

Era Infra Engineering Ltd. (EIEL)

(Originally Incorporated as Era Constructions (India) Private Limited on September 03, 1990 and subsequently converted into a Public Limited Company bearing name Era Constructions (India) Limited. The name of the Company was subsequently changed to Era Infra Engineering Limited with effect from 25th June 2007).

Registered office & Head office: 370-371/2, Sahi Hospital Road, Jungpura, Bhogal, New Delhi – 110014.
Tel: (011) 24378011-19, Fax: (011) 24378784

Corporate office: 153, Okhla Industrial Estate, Phase III, New Delhi - 110020, India
Tel: (011) 40637000 Fax: (011) 40637070

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DISCLOSURE UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

PRIVATE PLACEMENT OF 400 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF RS. 10,00,000/- EACH FOR CASH AT PAR AGGREGATING RS. 40.00 CRORE

Credit Rating

"CARE A+" (pronounced CARE single A Plus) by CARE Limited for Rs. 40.00 crores long term NCDs indicating "adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk".

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

Rating Agency

Credit Analysis and Research Limited, 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. Tel: +91-022- 6754 3456 Fax: +91-022- 6754 3457 Website: www.careratings.com, E-mail: care@careratings.com.

Listing

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange Limited ("BSE" or the "Stock Exchange").

Registrar to Issue



Beetal Financial & Computer Services Private Ltd.

Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi-110062
Tel: 011-29961281, Fax: 011-29961284;
Email: beetal@rediffmail.com

Debenture Trustees



Axis Trustee Services Limited

Maker Towers, F Wing, 6th Floor,
Cuffe Parade, Colaba,
Mumbai-400005
Tel: 022-67074407, Fax: 022- 22162467

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I. Name and Address of the registered office of the Issuer

Era Infra Engineering Ltd. (hereinafter referred to as "The issuer "or" "the Company" or EIEL)

Registered Office of the Issuer

370-371/2, Sahi Hospital Road,
Jungpura, Bhogal,
New Delhi-110014.

Corporate Office of the Issuer

Era Group,
153, Okhla Industrial Area,
Phase – III,
New Delhi – 110020

Company Secretary and Compliance Officer

Mr. Rajiv Kumar
Company Secretary
Era Group,
153, Okhla Industrial Area,
Phase – III, New Delhi – 110020
Tel: +91 11 4063 7000
Fax: +91 11 4063 7070,
Website: www.eragroup.co.in;

II Names and addresses of the Directors of the Issuer

Board of Directors as on 31-03-2009

S. No.	Name of Director	Designation	Address	Date of Appointment
1	Mr. H. S. Bharana	Chairman & Managing Director	C-146, 1st floor, Sarvodaya Enclave, New Delhi-110017.	03.09.1990
2	Mr. J. L. Khushu	Whole Time Director	Apartment # 101 Tower 11, Vipul Green Sohna Road, Sector-48, Gurgaon-122018.	30.11.2004
3	Mr. A.K. Mehta	Director	A-5, Empire Estate, Sultanpur, Mehruli, Gurgaon Road, Delhi-30	20.08.1994
4	Mr. S. D. Sharma	Director	Block C-1, House No.-24, Safdarjung Development Area, New Delhi-110016.	16.07.2005
5	Mr. Arvind Pande	Director	E-148(FF), East of Kailash, New Delhi-110065.	19.03.2005
6	Mr. S. D. Kapoor	Director	Plot No.- 199, Sector-47, Gurgaon-122002.	01.12.2007

III A Brief Summary of the Business/Activities of the issuer and its Line of Business:

The Company is an ISO 9001:2000 certified Construction Company and is engaged in diverse construction activities of highways, roads, railways, airports, power projects, institutional and industrial complexes, multiplexes and residential buildings catering to the PSUs, Private Sector and Central Public Works Department.

With a view to move up the value chain from cash contracting to value added Built-Operate-Transfer (BOT) project, the Company in consortium has been awarded the Gwalior Bypass project on the North-South Corridor of NHDP-II on BOT – Annuity basis by National Highways Authority of India (NHAI). Also, in consortium with Karan Thapar & Bros. (C.S.) Ltd. from National Highway Authority of India for executing the Delhi- Bahadurgarh- Rohtak in the state of Haryana Border to Rohtak Section of NH-10 from km. 29.70 to km. 87.00 including construction of Bahadurgarh and Rohtak Bypass in State of Haryana under Phase-III A on Built- Operate and Transfer (BOT) basis. The Company conducts its pre engineered metal buildings and real estate businesses through its associates namely Era Building Systems Limited and Era Landmarks (India) Limited respectively. The Company has rolled out many projects in real estate sector and set up a state of art plant at Pantnagar, Uttaranchal for the pre engineered metal buildings.

Brief History and Corporate Profile

Era Infra Engineering Ltd. has been promoted by Mr. H.S. Bharana who is having more than twenty five years of experience in construction industry. The Company was originally incorporated on 3 September 1990 as a private limited company in the name of Era Constructions (India) Private Limited, under certificate of incorporation bearing number 55-41350 of 1990-91 with Registrar of Companies, NCT of Delhi & Haryana at New Delhi and subsequently converted into a public limited company and the name was changed to Era Constructions (India) Limited vide fresh Certificate of Incorporation dated 19 October 1992. Vide the approval obtained from Registrar of Companies, NCT of Delhi & Haryana; the name of the Company was changed to Era Infra Engineering Limited with effect from 25th June 2007).

The Company is an ISO 9001:2000 certified Construction Company and is engaged in diverse construction activities including highways, roads, railways, airports, power projects, institutional and industrial complexes, multiplexes and residential buildings catering to the PSUs, the Private Sector and the Central Public Works Department.

The Company has completed more than eighty projects in the last eighteen years. The Company has serviced many highly regarded clients including the National Thermal Power Corporation Limited, Power Grid Corporation of India Limited, Indian Railway Welfare Organization, National Buildings Construction Corporation Limited, Public Works Department, Central Public Works Department National Dairy Development Board, National Hydroelectric Power Corporation Limited, IRCON International Limited, Rajasthan Urban Infrastructure Development Project, Unichem Laboratories Limited and Rajasthan Spinning & Weaving Mills Limited.

EIEL, as part of a consortium, has been awarded the Gwalior Bypass project on the North-South Corridor of NHDP-II on Built-Operate-Transfer (BOT) – Annuity basis by the National Highways Authority of India (NHAI) with a view to moving up the value chain from cash contracting.

Also, in consortium with Karan Thapar & Bros. (C.S.) Ltd. from National Highway Authority of India for executing the Delhi- Bahadurgarh- Rohtak in the state of Haryana Border to Rohtak Section of NH-10 from km. 29.70 to km. 87.00 including construction of Bahadurgarh and Rohtak Bypass in State of Haryana under Phase-III A on Built- Operate and Transfer (BOT) basis.

The Company has also entered into consortium with M/s Induni & CIE SA to formed a Special Purpose Vehicle for design, construction, development, finance, operation and maintenance of Eight lane access controlled express way under phase IIA programme of the Outer Ring Road (ORR) in the city of Hyderabad for the package from Narsinghi to Kollur from Km. 0.00 to Km 12.000 on Build, Operate and transfer basis (BOT) (Annuity) basis.

The Company is involved in the pre engineered metal buildings and real estate business through its associate companies Era Building Systems Limited and Era Landmarks (India) Limited respectively. The Company has carried out many projects in the real estate sector and set up a state of the art plant at Pantnagar, Uttaranchal for the pre engineered metal buildings business. The company has already launched its new wings Era Power (I) Pvt.Ltd. which is in of the field Transmission & Distribution of power, having launched this wing the company made its presence felt in the power segment also.

Business Structure

Era Infra Engineering Limited (EIEL) has seven subsidiaries as on 31.03.2009, in different fields and three SPV units for execution of BOT projects.

