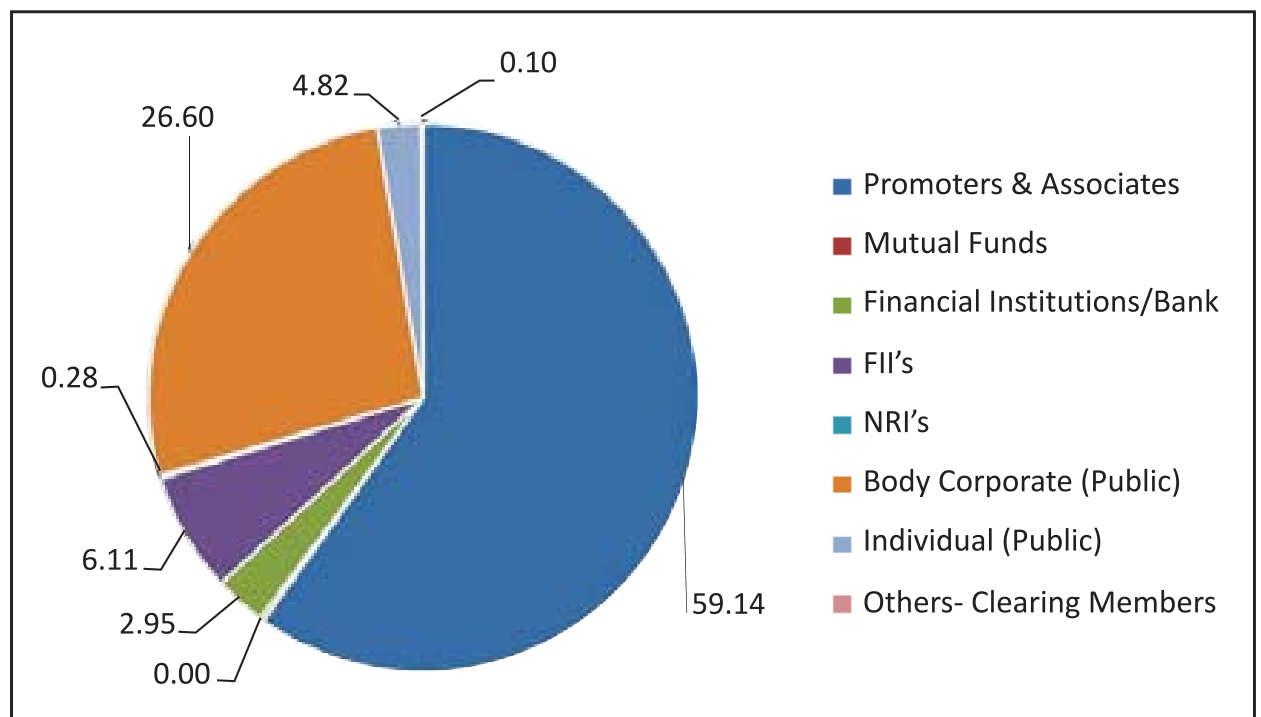
Transfers of Equity Shares (in Physical) are handled by Beetal Financial & Computer Services Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Beetal Financial & Computer Services Private Limited at the above address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

k) Distribution of shareholding/shareholding pattern as on 31st March, 2014

Shareholding	Shareholders		Share Amount	
	Nominal Value in ₹	Number	% to total	In ₹
Upto 5,000	14,741	95.05	1,05,79,188.00	2.91
5,001 - 10000	351	2.26	25,93,616.00	0.71
10,001- 20,000	144	0.93	21,24,182.00	0.58
20,001– 30000	55	0.35	13,74,662.00	0.38
30,001-40000	30	0.19	10,32,734.00	0.28
40,001- 50,000	12	0.08	5,35,352.00	0.15
50,001-1,00,000	54	0.35	38,53,744.00	1.06
1,00,001 and above	121	0.78	34,15,61,802.00	93.93
Total	15,508	100.00	363,655,280.00	100.00

Categories of Equity Shareholders as on March 31, 2014:

Category	As on 31.03.2014	
	Shareholding	% to paid up capital
Promoters & Associates	107,527,645	59.14
Mutual Funds	1,446	0.00
Financial Institutions/Bank	5,369,807	2.95
FII's	11,111,553	6.11
NRI's	503,842	0.28
Body Corporate (Public)	48,372,344	26.60
Individual (Public)	8,757,446	4.82
Others- Clearing Members	183,557	0.10
TOTAL	181,827,640	100.00



l) Dematerialization of Shares

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely National Securities Depository Limited and Central Depository Services (India) Limited. The company's ISIN No. for both the depositories is INE039E01020. As on 31st March, 2014; 18,09,74,400 Equity Shares constituting 99.53% of total equity of the Company were held in dematerialized form with NSDL & CDSL. Company's shares are liquid and actively traded on Stock Exchanges.

m) UNCLAIMED DIVIDEND

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

Unclaimed/unpaid Dividends in respect of financial years 2005-06 have already been transferred to IEPF, as per provisions of section 205 C of the Companies Act, 1956. While the Unclaimed / unpaid. Members are requested to encash their unclaimed dividend warrant(s) for the financial year 2006-07 and onwards without any further delay for getting the dividend warrants renewed please write to the Company's Registrar and Transfer Agents, M/s Beetal Financial & Computer Services Private Limited.

Members may please note that no claim will lie against IEPF or the Company with respect to Dividend declared for the financial year 2006-07, on or after, 04th November, 2014.

n) Compliance Officer

Mr. Kapil Kumar is the compliance officer of the company, who can be contacted at Era Infra Engineering Ltd., C-56/41, Sector-62, Noida, Tel. : 0120-4145000, Fax : 0120-4145030, Email : kkumar@eragroup.in

o) Plant Location

In view of the nature of Company's business, where Construction Projects are executed projects at the clients locations, no plant is currently been operated by the Company, however, the company operates from its various offices located in India.

p) Address for Correspondence

Era Infra Engineering Limited
1107, Indraprakash Building, 21, Barakhamba Road, New Delhi-110001.
Tel: 0120-4145000. E-mail: investorinfra@eragroup.in Web site: www.eragroup.co.in

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

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued circulars bearing no. 17/2011 dated: April 21, 2011 and 18/2011 dated : April 29, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move aims at large to contribute to the green movement. Keeping in view the underlying theme and the circular issued by MCA, the Company has already taken an initiative by inviting the shareholders to participate in the "Go-Green" initiative by registering their e-mail addresses with the Company (in case of Physical Shareholders) and with their respective Depositories (for De-mat Shareholders). It is proposed to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditors' report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

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

To further support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with Depositories through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with the company at investorinfra@eragroup.in for register their email addresses.

ii. NSE Electronic Application Processing System (NEAPS):

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

iii. SEBI Complaints Redress System (SCORES):

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

DISCLOSURES BY THE MANAGEMENT

During the year 2013-14, there have been no transactions of material nature entered into by the Company with the Management or their relatives that may have potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2014 and have given undertaking to that effect.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended 31st March 2014.

For Era Infra Engineering Limited

H.S. Bharana
(Chairman & Managing Director)
(DIN: 00007018)

Place: Noida
Date : August 14, 2014

CHAIRMAN AND MANAGING DIRECTOR / CFO CERTIFICATION

We, H. S. Bharana, Chairman & Managing Director and Sanjay Gupta, Chief Financial Officer of Era Infra Engineering Ltd., to the best of our knowledge and belief hereby certify that:

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

Place: Noida
Date : May 30, 2014

(H.S. Bharana)
Chairman & Managing Director

(Sanjay Gupta)
Chief Financial Officer

COMPLIANCE CERTIFICATE

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

I have examined the compliance of conditions of corporate governance by Era Infra Engineering Limited, for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

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

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

I further State that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pooja Anand & Associates
Company Secretaries**

**Pooja Anand
FCS 7032
CP. No. : 5450**

**Place: New Delhi
Date : August 14, 2014**

INDEPENDENT AUDITORS' REPORT

To the members
Era Infra Engineering Limited

Report on the financial statements

We have audited the accompanying financial statements of Era Infra Engineering Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year than ended and a summary of significant accounting policies and other explanatory statements.

Management's responsibility of financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend upon auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

Attention is drawn to the following:

- (a) Note No 36 of the Notes to Accounts regarding Company's exposure (including the exposure through its subsidiaries) in the nature of long-term investments and loans & advances of ₹100,404.63 Lacs and ₹442.06 Lacs in its subsidiaries viz. Era Infrastructure (India) Limited and Rampur Highway Project Limited and Company's exposure (including the exposure through its subsidiaries) in the nature of long-term investments and loans & advances of ₹19,658.27 Lacs and ₹ 5,008.60 Lacs in its Associates viz. Gwalior Bypass Project Limited and Hyderabad Ring Road Project Limited. On the basis of book value of these Companies, there is a diminution in the value of these investments and advances, which in the opinion of the management is temporary in nature.
- (b) Note no 4.1(vi) of the Notes to Accounts regarding non creation of security under Corporate Debt Restructuring (CDR) Mechanism as stated in the said note.
- (c) Note No 34 of the Notes to Accounts regarding application seeking approval from Central Government for excess remuneration paid to managerial personnel.

Our opinion is not qualified in respect of these matters.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of Section (4A) of Section 227 of the Act, we give in the 'Annexure' a statement on the matters specified in paragraphs 4 or 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with this report are in agreement with the books of account;
 - d) the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2014, from being a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For G. C. SHARDA & CO.

Chartered Accountants
FRN:500041N

CA. Pankaj Jain

Partner
M. No. : 505948

Place : Noida
Date : 30th May, 2014

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the year, the company has not disposed off any substantial part of fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable in relation to the size of the company.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loan secured or unsecured to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (a) to (d) of the order are not applicable.
- (b) The Company has taken interest free unsecured loans from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 3,045 lacs and the year-end balance of the loans taken from such parties was ₹ 3,045 lacs
- (c) In our opinion, the terms and conditions on which loans have been taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) Since the aforesaid loans, as informed to us, are not repayable during the tenure of the implementation of the CDR package, the payment of principal amount is not yet due.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to execution of contracts, sale of goods and services. *However as informed to us there is a continuous procedure to strengthen the same and the internal controls over accounting of consumption, wastage, material reconciliation need further strengthening.*
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts, arrangements or transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business; *however the scope needs to be enlarged.*
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government regarding the maintenance of Cost Records under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess, majorly it has not been deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, following undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable:

Particulars	Amount (₹ Lacs)
Liability Under various Acts	
Income Tax Act	4,097.36
Royalty under various state royalty acts	123.74
Employees' Provident Fund Act	391.96
Employee State Insurance Act	2.24
Finance Act, 1994 (Service Tax)	1,007.76
VAT/WCT under various state Acts	90.68

- (c) According to the information and explanations given to us and the records of the Company examined by us, dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of disputes and the forum where the dispute is pending, are as under:

Name of the Dues/ Name of the Statute	Disputed Amount (₹ in Lacs)	Period to which amount relates	Forum Where Dispute is Pending
Sales Tax			
West Bengal VAT Demand	90.94	2004-05 & 2007-08	Commercial Tax Officer, Kolkata
Delhi VAT	428.06	2009-10	DVAT Tribunal
UP VAT	2.31	2005-06	Tribunal
Punjab Value Added Tax Demand	1.85	2011-12	Commissioner
Customs/ Excise Duty			
Customs Act	26.21	2007-08	Commissioner of Customs (Port), Kolkata
Customs Act	597.48	2012-13	Commissioner of Customs, Mumbai
Service Tax			
Finance Act, 1994	73.11	2006-07	Commissioner of Service Tax, New Delhi
Finance Act, 1994	3,244.64	2006-07, 2008-09 & 2009-10	Delhi High Court
Finance Act, 1994	2,090.52	2009-10, 2010-11 & 2011-12	CESTAT, New Delhi
Income Tax			
Income Tax Act, 1961	120.73	2008-09	CIT(Appeals)
Income Tax Act, 1961	78.55	2009-10	CIT(Appeals)
Income Tax Act, 1961	46.68	2010-11	CIT(Appeals)
Income Tax Act, 1961 (TDS)	139.60	2011-12	CIT(Appeals)
Royalty			
Andhra Pradesh Royalty Demand	28.04	2004-05	Hon'ble High Court of Andhra Pradesh
Madhya Pradesh Royalty Demand	57.38	2008-09	Revenue Board, Gwalior
Madhya Pradesh Royalty Demand	100.00	2006-07	Revenue Board, Gwalior
Labour Cess			
The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996	85.61	2000-07	Hon'ble Supreme Court
Madhya Pradesh Royalty Demand	20.40	2006-07	Commissioner, Ujjain

- (x) The company does not have any accumulated losses as at the end of the year. The Company has incurred cash losses during the current year, while no cash loss has incurred in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions, bank and debenture-holder during the year. The details of defaults are given hereunder:

Particulars	Amount (₹ Lacs)	Period of Default (Days)
Interest on Term Loans from Banks*	3,895.54	1-60
	735.82	61-120
Principal on Term Loans from Banks*	4,637.00	1
Non Convertible Debentures (interest)*	391.07	61-120
Non Convertible Debentures (principal)*	2,000.00	61-120
External Commercial Borrowings (interest)*	234.89	61-120
External Commercial Borrowings (principal)*	1,989.99	61-120
Interest on Term Loans from Banks	445.11	1-60
	124.37	61-120
	128.16	121-180
	121.53	181-240
	8.54	241-300
	0.64	301-350

Particulars	Amount (₹ Lacs)	Period of Default (Days)
Principal on Term Loans from Banks	683.59	1-60
	3,260.01	61-120
	240.13	121-180
	189.92	181-240
	31.50	241-300
	2.37	301-350

*However, as explained in Note 4.1 of financial statements the Corporate Debt Restructuring Empowered Group approved a restructuring package on 29th March, 2014 in terms of which the Existing loans were restructured with effect from 1st July, 2013. As a consequence, there are no overdue amounts outstanding towards interest and principal as at year end.

- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Society are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Order are not applicable in respect of the company.
- (xv) The company has given guarantees for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of such guarantees to banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the term loans were applied overall for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures were issued during the period.
- (xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For G. C. SHARDA & CO.
Chartered Accountants
FRN:500041N

CA. Pankaj Jain
Partner
Membership. No. : 505948

Place: Noida
Date : 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	2	3,636.55	3,636.55
Reserves and Surplus	3	142,009.49	191,549.84
		145,646.04	195,186.39
(2) Non-Current Liabilities			
Long-Term Borrowings	4 A.	415,295.14	204,023.50
Deferred Tax Liabilities (Net)	5	-	26,922.06
Long-Term Provisions	6 A.	712.82	769.38
		416,007.96	231,714.94
(3) Current Liabilities			
Short-Term Borrowings	4 B.	192,748.12	211,459.33
Trade Payables	7	48,329.47	42,347.72
Other Current Liabilities	8	92,815.06	92,392.91
Short-Term Provisions	6 B.	-	3,671.23
		333,892.65	349,871.20
	TOTAL (1+2+3)	895,546.65	776,772.52
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>			
Tangible Assets	9	183,020.83	189,664.89
Capital work-in-progress		8,185.61	12,661.40
Non-Current Investments	10	105,210.57	86,439.45
Long-Term Loans and Advances	11 A	13,435.03	12,834.33
		309,852.04	301,600.08
(2) Current Assets			
Inventories	12	143,804.22	158,629.46
Trade Receivables	13	318,854.06	216,012.41
Cash and Bank Balances	14	7,435.23	14,398.97
Short-Term Loans and Advances	11 B	113,584.12	83,579.75
Other Current Assets	15	2,016.98	2,551.86
		585,694.61	475,172.44
	TOTAL (1+2)	895,546.65	776,772.52
Significant accounting policies	1		

The accompanying notes (2-38) are an integral part of the financial statements

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948

Place : Noida

Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

Kapil Kumar
(Company Secretary)
(FCS-6541)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
I. Revenue from Operations	16	266,954.38	467,305.23
II. Other Incomes	17	2,009.92	2,876.14
III. Total Revenue (I + II)		268,964.30	470,181.37
IV. Expenses			
Direct Contract Expenses	18	183,511.43	285,988.13
Purchase of stock-in-trade	19	37,920.18	71,611.38
Employee Benefit Expenses	20	11,138.44	14,945.83
Finance Costs	21	69,637.31	54,946.94
Depreciation and Amortization Expense	9	13,073.95	11,041.39
Other Expenses	22	4,290.06	5,516.51
Total Expenses		319,571.37	444,050.18
V. Profit /(Loss) before Exceptional Items and Tax (III-IV)		(50,607.07)	26,131.19
VI. Exceptional items	33	26,700.64	2,354.68
VII. Profit /(Loss) before Tax (V - VI)		(77,307.71)	23,776.51
VIII. Tax Expense			
- Current Tax		-	4,676.43
- Deferred Tax		(26,922.06)	3,947.78
- MAT Credit		-	(1,675.15)
IX. Net Profit /(Loss) for the year (VII-VIII)		(50,385.65)	16,827.45
<u>Earnings Per Equity Share</u>	28		
(Equity share of ₹ 2/- each)			
- Basic & Diluted		(27.71)	9.25
Significant Accounting Policies	1		
The accompanying notes (2-38) are an integral part of the financial statements			

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.
Chartered Accountants
FRN 500041N

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

CA Pankaj Jain
Partner
M. No : 505948

Kapil Kumar
(Company Secretary)
(FCS-6541)

Sanjay Gupta
(Chief Financial Officer)

Place : Noida
Date : 30th May, 2014

CASH FLOW STATEMENT AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
A. Cash flow from operating activities		
Profit before tax	(77,307.71)	23,776.53
<u>Non cash adjustments</u>		
Depreciation	13,073.95	11,041.39
Loss/(Profit) on sale of fixed assets	25.18	(44.60)
Provision for diminution in value of investments	(205.73)	410.20
Provision for doubtful loans and advances	-	3.56
Impairment of Fixed Assets	13,136.67	-
Interest income	(877.24)	(1,231.78)
Loss/(Profit) on Sale of Long Term Investments	-	(20.32)
Finance costs	69,637.31	54,946.94
Operating profit before working capital changes	17,482.44	88,881.92
<u>Changes in working capital</u>		
Increase/ (Decrease) in trade payables	5,981.75	3,584.78
Increase/ (Decrease) in long term provisions	(56.55)	83.62
Increase/ (Decrease) in other current liabilities	(2,403.78)	27,257.27
Decrease/ (Increase) in trade receivables	(102,841.65)	(67,180.31)
Decrease/ (Increase) in inventories	14,825.23	(15,263.41)
Decrease/ (Increase) in long term loans and advances	(600.70)	3,158.91
Decrease/ (Increase) in short term loans and advances	(30,004.37)	(13,568.84)
Decrease/ (Increase) in other current assets	534.88	(198.81)
	(114,565.20)	(62,126.79)
Cash generated in operations	(97,082.76)	26,755.13
Direct taxes paid	-	(4,535.25)
Net cash flow/ (cash used in) operating activities	(97,082.76)	22,219.88
B. Cash flow from investing activities		
Purchase of fixed assets	(19,617.25)	(36,437.77)
Capital work-in-progress	4,475.78	(3,740.28)
Proceeds from sale of fixed assets	25.49	606.80
Proceeds from non current investments	-	234.68
Purchase of non current investments	(18,565.39)	(28,322.58)
Interest income	877.24	1,231.78
Net cash flow/ (cash used in) investing activities	(32,804.12)	(66,427.37)
C. Cash flow from financing activities		
Proceeds from long term borrowings net of exchange differences	211,271.64	48,557.45
Repayment of FCCB including premium	(18,711.21)	34,564.07
Proceeds from short term borrowings	(69,637.31)	(54,946.94)
Finance cost	-	(727.31)
Dividend paid	-	(117.99)
Corporate Dividend tax paid	-	-
Net cash flow/ (cash used in) financing activities	122,923.13	27,329.28
Net increase in cash and cash equivalents (A+B+C)	(6,963.74)	(16,878.21)
Cash and cash equivalents at the beginning of the year	14,398.97	31,277.17
Cash and cash equivalents at the end of the year	7,435.23	14,398.97

Note: 1. The above cash flow statement has been prepared under "The Indirect Method" as stated in Accounting Standard-3.
2. Cash and cash equivalents include ₹ 15.26 Lacs (PY ₹ 19.93 Lacs) of unclaimed dividend not available for use with the company.

