

Era Infra Engineering Limited.

Unaudited Financial Results for the Quarter ended 30th June, 2015

Part - I	Particulars	Rs./Lacs			
		Quarter Ended (Unaudited)	Quarter Ended (Audited)	Quarter Ended (Unaudited)	Year Ended (Audited)
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
1	Net Sales/Income From Operations	27,067.38	51,677.37	37,026.19	169,790.95
2	<b>Total Expenditure</b>				
	A) Direct Expenses	33,316.12	40,561.64	30,865.43	138,554.05
	B) Employees Cost	2,411.21	2,736.62	2,186.22	10,019.35
	C) Depreciation	4,870.77	4,799.84	4,961.66	19,793.72
	D) Other Expenditure	2,205.79	1,671.75	441.23	3,817.42
	<b>Total</b>	<b>42,803.89</b>	<b>49,769.86</b>	<b>38,464.55</b>	<b>172,184.54</b>
3	Profit from Operations before Other Income, Interest (1-2)	(15,736.51)	1,907.51	(1,428.36)	(2,393.58)
4	Other Income	193.02	3,528.17	307.07	4,159.62
5	Profit before Interest & Tax (3+4)	(15,543.49)	5,435.68	(1,121.29)	1,766.03
6	Financial Expenses	18,171.23	18,890.25	15,522.41	65,815.20
7	Profit/ (Loss) from ordinary activities after finance expenses but before exceptional items (5-6)	(33,714.72)	(13,454.57)	(16,643.69)	(64,049.17)
8	Exceptional Item	-	2.28	66.28	1,560.77
9	Profit / (Loss) from Ordinary Activities before tax (7-8)	(33,714.72)	(13,456.85)	(16,709.97)	(65,809.94)
10	Tax Expenses	-	79.45	-	79.45
11	Net Profit / (Loss) after tax (9-10)	(33,714.72)	(13,536.30)	(16,709.97)	(65,689.39)
12	Paid Up Equity Share Capital (Face value of Rs. 2/- Each)	6,631.99	6,631.99	3,636.55	6,631.99
13	Reserves Excluding Revaluation Reserves	-	-	-	-
14	<b>Earning Per Share (Not Annualized) (Rs.)</b>				
	Basic & Diluted	(10.17)	(7.09)	(9.19)	(34.42)
<b>Part - II</b>					
<b>A. PARTICULARS OF SHARE HOLDING</b>					
<b>Aggregate of Public Shareholding</b>					
	- No. of Equity Shares of Rs.2/- Each	109,543,007	109,543,007	75,649,995.00	109,543,007
	- Percentage of Shareholding	33.03	33.03	41.61	33.03
<b>Aggregate of Promoters and Promoter Group Shareholding</b>					
a)	<b>Pledged/Encumbered</b>				
	- No. of Equity Shares of Rs.2/- Each	222,056,433	222,056,433	93,378,775.00	222,056,433
	- % of Shares the total Shareholding of promoter/ promoter group	100.00	100.00	87.95	100.00
	- % of Shareholding on total share capital of the company	66.97	66.97	51.36	66.97
b)	<b>Non-encumbered</b>				
	- No. of Equity Shares of Rs.2/- Each	-	-	12,798,870.00	-
	- % of Shareholding of promoter and promoter group	-	-	11.71	-
	- % of Shareholding on total share capital of the company	-	-	7.04	-
<b>B. INVESTORS COMPLAINT</b>					
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	Nil			
	Disposed of during the quarter	Nil			
	Remaining unsolved at the end of the quarter	Nil			

Unaudited Segment-wise Results for the Quarter 30th June, 2015.

Particulars	Rs./Lacs				
	Quarter Ended (Unaudited)	Quarter Ended (Audited)	Quarter Ended (Unaudited)	Year Ended (Audited)	
	30.06.2015	31.03.2015	30.06.2014	31.03.2015	
1	<b>Segment Revenue</b>				
	- Contracts	24,586.51	48,875.61	35,496.33	161,811.48
	- Energy	-	-	193.93	534.22
	- Equipment Hiring	1,715.23	1,636.78	1,918.18	7,219.65
	- Trading	2,232.84	2,536.61	1,070.55	6,466.33
	<b>Gross Sales</b>	<b>28,534.59</b>	<b>53,049.00</b>	<b>38,678.98</b>	<b>176,031.69</b>
	Less : Inter Segment	1,467.21	1,371.63	1,652.79	6,240.73
	<b>Net Sales</b>	<b>27,067.38</b>	<b>51,677.37</b>	<b>37,026.19</b>	<b>169,790.95</b>
2	<b>Segment Results Profit Before Tax and Interest</b>				
	- Contracts	(16,078.67)	1,875.10	(2,706.14)	(1,991.44)
	- Energy	-	-	124.62	226.35
	- Equipment Hiring	(218.80)	25.41	923.03	(1,884.18)
	- Trading	86.40	201.68	22.70	222.33
	<b>Total</b>	<b>(16,211.08)</b>	<b>2,102.19</b>	<b>(1,635.79)</b>	<b>(3,426.94)</b>
	Less : i) Interest	17,696.66	18,279.34	15,314.97	63,976.66
	ii) Other Un-allocable Expenditure net off	-	807.46	66.28	2,365.95
	iii) Un-allocable income	(193.02)	(3,527.76)	(307.07)	(4,159.62)
	<b>Profit Before Tax</b>	<b>(33,714.72)</b>	<b>(13,456.85)</b>	<b>(16,709.97)</b>	<b>(65,609.94)</b>
3	<b>Capital Employed</b>				
	- Contracts	545,030.82	548,052.97	543,776.11	548,052.97
	- Energy	-	-	3,457.40	-
	- Equipment Hiring	87,924.43	89,689.43	96,800.08	89,689.43
	- Trading	-	-	502.17	-
	- Others (Un-allocable)	116,289.39	116,264.39	105,606.97	116,264.39
	<b>Total</b>	<b>749,244.65</b>	<b>764,006.79</b>	<b>750,142.73</b>	<b>764,006.79</b>