Era Infra Engineering Limited

Subsidiaries	Special Purpose Vehicle
Victor Buildwel Pvt. Ltd. (100%)	Gwalior Bypass Project (P) Ltd. (39%)
Era Power (India) Pvt. Ltd. (100%)	Hyderabad Ring Road Project Limited (49%)
Era IT-Zone (India) Pvt. Ltd.(100%)	West Haryana Highways Projects Pvt. Ltd. (49%)
Style & Smile Buildwell Pvt .Ltd. (100%)	
Era Infrastructure (India) Pvt. Ltd. (100%)	
Boconero Ltd. (100%)	
Golden Annum Holdings Limited (100%)	

Important Events in the History of the Company

Year	Event
1990	Incorporation of the Company in September
1991	Profit in the very first year of incorporation of the Company
1994	Bonus in the ratio of 1:1
1995	Initial Public Offer of 15,00,000 equity shares of Rs.10 each at a premium of Rs.15 per share aggregating to Rs.37.5 million
1996	Awarded "MA" Rating, which indicates adequate safety, for fixed deposit by ICRA

1997	Crossed annual turnover of Rs.500 million
1999	Awarded Talcher Super Thermal Power Project (Unit I & II) by NTPC for Rs.313.40 million
2000	ISO 9002 Certification from Det Norske Veritas on 31 October 2000
2000	Awarded Talcher Super Thermal Power Project (Unit III & IV) NTPC for Rs.298.30 million
2001	Awarded Ramagundam Super Thermal Power Project by NTPC for Rs.289.70 million
2003	ISO 9001:2000 certification from NQAQSR on 15 December 2003 valid up to 11 December 2006
2003	Awarded Vindhyachal Super Thermal Power Project by NTPC for Rs.430.60 million
2003	Awarded Kahalgaon Super Thermal Power Project by NTPC for Rs.516.90 million
2003	Crossed Annual Turnover of Rs.1000 million
2004	Bonus Issue in the Ratio of 1:2.
2004	Awarded Bawana project by Delhi State Industrial Development Corporation Limited for Rs.453.90 million
2004	Awarded Sipat Super Thermal Power Project by NTPC for Rs.785.70 million
2005	Further Public Issue of 68,33,580 equity shares of Rs.10 each for cash at a Premium of Rs.62 per equity share aggregating Rs. 492.02 million.
2005	Era Infrastructure (India) Limited Launched
2005	Era Metal Building Systems Limited Launched
2005	Awarded a project of laying of Optical Fiber Cable in Andhra Pradesh for Aksh Broadband Limited for Rs.790 million
2005	Awarded road project of M.P. Road Development Corporation Limited at Mansa Rampura to Bhanpura of 112.30 Km for Rs. 434.93 million
2005	Awarded a railway project of various civil and electrical works in connection with gauge conversion of Rewari to Ajmer Section by Rail Vikas Nigam Limited for Rs.637.46 million.
2005	Issue of 4.49 million warrants at a price of Rs.135 per warrant. Each warrant is convertible into one equity share of Rs.10 each at the option of the allottee within eighteen months from date of allotment. The coupons were allotted on payment of 20% of the issue price.
2006	Awarded five railway projects of various civil and electrical works for North Central, North Western, South East Central Railway by Rail Vikas Nigam Limited for Rs.2943.09 million.
2006	Awarded BOT project for construction and development of four lane Gwalior Bypass in joint venture by National Highway Authority of India (NHAI) for Rs.3009.30 million.
2006	GDR Issue aggregating US\$30 million comprising of 5,263,200 Global Depository Receipts representing 5,263,200 equity shares of Rs.10 each of the Company.
2006	Awarded project for construction of sugar mill in Distt. Gonda (Uttar Pradesh) by The Pratappur Sugar & Industries Limited for Rs.550 million.
2006	Award of contract by National Aluminium Company Ltd (NALCO) for all civil structural works at its Smelter Plant at Angul. The approximate cost of project is Rs 190 million and is to be executed over a period of 15 months.
2006	Award of contract by Bharat Heavy Electricals Ltd (BHEL) for all civil structural and Architectural work for expansion of its Bhilai Power project at District Durg Chhattisgarh. The value of the contract is Rs 474.50 million and is to be executed over a period of 19 months

2006	Award of contract worth Rs 1020 million in Private Sector for construction of Textile Industry (including PEB), design & construction of Multiplex on turnkey basis and development of Residential Complex.
2006	Award of contract by National Aluminium Company Ltd (NALCO) for civil and structural works worth Rs 202 millions.
2006	Award of contract by Bharat Heavy Electricals Ltd (BHEL) for all civil structural and Architectural work for CW Systems at 1X500MW SGTPS Birsinghpur Thermal Power Project, Madhya Pradesh Power Generating Co. Ltd., Birsinghpur, Dist, Umaria, Madhya Pradesh. The value of the contract is Rs 320 million and is to be executed over a period of 10 months.
2006	Award of another contract by National Aluminium Company Ltd (NALCO) worth Rs 177 millions. The contract is for civil and structural works in Alumina Refinery at Damanjoli and is to be executed over a period of 15 months.
2007	The Company has mobilized the NTPC, Dadri Project for construction of civil works for thermal power project for generation of (2 x 490) 980 MW thermal power for supply to Delhi and its neighboring areas. The contract value of the project is Rs 1889.40 millions excluding the cost of Cement and Steel.
2007	Award of contract from the Adani Group for construction of Civil Works, Fabrication & Erection at Kutch Dist. Gujarat of Rs 28.27 Crore.
2007	Award of contract by NTPC Ltd for main Plant & Offsite Civil works Package for Simhadri Super Thermal Power Projects, Stage-II (2 X 500 MW) on works contract basis. The value of the contract is approx. Rs 136.33 Crores and is executed over a period of 43 months.
2007	Awarded a prestigious order in consortium with Karam Chand Thapar & Bros (C.S.) Ltd. from National Highways Authority of India (NHAI) for executing the Delhi - Bahadurgarh - Rohtak in the state of Haryana for Design, Engineering, Finance, Construction, Operation and Maintenance of Delhi - Haryana Border to Rohtak Section of NH-10 from km 29.70 to km 87.00 including construction of Bahadurgarh and Rohtak Bypass in the state of Haryana under NHDP Phase III A on BOOT basis.
2007	Era Infra Engineering Ltd (EIEL) jointly with Induni CIE & SA., a 100 year old Swiss company and an acknowledged market leader in the highway construction has bagged a prestigious order "Design, Construction, development, Finance, Operation and Maintenance of Eight lane access controlled highway under Phase-II A Programme as an extension of Phase I of ORR to Hyderabad City, in the State of Andhra Pradesh, India, for the package from Narsingi to Kollur from Km 0.00 to Km 12.00 on Build, Operate and Transfer (BOT) (Annuity) Basis through an Special Purpose Vehicle (SPV) Company M/s Hyderabad Ring Road Project Pvt. Ltd.
2007	Award for construction of "Main Plant & Offsite Civil Works Package for Aravali Super Thermal Power Project, Jhajjar (3X500MW) of Aravali Power Company Pvt Ltd on "Works Contract Basis" for total contract price of Rs 2.85 Billion approximately. The award of work under this contract is on "Works Contract Basis". All works of the subject package shall be completed within a period of 48 calendar months.