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948

Place : Noida

Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

Kapil Kumar
(Company Secretary)
(FCS-6541)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

Notes forming part of Financial Statements as on 31st March,2014

1. Significant Accounting Policies

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

a. Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and relevant provisions of the Act/2013 Act as applicable.

b. Revenue Recognition

- (i) Revenue from contracts is recognised on the percentage of completion method based on billing schedules agreed with the client on a progressive completion basis. Material & resources supplied by client are included as cost of construction and as revenue at market price. Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are reasonable ascertained.
- (ii) Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are net of return and exclusive of value added tax.
- (iii) Income from wind energy and equipments hiring and management are recognized on accrual basis.
- (iv) Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain
- (v) Accounting for Joint Venture Contracts
 - Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the company as that of each independent contract to the extent of work is executed by the company.
 - In respect of contracts executed in Integrated Joint Venture under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the joint venture are accounted as income on the accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the joint venture is reflected as investments, loans & advances or current liabilities.

c. Fixed Assets

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

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

d. Depreciation

Depreciation is provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/disposals during the year is provided for on pro-rata basis. However, in respect of Tunnel Boring Machines (TBM) , the depreciation is provided @ 25% in line with their estimated useful life. Further, after impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

e. Capital Work In-Progress

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

f. Borrowing Cost

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

g. Investments

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

h. Inventories

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

i. Foreign Exchange Transactions**Initial Recognition**

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

Conversion

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

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

j. Employee Benefits

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

k. Taxes on Income

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

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

l. Extraordinary and exceptional items

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

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

Notes forming part of Financial Statements as at 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
2. SHARE CAPITAL		
Authorised Capital		
- 300,000,000 (Previous Year 300,000,000) Equity Shares of ₹ 2/- each	6,000.00	6,000.00
Issued, Subscribed & Paid up Capital		
- 18,18,27,640 (Previous year : 18,18,27,640) Equity Shares of ₹ 2/- each fully paid up.	3,636.55	3,636.55
Total	3,636.55	3,636.55
a. Reconciliation of Equity Shares Outstanding at the beginning and at the end of the year		
At the Beginning of the year	181,827,640	181,827,640
Add: Allotted during the Year	-	-
Outstanding at the end of the year	181,827,640	181,827,640
b. Terms/ Rights of equity shareholders		
The company has only one class of equity share having a par value of ₹ 2 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.		
c. List of Equity Shares held by each shareholder holding more than 5% shares:		
Era Housing & Developers (India) Limited		
- No of shares	41,143,772	42,764,114
- Percentage of holding	22.63%	23.52%
Hi Point Investment and Finance Private Limited		
- No of shares	33,332,958	33,925,163
- Percentage of holding	18.33%	18.66%
As per records of the company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.		

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
d. For the period of five years immediately preceding the date at which balance sheet is prepared		
- Aggregate number of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-
- Aggregate number of shares bought back	-	-
3. RESERVES AND SURPLUS		
(a) Securities Premium Account		
As per last Balance Sheet	68,946.00	68,946.00
Total (a)	68,946.00	68,946.00
(b) Debenture Redemption Reserve		
As per last Balance Sheet	4,845.00	4,535.00
Add: Transfer from Profit & Loss Account	-	310.00
Total (b)	4,845.00	4,845.00
(c) General Reserve		
As per last Balance Sheet	13,028.76	11,346.01
Add: Transfer from Profit & Loss Account	-	1,682.75
Total (c)	13,028.76	13,028.76
(d) Profit & Loss Account		
As per last Balance Sheet	104,730.08	90,740.68
Profit for the year	(50,385.65)	16,827.47
<i>Less: Appropriations</i>		
- Proposed Dividend *	(727.31)	727.31
- Corporate Dividend Tax*	(117.99)	117.99
- Transfer to General Reserve	-	1,682.75
- Transfer to Debenture Redemption Reserve	-	310.00
Total (d)	55,189.73	104,730.08
Total Reserves and Surplus (a+b+c+d)	142,009.49	191,549.84

* Proposed dividend on Equity shares and tax thereon is reversed in the Current year as the proposed dividend was not approved by the Share holder in the Annual General Meeting held on September 28,2013

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
4. BORROWINGS (Refer Note 4.1)		
Considered secured unless stated otherwise		
A. Long term borrowings		
(a) Term Loans (TL)		
- From Banks/Others	182,701.30	164,397.00
- From Banks (unsecured)	-	4,286.00
(b) Equipment Finance		
- From Banks/Others	11,403.08	16,047.09
(c) Other Loans & Advances (from other parties) (unsecured)	203.07	324.80
(d) External Commercial Borrowing (ECB)	33,242.37	37,290.36
(e) Non-Convertible Debentures (NCD)	26,600.00	26,600.00
(f) Working Capital Term Loan (WCTL)	113,743.13	-
(g) Funded Interest Term Loan From Banks (FITL)	31,734.64	-
(h) Inter Corporate Deposits (Promoters' Contribution)-Related Parties	3,045.00	-
(i) Inter Corporate Deposits (Promoters' Contribution)-Others	17,632.62	-
Total (i)	420,305.20	248,945.25
Less: Current maturities of above borrowings (shown as a part of other current liabilities)		
(a) Term Loans (TL)	-	27,081.33
(b) Equipment Finance	5,010.05	6,868.96
(c) External Commercial Borrowing (ECB)	-	3,671.46
(d) Non-Convertible Debentures (NCD)	-	7,300.00
Total (ii)	5,010.05	44,921.75
Net long-term borrowings (i)- (ii) (A)	415,295.14	204,023.50
B. Short term borrowings		
(a) Buyer's Credit From Banks	5,380.64	-
(b) Borrowings from banks & Financial Institutions	185,831.59	211,459.33
(c) Bill Discounting Facility From Others (unsecured)	1,535.89	-
	192,748.12	211,459.33
Total borrowings (A.+B.)	613,053.32	460,404.58
Aggregate amount of		
Secured Loans	611,314.36	455,793.78
Unsecured Loans	1,738.96	4,610.80
Amount shown in other current liabilities (Refer Note No 8)	(5,010.05)	(44,921.75)
	608,043.26	415,482.83

4.1 The Company executed the Master Restructuring Agreement (MRA)/ other definitive documents on March 29, 2014 with the lender banks (except in case of 7nos lender banks), consequent to the approval from Corporate Restructuring Empowered Group (CDREG) to restructure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme")

Under the CDR scheme, the Company is entitled to reliefs and concessions granted by the lender banks, with effect from July 1, 2013 ("the cut off date"). Also as a part of the CDR scheme, the promoters were required to contribute funds in accordance with the letter of approval ("LOA"). As a consequence, the Company received contribution from its promoters on various dates. The same has been treated as interest free unsecured loan not repayable during the tenure of the implementation package and convertible into equity/preference shares at the option of the Company.

Considering MRA have been signed by all the lender banks (except 7nos lender banks as explained above) and Company has complied with all the necessary conditions precedent, the monitoring institution in the joint lender meeting held on March 29, 2014, declared the CDR package as implemented, as per RBI guidelines. Accordingly, the Company accounted for CDR scheme (reclassification and interest calculations) in the books for the year ended March 31, 2014 as follows,

- (i) A certain portion of the Existing Working Capital Facility (Fund Based and Non Fund Based), cumulating to ₹ 1,51,941 Lacs have been converted into a Working Capital Term Loan (WCTL)
- (ii) The Company has been entitled to fund based working capital limits of ₹ 1,58,973 Lacs. The rate of interest and security terms have been given below
- (iii) The term loan, ECB and NCD debt of the Company, as on the cut off date (i.e. July 1, 2013), have been restructured. The repayment schedule, rate of interest and security terms have been given below
- (iv) The aggregate amount of interest on (a) the restructured TL, the restructured WCTL, the restructured ECB and the restructured NCD for a period of two years from the cut off date; and (b) on the working capital limits for a period of one year from the Cut off date shall be converted into FITL. The repayment schedule, rate of interest and security terms have been given below
- (v) The Company would also be granted a priority term loan of ₹ 12,005 lacs subject to fulfilment of certain conditions.
- (vi) The documentation relating to the creation of security for the implementation of the CDR scheme is yet to be completed.

Long Term Borrowings

Security Terms

The above loans are secured vide a first charge by way of mortgage of the Company's immovable properties and hypothecation of movable fixed assets (both present and future) of the Company except exclusively charged assets. These are further secured by way of a second charge on hypothecation and/or pledge of current assets (both present and future) of the Company including all receivables, finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivables.

These loans are further secured by

- (i) Personal Guarantee of Mr Hem Singh Bharana in favour of the Security trustee acting for the benefit of all the CDR lenders.
- (ii) First charge by way of mortgage on properties held by third parties.
- (iii) 100% pledge of shareholding of Promoters/ Promoter Group within stipulated time given by CDR-EG.
- (iv) Residual charge over properties in the name of promoters of the Company which are being developed by Adel Landmark Limited
- (v) Residual charge over the properties owned and charged to the lenders of Era Infrastructure (India) Limited

Repayment Pattern

	2015-16	2016-17	2017-18	2018-19 & Beyond
Term Loans (TL)	6%	9%	9%	76%
External Commercial Borrowing (ECB)	6%	9%	9%	76%
Non-Convertible Debentures (NCD)	6%	9%	9%	76%
Working Capital Term Loan (WCTL)	6%	9%	9%	76%
Funded Interest Term Loan From Banks (FITL)	6%	9%	9%	76%

Interest Terms

(rate of interest p.a.)

	Term Loans (TL)	External Commercial Borrowing (ECB)	Working Capital Term Loan (WCTL)	Funded Interest Term Loan From Banks (FITL)
01-07-2013 to 31-03-2016	10.50%	10.50%	10.50%	10.50%
01-04-2016 to 31-03-2018	11.00%	11.00%	11.00%	11.00%
01-04-2018 to 31-03-2023	11.50%	11.50%	11.50%	11.50%

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

The principal repayment pattern of these loans is produced hereunder

	2015-16	2016-17	2017-18	2018-19 & Beyond
	4,679.72	1,011.97	701.34	-

Other loans and advances are secured against pledge of keyman insurance policies of the promoters

Inter Corporate Deposits (Promoters' Contribution) carry no interest and are not repayable during the currency of CDR package. These loans are convertible into fully paid up Equity Shares/ Preference Shares at the option of the Company at a price determined in accordance with the applicable laws on the date of conversion.

Short -term borrowings

Security Terms

Short term borrowings from banks are secured by first charge by way of hypothecation and/or pledge of current assets (both present and future) of the Company including all receivables, finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivables. These are further secured by way of second charge on mortgage of the Company's immovable properties and hypothecation of movable fixed assets (both present and future) of the Company except exclusively charged assets

These loans are further secured by

- (i) Personal Guarantee of Mr Hem Singh Bharana in favour of the Security trustee acting for the benefit of all the CDR lenders.
- (ii) First charge by way of mortgage on properties held by third parties.
- (iii) 100% pledge of shareholding of Promoters/ Promoter Group within stipulated time given by CDR-EG
- (iv) Residual charge over properties in the name of promoters of the Company which are being developed by Adel Landmark Limited
- (v) Residual charge over the properties owned and charged to the lenders of Era Infrastructure (India) Limited

Interest Terms

Rate of interest on fund based working capital limit shall be 10.50% p.a. from the cut off date. Interest rate shall be linked with base rate of respective lenders with effective interest rate of 10.50%, but shall not be below the base rate.

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
5. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liabilities		
Timing difference in depreciable assets	24,505.33	27,171.68
(b) Deferred tax assets		
Provision for Retirement Benefits	231.28	249.62
Others*	24,274.05	-
Net Deferred Liabilities (a-b)	-	26,922.06
<p>*As a matter of prudence during the year company has provided deferred tax assets up the limit of brought forward amount of deferred tax liabilities.</p>		
6. PROVISIONS		
A. Long term		
Provision for Employee Benefits	712.82	769.38
	712.82	769.38
B. Short term		
Provision for Tax (Net of Prepaid Tax)	-	2,825.93
Proposed Dividend	-	727.31
Corporate Dividend Tax	-	117.99
	-	3,671.23
Total Provisions A+B	712.82	4,440.61
7. TRADE PAYABLES		
Outstanding to Micro, Small & Medium Enterprises*	-	-
Outstanding to Others	48,329.47	42,347.72
	48,329.47	42,347.72
<p>*The company is in the process of identifying suppliers who are micro enterprises or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any written confirmation from any suppliers regarding their status as Micro, Small and Medium Enterprises. Therefore, disclosures under the said Act are not necessary.</p>		
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts (Refer Note No 4)	5,010.05	44,921.75
Unclaimed Dividends	15.26	19.93
Advances from Clients	62,005.88	33,795.48
Bank Reconciliation Overdraft	2,308.71	586.55
Payable to related parties	75.79	19.54
Interest accrued but not due	7,652.65	3,952.92
Other Payables *	15,746.72	9,096.74
	92,815.06	92,392.91
<p>*Includes Statutory and other dues</p>		

(₹ in Lacs)

9. TANGIBLE ASSETS

S. No.	Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK				
		Cost as at 1st April, 2013	Additions during the year	Sold/ Adjustment during the year	Total as at 31st March, 2014	Upto 1st April, 2013	For the year	Adjustments	Upto 31st March, 2014	Impairment Recognised	Written down value as at 31st March, 2014	Written down value as at 31st March, 2013
1	Land	336.70	-	-	336.70	-	-	-	-	-	336.70	336.70
2	Leasehold Land	116.40	-	-	116.40	14.00	2.02	16.02	-	-	100.38	102.40
3	Factory Building	2.73	-	-	2.73	0.36	0.09	0.45	-	0.11	2.17	2.38
4	Plant & Machinery	224,891.85	19,513.14	-	244,404.99	40,621.31	12,544.25	-	53,165.57	13,024.00	178,215.42	184,270.52
5	Tractor/ Trucks	228.86	-	-	228.86	100.74	15.82	-	116.56	5.13	107.18	128.13
6	Furniture & Fixture	423.35	30.79	-	454.14	129.40	27.63	-	157.03	3.19	293.91	293.95
7	Office Equipments	398.27	18.67	-	416.95	89.65	22.44	-	112.09	20.36	284.50	308.62
8	Vehicles	1,063.66	53.47	97.45	1,019.67	352.02	88.56	47.04	393.54	65.77	560.36	711.63
9	Data Processing Machines	693.90	1.18	0.28	694.79	524.37	109.65	0.01	634.01	18.11	42.68	169.53
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	1,649.49	263.50	-	1,912.99	-	3,077.53	3,341.03
	Total	233,146.24	19,617.25	97.73	252,665.76	43,481.34	13,073.95	47.05	56,508.26	13,136.67	183,020.83	189,664.89
	Previous Year	197,359.95	36,437.77	651.49	233,146.24	32,529.24	11,041.39	89.30	43,481.34		189,664.89	164,830.71

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
10. NON CURRENT INVESTMENTS		
A. Trade investments		
(fully paid up unless otherwise stated)		
(a) <u>Investments in Equity Instruments (Unquoted)</u>		
(i) Subsidiaries		
Victor Buildwell Pvt. Ltd.	1.00	1.00
[10,000 shares (PY 10,000 shares)]		
Era T & D Ltd.	1,654.98	1,654.98
[1,44,19,000 shares (PY 1,44,19,000 shares)]		
Era Infrastructure (India) Ltd.	100,400.93	81,946.58
[10,73,28,250 shares PY (8,56,17,250 shares)]		
Haridwar Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Dehradun Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Bareilly Highways Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Paulo Realtech Private Limited	66.50	66.50
[6,65,000 shares (PY 6,65,000 shares)]		
Yarikh Realtors Private Limited	188.90	188.90
[18,89,000 shares (PY 18,89,000 shares)]		
Bragi Developers Private Limited	9.00	9.00
[90,000 shares (PY 90,000 shares)]		
Zedek Realtors Private Limited	76.00	76.00
[7,60,000 shares (PY 7,60,000 shares)]		
Era Khandwa Power Limited	5.00	5.00
[50,000 shares (PY 50,000 shares)]		
Boconero Ltd. (Cyprus)	0.70	0.70
[1,000 shares (PY 1,000 shares)]		
Golden Annum Holdings Limited (Dubai)	4.99	4.99
[3,000 shares (PY 3,000 shares)]		
Rampur Highway Project Limited	3.70	3.70
[37,000 shares (PY 37,000 shares)]		
Era & Partners Co LLC.	110.67	47.49
[150,000 partly paid up shares(PY 150,000 partly paid up shares)]		
	102,533.47	84,015.93
<u>Less: Provision for diminution in the value of investments</u>		
Boconero Ltd. (Cyprus)	0.70	0.70
Net Investments in Subsidiaries	102,532.77	84,015.23
(ii) Associates		
West Haryana Highways Projects Pvt.Ltd.	2.45	2.45
[24,500 shares (PY 24,500 shares)]		
Gwalior Bypass Project Ltd.	1.95	1.95
[19,500 shares (PY 19,500 shares)]		
Hyderabad Ring Road Project Private Limited	1.17	1.17
[11,720 shares (PY 11,720 shares)]		
Era Buildsys Ltd.*	-	1,203.50
[Nil (PY 24,07,000 shares)]		