Era Infra Engineering Limited

**Notes:**

1 The above unaudited results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 19th February 2016. The Statutory Auditors have carried out Limited Review of the financial results for the Quarter ended 30th June, 2015.

2 (a) The segment reporting is in accordance with the Accounting Standard 17 as notified in Accounting Standards Rule, 2006

b) The Primary Business segments of the company mainly comprise of Contracts, Equipment Hiring and Trading. However Energy segment has been discontinued in the previous financial year.

3 As per clause 41 of the listing agreement with the Stock Exchange, the company has opted to publish standalone financial results.

4 In view of Net Losses, deferred tax assets provision has not been recognised.

5 The above mentioned results could not be submitted within the prescribed period as initially meeting was postponed due to technical reason and subsequent to that quorum for audit committee/ Board of Directors was not present.

6 The exceptional items in previous period which includes Foreign Exchange Fluctuation and others, for current period non-material have been regrouped in other expenses.

7 The Company was hitherto recognizing materials and other resources supplied by the customers as, both, its cost of construction and revenue from operations. This accounting policy has been discontinued from the current quarter for improvement in the presentation based on the correct appreciation of the facts, the Company is now of the opinion that these materials and other resources were received by the entity as an agent rather than as a principal. This change in accounting policy has no impact on the profitability of the Company though both the cost of construction and revenue from operations will be lower by a similar amount.

8 With respect to Emphasis of matter as given by Statutory Auditor for the Audited Results for the financial year ended March, 2015, Status of which are as follows:

a **Recognition of revenue based on bills submitted to Joint Ventures though not accounted for by such Joint Venture/Associates.**

The said bills are entered by the respective JV/Associate/subsidiary after due certification from their respective lender engineers.

b **Perfection of security in respect of CDR-package**

The stipulated security under CDR package has not been perfected due to non-signing of four CDR lenders ( i.e. Punjab & Sindh Bank, Karnataka Bank, LIC & LIC pension Fund & GIC of India) & non-availability of requisite NOC from respective lenders. The same issue raised and discuss with lenders.

c **Non-identification of MSME suppliers**

The Company is in the process of identifying the MSME suppliers and has sent written representations to its suppliers to confirm whether or not they are registered under the MSME Act, 2006 still company awaiting reply from them.

**Sale of fixed assets without prior approval of CDR EG**

d Sale of assets are represents to lenders those have exclusive charge on respective assets and they forfeited their right though court. Further company in process to regularized the same.

**Pending application seeking approval from Central Government for excess remuneration paid to managerial personnel.**

e The requisite approval of the Central Government has been received.

**Classification of Company as Non Performing Asset (NPA) by some lenders as stated in the said note.**

f Due to slow down in infrastructure sector company was unable to meet interest obligation and lender dues for revival of this company gone in CDR mechanism also.

**Provision in the diminution in the value of investments and loans and advances given to the associates**

g Diminution has not been considered for all road projects (BOT/Annuity) in subsidiaries and associates are in progress and long term in nature and in others diminution impacts will be provided at the year end on the availability of the annual financial statements of the investee.

**Non-receipt of confirmation from the debtors, suppliers etc.**

h Company is in the process of obtaining confirmations from Debtors, creditors & advances. The procedure for obtaining confirmations shall be streamlined in the near future.