2007	Awarded a contract in Civil and Structural Works of HDPE unit, Panipat Naptha Cracker Project by Indian Oil Corporation Ltd at Panipat, Haryana on October 25, 2007 valuing Rs 81, 75, 17,629. The contract duration is 15 months only.
2007	Awarded the work of Setting up Super Specialty Block and Trauma Care Centre by Hindustan Latex Ltd on behalf of Ministry of Health and Family Welfare at Government Mohan Kumaramangalam Medical College, Salem, Tamil Nadu on November 19, 2007 valuing Rs 61, 18, 12,253. The contract duration is 15 months only.
2008	Award of contract of Industrial Workers Housing (1272 Dwelling Units of Type-I and Type-III) with cost effective technologies composite work complete including development work at Bhorgarh, Delhi by Delhi State Industrial & Infrastructure Development Corporation Ltd (DSI IDC) on January 23, 2008 valuing Rs 37,05,90,388. The contract duration is 22 months.
2008	Awarded the work of Construction of 5888 EWS Houses (Composite Work) with Cost Effective Technologies at Samaspur Khalsa, Delhi by Delhi State Industrial & Infrastructure Development Corporation Ltd (DSI IDC) on January 25, 2008 valuing Rs 110,45,78,486. The contract duration is 21 months.
2008	Awarded the work of "Structural Works for New CRM Complex (Package No. - 037B)" at "SAIL- Bokaro Steel Plant 7.0 MT Expansion project by Steel Authority of India Ltd , Bokaro Steel Plant" on February 12, 2008 valuing "Rs 126.29 Crore". The contract duration is 24 months.
2008	Awarded the work of "Construction of CBI Head Office Building at Envelope - 5B, CGO Complex, Lodhi Road, New Delhi" by " National Buildings Construction Corporation Ltd " on February 15, 2008 valuing "Rs 115,12,89,940". The Contract Duration is 24 months.
2008	In joint venture with KMB, Ukraine has been awarded the work of "Expansion and Modification to Terminal Building for International Operation at C E Pune" by " Air Ports Authority of India " on February 25, 2008 valuing "Rs 77,91,57,986". The contract duration is 7.5 months.
2008	Award of contract from M/s. Central Park Estates Pvt Ltd valued at Rs 86.5 Crore for the work of construction & development of Central Park — II at Sector 48, Sohna Road, Gurgaon.
2008	KMB-ERA JV of which Era Infra Engineering Ltd, (EIEL) is a partner, has secured a contract from DELHI METRO RAIL CORPORATION LTD. (DMRC) which involves design and construction of Dwarka, Sector- 21, Underground Station, approach cut & cover tunnel and connected works. The value of the contract is Rs 148.40 Crore.
2008	Company has secured an order for supply of Ready Mix Concrete (RMC) for Common Wealth Games Village, New Delhi valued at approximately Rs 20 Crore.
2008	Company has secured an order valued at approximately Rs 4 Crore from Jeet builders Pvt Ltd for supply of Ready Mix Concrete (RMC) for the construction of multi storied residential complex at Greater Noida.
2008	Awarded a contract from LANCO Infratech Ltd. , the contract is valued at Rs 61 Crore and involves General Civil Works — I & III packages for 2 X 600 MW Lanco Anpara Thermal Power Project, Anpara, Sonbhadra District, U.P.
2008	Award of a contract for the construction of independent houses and bituminous road at Sahara City Homes, Jaipur. The Contract is awarded by Sahara India Commercial Corporation Ltd. The contract is valued at Rs 32 Crore.

2008	Award of a contract for construction of the following at Sahara City Homes, Gwalior. 1. Independent houses (G+1) - Row Houses, Semi detached units and villas. 2. Multistoried Buildings (stilt+ 9 storey) - Tower B (2Nos) and Tower C (3 Nos) The Contract is awarded by Sahara India Commercial Corporation Ltd. The contract is valued at Rs 51.50 Crore.
2008	Award of a prestigious contract from Mumbai Railway Vikas Corporation Ltd. for the construction of EMU Maintenance Car Shed between Nallasopara & Virar stations of Western Railway through International Competitive Bidding (ICB).The project being funded by International Bank for Reconstruction Development (IBRD) is part of Mumbai Urban Transport Project. The contract is valued at Rs 85.20 Crore.
2008	Award of two prestigious contracts from M/s. Birla Tyres for construction of two Tyre plants valuing Rs 30 crores and 25 crores The Company has also bagged a contract from M/s. Alps Industries Ltd for construction of Weaving & Processing Unit valuing Rs 10.5 crores.

Business Area

The Company is involved in the following constructions activities:

- **Highways:**

Up-grading and strengthening of national and state highways on both a turnkey and BOT basis.

- **Railways:**

Numerous railway projects with Rail Vikas Nigam Limited, on a turnkey basis. The projects include all types of civil engineering work such as bridges, tracking, signaling and electrification.

- **Power:**

Thermal power projects for NTPC and BHEL. The project includes all type of civil and structure work, such as turbo generator foundations and steel structures, administrative buildings, electrifications, paneling.

- **Airports:**

Runway projects in domestic airports and projects on a turnkey basis for cargo and administrative buildings.

- **Industrial:**

Many projects for private sector and public sector units across all industries including sugar, textiles, Parma, chemicals, minerals and many other. The Company funds these projects either on a turnkey basis.

- **Institutional and Commercial Complex:**

Many projects such as universities, colleges, schools, multiplex and malls, office complexes, hospitals and others.

- **Residential Township and Multi Story Buildings:**

The development of many residential projects for Public Sector Units, Central and State Government agencies and others.

IV A brief history of the issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.

Equity Share Capital History of the Company

Date of Allotment	No. of equity shares	Face Value	Issue Price	Nature of Allotment	Cumulative Paid-up Equity Capital (Rs.)
03.09.1990	2	100/-	100/-	Initial Allotment	200
02.01.1991	4,998	100/-	100/-	Issued to Promoters/Friends/Relatives	500000
27.03.1992	10,000	100/-	100/-	Issued to Promoters/Friends/Relatives	1500000
25.03.1993	35,000	100/-	100/-	Issued to Promoters/Friends/Relatives	5000000
27.03.1993	15,000	100/-	100/-	Issued to Promoters/Friends/Relatives	6500000
23.12.1993	3,290	100/-	100/-	Issued to Promoters/Friends/Relatives	6829000
31.03.1994	29,224	100/-	100/-	Issued to Promoters/Friends/Relatives	9751400
30.07.1994	975140	10/-	10/-	Subdivision of Shares of Rs. 100/- each to Rs. 10/- each	9751400
30.09.1994	975140	10/-	Nil	Bonus Issue on 1:1 basis	19502800
10.05.1995	1500800	10/-	25/-	Issued to subscriber of Initial Public Offer	34510800
09.11.2000	893200	10/-	25/-	Preferential Allotment	43442800
30.11.2004	2172140	10/-	Nil	Bonus Issue (Ratio 1:2)	65164200
19.07.2005	6833932	10/-	72/-	Further Public Issue	133503520
27.02.2006	5263200	10/-	253.54	First Issue of GDR underlying Shares	186135520
30/12/2005	4490000	10/-	135/-	Preferential Allotment of Warrant	231035520
09/06/2007	5500000	10/-	425/-	Preferential Allotment of Warrant	286035520
20/02/2009	532262	2/-	158.60/-	Conversion of FCCBs'	287100044
16/06/2009	140069	2/-	158.60/-	Conversion of FCCBs'	287380182

Issue of Convertible Bonds/Share Warrants

The Company raised 750 Nos. Zero Coupon Foreign Currency Convertible Bonds due 2012 of US\$ 100,000 each, aggregating to US\$ 75 Million through letter of offer dated 17th January, 2007. The FCCB's have maturity period of 5 years and 1 day and are listed at Stock Exchange of Singapore. Unless previously converted, redeemed or repurchased and cancelled, the Bonds are convertible at any time on or after 24th January, 2008, and prior to 10th January, 2012, by the holders of the Bonds into newly issued, ordinary shares of Rs. 10/- per share on the terms disclosed in offer document at the option of the bondholder. The Company has at its meeting of the Board of Directors held on 24th January, 2008 fixed the initial conversion price of Rs. 793/-.

On June 29 , 2007, 44,90,000 share warrants has been converted into the equity shares of nominal value of Rs. 10/- each at a premium of Rs. 125/- each.

The face value of shares of the company have been divided into Rs 2 each shares from Rs 10 each share on 24.09.2008

On December 04, 2008, 55,00,000 share warrants were converted into the equity shares of nominal value of Rs. 10/- each at a premium of Rs. 415/- each. After subdivision 2, 75,00,000 equity shares were allotted @ Rs.2/- each at a premium of Rs.83/- each.