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
SPA Group Era India Algeria [35,000 shares (PY 35,000 shares)]	68.81	68.81
Era Energy Limited [15,000 shares (PY 15,000 shares)]	1.50	1.50
	75.88	1,279.38
<i>Less: Provision for diminution in the value of investments</i>		
SPA Group Era India Algeria	68.81	-
Net Investments in Associates	7.07	1,279.38
* Now merged with Era Buildsys Limited (Formerly known as Era E-zone India Limited) a listed entity.		
(a) <u>Investments in Equity Instruments (Unquoted)</u>		
(b) <u>Investment in equity instruments (Quoted)</u>		
Era Buildsys Ltd. (Formerly known as Era E-Zone (India) Ltd (141,31,870 shares (PY 11,10,000 shares))	1,758.00	554.50
<i>Less: Provision for diminution in the value of investments</i>		
Era Buildsys Ltd. (Formerly known as Era E-Zone (India) Ltd	135.66	410.20
	1,622.34	144.30
(c) <u>Investment in preference instruments (Unquoted)</u>		
Bareilly Highways Project Limited (26,000 shares (PY 26,000 shares))	130.00	130.00
	130.00	130.00
(d) <u>Share in joint ventures (including accumulated profits)</u>		
Era Patel Advance Joint Venture	12.86	15.34
Era Patel Advance Kiran Joint Venture	52.62	56.59
Rani Era Joint Venture	5.00	5.07
Induni Era Joint Venture	29.69	29.69
KMB Era Joint Venture	145.08	146.72
Era Infra Joint Venture	27.29	27.39
Era Infra Buildsys Joint Venture	70.94	44.06
Metrostroy Era Joint Venture	55.02	28.48
Era Infra ARK Vidyut Joint Venture	1.04	0.22
Era Ranken Joint Venture	1.71	-
Transglobal Era Joint Venture	0.15	-
	401.40	353.55
(e) <u>Other Trade Investments (Unquoted)</u>		
- Axis Infrastructure Fund 1	516.98	516.98
	516.98	516.98
Total trade investments (a+b+c+d+e)	105,210.57	86,439.45
The aggregate book value and market value of quoted investments and book value of unquoted investments are as follows:		
Quoted Investments		
Aggregate book value	1,622.34	144.30
Aggregate market value	1,622.34	144.30
Aggregate book value of unquoted investments	103,186.83	85,941.60
Aggregate book value of Investment in Joint Ventures	401.40	353.55

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
11. LOANS AND ADVANCES		
(unsecured, considered good unless otherwise stated)		
A. Long term		
Capital Advances	10,555.65	9,802.96
Security Deposits	2,879.38	3,031.37
	13,435.03	12,834.33
B. Short term		
Loans and advances*		
- To Subsidiary Companies (Loans)		
- Considered good	12.51	11.85
- Considered doubtful	13.43	13.43
- To Subsidiary Companies (Advances)	395.36	19.89
- Others	113,176.26	83,548.01
	113,597.56	83,593.18
<i>Less: Provision for doubtful advances</i>	13.43	13.43
Net Short term loans and advances	113,584.12	83,579.75
Total loans and advances (A+B)	127,019.15	96,414.08
(* includes advances recoverable in cash or in kind for value to be received)		
12. INVENTORIES		
(valued at cost or net realisable value whichever is lower)		
Raw Materials	57,743.00	65,927.62
Stores and Spares	2,257.89	2,378.89
Materials in Transit (Raw Materials)	5.36	522.60
Work-in-Progress	83,797.97	89,800.35
Total	143,804.22	158,629.46
13. TRADE RECEIVABLES		
Unsecured, Considered Good Unless Otherwise stated		
Outstanding for a period exceeding six months from the date on which they are due for payment		
- Considered Good	238,003.30	19,645.31
- Considered Doubtful	9,033.00	-
	247,036.30	19,645.31
Less Provision for Doubtful Debts	9,033.00	-
	238,003.30	19,645.31
Others	80,850.75	196,367.10
Total	318,854.06	216,012.41
Amounts due by private companies in which any Director is a member or Director		
Trade receivables	-	53,296.83
Loans and advances	-	300.00
Total	-	53,596.83

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
14. CASH AND BANK BALANCES		
(a) Cash and cash equivalents		
Cash on Hand	331.23	244.42
Foreign Currency in Hand	3.61	2.75
Balance with banks current accounts	581.65	1,777.30
Cheques in Hand	-	32.58
Fixed Deposit Accounts *	6,503.48	12,321.99
Unclaimed Dividend Account**	15.26	19.93
Total Cash and Bank Balances	7,435.23	14,398.97
* Include FDR's pledged with banks / government authorities.		
**Year wise break up of unclaimed dividend yet not due for deposit in Investor Education and Protection Fund is as under		
Dividend Declared for Financial Year		
2005-06	-	4.67
2006-07	3.21	3.21
2007-08	2.53	2.53
2008-09	2.65	2.65
2009-10	2.09	2.09
2010-11	2.58	2.58
2011-12	15.26	19.93
15. OTHER CURRENT ASSETS		
MAT Credit Entitlement	1,675.15	1,675.15
Interest Receivable	341.83	876.71
	2,016.98	2,551.86

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
16. REVENUE FROM OPERATIONS		
(i) Contract Revenue	210,648.53	384,753.91
(ii) Equipment Hiring & Management	5,969.07	10,626.96
(iii) Ready Mix Concrete	-	9.60
(iv) Wind Energy	621.52	627.59
(v) Trading Sales - Construction Materials	49,715.27	71,287.17
	266,954.38	467,305.23

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
17. OTHER INCOMES		
Interest Income		
- Banks	876.69	1,229.38
- Other Interest	0.55	2.40
(Tax Deducted at source ₹ 87.67 Lacs (PY ₹ 123.18 Lacs))		
Profit on Sale of Long Term Investments	-	20.32
Profit on sale of Fixed Assets	-	44.60
Income From Joint Ventures	63.64	93.44
Miscellaneous Income	1,069.04	1,486.00
	2,009.92	2,876.14
18. DIRECT CONTRACT EXPENSES		
Direct Project Expenses	173,111.05	285,479.24
(Increase)/Decrease in Stock	6,002.38	(8,210.20)
Service Tax	1,734.94	1,603.22
Works Contract Tax	2,663.06	7,115.87
	183,511.43	285,988.13
19. PURCHASE OF TRADED GOODS		
Trading Purchases		
- Construction Materials	37,920.18	71,611.38
	37,920.18	71,611.38
20. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus & Allowances	10,142.54	13,546.92
Directors' Remuneration	415.29	328.59
Contribution to Provident & Other Funds	334.64	768.86
Staff Welfare	245.97	301.47
	11,138.44	14,945.83
21. FINANCE COSTS		
Bank Charges & Commission	4,169.92	3,108.03
Interest	65,467.39	51,838.91
	69,637.31	54,946.94

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
22. OTHER EXPENSES		
Printing & Stationery	106.97	169.75
Rent	232.09	373.89
Travelling & Conveyance	687.92	950.94
Postage, Telegram & Telephones	191.55	254.77
Tender Fee	13.00	15.99
Legal & Professional Charges	1,510.06	1,242.33
Advertisement & Publicity	16.92	30.43
Business Promotion Expenses	53.20	124.43
Vehicle Maintenance	105.14	106.94
Insurance Premium	498.58	675.89
Rates and Taxes	111.10	116.59
Festival Expenses	44.03	75.30
Repair & Maintenance		
- Machinery	400.17	384.83
- Others	114.00	211.11
Electricity & Water	209.28	240.83
Auditors' Remuneration*	15.00	15.00
Charity & Donation	4.95	7.66
Loss on Sale of Fixed Assets	25.18	-
Miscellaneous Expenses	156.62	106.07
Provision for diminution in the value of investments	(205.73)	410.20
Provision for doubtful advances	-	3.56
Total	4,290.06	5,516.51
*Auditors remuneration		
Audit fee	12.00	12.00
Certification/ others	3.00	3.00
	15.00	15.00

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
23. CONTINGENT LIABILITIES AND COMMITMENTS		
A. Contingent liabilities		
(a) In respect of claims against the company not acknowledged as debts*		
Sales tax and entry tax matters.	523.16	523.16
Royalty matters	205.82	205.82
Service tax matters	5,982.00	3,535.96
Custom duty matters	649.38	623.68
Labour Welfare Cess	85.61	85.61
Income tax matters	385.56	299.66
Other legal cases	2,755.12	1,986.40
	10,513.53	7,260.29
* Appropriate representations have been filed in respect of these matters with the authorities concerned		
(b) Towards banks		
- Corporate guarantees given in favour of banks for loans taken by Subsidiary/ associate companies.	141,523.00	88,971.00
- In respect of guarantees, letters of credit and others (net of margin)	56,587.19	78,080.65
(c) In respect of uncalled capital of subsidiary company	114.19	164.14
Total Contingent Liabilities (a+b+c)	208,737.92	174,476.07
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	1,316.78	6,204.95

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

25. Disclosures required by Clause 32 of the listing agreement

(₹ in Lacs)

	As at 31 st March, 2014		As at 31 st March, 2013	
	Closing Balance	Maximum Balance	Closing Balance	Maximum Balance
A. Particulars of advances in the nature of loans				
1. <u>To subsidiaries</u>				
- Golden Annum Holding Limited	12.51	12.55	11.85	11.85
- Boconero Limited	13.43	13.43	13.43	13.43
Total (1)	25.93	25.97	25.29	25.29
2. <u>To associates</u>				
	-	-	-	-
3. <u>To firms/companies in which Directors are interested</u>				
	-	-	-	-
4. <u>Where there is no repayment schedule or repayment schedule is beyond seven years</u>				
	-	-	-	-
B. <u>Investments in shares of the company or any of its subsidiaries by any of the loanees as stated above</u>				
	-	-	-	-

26. Segment reporting

A. Business segments

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

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

As on 31st March, 2014

(₹ in Lacs)

Sr. Business Segments No.	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading
(i) <u>Segment revenue</u>						
External revenue	266,954.38	210,648.53	621.52	5,969.07	-	49,715.27
Inter-segment revenue	8,483.28	-	-	8,483.28	-	-
Total	275,437.66	210,648.53	621.52	14,452.35	-	49,715.27
(ii) <u>Segment results (Profit/ loss)</u>						
Operating profit	12,644.67	2,881.28	264.52	8,385.25	-	1,113.62
Unallocable corporate expenses	(205.73)	-	-	-	-	-
Unallocable corporate income	1,132.68	-	-	-	-	-
Interest expenses	65,467.39	-	-	-	-	-
Interest income	877.24	-	-	-	-	-
Exceptional items	26,700.64	-	-	-	-	-
Income tax expenses	(26,922.06)	-	-	-	-	-
Net profit	(50,385.65)	2,881.28	264.52	8,385.25	-	1,113.62
(iii) <u>Other information</u>						
Segment assets	790,336.08	668,350.16	4,752.93	116,221.00	-	1,012.00
Unallocable assets	105,210.57	-	-	-	-	-
Total assets	895,546.65	668,350.16	4,752.93	116,221.00	-	1,012.00
Segment liabilities	749,900.61	683,775.78	249.65	65,875.18	-	-
Capital expenditure	19,617.25	4,409.90	-	15,207.35	-	-
Depreciation	13,073.95	6,556.08	265.52	6,252.35	-	-
Other non-cash expenses	-	-	-	-	-	-

As on 31st March, 2013

(₹ in Lacs)

Sr. Business Segments No.	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading
(i) <u>Segment revenue</u>						
External revenue	467,305.23	384,753.91	627.59	10,626.96	9.60	71,287.17
Inter-segment revenue	13,134.50	-	-	13,096.78	37.72	-
Total	480,439.73	384,753.91	627.59	23,723.74	47.32	71,287.17
(ii) <u>Segment results (Profit/ loss)</u>						
Operating profit	75,507.74	60,005.61	242.26	13,941.52	(3.31)	1,321.66
Unallocable corporate expenses	413.76	-	-	-	-	-
Unallocable corporate income	1,644.36	-	-	-	-	-
Interest expenses	51,838.91	-	-	-	-	-
Interest income	1,231.78	-	-	-	-	-
Exceptional Items	2,354.68	-	-	-	-	-
Income tax expenses	6,949.06	-	-	-	-	-
Net profit	16,827.45	60,005.61	242.26	13,941.52	(3.31)	1,321.66
(iii) <u>Other information</u>						
Segment assets	690,333.06	572,580.53	3,526.15	108,619.01	-	5,607.37
Unallocable assets	86,439.46	-	-	-	-	-
Total assets	776,772.52	572,580.53	3,526.15	108,619.01	-	5,607.37
Segment liabilities	550,992.84	484,894.66	-	66,098.18	-	-
Capital expenditure	36,437.77	27,238.66	-	9,199.11	-	-
Depreciation	11,041.39	4,987.56	265.50	5,788.33	-	-
Other non-cash expenses	-	-	-	-	-	-

B. Geographical segments

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

27. Retirement benefits

(₹ in Lacs)

	As at 31 st March, 2014		As at 31 st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A) Expenses recognised In the statement of profit & loss				
Current service cost	85.74	4.14	128.93	90.84
Interest cost	49.75	14.15	43.93	13.47
Expected return on plan assets	-	-	-	-
Actuarial (Gain)/ Loss recognised in the I.V.P.	(187.49)	7.85	(72.54)	(90.32)
Expenses recognised In the statement of profit & loss	(52.00)	26.13	100.32	14.00
B) Amount to be recognised in the balance sheet				
Present value of obligation at the end of I.V.P.	514.18	198.65	606.69	172.52
Fair value of Plan Assets at the end of I.V.P.	-	-	-	-
Funded status	(514.18)	(198.65)	(606.69)	(172.52)
Unrecognised actuarial (gain)/loss at the end of I.V.P.	-	-	-	-
Net Asset/Liability recognised in the Balance Sheet	(514.18)	(198.65)	(606.69)	(172.52)
C) Changes in the present value of obligations				
Present value of obligation at the beginning of I.V.P.	606.69	172.52	527.25	158.52
Interest cost	49.75	14.15	43.93	13.47
Current service cost	85.74	4.14	128.93	90.84
Benefits paid	(40.51)	-	(20.89)	-
Actuarial (gain)/loss on obligation	(187.49)	7.85	(72.54)	(90.32)
Present value of obligation at the end of I.V.P.	514.18	198.65	606.69	172.52
D) Actuarial (Gain)/ Loss recognised				
Actuarial (gain)/loss on obligation	(187.49)	7.85	(72.54)	(90.32)
Actuarial (gain)/ loss on plan assets	-	-	-	-
Total (gain)/ loss for the I.V.P.	(187.49)	7.85	(72.54)	(90.32)
Actuarial (Gain)/Loss recognised in the I.V.P.	(187.49)	7.85	(72.54)	(90.32)
Unrecognised actuarial (gain)/loss at the end of I.V.P.	-	-	-	-
E) Actuarial assumptions				
Mortality rate	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
Attrition rate (P.A.)	5.00%	5.00%	5.00%	5.00%
Imputed rate of interest (P.A.)	8.20%	8.20%	8.20%	8.20%
Salary rise (P.A.)	7.00%	7.00%	7.00%	7.00%
Return on plan assets	N.A.	N.A.	N.A.	N.A.