Place: Noida  
Date: 19th February, 2016

For & on behalf of the Board of Directors

  
T D Arora  
Whole Time Director

## **LIMITED REVIEW REPORT BY THE INDEPENDENT AUDITORS**

To  
The Board of Directors  
Era Infra Engineering Limited  
New Delhi

We have reviewed the accompanying statement of unaudited standalone financial results of **Era Infra Engineering Limited (the 'Company')** for the quarter 30.06.2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. The statement of quarterly financial results has been prepared from interim financial statements which are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review except for our observations in the Emphasis of Matters paragraph below, nothing has come to our attention - that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard AS-25 'Interim Financial Reporting' [notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended)] which continue to apply as per section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

We have only verified the disclosures regarding the 'Public shareholding' and 'Promoter and Promoter Group Shareholding' in the statement from clause 35 of the listing Agreement with Stock Exchange.



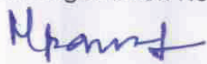
**Emphasis of Matter**

1. Our observations in this Emphasis of Matter paragraph is based on our aforesaid review and the Auditor's Report on the audited annual financial statements for the year ended 31<sup>st</sup> March 2015 by the preceding statutory auditors of the Company, Messrs. G.C Sharda & Co., Chartered Accountants, ICAI Registration No. FRN 500041N;
2. The going concern of Company needs a detailed examination before the close of financial year ending on 31<sup>st</sup> March 2016 in accordance with Standard of Auditing 570, Going Concern issued by the Institute of Chartered Accountants read with section 143 of the Companies Act, 2016 in view of major indicators mentioned below from serial no. 3 onwards;
3. The Company has been incurring losses over past several quarters including in the current quarter. This trend is likely to continue and may lead to erosion of entire net worth of the Company before the year ending on 31<sup>st</sup> March 2016;
4. The Company is contesting material litigations against it including winding up petitions and matters under section 138 of the Negotiable Instruments Act, 1881 as amended thereto;
5. Out of the total trade receivables of Rs. 3,566.28 Crores as on 30.06.2015, based on the records and details provided by the management Rs. 1,546.04 crores are outstanding from the period prior to 01.04.2014 with either slow or part or no movement due to lag in obtaining confirmation and subsequent reconciliation as in some cases invoices raised by the Company had not been recognized by these customers which includes joint ventures, associates and other related parties. The management expects the confirmation and reconciliation process, updation/amendment of documents etc., and to be completed before the end of current financial year with appropriate adjustments in the books of accounts;
6. Out of the total 'Other Long & short term loans & advances' of Rs. 1,259 Crores as on 30.06.2015, based on records and details provided by the management more than Rs. 700 crores are outstanding from the period prior to 01.04.2014 The management expects the confirmation and reconciliation process to be completed before the end of current financial year with appropriate adjustments in the books of accounts;
7. Inventory of Raw material/ Work-in progress are under physical verification & reconciliation. The management expects that material reconciliations and physical verification will be completed before the current year end with appropriate adjustments in the books of accounts;
8. The Company has made investments in securities, non – current & current, of / through its subsidiaries, associates, Joint ventures & group companies. Since these investee entities business is toll/annuity based that has a long gestation period, the impairment, if any, is considered to be temporary in nature by the management & will be again reviewed at the time of annual audit as the financials of Investee entities will be available at that time for any impact in financials due to diminution;



9. There is delay in deductions & deposit of statutory tax including VAT, service - tax, excise & customs duty, income tax, royalty, labour cess, entry tax, provident fund etc. & other similar dues, returns and forms. These are under reconciliations and expected to be reconciled before the year end for proper recognition, measurement, presentation & disclosure;
10. The Corporate Debt Restructuring (CDR) proceedings in Joint Lender Meetings regarding continuation of CDR scheme is under discussion. The accounting & disclosures shall be updated on receipt of minutes expected before the year end. Inadequate security cover, prior approval of CDR EG before sale of assets etc., and other non-compliances of CDR terms & conditions Still continues as already reported in earlier periods;
11. The loans provided by lenders under consortium have been classified as Non-Performing Assets (NPA) by 7 Lenders out of 22 Banks by 30.06.2015 and majority of the accounts have been classified as NPA as on date;
12. The Company has to comply with the relevant provisions of the Companies Act 2013 & the SEBI Act, 1992 & amended Act-2014 there to more particularly with respect to , quorums, meetings of Board Of Directors, various committees, submission & publication of quarterly results, filing of various forms & declarations, compliance with listing regulations etc.;
13. Attention is drawn to note no.5 of accompanying financials results regarding reasons for delay of publication & submission of financial results to stock exchanges for the June quarter -2015;
14. The attention is drawn to note no. 7 as per that the Company was hitherto recognizing materials & other resources supplied by the customers as, both, its cost of construction & revenue from operations. This accounting policy has been discontinued from the current quarter for improvement in presentation based on correct appreciation of facts, the Company is now of the opinion that these material were received by the entity as an agent rather than as a principal. This change in accounting policy has no impact on the profit of the Company though both the cost of construction & revenue from operations will be lower by a similar amount.

For S S Kothari Mehta & Co.  
Chartered Accountants  
ICAI Registration No.: 000756N



Neeraj Bansal  
Partner  
Membership No.: 095960



New Delhi  
Dated: 19.02.2016