Capital Structure

(Rs. in Crores)

As on March 31, 2009	Nominal Value	Amount
1. Share Capital		
A. Authorised Share Capital		
20,00,00,000 Equity Shares of Rs. 2/- each	40.00	40.00
B. Issued, Subscribed & Paid- up Share Capital		
14,35,50,022 Equity Shares of Rs. 2/- each	28.71	28.71
2. Paid-Up Share Capital after the Present Issue		
14,35,50,022 Equity Shares of Rs. 2/- each (The present issue is done through private placement of Secured Redeemable Non- Convertible Debentures which would not have any impact on the paid up equity capital of the Company)	28.71	28.71
3. Present Issue of Debentures through this Schedule		
a. Issue of 400 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each	40.00	40.00
Of which, Reservations are	Nil	Nil
c. Net Offer in terms of this Schedule Issue of 400 Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each	40.00	40.00

V Details of Debt Securities issued and sought to be listed including face value, nature of debt securities mode of Issue i.e. Public Issue or Private Placement:

Under the purview of current document, the Company intends to raise an amount of Rs. 40 Crores of Secured Redeemable Non Convertible Debentures in one or more tranches through private placement to institutional investors.

The Company has a valid rating of CARE A+ (pronounced CARE single A Plus) as per the details given below and the rating letter from the rating agency is enclosed at the end of this document.

The Company proposes to mobilize through private placement of secured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs.10,00,000/- each at par aggregating Rs. 40 Crs.

Nature of Debt Securities	Secured, Redeemable, Non Convertible Debentures
Mode of Issue	Private Placement
Issue Amount	Rs. 40 Crores
Security	Secured by Parri-passu 1 st charge on fixed assets of the company having minimum asset cover of 1.25 times during the tenor of the NCD
Tenor	5 years
Coupon Rate	-----% p.a.
Interest Payable	Annually
Redemption Date	In 3 equal installments at the end of 3 rd , 4 th & 5 th Year from Deemed Date of Allotment.

VI Issue Size:

Rs 40.00 Crores

VII Details of utilization of the issue proceeds

The Present issue of Debenture is being made to meet the normal capital expenditure, general corporate purposes and long term working capital requirement.

The Main Object Clause of the Memorandum of association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the Company has been carrying on till date. The proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.

VIII A statement containing particulars of the Dates of, and parties to all Material Contracts Agreements involving Financial Obligation of the Issuer

1. Copy of Board Resolution regarding the issue of Non Convertible Debentures
2. Copy of letter from the Company appointing Axis Trustee Services Limited as Trustee to the Issue.

Material Documents

The following material documents may be inspected at the Registered Office from 11.00 am to 1.00 p.m. from the date of this Information Memorandum/Disclosure Document, until the date of closure of this Issue:

- 1) Certified true copies of the Memorandum and Articles of Association of the Company, as amended from time to time.
- 2) Copy of the Certificate of Incorporation of the Company dated September 03, 1990.
- 3) Certified true copy of the Resolution(s) of the Company passed at the General Meeting held on 28th September 2007 for increase in borrowing limits.
- 4) Copies of Annual Reports of our Company for the last five financial years.
- 5) Credit Rating Letter from CARE Ratings.

- 6) Certified true copy of the Resolution of the Members of the Company passed at the Annual General Meeting appointing M/s G.C. Sharda & Co. as statutory auditors of the Company.
- 7) Copy of tripartite agreement between the Company, Beitel Financial & Computer Services Pvt. Ltd and National Securities Depository Limited.
- 8) Copy of tripartite agreement between the Company, Beitel Financial & Computer Services Pvt. Ltd. and Central Depository Services (India) Limited.

IX Details of other borrowings as on March 31, 2009 and any other issue of Debt Securities in the past

The Company and its subsidiaries have obtained various financial facilities from banks and financial institutions which include working capital demand loans, cash credits, bank guarantees and a letter of credit issuance facility, short-term loans, corporate loans, non-convertible debentures and suppliers' bill discounting facility. As at March 31, 2009, borrowings from banks and institutions were:

(Rs. in crores)

Particulars	Outstanding
Secured	1263.75
Unsecured	532.47
Total	1796.22

The table below sets forth outstanding borrowing of the Company as on March 31, 2009:

Unsecured Loans	(Rs. In crores)
Particulars	Amount
Term Loans from Banks/ Financial Institutions	158.88
Public Deposit & ICDs	2.32
Foreign Currency Convertible Bonds	371.27
Total Unsecured Loans	532.47

Details of Security for Secured Indebtedness as on March 31, 2009

(Rs. in crores)

Sr. No.	Name of NCD Holder	Tenor	Date of Issue	Issue Amount	Amount Outstanding as on 31-03-09	Rate of Interest	Repayment Schedule	Security given / proposed
A. Debentures								
1.	Axis Bank Limited	5 Years	Sep'06	50.00	45.83	10.41%	Starting from Dec.08 in 12 qtrly. Installments	First Pari-passu charge on Fixed Assets, non agri land of the Company
2.	Axis Bank Limited	3 Years	Oct'07	50.00	27.08	11.50%	Starting from Apr'08 in 24 monthly installments	First Pari-passu charge on receivables from NTPC Dadri Project and charge on land of Assoc. Company

3.	LIC of India	5 Years	Dec'07	75.00	75.00	11.00%	Starting from Nov'10 in 3 equal annual installments	First Pari-passu charge on fixed assets of the Company and charge on land of Assoc. Company & Personal Guarantee of Promoters
4.	LIC Mutual Fund	365 Days	Apr'08	25.00	25.00	12.50%	Bullet Payment on maturity on 21.05.09.	PDC & Personal Guarantee
5.	LIC of India	5 Years	Jan'09	40.00	40.00	13.00%	2 equal annual installments in 2013 & 2014	First Pari-passu charge on fixed assets of the Company
B.	Working Capital Loans from Banks				806.49	Secured by way of hypothecation of stock, book-debts and in come cases other current assets both present and future of the company through pari-passu and/ or subservient charge on current & fixed assets of the company. In come cases these are further secured by way of first parri passu charge on movable and immovable fixed assets of the company and further secured by equitable mortgage of certain personal assets and personal guarantees of Mr. H. S. Bharana, Chairman & Managing Director/ his associates/ relatives.		
C.	Equipments Finance				142.57	Secured by way of hypothecation of respective assets		
D.	Other Loans and Advances				2.36	Secured against pledge of keyman insurance policies, bank guarantees and second charge on all fixed and current assets of the Company and first charge on third party property along with personal guarantee of CMD and third party as the case may be.		
E.	Mobilisation Advance from Clients				99.42	Secured by Bank Guarantee		
Total Secured Loans					1263.75			

X Any material event/ development or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.

Other than details given in the Disclosure Document there is no material event/development or change at the time of issuance of this document which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.

XI Particulars of the Debt Securities Issued for Considerations other than Cash, whether in whole or part, at a premium or Discount or in Pursuance of an Option

The Issuer Company has not issued any debt securities for consideration other than cash, at premium, or at discount. The details of the FCCB's issued are provided in the section IV titled Brief History of Issuer Company since incorporation and changes in Capital Structure.