(₹ in Lacs)

Particulars	As at	As at
	31 st March, 2014	31 st March, 2013

28. Earning per share (EPS)

The following data has been used for the computation of Earning per share (Basic and Diluted)

i. Net profit attributable to equity shareholders (₹ in Lacs)	(50,385.65)	16,827.45
ii. Weighted average number of equity shares outstanding during the year	181,827,640	181,827,640
iii. Basic and Diluted EPS (i/ii) (In ₹)	(27.71)	9.25

29. Disclosure in accordance with accounting standard - 7 (Revised)

(₹ in Lacs)

Particulars	As at	As at
	31 st March, 2014	31 st March, 2013

- Contract revenue	210,648.53	384,753.91
- Contract cost incurred	207,767.25	324,748.30
- Recognised profits.	2,881.28	60,005.61
- Amount due from customers for contract work	325,248.08	208,250.46
- Amount due to customers for contract work	62,005.88	33,795.48

30. Related party disclosures

Related parties where control exists

(i) Direct subsidiary companies

Victor Buildwell Private Limited, Era Infrastructure (I) Limited, Era T&D Limited, Golden Annum Holdings Limited, Boconero Limited, Bragi Developers Private Limited, Zedek Realtors Private Limited, Paulo Realtech Private Limited, Yariikh Realtors Private Limited, Dehradun Highways Project Limited, Haridwar Highways Project Limited, Bareilly Highways Project Limited, Era Khandwa Power Limited, Rampur Highways Project Limited and Era & Partners Co. LLC

(ii) Step subsidiary companies

ARK transmission & Distribution Limited and ARK Vidhyut Urja Limited

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

(iii) Joint ventures and associates

Era-Patel-Advance-Kiran Joint Venture, Era-Patel-Advance Jont Vneture, Induni-Era Joint Venture, KMB-Era Joint Venture, Rani-Era Joint Venture, Era Infra- Buildsys Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Private Limited, West Haryana Highways Project Private Limited, Era Energy Limited, Era Buildsys Limited, Metrostroy Era Joint Venture, Era Infra Ark Vidhyut Urja Joint Venture, Era Infra Star Delta Joint Venture and Trans Global Era Infra Joint Venture

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

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

(v) Key management personnel and their relatives

Mr. H.S. Bharana (CMD), Mrs. Rekha Bharana (Wife of CMD), Ms. Rashmi Bharana (D/o CMD), Mr. Vaibhav Bharana (S/o CMD), Mr. Dheeraj Singh (Brother of CMD), Mr. Brij Singh (Brother of CMD), Mr. J.L. Khushu (Whole Time Director) (upto 14-8-2012) and Mr T.D. Arora (Whole Time Director) (from 14-8-2012)

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

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

Related party transactions (as at 31-03-2014)

Amount (₹ Lacs)

Particulars	Subsidiaries	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
- Loans & Advances given	-	27.98	-	-	27.98
- Advances Received	5,995.35	3,970.00	-	-	9,965.35
- Investments	18,625.53	-	-	-	18,625.53
- Bill Raised	41,823.96	35,993.25	-	-	77,817.21
- J.V.Income	-	63.64	-	-	63.64
- Rent, Secretarial & other charges recovered	-	-	-	-	-
- Materials Supplied	587.75	10,949.48	-	-	11,537.23
- Purchase of Materials	341.51	1,486.74	-	-	1,828.25
- Contract Expenses Paid	-	10,716.23	-	-	10,716.23
- Reimbursement of Expenses Received /(Paid)	(308.73)	(8.14)	-	-	(316.87)
- Salary paid	-	-	219.74	97.95	317.69
- Dividend Paid	-	-	-	-	-
- Due from (as at year-end)	10,071.70	94,258.90	-	-	104,330.60
- Due to (as at year-end)	29,918.74	16,673.31	139.26	29.22	46,760.53

Related party transactions (as at 31-03-2013)

Amount (₹ Lacs)

Particulars	Subsidiaries	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
- Advances Received	1,175.19	3,387.11	-	-	4,562.30
- Investments	28,236.51	-	-	-	28,236.51
- Bill Raised	78,561.05	89,933.04	-	-	168,494.09
- J.V.Income	-	93.44	-	-	93.44
- Rent, Secretarial & other charges recovered	-	159.95	-	-	159.95
- Materials Supplied	2,026.66	2,124.10	-	-	4,150.76
- Purchase of Materials	557.64	3,723.21	-	-	4,280.84
- Contract Expenses Paid	69.05	-	-	-	69.05
- Reimbursement of Expenses Received /(Paid)	216.77	21.28	-	-	238.05
- Salary paid	-	-	216.00	36.41	252.41
- Dividend Paid	-	380.81	51.78	-	432.59
- Due from (as at year-end)	4,303.55	83,337.62	-	-	87,641.17
- Due to (as at year-end)	31,889.06	5,949.84	12.05	9.41	37,860.36

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
31. Other disclosures		
A. Value of imports on CIF basis		
Material	-	-
Spare parts	-	-
Capital goods	3726.41	4,067.09
	3726.41	4,067.09
B. Expenditure in foreign currency*		
Travelling	11.75	72.29
Legal & Professional	42.91	176.34
Interest	2,089.71	2,050.42
Others	0.21	0.21
	2,144.58	2,299.26
C. Income in foreign currency	Nil	Nil

* In addition to the above, the company has made investments or provided loans to foreign subsidiaries of ₹ 63.83 Lacs (PY ₹ 39.93 Lacs)

- 32.** Bank Guarantees issued by the Company in favour of National Highway Authority of India ₹ 790 Lacs and in favour of Delhi Development Authority amounting to ₹ 686 Lacs have been encashed by the bank after the balance sheet date. The Company has filed suit in hon'ble court against respected authority for retain of projects and recovery of money.
- 33.** Exceptional items include foreign currency fluctuation of ₹ 4535.65 Lacs (PY 2354.68 Lacs), Bad Debts of ₹ 9033 Lacs (PY Nil) and Impairment of Fixed Assets of ₹ 13,136.67 Lacs (PY Nil)
- 34.** Remuneration paid to chairman & managing director is in excess of the limits specified in Schedule XIII of the Companies Act 1956 by ₹ 168 lacs. The company has made an application seeking approval from Central Government, approval for the same is awaited.
- 35.** The Company has defaulted in the repayment of dues (interest and principal) during the period. The details of continuing default of principal and interest are as follows :

(₹ in Lacs)

	Amount (Rs. Lacs)	Period of Default (Days)
<u>Equipment Finance</u>		
Interest Amount	36.34	1-60
	35.46	61-120
	38.73	121-180
	37.05	181-240
	8.54	241-300
	0.64	301-350
Principal Amount	175.42	1-60
	171.21	61-120
	167.94	121-180
	132.75	181-240
	31.50	241-300
	2.37	301-350
<u>Term Loan From Banks</u>		
Interest Amount	123.13	1-60
	36.91	61-120
	71.44	121-180
	68.61	181-240
Principal Amount	3,000.00	61.120

36. Company has invested in Era Infrastructure (India) Ltd (EIL), Hyderabad Ring Road Project Limited (HRRPL), Rampur Highway Project Limited and Gwalior Bypass Project Limited (GBPL). The amount of investment by the Company and loans and advances outstanding is set out as below :

	Era Infrastructure (India) Ltd.	Rampur Highway Projectt Ltd.	Gwalior Bypass Project Ltd.	Hyderabad Ring Road Project Pvt. Ltd.
Investment made by the Company (₹ Lacs)	100,400.93	3.70	1.95	1.17
Investment made by the Company through its subsidiary EIL (₹ Lacs)	-	-	10,224.52	9,430.63
Outstanding Loans and advances (₹ Lacs)	365.76	29.61	-	-
Outstanding Loans and advances (₹ Lacs) in the books of EIL	-	46.70	8,436.63	(3,428.03)
Net Worth of the Company as on 31st March, 2014 (₹ Lacs)	86,696.77	5.00	7,396.96	5,216.11

All the above companies except EIL are engaged in the business of building infrastructure on BOT(Build, Operate and Transfer) basis through specific SPVs for each projects. EIL, on the other hand, is a master SPV which has invested along with the Company in these projects. These BOT projects take beyond 10 to 15 years to unlock its true potential. These businesses also generate captive construction contracts to the Company. Therefore the diminution in the value of the investments in the above companies is temporary in nature and the loans and advances given are good and recoverable.

37. Balances of debtors, trade payables and other liabilities are under confirmation and/or reconciliation.
38. Previous year's figures have been regrouped and/ or arranged to confirm to those of current year's figures, wherever necessary.

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.
Chartered Accountants
FRN 500041N

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

CA Pankaj Jain
Partner
M. No : 505948

Kapil Kumar
(Company Secretary)
(FCS-6541)

Sanjay Gupta
(Chief Financial Officer)

Place : Noida
Date : 30th May, 2014

CONSOLIDATED AUDITORS' REPORT

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

Report on the consolidated financial statements

We have audited the accompanying financial statements of Era Infra Engineering Limited ("the Company") and its subsidiaries (collectively known as 'Era Group'), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of consolidated financial position, consolidated financial performance and consolidated cash flow of the group in accordance with the Accounting Standards notified under the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated financial statements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give true and fair view in conformity with the accounting standards generally accepted in India:

- in the case of Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2014;
- in the case of Consolidated Statement of Profit & Loss, of the loss of the company for the year ended on that date, and
- In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

Attention is drawn to the following:

- Note No 33 of the Notes to Accounts regarding Group's exposure in the nature of long-term investments and loans and advances of ₹ 17,800.77 Lacs and ₹ 5,008.60 in its Associates viz. Gwalior Bypass Project Limited and Hyderabad Ring Road Project Limited. On the basis of book value of these Companies, there is a diminution in the value of these investments and advances, which in the opinion of the management is temporary in nature.
- Note no 4.1.(vi) of the Notes to Accounts regarding non creation of security as stated in the said note.
- Note No 34 of the Notes to Accounts regarding application seeking approval from Central Government for excess remuneration paid to managerial personnel.

Our opinion is not qualified in respect of these matters.

Other matters

We have not conducted audit of subsidiary companies reflecting assets of ₹ 367,005.02 lacs as at 31st March, 2014 and the total revenues of ₹ 2,962.39 Lacs and net loss of ₹ 5,116.85 for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to amounts included in respect of the subsidiary is based solely on the report of other auditors.

Further financial statements of subsidiary companies reflecting assets of ₹ 4.56 lacs as at 31st March, 2014 and the total revenues of Rs Nil and net loss of ₹ 13.84 Lacs for the year ended till the date and an associate reflecting net profit of ₹ 19.78 lacs, furnished to us by the management have not been audited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statements in respect of these subsidiaries and associates.

For G. C. SHARDA & CO.

Chartered Accountants
FRN:500041N

CA. Pankaj Jain

Partner
M. No. : 505948
Place : Noida
Date : 30th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	2	3,636.55	3,636.55
Reserves and Surplus	3	128,042.00	182,834.17
		131,678.55	186,470.72
(2) Minority Interest			
		59.96	60.51
(3) Non-Current Liabilities			
Long-Term Borrowings	4 A.	596,332.00	357,115.75
Deferred Tax Liabilities (Net)	5	-	26,903.81
Long-Term Provisions	6 A.	726.75	770.92
		597,058.75	384,790.48
(4) Current Liabilities			
Short-Term Borrowings	4 B.	193,802.01	212,513.22
Trade Payables	7	56,664.97	42,490.30
Other Current Liabilities	8	119,898.77	79,215.60
Short-Term Provisions	6 B.	-	3,667.84
		370,365.75	337,886.96
	TOTAL (1+2+3+4)	1,099,163.01	909,208.67
II. ASSETS			
(1) Non-Current Assets			
<i>Fixed Assets</i>			
- Tangible Assets	9	186,153.45	192,919.88
- Intangible Assets	9 A	9.33	18.84
- Capital work-in-progress		223,102.32	165,275.28
Non-Current Investments	10	37,046.77	36,787.19
Long-Term Loans and Advances	11 A	43,510.19	12,969.49
		489,822.06	407,970.68
(2) Current Assets			
Inventories	12	146,176.86	161,547.09
Trade Receivables	13	319,681.45	213,924.74
Cash and Bank Balances	14	8,688.65	16,479.56
Short-Term Loans and Advances	11 B	132,487.81	106,403.22
Other Current Assets	15	2,306.18	2,883.38
		609,340.95	501,237.99
	TOTAL (1+2)	1,099,163.01	909,208.67

Significant accounting policies

1

The accompanying notes (2-34) are an integral part of the financial statements

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948

Place : Noida

Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

Kapil Kumar
(Company Secretary)
(FCS-6541)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Note No.	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
I. Revenue from Operations	16	268,484.97	468,633.70
Less: Excise Duty		68.75	151.38
		268,416.23	468,482.32
II. Other Incomes	17	2,232.53	3,218.13
III. Total Revenue (I + II)		270,648.76	471,700.45
IV. Expenses:			
Direct Contract Expenses	18	184,724.01	286,426.29
Purchase of stock-in-trade	19	37,332.43	71,053.74
Employee Benefit Expenses	20	12,025.67	16,084.33
Finance Costs	21	74,659.87	59,804.57
Depreciation and Amortization Expense	9, 9A	13,220.46	11,177.95
Other Expenses	22	4,462.45	5,702.36
Total Expenses		326,424.90	450,249.24
V. Profit before Exceptional Items and Tax (III-IV)		(55,776.14)	21,451.21
VI. Exceptional items	27	26,700.64	2,354.68
VII. Profit/ (Loss) before Tax (V - VI)		(82,476.77)	19,096.53
VIII. Tax Expense			
- Current Tax		-	4,688.72
- Deferred Tax		(26,903.81)	5,116.61
- MAT Credit		-	(1,687.43)
- Tax Adjustment for Earlier Years		-	23.22
IX. Profit/ (Loss) for the year (VII-VIII)		(55,572.97)	10,955.41
X. Less Minority Interest		(12.43)	(28.42)
XI. Profit for the period After minority Interest (IX-X)		(55,560.54)	10,983.83
<u>Earnings Per Equity Share</u>	28		
(Equity share of ₹ 2/- each)			
- Basic and Diluted		(30.56)	6.04
Significant Accounting Policies	1		
The accompanying notes (2-34) are an integral part of the financial statements			

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948

Place : Noida

Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
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(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
A. Cash Flow From Operating Activities		
Profit Before Tax	(82,476.77)	19,096.55
(i) Non Cash Adjustments		
Depreciation	13,220.46	11,177.95
Impairment of fixed assets	13,211.04	-
Loss/(Profit) on sale of fixed assets	25.18	(44.60)
Provision for dimunition in the value of investments	(205.73)	410.20
Interest Income	(900.04)	(1,290.76)
Loss/(Profit) on sale of investments	-	(20.32)
Share in Loss/ (Profit of Associates)	(5.88)	(376.45)
Finance Costs	74,659.87	59,804.57
Income From Joint Ventures	(63.64)	-
Operating Profit before working capital changes	17,464.49	88,757.13
(ii) Changes in working capital		
Increase/ (Decrease) in trade payables	14,174.67	3,815.23
Increase/ (Decrease) in long-term provisions	(44.17)	69.51
Increase/ (Decrease) in other-current liabilities	37,860.63	15,936.61
(Decrease)/ Increase in trade receivables	(105,756.71)	(64,328.30)
(Decrease)/ Increase in inventories	15,370.23	(15,854.23)
(Decrease)/ Increase in long-term loans and advances	(30,540.70)	23,841.61
(Decrease)/ Increase in short-term loans and advances	(26,084.59)	(36,343.88)
(Decrease)/ Increase in other-current assets	577.29	(402.10)
	(94,443.43)	(73,265.55)
Cash generated in operations (i+ii)	(76,978.94)	15,491.58
Direct Taxes Paid	-	(4,808.08)
Net Cash Flow/ (Cash used in) operating activities	(76,978.94)	10,683.50
B. Cash Flow From Investing Activities		
Purchase of fixed assets	(19,706.24)	(36,441.24)
Capital Work-in-progress	(57,827.04)	(93,306.50)
Proceeds from sale of fixed assets	25.49	622.59
Proceeds from non current investments	-	241.15
Purchase of non-current investments	15.66	-
Interest Income	900.04	1,290.76
	(76,592.08)	(127,593.24)
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings	239,216.25	120,006.13
Repayment of FCCB including premium	-	-
Increase/ (Decrease) in minority interest	11.88	(22.63)
Increase/ (Decrease) in foreign currency translation reserve	(76.93)	-
Proceeds from short-term borrowings	(18,711.21)	34,288.79
Finance cost	(74,659.87)	(59,804.57)
Dividend Paid	-	(727.31)
Corporate Dividend Tax Paid	-	(117.99)
	145,780.11	93,622.42
Net Increase in Cash and Cash Equivalents (A+B+C)	(7,790.91)	(23,287.32)
Cash and Cash Equivalents at the beginning of the year	16,479.56	39,766.88
Cash and Cash Equivalents at the end of the year	8,688.65	16,479.56

Note : 1. The above cash flow statement has been prepared under "The Indirect Method" as stated in Accounting Standard -3
2. Cash and cash equivalents include ₹ 15.26 Lacs (PY ₹ 19.93 Lacs) of unclaimed dividend not available for use with the Company

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948
Place : Noida
Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

Kapil Kumar
(Company Secretary)
(FCS-6541)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

1A. Principles of consolidated financial statements

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

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

1B. Significant Accounting Policies

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

a. Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and relevant provisions of the Act/2013 Act as applicable.

b. Revenue Recognition

- (i) Revenue from contracts is recognised on the percentage of completion method based on billing schedules agreed with the client on a progressive completion basis. Material & resources supplied by client are included as cost of construction and as revenue at market price. Price escalation claims and additional claims including those under arbitration are recognised as revenue when they are reasonable ascertained.
- (ii) Revenue from sale of goods is recognized when all significant risks and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are net of return and exclusive of value added tax.
- (iii) Income from wind energy and equipments hiring and management are recognized on accrual basis.
- (iv) Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain
- (v) Revenue from real estate project is recognised on "percentage of completion method" of accounting. Revenue is recognised on the basis of percentage of actual costs incurred thereon, including land and total estimated construction and development cost projects under execution subject to such actual costs being 30 percent or more of the total estimated cost. The estimates of saleable area and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period of such changes are determined. However, when the total project cost is estimated to exceed total revenues from the projects, the loss is recognised immediately.
- (vi) Accounting for Joint Venture Contracts
 - Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the company as that of each independent contract to the extent of work is executed by the company.
 - In respect of contracts executed in Integrated Joint Venture under profit sharing arrangement (assessed as AOP under Income Tax laws), the services rendered to the joint venture are accounted as income on the accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the joint venture is reflected as investments, loans & advances or current liabilities.

c. Fixed Assets

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

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

d. Depreciation

Depreciation is provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/disposals during the year is provided for on pro-rata basis. However, in respect of Tunnel Boring Machines (TBM), the depreciation is provided @ 25% in line with their estimated useful life. Further, after impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

e. Capital Work In-Progress

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

f. Borrowing Cost

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

g. Investments

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

h. Inventories

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

i. Foreign Exchange Transactions

Initial Recognition

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

Conversion

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

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

j. Employee Benefits

(i) Contribution to Provident Fund, a defined contribution plan, is accounted for on accrual basis. The Company continues to make contributions to provident fund plan administered by the Government of India.

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

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

k. Taxes On Income

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

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

l. Extraordinary and exceptional items

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

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

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
2. SHARE CAPITAL		
Authorised Capital		
- 300,000,000 (Previous Year 300,000,000) Equity Shares of ₹ 2/- each	6,000.00	6,000.00
Issued, Subscribed & Paid up Capital		
- 18,18,27,640 (Previous year : 18,18,27,640) Equity Shares of ₹ 2/- each fully paid up.	3,636.55	3,636.55
Total	3,636.55	3,636.55
a. Reconciliation of Equity Shares Outstanding at the beginning and at the end of the year		
At the Beginning of the year	181,827,640	181,827,640
Add: Allotted during the Year	-	-
Outstanding at the end of the year	181,827,640	181,827,640
b. Terms/ Rights of equity shareholders		
The company has only one class of equity share having a par value of ₹ 2 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.		
c. List of Equity Shares held by each shareholder holding more than 5% shares:		
Era Housing & Developers (India) Limited		
- No of shares	41,143,772	42,764,114
- Percentage of holding	22.63%	23.52%
Hi Point Investment and Finance Private Limited		
- No of shares	33,332,958	33,925,163
- Percentage of holding	18.33%	18.66%
As per records of the company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.		

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
d. For the period of five years immediately preceding the date at which balance sheet is prepared		
- Aggregate number of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-
- Aggregate number of shares bought back	-	-
3. RESERVES AND SURPLUS		
(a) Securities Premium Account		
As per last Balance Sheet	68,946.00	68,946.00
Add: Addition during the year	-	-
Less: Premium on FCCBs Redemption	-	-
Total (a)	68,946.00	68,946.00
(b) Debenture Redemption Reserve		
As per last Balance Sheet	4,845.00	4,535.00
Add: Transfer from Profit & Loss Account	-	310.00
Total (b)	4,845.00	4,845.00
(c) General Reserve		
As per last Balance Sheet	13,028.76	11,346.01
Add: Transfer from Profit & Loss Account	-	1,682.75
Total (c)	13,028.76	13,028.76
(d) Profit & Loss Account		
As per last Balance Sheet	96,019.89	87,874.10
Profit for the year	(55,560.54)	10,983.84
<i>Less: Appropriations</i>		
- Proposed Dividend	727.31	(727.31)
- Corporate Dividend Tax	117.99	(117.99)
- Transfer to General Reserve	-	(1,682.75)
- Transfer to Debenture Redemption Reserve	-	(310.00)
Total (d)	41,304.65	96,019.88
(e) Foreign Currency Translation Reserve		
As per last Balance Sheet	(5.47)	(1.48)
Addition during the year	(76.93)	(3.99)
Total (e)	(82.40)	(5.47)
Total Reserves and Surplus (a+b+c+d+e)	128,042.00	182,834.17

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
4. BORROWINGS (Refer Note 4.1)		
Considered secured unless stated otherwise		
A. Long term borrowings		
(a) Term Loans		
- From banks/ Others	365,461.76	308,677.93
- From banks (unsecured)	-	4,286.00
(b) Equipment Finance		
- From banks/ Others	11,403.08	16,047.09
(c) Other Loans & Advances (from other parties) (unsecured)	203.07	324.80
(d) Inter Corporate Deposits (Promoter's Contribution)-From Related Parties	3,045.00	-
Inter Corporate Deposits (Promoter's Contribution)-From Others	17,632.62	-
(e) External Commercial Borrowing	46,382.45	49,616.59
(f) Non-Convertible Debentures	26,600.00	26,600.00
(g) Working Capital Term Loan	113,743.13	-
(h) Funded Interest Term Loan From Banks	31,734.64	-
Total (i)	616,205.75	405,552.41
Less: Current maturities of above borrowings (shown as a part of other current liabilities)		
(a) Term Loan from Banks	14,346.82	30,185.13
(b) Equipment Finance	5,027.72	6,868.96
(c) External Commercial Borrowing	499.21	4082.57
(d) Non-Convertible Debentures	-	7,300.00
Total (ii)	19,873.75	48,436.66
Net long-term borrowings (i)- (ii) (A)	596,332.00	357,115.75
B. Short term borrowings		
Buyers' Credit From Banks	5,380.64	-
Borrowings From banks	185,831.59	211,459.33
From Others (Unsecured)	1,053.89	1,053.89
Bill Discounting Facility from others (unsecured)	1,535.89	-
Total Short Term Borrowings (B)	193,802.01	212,513.22
Total borrowings (A(i)+B)	810,007.76	618,065.63
Aggregate amount of		
Secured Loans	786,537.30	612,400.94
Unsecured Loans	23,470.46	5,664.69
Amount shown in other current liabilities (Refer Note No 8)	(19,873.75)	(48,436.66)
	790,134.00	569,628.96

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

4.1. The Holding Company executed the Master Restructuring Agreement (MRA)/other definitive documents on March 29, 2014 with the lender banks (except in case of 7 lender banks), consequent to the approval from Corporate Restructuring Empowered Group (CDREG) to restructure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme")

Under the CDR scheme, the Holding Company is entitled to reliefs and concessions granted by the lender banks, with effect from July 1, 2013 ("the cut off date"). Also as a part of the CDR scheme, the promoters were required to contribute funds in accordance with the letter of approval ("LOA"). As a consequence, the Company received contribution from its promoters on various dates. The same has been treated as interest free unsecured loan not repayable during the tenure of the implementation package and convertible into equity/preference shares at the option of the Company.

Considering MRA have been signed by all the lender banks (except 7nos lender banks as explained above) and Company has complied with all the necessary conditions precedent, the monitoring institution in the joint lender meeting held on March 29, 2014, declared the CDR package as implemented, as per RBI guidelines. Accordingly, the Company accounted for CDR scheme (reclassification and interest calculations) in the books for the year ended March 31, 2014 as follows,

- (i) A certain portion of the Existing Working Capital Facility (Fund Based and Non Fund Based), cumulating to ₹ 1,51,941 Lacs have been converted into a Working Capital Term Loan (WCTL)
- (ii) The Company has been entitled to fund based working capital limits of ₹ 1,58,973 Lacs. The rate of interest and security terms have been given below
- (iii) The term loan, ECB and NCD debt of the Company, as on the cut off date (i.e. July 1, 2013), have been restructured. The repayment schedule, rate of interest and security terms have been given below
- (iv) The aggregate amount of interest on (a) the restructured TL, the restructured WCTL, the restructured ECB and the restructured NCD for a period of two years from the cut off date; and (b) on the working capital limits for a period of one year from the Cut off date shall be converted into FITL. The repayment schedule, rate of interest and security terms have been given below
- (v) The Company would also be granted a priority term loan of ₹ 12,005 lacs subject to fulfilment of certain conditions.
- (vi) The documentation relating to the creation of security for the implementation of the CDR scheme is yet to be completed.

C. Terms of security of borrowings

a) Long-term borrowings

Era Infra Engineering Limited

The above loans are secured vide a first charge by way of mortgage of the Company's immovable properties and hypothecation of movable fixed assets (both present and future) of the Company except exclusively charged assets. These are further secured by way of a second charge on hypothecation and/or pledge of current assets (both present and future) of the Company including all receivables, finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivables.

These loans are further secured by

- (i) Personal Guarantee of Mr Hem Singh Bharana in favour of the Security trustee acting for the benefit of all the CDR lenders.
- (ii) First charge by way of mortgage on properties held by third parties.
- (iii) 100% pledge of shareholding of Promoters/ Promoter Group within stipulated time given by CDR-EG.
- (iv) Residual charge over properties in the name of promoters of the Company which are being developed by Adel Landmark Limited
- (v) Residual charge over the properties owned and charged to the lenders of Era Infrastructure (India) Limited

Term Loans

Era T&D Limited

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

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

Term loans in Companies are secured by way of first pari-passu charge on all assets both present and future excluding the project assets as defined in the concession agreement and are further secured by : first pari-passu charge on the Escrow account, pledge of 51% equity shares held by the M/s Era Infra Engineering Ltd. and personal guarantees of Mr. H.S.Bharana, Chairman & Managing Director of Era Infra Engineering Limited. In Bareilly Highways Project Limited these are further secured by equitable mortgage of borrower's land situated at district Raigarh in the state of Maharashtra.

Equipment Finance

Era Infra Engineering Limited

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

External Commercial Borrowings

Dehradun Highways Project Limited

External Commercial Borrowings (ECB) are secured by way of a first pari passu charge by way of hypothecation of Escrow Account. A first pari passu charge by way of hypothecation/assignment of rights, title, claims and demands of the Borrower under project Agreement i.e. Concession Agreement, Substitution Agreement, construction contract and operation contract, if any to the

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

extent in accordance with the provisions of Substitution Agreement. Pledge of 51% equity shares held by the M/s Era Infra Engineering Ltd. in the Company. Further secured by Irrevocable and unconditional guarantee of Shri H. S. Bharana, Chairman & Managing Director of Era Infra Engineering Limited.

Other loans and advances

Era Infra Engineering Limited

Other loans and advances are secured against pledge of keyman insurance policies of the promoters

Inter Corporate Deposits (Promoter's Contribution)

Era Infra Engineering Limited

Inter Corporate Deposits (Promoters' Contribution) carry no interest and are not repayable during the currency of CDR package. These loans are convertible into fully paid up Equity Shares/ Preference Shares at the option of the Company at a price determined in accordance with the applicable laws on the date of conversion.

b) Short-Term Borrowings

Era Infra Engineering Limited

Short term borrowings from banks are secured by first charge by way of hypothecation and/or pledge of current assets (both present and future) of the Company including all receivables, finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivables. These are further secured by way of second charge on mortgage of the Company's immovable properties and hypothecation of movable fixed assets (both present and future) of the Company except exclusively charged assets

These loans are further secured by

- (i) Personal Guarantee of Mr. Hem Singh Bharana in favour of the Security trustee acting for the benefit of all the CDR lenders.
- (ii) First charge by way of mortgage on properties held by third parties.
- (iii) 100% pledge of shareholding of Promoters/ Promoter Group within stipulated time given by CDR-EG
- (iv) Residual charge over properties in the name of promoters of the Company which are being developed by Adel Landmark Limited
- (v) Residual charge over the properties owned and charged to the lenders of Era Infrastructure (India) Limited

D. Maturity Profile and Rate of Interest of Borrowings is set out as below

Era Infra Engineering Limited

Repayment Pattern

	2015-16	2016-17	2017-18	2018-19 & Beyond
Term Loans (TL)	6%	9%	9%	76%
External Commercial Borrowing (ECB)	6%	9%	9%	76%
Non-Convertible Debentures (NCD)	6%	9%	9%	76%
Working Capital Term Loan (WCTL)	6%	9%	9%	76%
Funded Interest Term Loan From Banks (FITL)	6%	9%	9%	76%

Interest Terms

(rate of interest p.a.)

	Term Loans (TL)	External Commercial Borrowing (ECB)	Working Capital Term Loan (WCTL)	Funded Interest Term Loan From Banks (FITL)
01-07-2013 to 31-03-2016	10.50%	10.50%	10.50%	10.50%
01-04-2016 to 31-03-2018	11.00%	11.00%	11.00%	11.00%
01-04-2018 to 31-03-2023	11.50%	11.50%	11.50%	11.50%

Repayment pattern of equipment finance is given as under

	2015-16	2016-17	2017-18	2018-19 & Beyond
	4,679.72	1,011.97	701.34	-

Other Companies

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

(Amount ₹ Lacs)

	2015-16	2016-17	2017-18	2018-19 & Beyond
Term Loans	17,230.12	17,432.26	13,310.17	132,397.83
External Commercial Borrowings	499.21	528.57	587.30	11,525.00

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
5. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liabilities		
Timing difference in depreciable assets	24,505.33	27,190.80
(b) Deferred tax assets		
Provision for Retirement Benefits	226.71	249.62
Others	24,278.61	37.37
Net deferred liabilities (a-b)*	-	26,903.81
<p>* As a matter of prudence during the year company has provided deferred tax assets up the limit of brought forward amount of deferred tax liabilities.</p>		
6. PROVISIONS		
A. Long term		
Provision for Employee Benefits	726.75	770.92
	726.75	770.92
B. Short term		
Provision for Tax (Net of Prepaid Tax)	-	2,822.54
Proposed Dividend	-	727.31
Corporate Dividend Tax	-	117.99
	-	3,667.84
Total provisions A+B	726.75	4,438.76
7. TRADE PAYABLES		
Outstanding to Micro, Small & Medium Enterprises*	-	-
Outstanding to Others	56,664.97	42,490.30
Total	56,664.97	42,490.30

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

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
8. OTHER CURRENT LIABILITIES		
Current maturities of long term debts (Refer Note No 4)	19,873.75	48,436.66
Unclaimed Dividends	15.26	19.93
Mobilisation Advances from Clients	62,683.24	2,861.72
Bank Reconciliation Overdraft	2,308.71	6,114.70
Payable to related parties	225.79	49.48
Interest accrued but not due	7,652.65	4,000.44
Interest accrued and due	5,671.44	-
Other Payables *	21,467.93	17,732.67
Total	119,898.77	79,215.60

*Includes statutory and other dues

9. TANGIBLE ASSETS

(₹ in Lacs)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
		Cost as at 1st April, 2013	Additions during the year	Sold/ Adjustment during the year	Total as at 31st March, 2014	Upto 1st April, 2013	For the year	Adjusted during the year	Upto 31st March, 2014	Impairment Recognised	Written down value as at 31st March, 2014	Written down value as at 31st March, 2013
1	Land	628.44	-	-	628.44	-	-	-	-	-	628.44	628.44
2	Leasehold Land	211.67	-	-	211.67	17.01	3.03	-	20.03	-	191.64	194.66
3	Factory Building	1,500.86	-	-	1,500.86	104.48	50.13	-	154.61	0.11	1,346.14	1,396.38
4	Plant & Machinery	226,496.04	19,527.31	-	246,023.35	40,787.97	12,624.13	-	53,412.10	13,024.00	179,587.45	185,708.07
5	Tractor/ Trucks	228.86	-	-	228.86	100.74	15.82	-	116.56	5.13	107.18	128.13
6	Furniture & Fixture	441.29	31.16	-	472.45	134.20	29.09	-	163.29	3.19	305.97	307.09
7	Office Equipments	409.21	18.72	-	427.93	91.98	23.31	-	115.29	20.36	292.28	317.23
8	Vehicles	1,082.13	53.47	97.45	1,038.16	358.70	90.31	47.04	401.98	65.77	570.41	723.43
9	Data Processing Machines	706.63	1.18	0.28	707.53	531.29	111.72	0.01	643.00	18.11	46.42	175.34
10	Wind Turbine Generators	4,990.52	-	-	4,990.52	1,649.49	263.50	-	1,912.99	-	3,077.53	3,341.03
	TOTAL (A)	236,695.66	19,631.84	97.73	256,229.77	43,775.86	13,211.04	47.05	56,939.85	13,136.67	186,153.45	192,919.88

9A. TANGIBLE ASSETS

(₹ in Lacs)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
		Cost as at 1st April, 2013	Additions during the year	Sold/ Adjustment during the year	Total as at 31st March, 2014	Upto 1st April, 2013	For the year	Adjusted during the year	Upto 31st March, 2014	Impairment Recognised	Written down value as at 31st March, 2014	Written down value as at 31st March, 2013
1	Goodwill	47.11	-	-	47.11	28.27	9.42	(0.09)	37.78	-	9.33	18.84
	TOTAL (B)	47.11	-	-	47.11	28.27	9.42	(0.09)	37.78	-	9.33	18.84
	TOTAL (A+B)	236,742.77	19,631.84	97.73	256,276.88	43,804.13	13,220.46	46.96	56,977.63	13,136.67	186,162.78	192,938.72
	TOTAL (B)	200,953.02	36,441.24	651.49	236,742.76	32,715.58	11,177.95	89.30	43,804.23	-	192,938.53	168,237.44

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
10. NON CURRENT INVESTMENTS		
A. Trade investments <i>(fully paid up unless otherwise stated)</i>		
(a) <u>Investments in equity instruments (unquoted)</u>		
(i) Associates		
West Haryana Highways Projects Pvt.Ltd. [24,500 shares (PY 24,500 shares)]	2.45	2.45
Gwalior Bypass Project Ltd. [19,500 shares (PY 19,500 shares)]	11.39	11.39
Hyderabad Ring Road Project Private Limited [11,720 shares (PY 11,720 shares)]	1.17	1.17
Era Buildsys Ltd.* [Nil shares (PY 24,07,000 shares)]	-	3,246.54
SPA Group Era India Algeria [35,000 shares (PY 35,000 shares)]	68.81	68.81
Era Energy Limited [15,000 shares (PY 15,000 shares)]	1.50	1.50
	85.32	3,331.86
Less Provision for dimunition in the value of investment	72.19	3.37
	13.13	3,328.48
* Now merged with Era Buildsys Limited (Formerly known as Era E-zone India Limited) a listed entity.		
(b) <u>Investment in equity instruments (Quoted)</u>		
Era Buildsys Ltd. (Formerly known as Era E-Zone (India) Ltd [141,31,870 shares (PY 11,10,000 shares)]	3,806.22	554.50
Less: Provision for diminution in the value of investments Era Buildsys Ltd. (Formerly known as Era E-Zone (India) Ltd	135.66	410.20
	3,670.56	144.30
(c) <u>Investment in preference instruments (Unquoted)</u>		
West Haryana Highways Projects Pvt.Ltd. [24,41,000 shares (PY 24,41,000) shares]]	14,646.00	14,646.00
Gwalior Bypass Project Ltd. [22,99,510 shares (PY 22,99,510 shares)]	9,198.04	9,198.04
Hyderabad Ring Road Project Private Limited [21,49,902 shares (PY 21,49,902 shares)]	8,599.61	8,599.61
	32,443.65	32,443.65
(d) <u>Share in joint ventures (including accumulated profits)</u>		
Era Patel Advance Joint Venture	12.86	15.34
Era Patel Advance Kiran Joint Venture	52.62	56.58
Rani Era Joint Venture	5.00	5.07
Induni Era Joint Venture	29.69	29.69
KMB Era Joint Venture	145.08	146.72
Era Infra Joint Venture	27.29	27.39
Era Infra Buildsys Joint Venture	70.94	44.06
Metrostroy Era Joint Venture	55.02	28.48
Era Infra ARK Vidyut Joint Venture	2.09	0.45
Era Ranken Joint Venture	1.71	-
Transglobal Era Joint Venture	0.15	-
	402.45	353.78
(e) <u>Other Trade Investments (Unquoted)</u>		
- Axis Infrastructure Fund 1	516.98	516.98
	516.98	516.98
Total trade investments (a+b+c+d+e)	37,046.77	36,787.19
The aggregate book value and market value of quoted investments and book value of unquoted investments are as follows:		
Quoted Investments		
Aggregate book value	3,670.56	144.30
Aggregate market value	1,622.34	144.30
Aggregate book value of unquoted investments	32,973.76	36,289.11
Aggregate book value of Investment in Joint Ventures	402.45	353.78