XII List of Highest Ten holders of each class or kind of securities of the issuer as on the date of the application along with particulars to the number of shares or Debt Securities held by them and the address of each such holder

As of March 31, 2009

(Rs. in Crores)

Sr. No.	Debt Security Holder	Address	Coupon	Amount	Outstanding
1	Axis Bank Ltd.	Maker Towers, F Wing, 11 th Floor, Cuffe Parade, Colaba, Mumbai-400005	10.41% NCD	50.00	45.83
2	Axis Bank Ltd.	Maker Towers, F Wing, 11 th Floor, Cuffe Parade, Colaba, Mumbai-400005	11.50% NCD	50.00	27.08
3	LIC of India	Central Office, Yogakshema, Jeevan Bima Marg, Mumbai-21	11.00% NCD	75.00	75.00
4	LIC MF AMC Ltd.	Ind. Assurance Bldg, 4 th Floor, Churchgate, Mumbai – 400 020	12.50% NCD	25.00	25.00
5	LIC of India	Central Office, Yogakshema, Jeevan Bima Marg, Mumbai-21	13.00% NCD	40.00	40.00

Top 10 Equity Holder of the Company as on March 31, 2009

Sr. No.	Name of Shareholder	Address	No. of Shares Held	% Shareholding
1	Era Housing & Developers (I) Ltd	370-371/2, Sahi Hospital Road, Jungpura, Bhogal, New Delhi- 110 014.	41472760	28.89
2	Hi-Point Investment & Finance Private Ltd.	370-371/2, Sahi Hospital Road, Jungpura, Bhogal, New Delhi-14	28890390	20.13
3	Hem Singh Bharana	C-146, 1 st Floor, Sarvodaya Enclave, New Delhi-110014.	8437500	5.88
4	Marigold Promoters Pvt. Ltd.	House No.-4, Mall Road, Shanti Kunj, Behind D-3 Flat, Vasant Kunj , New Delhi-70	7500000	5.22
5	Victory Realtech Private Limited	221,B/2, Fatehpur Beri, New Delhi-110030	5000000	3.48
6	Paloma Dwelling Private Limited	4, Mall Road, Shanti Kunj, Behind D-3 Flat, Vasant Kunj , New Delhi-70	4775000	3.33
7	Peach Glow Holding Limited	Port Cullis Trustnet Chambers, 3444 Road, Town, Tortona Road, Virgin Iland	2625000	1.83
8	Tanvi Fincap Private Limited	6/233, Doongar Mohalla, Farsh Bazar , Delhi-110032	2486351	1.73

9	Mahima Developers & Builders Ltd.	Gali No.16 Vishwas Nagar, Shahdara, New Delhi	2159738	1.50
10	United India Insurance Company Limited	24, Whites Road, Royapettah, Chennai, Tamilnadu-600014	1866990	1.30

XIII Undertaking that the Issuer shall use a Common Form of Transfer

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

XIV Redemption Amount, Period of Maturity, yield on Redemption

Redemption Amount	Rs 40.00 Crores (at par)
Tenor	5 years
Redemption	In 3 equal installments at the end of 3 rd , 4 th & 5 th Year from Deemed Date of Allotment.
Coupon/Interest Rate	-----% p.a. payable Annually

XV Information Relating to the terms of Offer/Purchase

Issuer	Era Infra Engineering Ltd. (EIEL)
Issue Size	Rs. 40.00 Crores
Instrument	Secured Redeemable Non Convertible Debentures
Issuance	Only in Dematerialised form
Tenor	5 years
Coupon Rate	-----% p.a. payable annually
Redemption	In 3 equal installments at the end of 3 rd , 4 th & 5 th Year from Deemed Date of Allotment.
Put/Call Option	None
Face Value	Rs. 10,00,000/- each
Issue Price	Rs. 10,00,000/- each
Minimum Subscription	1 Debenture and in multiple of 1 Debentures thereafter
Security	Secured by Parri-passu 1 st charge on fixed assets of the company having minimum asset cover of 1.25 times during the tenor of the NCD
Security Creation	The security shall be created in favour of the Trustees within three months from the Deemed Date of Allotment or such extended period as may be permitted by the relevant authority(ies).
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realization of cheque(s)/ demand draft(s) up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis.

Interest Payment	Annually on the face value of the NCDs outstanding throughout the tenure of the NCDs
Interest Calculation	Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.
Record Date	The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal repayment date.
Listing	The debentures are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE)
Trading	The Debentures will be traded in Dematerialised form only
Depository	NSDL/CDSL

* Subject to TDS at applicable rate.

Issue Programme

Issue Open Date	[●] , 2009
Issue Closing Date	[●] , 2009
Pay In Date	[●] , 2009
Deemed Date of Allotment	Within three working days from the issue closing date

(The company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.)

Other Offer details:

Market Lot

The market lot will be one Debenture ("Market Lot"). Since the debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Letter(s) of Allotment

Issue of Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 15 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

Issue of Debenture Certificate(s)

Subject to the completion of all legal formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the Appropriate Authorities, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Debentures allotted.

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

Security

The entire amount of the Debentures including interest payable thereon shall be secured by way of first pari passu charge on the fixed assets of the Company. The said security will be created in favour of the Trustees. The implementation of this provision will be sufficient compliance of the Company's obligation to create security. The security will be created as per the legal requirement and the minimum security cover will be 1.25 times of the aggregate face value amount of Debentures issued.

The company shall create security for the said Debentures, within a period of 3 months from the Deemed Date of Allotment or such extended period as may be permitted by the relevant authority(ies).

Terms of Payment

The full face value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) for the full face value of the Debentures applied for.

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture
Rs. 10,00,000/-	1 Debentures & in multiples of 1 Debenture thereafter	Rs. 10,00,000/-

Interest on Application Money

Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Debentures. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 366 day basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid alongwith the Refund Orders. Where an applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant alongwith the interest on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (alongwith Refund Orders, in case of refund of application money, if any) shall be dispatched by the company within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) alongwith the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

Payment of Interest

The interest will be payable to the Bondholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Bank on the Record Date/ Book Closure Date. Payment of interest will be made by way of cheque(s)/ interest warrant(s)/ demand draft(s)/credit through RTGS system. In case of cheque/demand draft the same will be dispatched to the sole/ first applicant, 7 days before the due date(s) by registered post at the sole risk of the applicant.

Computation of Interest

Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Debentures at the coupon rate rounded off to the nearest Rupee.

Tax Deduction at Source (TDS)

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the payment of interest becoming due with the Company Secretary, or to such other person(s) at such other address (es) as the Company may specify from time to time through suitable communication.

Tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder(s) a Certificate of Tax Deduction at Source.

Tax Benefits

The Debenture holder(s) are advised to consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Debentures, and income arising thereon

Payment on Redemption

Payment on redemption will be made by cheque(s)/ warrants(s) in the name of the Debenture holder whose name appears on the List of Beneficial owners given by Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such Beneficiary (ies) by registered post/ courier, the liability of the Company shall stand extinguished.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Debenture holders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Company's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Mumbai), then the payment due shall be made on the next Business Day.

Effect of Holidays

Should any of dates defined above or elsewhere in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Debenture Redemption Reserve (DRR)

As per extant circular no. 6/3/2001-CL.V dated 18.04.2002 issued by the Government of India with respect to creation of Debenture Redemption Reserve, for manufacturing and infrastructure companies, the adequacy of DRR is defined at 25% of the value of debentures issued through private placement route. In terms of extant provisions of Companies Act, 1956, the Company is required to create Debenture Redemption Reserve out of profits, if any, earned by the Company. The Company shall create a Debenture Redemption Reserve ('DRR') and credit to the DRR such amounts as applicable under provisions of Section 117C of the Companies Act 1956 (as amended from time to time) or any other relevant statute(s), as applicable.

Notices

All notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be published in one English and one regional language daily newspaper in Mumbai, New Delhi, Kolkata and Chennai and/ or, will be sent by post/ courier to the sole/ first allottee or sole/ first Beneficial Owner of the Debentures, as the case may be from time to time.

All notice(s) to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

Sharing of Information

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Undertaking by the Issuer

The Issuer Company undertakes that:

- a) the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- b) it shall take all steps for completion of formalities for listing and commencement of trading at all the concerned stock exchange(s) where securities are to be listed and taken within 70 working days from the date of closure of issue.
- c) the funds required for dispatch of refund orders by registered post shall be made available to the Registrar to the Issue by the Issuer Company;
- d) no further issue of securities shall be made till the securities offered through this Disclosure Document are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc;
- e) Necessary co-operation to the credit rating agency shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

Depository Arrangements

The Company has appointed "Beetal Financial & Computer Services Pvt. Ltd." (hereinafter referred to as the 'Registrars'/ 'RTA') Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062. Tel: 011-29961281, Fax: 011-29961284; Email: beetal@rediffmail.com as Registrars & Transfer Agent for the present Debenture issue. The Company has made necessary depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of Debentures in dematerialized form. In this context the Company has signed two tripartite agreements as under:

- 1) Tripartite Agreement between Era Infra Engineering Ltd., Beetal Financial & Computer Services Pvt. Ltd. and National Securities Depository Limited (NSDL) for offering depository option to the investors.
- 2) Tripartite Agreement between Era Infra Engineering Ltd., Beetal Financial & Computer Services Pvt. Ltd. and Central Depository Services (India) Limited (CDSL) for offering depository option to the investors.