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
11. LOANS AND ADVANCES		
(unsecured, considered good unless otherwise stated)		
A. Long term		
Capital Advances	40,416.00	9,820.37
Security Deposits	2,911.09	3,067.64
Loans and advances to Related parties	81.48	81.48
Loans and advances to Others	101.62	-
	43,510.19	12,969.49
B. Short term		
Loans and advances*		
- To Related Parties (Advances)	19,084.10	22,499.25
- Others	113,403.71	83,903.97
	132,487.81	106,403.22
<i>Less: Provision for doubtful advances</i>	-	-
Net Short term loans and advances	132,487.81	106,403.22
Total loans and advances (A+B)	175,998.00	119,372.71
(* includes advances recoverable in cash or in kind for value to be received)		
12. INVENTORIES		
(valued at cost or net realisable value whichever is lower)		
Materials In hand	59,028.02	68,091.45
Work-in-Progress	84,707.36	90,407.43
Stores and Spares	2,288.76	2,444.37
Materials in Transit	5.36	522.60
Finished Goods and Scrap	147.36	81.24
Total	146,176.86	161,547.09
13. TRADE RECEIVABLES		
(Unsecured, Considered Good unless stated otherwise)		
<i>Outstanding for a period exceeding six months from the date on which they are due for payment</i>		
- Considered Good	239,233.49	19,667.60
- Considered Doubtful	9,033.00	-
	248,266.49	19,667.60
Less Provision for Doubtful Debts	9,033.00	-
	239,233.49	19,667.60
Others	80,447.96	194,257.14
Total	319,681.45	213,924.74
Amounts due by private companies in which any Director is a member or Director		
Trade receivables	-	53,296.83
Loans and advances	-	-
Total	-	53,296.83

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
14. CASH AND BANK BALANCES		
(a) Cash and cash equivalents		
Cash on Hand	401.61	308.91
Foreign Currency in Hand	3.61	2.75
Balance with banks current accounts	1,682.13	2,992.75
Cheques in Hand	-	32.58
Fixed Deposit Accounts *	6,586.04	13,122.64
Unclaimed Dividend Account**	15.26	19.93
Total cash and bank balances	8,688.65	16,479.56
* Include FDR's pledged with banks / government authorities.		
** Year wise break up of unclaimed dividend yet not due for deposit in Investor Education and Protection Fund is as under		
Dividend Declared for Financial Year		
2004-05	-	-
2005-06	-	4.67
2006-07	3.21	3.21
2007-08	2.53	2.53
2008-09	2.65	2.65
2009-10	2.09	2.09
2010-11	2.58	2.58
2011-12	2.20	2.20
	15.26	19.93
15. OTHER CURRENT ASSETS		
MAT Credit Entitlement	1,692.45	1,692.45
Interest Receivable	341.88	910.52
Others	233.95	280.41
Total	2,306.18	2,883.38
		(₹ in Lacs)
Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
16. REVENUE FROM OPERATIONS		
(i) Contract Revenue	211,831.24	386,389.41
(ii) Equipment Hiring & Management	5,963.67	10,624.58
(iii) Job Work	897.13	457.68
(iii) Ready Mix Concrete	-	9.60
(iv) Wind Energy	621.52	627.59
(v) Trading Sales		
- Construction Materials	48,749.34	69,260.51
(vi) Transmission line towers	422.08	1,264.33
	268,484.97	468,633.70
Less: Excise Duty	68.75	151.38
Total	268,416.23	468,482.32

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
17. OTHER INCOMES		
Interest Income		
- Banks	899.49	1,288.36
- Other Interest	0.55	2.40
Profit on Sale of Long Term Investments	-	20.32
Profit on sale of fixed assets	-	44.60
Income From Joint Venture	63.64	93.44
Miscellaneous Income	1,262.97	1,486.00
Profit of Associate Companies	5.88	283.01
Total	2,232.53	3,218.13
18. DIRECT CONTRACT EXPENSES		
Direct Project Expenses	174,688.69	286,490.73
(Increase)/Decrease in Stock	5,633.95	(8,783.53)
Service Tax	1,738.30	1,603.22
Works Contract Tax	2,663.06	7,115.87
Total	184,724.01	286,426.29
19. PURCHASE OF TRADED GOODS		
Trading Purchases		
- Construction Materials	37,332.43	71,053.74
Total	37,332.43	71,053.74
20. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus & Allowances	11,020.38	14,615.49
Directors' Remuneration	416.37	377.79
Contribution to Provident & Other Funds	339.78	780.60
Staff Welfare	249.14	310.45
Total	12,025.67	16,084.33
21. FINANCE COSTS		
Bank Charges & Commission	4,342.73	3,491.35
Interest	70,317.14	56,313.22
Total	74,659.87	59,804.57

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
22. OTHER EXPENSES		
Printing & Stationery	114.46	173.08
Rent	248.18	377.65
Travelling & Conveyance	732.06	990.22
Postage, Telegram & Telephones	195.89	259.47
Tender Fee	13.00	15.99
Legal & Professional Charges	1,531.43	1,284.09
Advertisement & Publicity	16.92	30.43
Business Promotion Expenses	54.54	126.45
Vehicle Maintenance	112.23	113.23
Insurance Premium	502.43	692.06
Rates and Taxes	111.10	138.37
Festival Expenses	44.03	75.30
Repair & Maintenance		
- Machinery	413.28	390.35
- Others	118.72	215.16
- Building	-	0.05
Electricity & Water	209.28	241.47
Auditors' Remuneration	17.40	17.12
Charity & Donation	4.95	7.66
Loss on Sale of Fixed Assets	25.18	-
Miscellaneous Expenses	203.09	144.01
Provision for doubtful debts	-	-
Provision for dimunition in the value of investments	(205.73)	410.20
Total	4,462.45	5,702.36

(₹ in Lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
23. CONTINGENT LIABILITIES AND COMMITMENTS		
A. Contingent liabilities		
(a) In respect of claims against the company not acknowledged as debts*		
Sales tax and entry tax matters.	523.16	523.16
Royalty matters	205.82	205.82
Service tax matters	5,982.00	3,535.96
Custom duty matters	651.28	623.68
Labour Welfare Cess	85.61	85.61
Income Tax Matters	385.56	299.66
Other legal cases	2,755.12	344.03
Total	10,588.55	5,617.92
* Appropriate representations have been filed in respect of these matters with the authorities concerned		
(b) Towards banks		
- Corporate guarantees given in favour of banks for loans taken by Subsidiary/ associate companies.	141,523.00	88,971.00
- In respect of guarantees, letters of credit and others (net of margin)	74,253.66	78,903.73
(c) In respect of uncalled capital of subsidiary company	114.19	164.14
Total contingent liabilities (a+b+c)	226,479.41	173,656.79
B. Commitments : Estimated amount of contracts remaining to be executed on capital account (net of advances)	153,679.55	177,627.63

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

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

25. Inter-group turnover and Profits on BOT Construction Contracts

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

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

The revenue and profit in respect of these transaction during the year is ₹ 34,995.32 Lacs (PY ₹ 78,558.67 Lacs) and ₹ 4,917.42 Lacs (PY ₹ 11,038.78 Lacs) respectively.

26. Segment reporting

A. Business segments

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

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

As on 31st March, 2014

(₹ in Lacs)

Sr. Business Segments No.	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading
(i) <u>Segment revenue</u>						
External revenue	268,416.23	211,831.24	621.52	5,963.67	-	49,999.80
Inter-segment revenue	8,488.68	-	-	8,488.68	-	-
Total	276,904.90	211,831.24	621.52	14,452.35	-	49,999.80
(ii) <u>Segment results (Profit/loss)</u>						
Operating profit	12,102.75	2,339.35	264.52	8,385.25	-	1,113.62
Unallocable corporate expenses	(205.73)	-	-	-	-	-
Unallocable corporate income	1,332.49	-	-	-	-	-
Interest expenses	70,317.14	-	-	-	-	-
Interest income	900.04	-	-	-	-	-
Exceptional items	26,700.64	-	-	-	-	-
Income tax expenses	(26,903.81)	-	-	-	-	-
Net profit	(55,572.97)	2,339.35	264.52	8,385.25	-	1,113.62
(iii) <u>Other information</u>						
Segment assets	1,062,116.24	933,928.66	4,752.93	116,221.00	-	7,213.66
Unallocable assets	37,046.77	-	-	-	-	-
Total assets	1,099,163.01	933,928.66	4,752.93	116,221.00	-	7,213.66
Segment liabilities	967,424.51	896,689.58	249.65	65,875.18	-	4,610.09
Capital expenditure	19,631.84	4,424.49	-	15,207.35	-	-
Depreciation	13,220.46	6,702.59	265.52	6,252.35	-	-
Other non-cash expenses	-	-	-	-	-	-

As on 31st March, 2014

(₹ in Lacs)

Sr. Business Segments No.	Total	Contracts	Wind Energy	Equipment Hiring and Management	Ready Mix Concrete	Trading
(i) <u>Segment revenue</u>						
External revenue	436,598.11	363,288.48	620.14	15,186.99	1,311.90	56,190.60
Inter-segment revenue	9,657.10	-	-	8,830.08	827.02	-
Total	446,255.21	363,288.48	620.14	24,017.07	2,138.92	56,190.60
(ii) <u>Segment results (Profit/loss)</u>						
Operating profit	70,387.32	54,768.51	236.68	14,182.55	(252.06)	1,451.64
Unallocable corporate expenses	3.37	-	-	-	-	-
Unallocable corporate income	1,454.48	-	-	-	-	-
Interest expenses	45,191.91	-	-	-	-	-
Interest income	3,188.87	-	-	-	-	-
Extraordinary items	4122.74	-	-	-	-	-
Income tax expenses	10,892.27	-	-	-	-	-
Net profit	14,820.37	54,768.51	236.68	14,182.55	(252.06)	1,451.64
(iii) <u>Other information</u>						
Segment assets	682,921.67	571,186.24	3,796.72	105,208.23	1,462.04	1,268.44
Unallocable assets	37,041.78	-	-	-	-	-
Total assets	719,963.45	571,186.24	3,796.72	105,208.23	1,462.04	1,268.44
Segment liabilities	521,753.52	446,395.01	989.60	73,330.85	644.53	393.53
Capital expenditure	34,157.02	28,697.95	-	5,657.33	(198.26)	-
Depreciation	9,881.02	4,546.41	266.22	4,992.97	75.42	-
Other non-cash expenses	-	-	-	-	-	-

B. Geographical segments

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

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

27. Exceptional items include foreign currency fluctuation of ₹ 4535.65 Lacs (PY 2354.68 Lacs), Bad Debts of ₹ 9033 Lacs (PY Nil) and Impairment of Fixed Assets of ₹ 13,136.67 Lacs (PY Nil)

28. Earning per share (EPS)

Particulars	(₹ in Lacs)	
	As at 31 st March, 2014	As at 31 st March, 2013
<i>The following data has been used for the computation of Earning per share (Basic and Diluted)</i>		
i. Net profit attributable to equity shareholders (₹ in Lacs)	(55,560.54)	10,983.83
ii Weighted average number of equity shares outstanding during the year	181,827,640	181,827,640
iii Basic and Diluted EPS (i/ii) (In ₹)	(30.56)	6.04

29. Related party disclosures

(i) Joint ventures and associates

Era-Patel-Advance-Kiran Joint Venture, Era-Patel-Advance Jont Vneture, Induni-Era Joint Venture, KMB-Era Joint Venture, Rani-Era Joint Venture, Era-Infra Buildsys Joint Venture, Gwalior Bypass Project Limited, Hyderabad Ring Road Project Private Limited, West Haryana Highways Project Private Limited, Era Energy Limited, Era Buildsys Limited, Metrostroy Era Joint Venture, Era Infra Ark Vidhyut Urja Joint Venture, Era Infra Star Delta Joint Venture and Trans Global Era Infra Joint Venture

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

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

(iii) Key management personnel and their relatives

Mr. H.S. Bharana (CMD), Mrs. Rekha Bharana (Wife of CMD), Ms. Rashmi Bharana (D/o CMD), Mr. Vaibhav Bharana (S/o CMD), Mr. Dheeraj Singh (Brother of CMD), Mr. Brij Singh (Brother of CMD), Mr. J.L. Khushu (Whole Time Director) (upto 14-8-2012) and Mr T.D. Arora (Whole Time Director) (from 14-8-2012)

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

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

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

Related party transactions (as at 31-03-2014)				Amount (₹ Lacs)
Particulars	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
- Loans & Advances given	2,799.58			2,799.58
- Advances Received	10,163.46	-	-	10,163.46
- Bill Raised	36,266.04	-	-	36,266.04
- J. V. Income	63.64	-	-	63.64
- Rent, Secretarial & other charges recovered	-	-	-	-
- Materials Supplied	10,949.48	-	-	10,949.48
- Purchase of Materials	1,486.74	-	-	1,486.74
- Contract Expenses Paid	10,729.39	-	-	10,729.39
- Reimbursement of Expenses Received /(Paid)	(8.14)	-	-	(8.14)
- Salary paid	-	219.74	97.95	317.69
- Dividend Paid	-	-	-	-
- Due from (as at year-end)	117,310.77	-	-	117,310.77
- Due to (as at year-end)	13,245.28	139.26	29.22	13,413.76

Related party transactions (as at 31-03-2013)				Amount (₹ Lacs)
Particulars	Joint Ventures & Associates	Individual Owing Significant Shareholding	Other Key Management Personnel	Total
Loans & Advances given	3,387.11	-	-	3,387.11
Advances Received	-	-	-	-
Bill Raised	89,933.04	-	-	89,933.04
J. V. Income	93.44	-	-	93.44
Rent, Secretarial & other Charges Recovered	159.95	-	-	159.95
Purchase of Materials	3,723.21	-	-	3,723.21
Material Supplied	2,124.10	-	-	2,124.10
Reimbursement of Expenses Received/(Paid)	21.28	-	-	21.28
Salary paid	-	216.00	36.41	252.41
Dividend Paid	380.81	51.78	-	432.59
Due from (as at year-end)	83,337.62	-		83,337.62
Due to (as at year-end)	5,949.84	12.05	9.41	5,971.30

Notes forming part of Consolidated Financial Statements as on 31st March, 2014

30. Figures pertaining to the subsidiaries companies have been reclassified wherever necessary to bring them in line with the group financial statements.
31. Bank Guarantees issued by the Company in favour of National Highway Authority of India ₹ 790 Lacs and in favour of Delhi Development Authority amounting to ₹ 686 Lacs have been encashed by the bank after the balance sheet date. The Company has filed suit in hon'ble court against respected authority for retain of projects and recovery of money.
32. Remuneration paid to chairman & managing director is in excess of the limits specified in Schedule XIII of the Companies Act 1956 by ₹ 168 lacs. The company has made an application seeking approval from Central Government, approval for the same is awaited.
33. Company has invested in Era Infrastructure (India) Ltd (EIL), Hyderabad Ring Road Project Limited (HRRPL), Rampur Highway Project Limited and Gwalior Bypass Project Limited (GBPL). The amount of investment by the Company and loans and advances outstanding is set out as below :

	Gwalior Bypass Project Ltd.	Hyderabad Ring Road Project Private Limited
Investment made by the Group (₹ Lacs)	9,199.99	8,600.78
Outstanding Loans and advances (₹ Lacs)	8,436.63	(3,428.03)
Net Worth of the Company as on 31 st March, 2014 (₹ Lacs)	7,396.96	5,216.11

All the above companies except EIL are engaged in the business of building infrastructure on BOT (Build, Operate and Transfer) basis through specific SPVs for each projects . EIL , on the other hand, is a master SPV which has invested along with the Company in these projects. These BOT projects take beyond 10 to 15 years to unlock its true potential. These businesses also generate captive construction contracts to the Company. Therefore the diminution in the value of the investments in the above companies is temporary in nature and the loans and advances given are good and recoverable.

34. Balances of debtors, trade payables and other liabilities are under confirmation and/or reconciliation, Previous year's figures have been regrouped and/ or arranged to confirm to those of current year's figures, wherever necessary.

For and on behalf of the board

Auditor's Report

As per our report of even date attached

For G.C. Sharda & Co.

Chartered Accountants
FRN 500041N

CA Pankaj Jain

Partner
M. No : 505948

Place : Noida

Date : 30th May, 2014

H.S. Bharana
(Chairman & Managing Director)
(DIN 00007018)

Kapil Kumar
(Company Secretary)
(FCS-6541)

T.D.Arora
(Whole Time Director)
(DIN 03024241)

Sanjay Gupta
(Chief Financial Officer)

Annexure “A” - Interest in Subsidiaries, Joint Ventures and Associates

S. No.	Particulars	Country of Incorporation	Percentage of Voting Power as at 31 st March, 2014	Percentage of Voting Power as at 31 st March, 2013
A.	Direct Subsidiary Companies			
1.	Victor Buildwell Private Limited	India	100.00%	100.00%
2.	Era T & D Limited	India	100.00%	100.00%
3.	Era Infrastructure (India) Limited	India	100.00%	100.00%
4.	Dehradun Highways Project Limited	India	74.00%	74.00%
5.	Haridwar Highways Project Limited	India	74.00%	74.00%
6.	Bareilly Highways Project Limited	India	74.00%	74.00%
7.	Bragi Developers Private Limited	India	100.00%	100.00%
8.	Zedek Realtors Private Limited	India	100.00%	100.00%
9.	Paulo Realtech Private Limited	India	100.00%	100.00%
10.	Yarikh Realtors Private Limited	India	100.00%	100.00%
11.	Era Khandwa Power Limited	India	100.00%	100.00%
12.	Golden Annum Holding Limited	Dubai	100.00%	100.00%
13.	Boconero Limited	Cyprus	100.00%	100.00%
14.	Rampur Highways Project Limited	India	74.00%	74.00%
15.	Era and Partners LLC	Oman	60.00%	60.00%
B.	Step Subsidiary Companies			
1.	ARK Transmission & Distribution Limited	India	77.50%	77.50%
2.	ARK Vidhyut Urja Limited	India	77.77%	77.77%
C.	Joint Ventures & Associates			
1.	Era-Patel-Advance-Kiran Joint Venture	India	35.18%	35.18%
2.	Era-Patel-Advance Joint Venture	India	44.00%	44.00%
3.	Induni-Era Joint Venture	India	49.00%	49.00%
4.	KMB-Era Joint Venture (3 Projects, 1 Project)	India	49%, 20%	49%, 20%
5.	Rani - Era Joint Venture	India	40%	40%
6.	Era Infra- Buildsys Joint Venture	India	49.00%	49.00%
7.	Era Infra Joint Venture	India	50.00%	50.00%
8.	Metrostroy Era Joint Venture	India	45.00%	45.00%
9.	Era Infra- ARK Vidhyut Joint Venture	India	50.00%	50.00%
10.	Gwalior Bypass Project Limited	India	39.00%	39.00%
11.	Hyderabad Ring Road Projects Private Limited	India	49.00%	49.00%
12.	West Haryana Highways Projects Private Limited	India	49.00%	49.00%
13.	Era Buildsys Limited	India	29.03%	29.03%
14.	Era Energy Limited	India	15.00%	15.00%

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

CONSOLIDATED FINANCIAL STATEMENT OF ERA INFRA ENGINEERING LIMITED & SUBSIDIARIES

S. No.	Name of the company	Capital	Reserves	Total Assets	Total Liabilities	Details of investments (except in case of subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
A. Direct Subsidiary Companies											
1.	Victor Buildwell Private Limited	1.00	(11.28)	1,044.08	1,054.36	-	-	(0.04)	-	(0.04)	-
2.	Era T & D Limited	1,441.90	108.49	6,201.66	4,651.27	-	1,459.90	(100.05)	(30.61)	(69.45)	-
3.	Era Infrastructure (India) Limited	10,732.83	75,963.95	121,430.56	34,733.78	-	396.76	(5,004.30)	-	(5,004.30)	-
4.	Dehradun Highways Project Limited	2,896.07	11,564.28	67,545.10	53,084.76	-	-	-	-	-	-
5.	Hariwar Highways Project Limited	4,004.00	15,996.00	79,639.56	59,639.56	-	157.03	-	-	-	-
6.	Bareilly Highways Project Limited	4,837.55	19,330.20	90,744.74	66,576.99	-	82.00	-	-	-	-
7.	Bragi Developers Private Limited	9.00	(0.21)	8.90	0.11	-	-	(0.04)	-	(0.04)	-
8.	Zedek Realtors Private Limited	76.00	-	76.67	0.67	-	-	-	-	-	-
9.	Paulo Realtech Private Limited	66.50	-	67.17	0.67	-	-	-	-	-	-
10.	Yanikh Realtors Private Limited	188.90	-	189.57	0.67	-	-	-	-	-	-
11.	Era Khandwa Power Limited	5.00	(0.50)	4.61	0.11	-	-	(0.50)	-	(0.50)	-
12.	Golden Annum Holding Limited	25.03	(37.53)	-	12.50	-	-	(3.86)	-	(3.86)	-
13.	Rampur Highways Project Limited	5.00	-	51.91	46.91	-	-	-	-	-	-
14.	Era and Partners LLC	60.69	(92.41)	4.56	36.27	-	-	(9.97)	-	(9.97)	-
B. Step Subsidiary Companies											
1.	ARK Transmission & Distribution Limited	56.00	(15.02)	120.12	79.14	-	-	(0.31)	-	(0.31)	-
2.	ARK Vidhyut Urja Limited	110.25	90.72	2,341.33	2,140.36	-	874.85	(20.54)	(6.57)	(13.97)	-

(₹ in Lacs)

Forward Looking Statement

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.



Era Infra Engineering Ltd.

1107, Indraprakash Building, 21, Barakhamba Road,
New Delhi-110001
www.eragroup.co.in

ERA INFRA ENGINEERING LIMITED

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Ph: +91 120 4145000; Fax: +91 1204145030
Website: www.eragroup.co.in; email: eiel@eragroup.in
CIN: L74899DL1990PLC041350

NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Section 101 of the Companies Act, 2013)

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA INFRA ENGINEERING LIMITED WILL BE HELD ON SATURDAY, THE 27TH DAY OF SEPTEMBER, 2014 AT 3:30 P.M. AT EXECUTIVE CLUB, 439, VILLAGE SHAHOORPUR P.O. FATEHPUR BERI, NEW DELHI-110074, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:-

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To appoint a director in place of Mr. H.S. Bharana (DIN 00007018), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. G.C. Sharda & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 24th Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, at remuneration to be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:-

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange(s), Mr. Anil Kumar Mehta (DIN 00007057), who was liable to retire by rotation pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from 27th September, 2014 upto 31st March, 2019 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such actions as may be considered necessary to give effect to the aforesaid resolution.”
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange(s), Mr. Shiv Dayal Kapoor (DIN 00043634), who was liable to retire by rotation pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from 27th September, 2014 upto 31st March, 2019 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such actions as may be considered necessary to give effect to the aforesaid resolution.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange(s), Mr. Arvind Pande (DIN 00007067), who was liable to retire by rotation pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from 27th September, 2014 upto 31st March, 2019 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such actions as may be considered necessary to give effect to the aforesaid resolution.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange(s), Mr. Surya Datta Sharma (DIN 00007098), who was liable to retire by rotation pursuant to the provisions of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company with effect from 27th September, 2014 upto 31st March, 2019 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such actions as may be considered necessary to give effect to the aforesaid resolution.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 4, Section 14 and other relevant provisions of the Companies Act, 2013, the existing Articles of Association of the Company (“Articles”) be altered by substitution of following Article 92A as follows:

92A. An individual may be appointed or reappointed to, or hold, the position of Chairperson or Co-Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such acts, deeds and things as may be incidental or ancillary to give effect to the aforesaid resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Section 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of Articles of Association of the Company, and subject to the approval of the Central Government, the approval of the Company be and is hereby accorded for ratifying and approving the remuneration paid to Mr. H.S. Bharana (DIN 00007018), Chairman & Managing Director, during the period from 1st April 2013 to 27th August, 2014, as recommended by the 'Nomination and Remuneration Committee' of not exceeding ₹ 18,00,000 per month (including salary & other perquisite).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such acts, deeds and things as may be incidental or ancillary to give effect to the aforesaid resolution."

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

"RESOLVED THAT subject to the approval of Central Government in this regard and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment & remuneration of Mr. H.S. Bharana (DIN 00007018) as a Chairman & Managing Director of the Company, for a tenure of three years effective from August 28, 2014, on a remuneration, i.e. salary & other perquisites together of not exceeding ₹ 18,00,000 per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such acts, deeds and things as may be incidental or ancillary to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Section 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of Articles of Association of the Company, and subject to the approval of the Central Government, the approval of the Company be and is hereby accorded for ratifying and approving the remuneration paid to Mr. Tulsi Dass Arora (DIN 03024241), Whole Time Director, during the period from 1st April 2013 to 13th August, 2014, as recommended by the 'Nomination and Remuneration Committee' of not exceeding ₹ 10,00,000 per month (including salary & other perquisite).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such acts, deeds and things as may be incidental or ancillary to give effect to the aforesaid resolution."

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

"RESOLVED THAT subject to the approval of Central Government in this regard and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment & remuneration of Mr. Tulsi Dass Arora (DIN 03024241) as a Whole Time Director of the Company, for a tenure of three years effective from August 14, 2014, on a remuneration, i.e. salary & other perquisites together of not exceeding ₹ 10,00,000 per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such acts, deeds and things as may be incidental or ancillary to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Companies (Meeting of its Board and Its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the company or its subsidiary or associate Company or any other transaction of whatever nature with related parties with effect from 01st April, 2014 upto the maximum per annum amounts as appended below:

(₹ In Cr.)

Maximum Value of Contract/Transaction (Per Annum) W.E.F. 01 st April, 2014					
Related Parties	Transaction defined u/s 188(1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services; appointment of any agent for purchase or sale of goods, materials, services or property	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company
(1) Associate Companies					
Era Buildsys Limited	90	—	—	150	—
Gwalior Bypass Project Limited	—	—	—	40	—
Hyderabad Ring Road Project Private Limited	—	—	—	90	—
West Haryana Highways Project Private Limited	—	—	—	80	—

Maximum Value of Contract/Transaction (Per Annum) W.E.F. 01 st April, 2014					
Related Parties	Transaction defined u/s 188(1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services; appointment of any agent for purchase or sale of goods, materials, services or property	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company
(2) Subsidiaries/Step Subsidiaries					
Era T&D Limited	10	—	—	2	—
ARK VidhyutUrja Limited	4	—	—	3	—
ARK Transmission & Distribution Limited	—	—	—	—	—
Dehradun Highways Project Limited	—	—	—	250	—
Haridwar Highways Project Limited	—	—	—	150	—
Bareilly Highways Project Limited	—	—	—	350	—

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

By the Order of the Board
For Era Infra Engineering Limited

Kapil Kumar
Company Secretary

Noida, August 14, 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution/ Power of Attorney, authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to intimate their queries, if any, relating to the accounts at least seven days in advance of the Meeting so that the information can be made readily available and furnished at the meeting.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out all material facts in respect of special businesses from item no. 4 to 13 of the Notice is attached.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. The Members are requested to notify any change of address to (i) The depository participant in respect of their Demat account and (ii) The Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi-110062 in respect of their physical shares. Members are also requested to quote ledger folio no. or DP ID & Client ID in their correspondences.
8. PURSUANT TO THE PROVISIONS OF ERSTWHILE SECTION 205A (5) OF THE COMPANIES ACT, 1956, DIVIDEND FOR THE FINANCIAL YEAR ENDED 31-03-2007 AND THEREAFTER WHICH REMAIN UNCLAIMED FOR A PERIOD OF 7 YEARS WILL BE TRANSFERRED BY THE COMPANY TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ESTABLISHED BY THE CENTRAL GOVERNMENT. MEMBERS WHO HAVE NOT SO FAR ENCASHED THEIR DIVIDEND WARRANTS FOR THE FINANCIAL YEAR ENDED 31-03-2007 OR ANY SUBSEQUENT FINANCIAL YEARS ARE REQUESTED TO APPROACH THE COMPANY FOR OBTAINING FRESH INSTRUMENT(S) IN LIEU OF EXPIRED DIVIDEND WARRANT(S). IT MAY ALSO BE NOTED THAT ONCE THE UNCLAIMED DIVIDEND IS TRANSFERRED TO THE SAID FUND, AS ABOVE, NO CLAIM SHALL LIE AGAINST THE COMPANY OR THE FUND IN RESPECT THEREOF. MEMBERS WHO HAVE NOT YET ENCASHED THEIR DIVIDEND WARRANT(S) FOR THE FINANCIAL YEAR 2006-07 ARE REQUESTED TO MAKE THEIR CLAIMS WITHOUT ANY FURTHER DELAY TO THE COMPANY'S REGISTRAR AND TRANSFER AGENT, M/S BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED.

MEMBERS MAY PLEASE NOTE THAT NO CLAIM WILL LIE AGAINST IEPF OR THE COMPANY WITH RESPECT TO DIVIDEND DECLARED FOR THE FINANCIAL YEAR 2006-07, ON OR AFTER 04TH NOVEMBER, 2014.

11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
12. All documents as are mentioned either in Notice containing draft resolution or in explanatory statement attached to the Notice are open for inspection at the Registered Office during the business hours on all working days up to the date of this Annual General Meeting.
13. Instructions for e-voting:

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "ERA INFRA ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for ERA INFRA ENGINEERING LIMITED on which you choose to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (xviii) The voting period begins on Monday, 22nd September, 2014 from 9:30 a.m. and ends on Tuesday, 23rd September, 2014 till 5:30 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Ms. Pooja Anand, Practicing Company Secretary (FCS No. 7032 CP No. 5450) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and forwarded the same forthwith to the Chairman of the Company.
- (xxii) At the Annual General Meeting, members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the meeting.
- (xxiii) Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 24th AGM scheduled to be held on Saturday, 27th September, 2014. The results of voting on the resolutions set out in the Notice shall be declared on or after the meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.eragroup.co.in and on the website of CDSL, within two days of passing of the resolutions at the 24th AGM and the results shall also be communicated to the Stock Exchanges.

14. Details of Directors as required under clause-49 of the Listing Agreement are given as under:

Name of Directors	H.S. Bharana (DIN 00007018)	T.D. Arora (DIN 03024241)	Anil Kumar Mehta (DIN 00007057)	S.D. Sharma (DIN 00007098)	S.D. Kapoor (DIN 00043634)	Arvind Pande (DIN 00007067)
Date of Birth	20.09.1959	03.08.1967	18.12.1949	08.07.1939	01.08.1946	07.09.1942
Date of Appointment	03.09.1990	14.08.2012	20.08.1994	28.05.2005	01.12.2007	19.03.2005
Expertise in Specific Areas	Mr. H S Bharana has more than two decades of experience in the field of infrastructure industry	Mr. Tuls Dass Arora is vastly experienced in the field of Engineering & Construction Industry. In his two decades of Association with the Company, he has been instrumental in planning schedule for implementation of various projects and ensuring effective execution of the same	Mr. A K Mehta is having 44 years of experience in management & Administration. He has rich experience in handling administrative, financial and other related matters of various companies and has a good command over these functions.	Mr. S.D. Sharma, OSD/ Member Engineering Railway Board has 44 years of experience in executing Railway Projects in India & Abroad involving Construction of New Lines, Gauge Constructions, Yard Remodeling, Bridges, Multistory Building. He held Senior Positions in Northern Railway, PSUs and Railway Board (Ministry of Railways).	Mr. S. D. Kapoor is having more than 30 years of experience in various fields. He also served as a Chairman of MMTC Ltd and Neelachal Ispat Nigam Limited.	Mr. Arvind Pande is having 40 years of experience in management and administration. He has rich experience in handling administrative, financial and other related matters.
Qualifications	Civil Engineer	M.Tech & MBA	Pre Engineering	B. Tech in Civil Engineering. Masters in Structural Engineering. Fellow member of the Institution of Engineers and Institution of Permanent Way Engineers (India) and is Fellow member of Arbitration Council of India.	MBA from University of Leeds, UK and B.Sc in (Met. Engineering).	B.Sc, B.A. (Hons), M.A. (Eco) from Cambridge University, UK
Directorship in other Companies as on 31.03.2014	- Era Buildsys Limited - Victor Buildwel Private Limited - Era T & D Limited - ARK Vidhyut Urja Limited - ARK Transmission & Distribution Limited - Era Energy Limited - Era Khandwa Power Limited - M/s. Era & Partners Co.	- Rampur Highways Project Limited	- ZS Exports (India) Limited	- Surya Dutta Nirmal Engineering Private Limited - Era Buildsys Limited	- Era Buildsys Limited - IIDC Limited - VISA Resources India Limited - Visa Steel Limited - Hindustan Door-Oliver Limited - Visa Bao Limited - Visa Suncoke Limited	- Sandhar Technologies Limited - Bengal Aerotropolis Projects Limited - Essar Steel India Limited

*Other Committee Membership/ Chairmanship as on 31.03.2014	AUDIT COMMITTEE: Era T&D Limited	Nil	Nil	Audit Committee: Chairman 1. Era Buildsys Limited SHAREHOLDER'S/ INVESTOR GRIEVANCE COMMITTEE Chairman 1. Era Buildsys Limited	AUDIT COMMITTEE: Chairman 1. Hindustan Dorr-Oliver Limited 2. Visa Steel Limited 3. Visa Resources India Limited Member 1. Era Buildsys Limited 2. IL&FS Infrastructure Development Corporation Ltd. SHAREHOLDER'S/ INVESTOR GRIEVANCE COMMITTEE Member 1. Era Buildsys Limited 2. Visa Steel Limited	AUDIT COMMITTEE: Chairman 1. Sandhar Technologies Limited 2. Essar Steel India Limited
Shareholding in the Company as at 31.03.2014	82,12,500	10,000	Nil	Nil	Nil	Nil

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

15. The Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 and Statement pursuant to Section II, Part II of the Schedule V of the Companies Act, 2014 with reference to the Resolutions at Item Nos. 9,10,11&12 to be read along with their explanatory statements pursuant to Section 102 of the Companies Act, 2013 set out elsewhere in the notice.

I GENERAL INFORMATION:

1) Nature of Industry:					
Era Infra Engineering Limited is a widely held public limited company engaged in execution of large construction contracts involving construction of highways, airports, power plants, industrial projects etc. The business of the Company includes contracts, energy and equipment hiring and management. The Company is also taking big infrastructure projects on BOT basis.					
2) Date of Commencement of Commercial production	The Company had Started its business in 1990				
3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	Not Applicable				
4) Financial Performance: (Amt. in Rs. Crores)					
Particulars	2013-2014	2012-2013			
Net Sales	2669.54	4673.05			
Profit before Depreciation Interest & Tax	321.04	921.20			
Profit (Loss)After Tax(Before Extra-Ordinary Items)	(236.85)	191.82			
EPS (in ₹) (Before Extra-Ordinary Items)	(13.03)	10.55			
Amount of dividenddeclared	Nil	Nil			
Rate of dividend Declared (in %)	N.A.	N.A.			
5) Export Performance & Net Foreign Exchange Collaborations	: N.A.				
6) Foreign investments or Collaborations, if any:					
The details of the direct overseas subsidiaries of the Company as on March 31, 2013 & March 31, 2014 are as under:					
S. No.	Name of the Entity	Description of Investment	No. of Shares/Securities & Shareholding %	Amount (in ₹ Lakhs)	
				31.03.2013	31.03.2014
1.	Era & Partners Co LLC., Oman	Ordinary Shares	150,000 (partly paid up shares) of One Omani Rial each (60.00%)	47.49	110.67
2.	Golden Annum Holdings Limited	Ordinary Shares	3,000 Shares of 100 AED (100.00%)	4.99	4.99
II (A) INFORMATION ABOUT THE APPOINTEE(S):					
1)	Background Details: Mr. H.S. Bharana: Mr. H. S. Bharana is a Civil Engineer by profession. He has about 31 years of experience in the field of construction and administration. He started his career as a Civil Engineer in Willard India Limited in 1981. In 1982, he joined Ahuja Kashyap Private Limited as a Senior 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) Limited, and currently heads the Company in the capacity of the Chairman & Managing Director. Mr. Tulsi Dass Arora: Mr. Tulsi Dass Arora is vastly experienced in the field of Engineering & Construction Industry. In his two decades of Association with the Company, he has been instrumental in planning schedule for implementation of various projects and ensuring effective execution of the same.				