Investors can hold the debentures only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

Procedure for applying for Demat Facility

- The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form under the heading 'Details for Issue of Debentures in Electronic/ Dematerialised Form'.
- Debentures allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
- For subscribing the Debentures, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- The Registrars to the Issue will directly send non-transferable allotment advice/ refund orders to the applicant.
- If incomplete/ incorrect details are given under the heading 'Details for Issue of Debentures in Electronic/ Dematerialised Form' in the application form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the company.
- For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
- It may be noted that Debentures being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. National Stock Exchange of India Limited where the Debentures of the company are proposed to be listed has connectivity with NSDL and CDSL.

- Interest or other benefits would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the Depositories to the company as on Record Date/ Book Closure Date. In case of those Debentures for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Mode of Transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

Trustees for the Debenture holders

The Company has appointed Axis Bank Ltd. to act as Trustees for the Debenture holders (hereinafter referred to as "Trustees"). A copy of letter from Axis Bank Ltd. conveying their consent to act as Trustees for the Debenture holders is enclosed elsewhere in this Information Memorandum.

1. The Company and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Information Memorandum.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company pro tanto to the Debenture holder(s).
6. The Trustees will protect the interest of the Debenture holder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.

Right to Accept or Reject Applications

The Board of Directors/ Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a) Number of debentures applied for is less than the minimum application size;
- b) Applications exceeding the issue size;
- c) Bank account details not given;
- d) Details for issue of debentures in electronic/ dematerialized form not given;
- e) PAN/GIR and IT Circle/Ward/District not given;

In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted.

PAN/ GIR Number

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

Record Date/ Book Closure Date Falling on Sunday/ Holiday

The 'Record Date/ Book Closure Date' for the Debentures shall be 30 days prior to each interest payment and/ or principal repayment date (in case of exercise of call option). In case record date / book closure date falls on Sunday / Holiday, the day prior to the said Sunday / Holiday shall be the record date / book closure date.

How to Apply

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the Institution(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be sent specifically addressed to the institution(s) by the Issuer Company.

Only eligible investors as given hereunder may apply for debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debentures and in multiples of 1 Debenture thereafter. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source.

Unless the Issuer Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of '**Era Infra Engineering Limited**' and crossed '**Account Payee Only**'. Cash, outstation cheques, money orders, postal orders and stockinvest shall not be accepted. Detailed instructions for filling up the application form are provided in the Application Form. Alternatively, investors can remit their application money through RTGS to Era Infra Engineering Limited **RTGS Account** as detail given below:

Account Name : **ERA INFRA ENGINEERING LIMITED**

Name of Bank & Address : **Union Bank of India**
4/14 A, Asaf Ali Road,
New Delhi-110 001.

IFSC Code No. : **UBIN0541371**

Account No. : **413701010036595**

No separate receipts shall be issued for the application money. However, the duly completed Application Forms will be acknowledged as the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. For further instructions, please read Application Form carefully.

Who Can Apply

The following categories of investors may apply for the debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.

1. Scheduled Commercial Banks;
2. Regional Rural Banks;
3. Financial Institutions;
4. Insurance Companies;
5. Mutual Funds;
6. Companies, Bodies Corporate authorized to invest in debentures.
7. Any other investor authorized to invest in these Debentures

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this issue of Debentures.

Procedure for applications by Mutual Funds and Multiple Applications

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen Signature of authorized signatories

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable:

- Memorandum and Articles of Association/ Documents Governing Constitution;
- Resolution authorizing investment;
- Certified True Copy of the Power of Attorney;
- Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money;
- Specimen signatures of the authorised signatories duly certified by an appropriate authority;
- SEBI Registration Certificate (for Mutual Funds);
- PAN to be submitted.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

Future Borrowings

The Company shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture holder(s) in this connection.

Purchase/ Sale Of Debentures

The Company will have the power exercisable at its absolute discretion from time to time to purchase some or all the Debentures at any time prior to the specified date(s) of redemption, at discount, at par or at premium from the open market in accordance with the applicable laws. Such Debentures, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

Right to Re-Issue

In the event of the Debentures being so purchased and/ or redeemed before maturity in any circumstances whatsoever, the Company shall have the right to re-issue the Debentures under section 121 of the Companies Act, 1956 or any other relevant statute(s), as applicable.

Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

Rights of Debenture holders

The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles, the terms of this prospectus and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

Save as otherwise provided in this Information Memorandum, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

A register of Debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.

Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Succession

In the event of the demise of the sole/ first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased Debentureholder, or the holder of succession certificate or other legal representative as having title to the Debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debentureholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied with:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

Signatures

Signatures should be made in English and in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

Nomination Facility

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/ Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney can not nominate.

Governing Law

The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of NOIDA (U.P.).

Consents

Consents in writing of the Registrar of issue and Trustees for the Debentureholders to act in their respective capacities, have been obtained.

Underwriting of the issue

The Issue of Debentures has not been underwritten.

COMPLIANCE OFFICER/ COMPANY SECRETARY

Mr. Rajiv Kumar
Company Secretary
Era Group,
153, Okhla Industrial Area,
Phase – III, New Delhi – 110020
Tel: +91 11 4063 7000, **Fax:** +91 11 4063 7070,
Website: www.eragroup.co.in;

The investors can contact the Compliance Officer in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ Debenture certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc.

STATUTORY AUDITORS

M/s G. C. Sharda & Co.
Chartered Accountants
D-34, LGF, East of Kailash,
New Delhi-65.
Tel: 011-26234888.

BANKERS TO THE ISSUE

Union Bank of India

CREDIT RATING AGENCY

Credit Analysis and Research Ltd.

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022.
Tel: (022) 6754 3456.
Fax: (022) 6754 3457
E-mail: care@careratings.com.
Website: www.careratings.com.

REGISTRAR TO THE ISSUE

Beetal Financial & Computer Services Private Ltd.

Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi-110062
Tel: 011-29961281. Fax: 011-29961284.
Email: beetal@rediffmail.com

TRUSTEES TO THE ISSUE

Axis Trustee Services Limited

Maker Towers, F Wing, 6th Floor,
Cuffe Parade, Colaba,
Mumbai-400005
Tel: (022) 67074407.
Fax: (022) 22162467.

XVI The discount at which such offer is made and the effective price for the investors as a result of such discount

The debentures are being issued at the face value and not at discount to offer price.

XVII Debt Equity Ratio Prior to and after the issue of the Debt Security

The debt equity ratio of the Company as on March 31, 2009 is 2.03 times and subsequent to the issue to these debentures will be 2.07 times

XVIII Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities

The company is discharging all its liabilities in time and would continue doing so in future as well. The company has been paying regular interest and principle whenever due.

XIX Permission/consent from the prior creditor for a second or pari-passu charge being created in favour of the trustees to the proposed issue has been obtained

The Company shall procure consent from the existing charge holders for creation of security for the Debentures on pari passu basis. The trustee shall in future provide consent to create pari-passu charge subject to the Issuer Company complying with the requisite terms of the debentures issued.

XX The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities

The debenture trustee of the proposed debenture is:

Axis Trustee Services Limited

SEBI Registration No.: **IND000000494**

Address: Maker Towers, F Wing, 6th Floor, Cuffe Parade, Colaba, Mumbai-400005.

Tel: (022) 67074407, Fax: (022) 22162467

Consent letter from Debenture Trustee is attached.

XXI Rating Rationale adopted by the rating agency shall be disclosed

CARE has assigned "CARE A+" (pronounced CARE single A Plus) by CARE Limited for Rs. 40.00 crores to these debentures. Credit Rating Rationale from CARE is attached.