2)	Past Remuneration: Mr. H.S. Bharana: As a Chairman & Managing Director, Mr. Bharana received remuneration as approved by the members at the 21st Annual General Meeting held on September 19, 2011. His remuneration during the financial year ended March 31, 2014 which comprised of salary, perquisites and contribution to provident funds amounting to Rs. 216.00 lakhs. Mr. Tulsi Dass Arora: Mr. Arora received a total remuneration of Rs. 97.95 lakhs during the financial year ended March 31, 2014 which comprised of salary, perquisites and others funds.
3)	Recognition/Awards: Mr. H.S. Bharana : N.A. Mr. Tulsi Dass Arora: N.A.
4)	Job profile and his suitability: Mr. H.S. Bharana: As a Spearhead of Company, he is having a pivotal role in all the functional areas of the Company be it Technical, Non-Technical, Financial-Budgetary, Operational etc., He is the key person in strategic decision making on critical issues in the business and management of the Company. It has been his sincere efforts and over two decades of association with the Company that the Company has achieved new heights and attain the Brand Image among other players in the Industry. Mr. Tulsi Dass Arora: In his capacity as Whole Time Director, he plans the implementation schedule of various projects of the Company and also ensures mobilisation of resources. He is responsible for project execution for the Company.
5)	Remuneration Proposed: Mr. H.S. Bharana: Keeping in view the current financial crunch, it is proposed that the existing levels of Remuneration i.e. not exceeding ₹ 18,00,000.00/- per month shall be maintained. Mr. Tulsi Dass Arora: Keeping in view the current financial crunch, it is proposed that the existing levels of Remuneration i.e. not exceeding ₹ 10,00,000.00/- per month shall be maintained.
6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and Person. The remunerations proposed to be paid respectively, to Mr. H.S. Bharana& Mr. Tulsi Dass Aroraare in line with remuneration of Managing Director & CEOs, Whole Time Directors of other companies, keeping in view their job profile, the size of operations and complexity of business of the Company.
7)	Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. H.S. Bharana: Mr. Bharana is not related to any other Director or Managerial Personnel of the Company. He is the promoter of the company and is heading the Company as Chairman & Managing Director, apart from receiving managerial remuneration & his entitlements as dividends (whenever declared) he does not have any pecuniary relationship with the Company or its managerial personnel. Mr. Tulsi Dass Arora: Mr. Tulsi Dass Arora is occupying the position of a Whole Time Director in the Company based on his professional qualifications, technical expertise and qualitative aptitudes. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel
III. OTHER INFORMATION	
(1)	Reasons of loss or inadequate profits: The Company principally being an EPC Player was directly impacted due to stress in the construction and infrastructure sector. Few of the Company's Road projects also got impacted considerably on account of delay in availability & environmental clearance which resulted in heavy cost escalation. The Company is facing severe pressure on its operational cash flow and liquidity attributable to several external factors such as: (a) Slowdown in Infrastructure sector (b) Considerable blockage of funds in Working Capital (c) Higher cost of borrowings etc.
(2)	Steps taken or proposed to be taken: Apart from continuous discussions with various clients/statutory bodies, local authorities for speedy clearances/approvals, settlement of claims etc., the Company had taken/being taking the following steps to improve its cash flow positions: (a) The Company has been working towards various resources available to meet cash flow shortfall in regular operations. (b) Company has also reduced its personnel and administrative requirements to optimize the available resources. The company has optimized the head count and is further looking at other cost cutting methods to reduce the administrative costs. (c) The Company is improving on technology and design to bring down operational cost/overheads. (d) Recovery of outstanding claims/arbitration money, part of which will be required to be utilized for meeting working capital and remobilizing expenses.
(3)	Expected Increase In Productivity And Profits In Measurable Terms In addition to steps proposed to be taken for improvement as detailed hereinabove, the Company has also made a reference to Corporate Debt Restructuring Cell (CDR Cell) to restructure its Debts. The CDR package has been approved by CDR-EG and has been communicated to company vide Letter of Approval (LOA) dated 29 th March, 2014, subsequently the company has executed Master Restructuring Agreement (MRA) on the same date. It is expected that above restructuring should reduce the financial strains of company as follows: <ul style="list-style-type: none"> • changing yet-to-be serviced parts of interests to term loans • re-phasing recovery programs • reducing margins • reassessing credit facilities such as working capital • procuring extra money for repaying loans
IV DISCLOSURES	
Remuneration Package of the managerial person:	For Mr. H.S. Bharana Remuneration including Basic Salary ,Perquisites & Contribution to PF & Other funds not exceeding ₹ 18,00,000.00/- per month. For Mr. T.D. Arora Remuneration including Basic Salary, Perquisites & Contribution to PF & Other funds not exceeding ₹ 10,00,000.00/- per month.
Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report	The requisite details of remuneration etc. of Directors has been included in the Corporate Governance Report, forming part of the Annual Report of the Company for the Financial Year 2013-14.

Important Communication to Members

The new Companies Act, 2013 ('the Act') effective from 01st April, 2014 permits the Company to send Notice/Annual Reports through electronic mode to all those shareholders whose email addresses are registered with the Company or their respective Depository Participants. Members who intend to receive notice/documents including Annual Reports through email are requested to register/update their email addresses for receiving electronic communications. The company shall use the e-mail address of the members obtained from Depositories/ Depository Participants, available with the company, to send all future members communications.

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

(Kapil Kumar)
Company Secretary

Noida, August 14, 2013

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4 to 7:

The Company had, pursuant to Clause 49 of Listing Agreement entered with the Stock Exchanges, appointed Mr. Anil Kumar Mehta, Mr. Shiv Dayal Kapoor, Mr. Arvind Pande and Mr. Surya Datta Sharma as Independent Directors at different dates, liable to retire by rotation, in compliance with the requirements of the said clause.

As per the provisions of Section 149 (4) of the Companies Act, 2013 (the Act) which has come into force with effect from 01st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149 (13) read with Section 152 of the Act.

Each of the above Directors have given their consents for their appointments and declarations to the Board that they meet the criteria of independence as prescribed both under Section 149 (6) of the Act and Clause 49 of the Listing Agreement with Stock Exchanges. None of the above Directors are disqualified from being appointed as a Director in terms of Section 164 of the Act.

Notice under Section 160 of the Companies Act, 2013 have been received from members proposing candidatures of each of the above Directors along with requisite deposits.

In the opinion of your Board, the aforesaid Directors fulfill the conditions specified in the Act and the Rules thereunder for their appointment as Independent Directors and that they are independent of the management of the Company.

Brief profile of the Independent Directors to be appointed have already been specified in the note no. 14 of the notice.

The Board recommends the passing of the Resolutions set forth at item No (s). 4 to 7 of the accompanying Notice as Ordinary Resolution.

None of the Directors (except those being appointed), Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No. 8

As per the provisions of Section 203 of the Companies Act, 2013, an individual is not permitted to be appointed or re-appointed as the Chairperson of the Company, as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless the Articles of Association of the Company provide otherwise.

Currently, Mr. H. S. Bharana is the Chairman and Managing Director of the Company. He has been associated with the Company for almost three decades. He has contributed immensely to the stellar growth of the Company in all these years. His vision and leadership is considered crucial for growth of the Company.

Accordingly, it is proposed to alter the existing Articles of Association of the Company in a manner so as to enable Mr. H.S. Bharana to continue to hold his position as Chairman and Managing Director of the Company.

Further, the existing Article 92A of the Articles of Association read as Mr. H.S. Bharana will be permanent director and chairman of the company.

Presently, the Company is having four independent directors, who shall be non-rotational directors. The Company is required to have minimum two directors who are rotational to comply with the provision of Section 152 of the Companies Act, 2013.

Hence, it is proposed to substitute the existing Article 92A of the Articles of Association of the Company with new Article 92A as follows:

92A. An individual may be appointed or reappointed to, or hold, the position of Chairperson or Co-Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."

The Board recommends the passing of the Resolutions set forth at item No.8 of the accompanying Notice as Special Resolution.

None of the Directors (except Mr. H.S. Bharana), Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No. 9&10:

Mr. H.S. Bharana was appointed as the Managing Director of the Company for a term of 5 years w.e.f. 28th August, 2009 till 27th August, 2014 at the 19th Annual General Meeting of the Company held on 08th August, 2009 at a monthly remuneration of ₹ 15,00,000.00/- per month. Further at the 21st Annual General Meeting of the Company held 19th September, 2011 his remuneration was increased to ₹ 18,00,000/- per month w.e.f. 01st October, 2011.

Mr. H.S. Bharana has been the pillar of the Company since its inception; He has contributed immensely towards the growth and development of the Company. As a Spearhead of Company, he is having a pivotal role in all the functional areas of the Company be it Technical, Non-Technical, Financial-Budgetary, Operational etc., He is the key person in strategic decision making on critical issues in the business and management of the Company. It has been his sincere efforts and over two decades of association with the Company that the Company has achieved new heights and attain the Brand Image among other players in the Industry. The

remuneration of Mr. Bharana is in line with remuneration of Managing Director & CEOs of other companies, keeping in view his job profile, the size of operations and complexity of business of the Company

The Infrastructure development in India has been going through a very difficult phase over the last three years. The Company is also facing liquidity crises during the financial year 2013-14.

Keeping in view the current financial crunch, the Board of Directors of the company at their meeting held on 14th February, 2014 has, subject to the approval of Shareholders and Central Government, proposed that the existing levels of Remuneration i.e. not exceeding ₹ 18,00,000.00/- per month shall be maintained. Accordingly an application has been made to Central Government for waiver of remuneration paid to Mr. H.S. Bharana during the Financial Year 2013-14. The same is under consideration of Central Government, after the approval of the same, an application shall be made to Central Government for approval of waiver of excess remuneration paid to Mr. H.S. Bharana w.e.f. 01st April, 2014 till the remaining period of his tenure i.e. 27th August, 2014.

Further, the term of office of Mr. H.S. Bharana, as the Managing Director of the Company, is expiring on 27th August, 2014; the Board of Directors at their meeting held on 14th August, 2014 (after considering the recommendations of Nomination & Remuneration Committee Meeting held on 14th August, 2014) has appointed Mr. H.S. Bharana as the Managing Director of the Company for a term of 3 years w.e.f. 28th August, 2014 at a monthly remuneration not exceeding ₹ 18,00,000/- . The appointment of Mr. Bharana is subject to the approval of Shareholders at the ensuing Annual General Meeting and Central Government.

The Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 and Statement pursuant to Section II, Part II of the Schedule V of the Companies Act, 2014 with reference to the Resolutions at Item Nos. 9 & 10 are set out at note no. 15 of the Notice.

The resolution along with the disclosures/ explanations as set out in the notice may be treated as a written memorandum setting out the terms of appointment of Mr. H.S. Bharana under Section 190 of the Act.

The Board recommends the passing of the Resolutions set forth at item No (s). 9 to 10 of the accompanying Notice as Special Resolution(s).

None of the Directors (except Mr. H.S. Bharana), Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in these resolutions.

Item No. 11 &12:

Mr. Tulsi Dass Arora was appointed as the Whole Time Director of the Company for a term of 2 years w.e.f. 14th August, 2012 till 13th August, 2014 at a monthly remuneration of not exceeding ₹ 10,00,000.00/- per month. Further his appointment was confirmed at the 22nd Annual General Meeting of the Company held on 29th September, 2012.

Mr. Tulsi Dass Arora, is M.Tech and MBA. He has around 26 years of experience in the construction field. In his capacity as Whole Time Director, he plans the implementation schedule of various projects of the Company and also ensures mobilisation of resources. He is responsible for project execution for the Company.

The Infrastructure development in India has been going through a very difficult phase over the last three years. The Company is also facing liquidity crises during the financial year 2013-14.

Keeping in view the current financial crunch, the Board of Directors of the company at their meeting held on 14th February, 2014 has, subject to the approval of Shareholders, proposed that the existing levels of Remuneration i.e. not exceeding ₹ 10,00,000.00/- per month shall be maintained. As the Company has incurred losses during the year ended 31st March, 2014, the payment of remuneration to Mr. Tulsi Dass Arora is subject to the approval of the Shareholders by way of special resolution.

In, view of the MCA Circular No. 46/2011 dated July 14, 2011 read with MCA clarification dated August 16, 2012, no approval of the Central Government is required for payment of the above remuneration to Mr. Tulsi Dass Arora, in respect of remuneration paid to him during 2013-14, since the following conditions specified under the said circular are duly complied with:

1. Mr. Arora is not having any direct or indirect interest in the capital of the Company or its holding company or through any other statutory structures at any time during last two years before or on the date of appointment; and
2. Mr. Arora is having requisite qualification with expert and specialised knowledge in the field of his profession.

However in respect of remuneration being paid to Mr. T.D. Arora since April 1, 2014 till the remaining period of his tenure shall be governed by the provisions of Companies Act, 2013. The application to Central Government shall be made after obtaining the ratification of shareholders by way of their special resolution as set forth at Item No. 11 of the accompanying notice.

Further, the term of office of Mr. Tulsi Dass Arora, as the Whole Time Director of the Company, has expired on 13th August, 2014; the Board of Directors at their meeting held on 14th August, 2014 (after considering the recommendations of Nomination & Remuneration Committee Meeting held on 14th August, 2014) has appointed Mr. Tulsi Dass Arora, as the Whole Time Director of the Company for a term of 3 years w.e.f. 14th August, 2014 at a monthly remuneration not exceeding ₹ 10,00,000/- . The appointment of Mr. Arora is subject to the approval of Shareholders at the ensuing Annual General Meeting.

The Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 and Statement pursuant to Section II, Part II of the Schedule V of the Companies Act, 2014 with reference to the Resolutions at Item Nos. 11 & 12 are set out at note no. 15 of the Notice.

The resolution along with the disclosures/ explanations as set out in the notice may be treated as a written memorandum setting out the terms of appointment of Mr. Tulsi Dass Arora under Section 190 of the Act.

The Board recommends the passing of the Resolutions set forth at item No (s). 11 to 12 of the accompanying Notice as Special Resolutions.

None of the Directors (except Mr. Tulsi Dass Arora), Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in these resolutions.

Item No. 13.

The provisions of Section 188(1) of the Companies Act, 2013 states that the following Related Part Transactions requires a Company to obtain prior approval of the Board of Directors and in case of Listed Companies, the prior approval of shareholders by way of a Special Resolution.

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;

- (f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof of the company.

Further, third proviso to section 188(1) provides that nothing shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

However, as per amended clause 49 of listing agreement (effective from 01st October, 2014), prior approval of shareholders is required for certain material relation party transactions exceeding certain limits as set out in said clause - 49 of listing agreement, irrespective of pricing of such transactions.

The provisions of section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In light of provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your company may enter into with its Related Parties (as defined under Section 2(76) of the Companies Act, 2013) for the financial year 2014-15 and beyond.

All prescribed disclosures as required to be given under the provisions of the Act and the Companies (Meeting of Board and its Powers) Rules, 2014 are given in the table appended to the resolution set forth at item no.13 above for kind perusal of the members.

- (a) Name of the related party and nature of relationship: Described in the table appended to the resolution.
- (b) Name of Director or KMP who is related: Mr. H.S. Bharana, may be treated as related for transactions with associates/subsidiary companies.
- (c) Nature, material terms, monetary value and particulars of contract & arrangements: Contracts are generally in the forms of work orders/EPC contracts, comprising of work awarded by clients (NHAI, PSUs, Private parties etc.) to the subsidiaries & associate companies as described in table appended to the resolution. The company executes these EPC contracts/work orders, as EPC contractor/sub-contractor, on behalf of subsidiaries & associates companies, the model terms & conditions of contract awarded by the clients are adopted while negotiating the terms of EPC contract/work order. Further, the company also give sub-contracts to its subsidiaries/associate companies in the form of work orders of the model terms & conditions as per the contracts amended by the client to the company.
- (d) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil

Members are hereby informed that pursuant to the second proviso of section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Except Mr. H.S. Bharana, None of the Directors and Key Managerial Personnels of the Company and their relatives is concerned or interested in the Resolution.

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

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

(Kapil Kumar)
Company Secretary

Noida, August 14, 2013

FORM- MGT-11
24TH ANNUAL GENERAL MEETING
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

ERA INFRA ENGINEERING LIMITED

Regd. Office: 1107, Indraprakash Building, 21, Barakhamba Road, New Delhi-110001
 Ph: +91 120 4145000; Fax: +91 1204145030 Website: www.eragroup.co.in; email: eiel@eragroup.in
CIN: L74899DL1990PLC041350

Name of the Member(s) : E-mail ID :

Registered address : Folio No./DP ID/Client Id :

I/We, being the member (s) of.....shares of above named company, hereby appoint:

- | | |
|-----------------|----------------------------------|
| 1. Name : | E-mail Id : |
| Address : | Signature : or failing him |
| 2. Name : | E-mail Id : |
| Address : | Signature : or failing him |
| 3. Name : | E-mail Id : |
| Address : | Signature : |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Saturday, the 27th day of September, 2014 at 3:30 p.m. at Executive Club, 439, Village Shahoorpur P.O. Fatehpur Beri, New Delhi-110074 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.		Optional**	
Ordinary Business		For	Against
1.	(a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.		
2.	To appoint a director in place of Mr. H.S. Bharana, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To Appoint Auditors of the Company		
Special Business			
4.	Appointment of Mr. Anil Kumar Mehta as an Independent Director of the Company		
5.	Appointment of Mr. Shiv Dayal Kapoor as an Independent Director of the Company		
6.	Appointment of Mr. Arvind Pande as an Independent Director of the Company		
7.	Appointment of Mr. Surya Datta Sharma as an Independent Director of the Company		
8.	To alter the Articles of Association of the Company by substitution of Article No. 92A		
9.	To ratify and approve the payment of excess remuneration to Mr. H.S. Bharana		
10.	To appoint Mr. H.S. Bharana as Chairman & Managing Director of the Company for a period of 3 years w.e.f 28 th August, 2014.		
11.	To ratify and approve the payment of excess remuneration to Mr. Tulsi Dass Arora		
12.	To appoint Mr. Tulsi Dass Arora as Whole Time Director of the Company for a period of 3 years w.e.f 14 th August, 2014.		
13.	To approve Related Party Transactions		

ERA INFRA ENGINEERING LIMITED

Regd. Office: 1107, Indraprakash Building, 21, Barakhamba Road, New Delhi-110001
 Ph: +91 120 4145000; Fax: +91 1204145030 Website: www.eragroup.co.in; email: eiel@eragroup.in
CIN: L74899DL1990PLC041350

ATTENDANCE SLIP - 24TH ANNUAL GENERAL MEETING

(To be handed over at the entrance of the AGM venue)

I, hereby record my presence at the 24th Annual General Meeting of the Company held at Executive Club, 439, Village Shahoorpur P.O. Fatehpur Beri, New Delhi-110074 on Saturday, September 27, 2014 at 3:30 p.m.

Folio No./DP ID Client Id. :

Full Name of the Member (in block letter) :

*Full Name of Proxy (in block letters) : Signature of Member/Proxy Attending :

*(To be filled in if the Proxy attends instead of the Member)

Signed this.....day of.....2014

.....
 Signature of Shareholder (s) Signature of Proxy holder (s)

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

Signed this.....day of.....2014



.....
Signature of Shareholder (s)

.....
Signature of Proxy holder (s)

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
 - (2) A Proxy need not be a member of the Company.
 - (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.