XXII Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designed stock exchange and also whether in principle approval from the recognized stock exchange has been obtained

The securities are proposed to be listed with Designated Stock Exchange:

BOMBAY STOCK EXCHANGE LIMITED

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001.

Tel No.: 022-22721233/4, Fax No.: 022-22721919.

Website: www.bseindia.com

The Company has applied for obtaining in principle approval from the stock exchange.

XXIII A summary term sheet shall be provided which shall include brief information pertaining to the Secured/unsecured non convertible debt securities (or a series thereof) as follows

Issuer	Era Infra Engineering Ltd. (EIEL)
Issue Size	Rs. 40.00 Crores
Instrument	Secured Redeemable Non Convertible Debentures
Issuance	Only in Dematerialised form
Tenor	5 years
Coupon Rate	-----% p.a. payable Annually*
Redemption	In 3 equal installments at the end of 3 rd , 4 th & 5 th Year from Deemed Date of Allotment.
Put/Call Option	None
Face Value	Rs. 10,00,000/- each
Issue Price	Rs. 10,00,000/- each
Minimum Subscription	1 Debenture and in multiple of 1 Debentures thereafter
Security	Secured by Parri-passu 1 st charge on fixed assets of the company having minimum asset cover of 1.25 times during the tenor of the NCD
Security Creation	The security shall be created in favour of the Trustees within three months from the Deemed Date of Allotment or such extended period as may be permitted by the relevant authority(ies).
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realization of cheque(s)/ demand draft(s) up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis.
Interest Payment	Annually, on the face value of the NCDs outstanding throughout the tenure of the NCDs
Interest Calculation	Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.
Record Date	The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal repayment date.
Listing	The debentures are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE)
Trading	The Debentures will be traded in Dematerialised form only
Depository	NSDL/CDSL

* Subject to TDS at applicable rate.

Issue Programme

Issue Open Date	[●] , 2009
Issue Closing Date	[●] , 2009
Pay In Date	[●] , 2009
Deemed Date of Allotment	Within three working days from the issue closing date

(The company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.)

For **Era Infra Engineering Ltd**

(Authorised Signatory)

Date: July ____, 2009


AXIS TRUSTEE

ATSL/CO/09-10/314/55
 June 07, 2009

The Chief Financial Officer
Era Infra Engineering Limited
 370-371/2, Sahi Hospital Road
 Jaganpura, Bhogal,
 New Delhi-110 014

Kind Attn.: Shri S. M. Gupta

Dear Sir,

Re: Offer to act as Debenture Trustees to proposed Non Convertible Debentures to be issued by the Company aggregating Rs. upto 40 Crores.

We refer to the proposed Non Convertible Debentures (NCDs) aggregating upto Rs. 40 crores to be issued by your Company. In this connection, we are pleased to act as "Debenture Trustees" for said NCDs as per following terms and conditions:

1. An Initial Acceptance fee of Rs. 50,000/- (Rupees Fifty Thousand only) with applicable taxes payable on acceptance of our offer by you.
2. An Annual fee of Rs. 1,00,000/- (Rupees One Lac only) plus applicable Taxes, payable annually in advance from the date of acceptance of our offer till date of satisfaction of charge.
3. All out of pocket expenses like documentation, legal fees, travelling and conveyance expenses, inspection charges etc. will be borne by you and reimbursed to us within 15 days of making the claim by us.
4. The Company shall execute all the requisite documents including Debenture Trust Deed and such other Deeds/Agreements, as may be necessary, as per the agreed drafts and the security shall be created as per the terms agreed with debenture holder/s.
5. The Fees quoted above shall be non-refundable and exclusive of any amount that may be payable/ reimbursed under the provisions of Finance documents or any claims against the Company.
6. This Offer Letter is valid for a period of one month from the date of issue.
7. The fees is to be paid within one month from the date on which it is due, failing which a penal interest @ 12% p.a. will be charged on annually compounded basis.

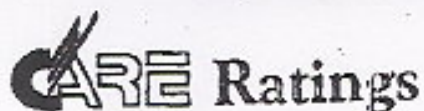
We shall be glad to offer any clarification on the matter and shall be pleased to receive your acceptance at an early date.

Yours truly,
For Axis Trustee Services Limited


Neelesh Baheti
 Chief Operating Officer

AXIS TRUSTEE SERVICES LTD.
 (A wholly owned subsidiary of Axis Bank)

REGISTERED OFFICE : Maker Towers F Wing, 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005.
 CORPORATE OFFICE : Maker Towers F Wing, 6th Floor, Cuffe Parade, Colaba, Mumbai - 400 005. Tel : 022-6707 2041 / 1623 Fax : 022-2218 2574



July 13, 2009

Shri H.S. Bharana
 Chairman & Managing Director
 Era Infra Engineering Ltd.
 153, Leela Building,
 Okhla Industrial Estate -III,
 New Delhi - 110020.

CREDIT ANALYSIS & RESEARCH LTD.

710, Surya Kran,
 19, Kasturba Gandhi Marg,
 New Delhi-110001
 Ph. : 23716199, 23318701
 Fax : +91-11-23318701
 Website : www.careratings.com

Confidential

Dear Sir,

Credit Rating

This has reference to your request seeking revalidation of credit rating for Non Convertible Debentures (NCD) programme of your company aggregating Rs.40cr. The proposed NCDs would be redeemed in three equal annual installments at the end of 3rd, 4th and 5th years.

2. Our Rating Committee has retained a 'CARE A+' [CARE Single A (Plus)] rating for proposed NCD programme of Rs.40cr. of your company, which is part of Rs100cr. NCDs already rated by us. Instruments with this rating are considered to offer adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk. Our rating symbols for various ratings for long and medium term instruments and explanatory notes thereon are annexed.
3. Please inform us the details of issue [date of issue, name of investor, amount/s issued, interest rate/s, date of maturity] as soon as NCD has been placed.
4. Please arrange to get the rating revalidated, in case the proposed NCD issue is not made within a period of six months from the date of this letter.
5. The above rating is normally valid for a period of one year from the date of the rating letter. A formal surveillance/review of ratings is normally done on



CARE Ratings

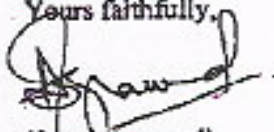
the expiry of one year from the date of initial rating / last review of the rating. However, CARE reserves the right to undertake a surveillance / review of the rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in the opinion of CARE, circumstances warrant such a surveillance/ review.

6. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned ratings in any manner considered appropriate by it, without reference to you.
7. CARE ratings are not recommendations to buy, sell or hold any security.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



(Swati Agrawal)
Regional Manager



(Vikas Tuteja)
Manager

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.



CREDIT ANALYSIS & RESEARCH LTD.

710, Surya Kanti,
19, Kasturba Gandhi Marg,
New Delhi-110001
Ph : 23161599, 2316701
Fax : +91-11-2316701
Website : www.careratings.com

Jan 5, 2009

Shri S.M. Gupta
Chief Finance Officer
Era Infra Engineering Ltd.
153, Leela Building,
Okhla Industrial Estate - III,
New Delhi - 110020.

Confidential

Dear Sir,

Rationale

As already advised, our Rating Committee has assigned a 'CARE A+' [CARE Single A (Plus)] rating to the proposed NCD programme of Rs.75cr of Era Infra Engineering Ltd.

The rationale and the draft press release for the ratings are annexed.

To ensure that no factual inaccuracies have inadvertently crept in, we shall be grateful for any comments that you may have on the annexed write up.

In case we do not hear from you before Jan 12, 2009 on the same, we will proceed on the basis that you have no comments to offer.

Should you require any clarification, please feel free to contact us.

Thanking you,

Yours faithfully,



(S.M. Agrawal)

Regional Manager





Rationale

Era Infra Engineering Ltd.

CARE has assigned a 'CARE A+ (Single A (Plus))' rating to the proposed Non-Convertible Debentures (NCDs) aggregating Rs.75cr. of Era Infra Engineering Ltd.(EIEL), formerly known as Era Constructions (India) Ltd. These NCDs would have tenure of 7 years. Instruments with this rating are considered to offer adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk.

The rating takes into account EIEL's experience in diversified construction activities, track record, increasing order book position, infusion of equity, healthy profit margins and reputed clients. However, the rating is constrained by increasing working capital and capital expenditure requirements given the aggressive growth, increasing investment requirement for BOT projects, vulnerability to increasing competitive pressures and inherent cyclical trends associated with construction sector.

Going forward, given the aggressive growth in operations, the ability of the company to improve gearing and manage its working capital requirements effectively are the key rating sensitivities.

Background

EIEL, the flagship company of Era Group was incorporated in September 1990. It was promoted by Mr. H.S. Bharana, a civil engineer by profession, having more than two decades of experience in construction industry. EIEL is ISO 9001:2000 certified by NQAQSR Certification Private Ltd.

EIEL had three subsidiary companies as on Mar 31, 2007 viz., Era Landmarks (India) Ltd. (ELIL), formerly Era Infrastructure (India) Ltd., Era Building Systems Ltd. (EBSL), formerly Era Metal Building Systems Ltd. and Victor Buildwell Pvt. Ltd. During FY08, due to conversion of optionally convertible preference shares issued to promoters, the shareholding of EIEL has reduced and ELIL and EBSL have ceased to be subsidiaries w.e.f. 28th Mar 2008 and 29th Mar 2008 respectively.

Besides, Era Infra Engineering Ltd. has promoted two subsidiary companies viz. Era Power India Pvt. Ltd. (EPIPL - formed in July 07) and Era Agritech India Pvt. Ltd.





(EAIPL – formed in Dec 2007). EPIPL has been formed for undertaking the projects in power sector. EAIPL was formed to undertake agriculture projects on BOT basis.

Operations

EIEL is a mid-sized growing construction company, involved in the construction of industrial and institutional complexes, infrastructure projects, housing complexes, hospitals and related civil & structural works.

EIEL has strong pre-qualification credentials in meeting requirements of Government bodies for most of infrastructure projects in the power, road, railways, airports and buildings sectors.

EIEL has a pan India presence and operates in 17 States across the country. As of middle of December 2008, the company had various projects under execution with strong order book of around Rs.6,490cr.

EIEL's clients are diversified across PSUs, Private sector and Central Public Works Department such as NTPC, NHAI, BHEL, Power Grid, AAI, PWD, CPWD, NBCC, NALCO, Rail Vikas Nigam, Cadila Pharma, Parus Pharma, MP Road Development Corporation etc.

EIEL has during FY08 set up two new divisions as profit centres viz., Ready-Mix Concrete Division (RMC) and Equipment Management Division (EMD). Both these divisions cater to captive requirement as well as sales to the other clients. The company is expected to incur large capital expenditure in EMD and RMC divisions primarily towards acquisition of equipment.

EIEL is in the process of selling its entire investment in Era Landmarks (India) Ltd. and Mansarovar Heritage Inn Pvt Ltd. to a group of investors.

EIEL is moving up the value chain from cash contracting to value added Built-Operate-Transfer Project. It has been awarded BOT projects in consortium and floated SPVs for Gwalior-Bypass (annuity based), Hyderabad Urban Development Authority-HUDA (annuity based) and Bahadurgarh-Rohtak (BOT-Toll based). EIEL is increasingly bidding for more BOT projects which would increase investment requirements.

EIEL contracts to provide services mostly on the basis of a fixed price per unit of work or a lump sum for the project, exposing it to the risks associated with cost overruns or



CARE Ratings

under-estimations. Under other types of contracts, increase in the cost of materials and labour are generally covered by suitable escalation clauses. In addition, around half of the order book has contracts without raw material thereby resulting in better profitability. The continuation of current trend, bidding at the right price, selection of projects, coupled with continued timely execution of projects, would be critical for EIEL's future profitability.

Financial Performance

Total operational income of the company has increased 145% and 68% in FY07 and FY08 respectively due to increase in average contract size and its ability to execute projects as per time schedules.

Consequent to the increase in the total income, profitability of the company has also been rising consistently. PBITDT margin during FY08 has increased from 18.35% to 20.20% due to increase in ticket size of the contracts and changing project-mix towards high value turnkey contracts. PAT margin has been adversely affected due to higher interest incidence during FY08.

Overall gearing, however, has increased as on Mar 31, 2008 on account of increase in debt for meeting working capital and capital expenditure requirements.

EIEL had raised USD 75 million (Rs. 335 cr) through FCCB in Jan07 to fund capex plans and investment in BOT projects.

EIEL had issued 55 lakh fresh warrants to promoters and associates in May 2007 at a price of Rs.425 per warrant. Application money equal to 10% (Rs.23cr.) had been received at the time of issue of these warrants. The remaining amount of Rs.210 crore has been infused by way of warrants conversion recently (Nov-Dec 2008).

Liquidity, as measured by current ratio (incl. current portion of long term debt) at 1.07 times as on March 31, 2008, was strained. Company's working capital requirements have been mostly funded from the borrowings during the year. Going forward, the liquidity of the company is likely to be under pressure on account of increasing order book position, working capital intensive nature of operations and increasing investments in BOT projects.



CARE Ratings

During the half year ended Sep 30, 2008, sales increased 60% to Rs. 810cr. period-on-period, on account of increase in and execution of order book.

Operating margin increased marginally to 20.59% on account of increase in size of average order. Interest expense increased steeply on account of debt taken to finance equipment and increase in bank borrowings, which has impacted PAT margin adversely.

Company has been resorting to short term loans to meet its working capital requirements which are expected to be regularized into sanctioned fund based bank facilities.

Industry

Construction activity is an integral part of a country's infrastructure and industrial development. The industry is fragmented in nature and is characterized by increasing competition. Construction accounts for nearly 65 per cent of the total investment in infrastructure. The investment in construction activity over the financial year 2005 to 2010 is estimated at USD 124.65 billion.

Significant and concrete measures are being initiated by Central as well as various State Governments & local municipal bodies with several projects being planned. Projects like the Golden Quadrilateral, NSEW corridor, NHDP and the Accelerated North-East Road Development, privatization and modernization of airports across India, JNNURM etc. have been initiated & others are in the pipeline. These are expected to provide a big boost to the construction industry in India.

As development of infrastructure is a key for growth, Central, State and Local governments are undertaking various projects by direct funding as well as through Public Private Partnership (PPP) in the area of roads & highways, ports, power and water.

Modernization of ports and airports through private sector participation are a part of overall roadmap of infrastructure development which would give a number of opportunities for construction companies. Focus on Hydel projects, Ultra Mega Power Projects and other policy initiatives will further boost up the construction investment from the power industry. Further, Government plans to increase investment in modernization of rail routes with the help of public and private initiatives.





These measures are expected to provide a big boost to the construction industry in India. However, the raw material (esp. cement, steel, bituminous and other raw materials) prices have been quite volatile in the recent past.

Financial Results

(Rs. cr.)

Year ended as on March 31	2006	2007	2008
Total income from operations	111	762	1,283
PBILDIT	49	140	259
PBIT	45	132	239
Interest	10	35	98
Operating Profit	35	97	141
PAT	27	79	126
Net Cash Accrual	31	95	169
Equity Capital	19	19	23
Tangible Network	240	305	490
Total Capital Employed	340	1,143	1,905
Key ratios			
PBILDIT margin (%)	15.64	18.35	20.2
Operating profit / Total income (%)	11.33	12.78	10.99
PAT / Total income (%)	8.73	10.38	9.86
RCONW (%)	19.93	29.03	31.82
Overall gearing (times)*	0.42	2.75	3.08
Interest coverage (times)	4.54	3.78	2.44
Current ratio (times)	2.29	1.65	1.97
Quick ratio (times)	1.97	1.2	0.78

* Including FCCBs.

Disclaimer

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