

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT FOR THE YEAR 2010-2011

1. Company's Philosophy on Code of Governance

As part of Era Group, the Company's philosophy is to conduct business at highest ethical standards, transparent governance practices, highest standards of professionalism, honesty and integrity for the growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. The Company believes that large organizations have both an economic and social purpose and the principles of Corporate Governance are applied to achieve both these goals. Since shareholders are residual claimants, the value creation and sustainability of all the other stakeholders' viz. customers, creditors, employees, vendors, community and the Government (of countries in which the company operates) are of paramount significance to the Company and its shareholders. The Board would therefore have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are well protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavours to strike the right balance with its various stakeholders. At the highest level, the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward. Keeping in view the Company's size, complicity, operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

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

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

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

2. Board of Directors and Board Procedure

The Company is managed and controlled through a professional Board of Directors ("BOARD") comprising of a combination of mandate executive and non-executive independent directors. The composition of the Board of the Company is in conformity with the provisions of Clause-49 of the Listing Agreement with the Stock Exchange(s).

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

l) The Board presently consists of eight Directors, four of whom are Non-Executive Independent Directors as per existing

provisions of Clause-49 of the Listing Agreement. Independent Directors provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49. Mr. H.S. Bharana, Chairman of the Company is an Executive Director & Promoter of the Company.

Category of Directors	No. of Directors	Percentage to total No. of Directors
Executive Directors	2	25
Non-Executive Independent Directors	4	50
Non-Executive Directors	2	25
TOTAL	8	100

- ii) The independent directors do not have any material pecuniary relationship [other than receiving sitting fees for attending the Board Meeting(s)] or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the directors.
- iii) None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees, across all the Companies in which he is a director. The necessary disclosures regarding committee positions have been made by the directors.

The details of attendance of each director at the Board Meeting (BM), Audit Committee Meeting (ACM), Shareholders/Investors Grievance Committee Meeting (SIGCM) and last AGM held during the financial year 2010-11 and details of number of outside directorship and committee positions held by each of the director as on the date of this report is given in Table 1 below:

Table 1

S. No.	Name of Director	Status	Attendance at Board, Committee Meetings, AGM				Other Directorship and Committee Position		
			No. of BMs	No. of ACMs	No. of SIGCMs	Last AGM	Directorship	Committee Positions	
								Chairman	Member
1.	Mr. H.S. Bharana	Executive Director	8	-	4	Yes	14	1	3
2.	Mr. J.L. Khushu	Executive Director	8	4	4	No	9	4	2
3.	Mr. A.K. Mehta	Independent and Non-Executive Director	6	4	-	No	2	1	1
4.	Mr. Arvind Pande	Independent and Non-Executive Director	3	3	-	No	2	1	-
5.	Mr. S.D. Sharma	Independent and Non-Executive Director	7	4	4	Yes	2	1	1
6.	Mr. S D Kapoor	Independent and Non -Executive Director	5	-	-	No	6	3	4
7.	Mr. Anil Razdan	Non -Executive Director	7	-	-	No	5	-	2
8.	Mr. Amit Bharana *	Non -Executive Director	1	-	-	N.A.	19	-	1

(*) Mr. Amit Bharana was appointed as an additional director of the company w.e.f 15th December, 2010.

Notes:

1. For the Purpose of calculating committee membership of the Directors, Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for above purposes.
2. Only Audit Committee, Shareholders/Investors Grievance Committee are considered for the purpose of Committee positions as per listing agreement.

Board Meetings:

During the year 2010-2011, the Board of Directors met eight times on:

30th April, 2010; 31st May, 2010; 28th June, 2010; 08th July, 2010; 23rd July, 2010, 31st July, 2010; 13th November, 2010, 14th February, 2011 complying with Clause 49 of the Listing Agreement, the Board has adhered to the time gap of four months between two meetings.

Board Procedures:

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

The Schedule of each of the Board meeting is decided well in advance and communicated to the Directors. Board meetings are generally held at the Corporate Office of the Company at Okhla, New Delhi.

The agenda along with the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Group Chief Financial Officer is invited to all the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

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

Appointment and Re-appointment of Directors:

Mr. S.D. Kapoor and Mr. S.D. Sharma retire by rotation at this Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Mr. Amit Bharana's appointment as a regular director of the Company is recommended to be made at the ensuing Annual General Meeting.

As required under Clause 49 of the Listing Agreement, brief resume of directors being appointed/reappointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorship, Committee Chairmanship and Memberships and their shareholding in the company are furnished, by way of note in the Notice calling the Annual General Meeting.

4. Audit Committee

The terms of reference stipulated by the Board to the Audit Committee are, inter-alia, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 14. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

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

Composition, member's names and chairperson:

- The Audit Committee comprises of four members namely Mr. A.K. Mehta, Mr. S.D. Sharma, Mr. J.L. Khushu and Mr. Arvind Pande, out of which three are independent. Mr. A. K. Mehta is the Chairman of Audit Committee. All members

of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts.

- During the period under review four Audit Committee meetings were held on 31st May, 2010, 31th July, 2010, 13th November, 2010 and 14th February, 2011.
- The Committee meetings are attended on invitation by the Group CFO, the representatives of Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Audit function headed by the Head Internal Auditor, reports to the Audit Committee to ensure its independence.
- The Committee relies on the expertise and knowledge of management, the internal auditors and the independent Statutory Auditor in carrying out its oversight responsibilities. It also uses external expertise, if required. Management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.
- M/s G.C.Sharda & Co., Chartered Accountants, the Statutory Auditors, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

5. Remuneration Committee (non-mandatory)

The Remuneration Committee comprises of 3 Independent and Non-Executive Directors namely Mr. A.K. Mehta, Mr. Arvind Pande and Mr. S.D. Sharma. Mr. A.K. Mehta is the Chairman of the Remuneration Committee. The Committee is entrusted with the responsibility of finalizing the remuneration of executive directors. The Committee considers the remuneration after taking into consideration, inter alia, various factors such as qualification, experience, expertise of the director prevailing remuneration in the corporate world and financial positions of the company etc.

During the financial year 2010-2011, two meetings of remuneration committee were held on 28th June, 2010 and again on 14th February, 2011 for proposing increasing the remuneration of Mr. J. L. Khushu, Whole-Time Director of the company.

Executive Directors

Details of remuneration paid to the Executive Directors for the financial year, 2010-2011 is given below: (In ₹)

Particulars	Mr. H.S Bharana	Mr. J.L. Khushu
Basic Salary	1,02,85,000	26,00,688
Perquisites and Contribution to PF and Other Funds	77,15,000	47,75,257
Total	1,80,00,000	73,75,945

Non-Executive Directors

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

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

6. Shareholders/Investors Grievance Committee

The Shareholders/Investors' Grievance Committee comprises of three members namely Mr. H.S. Bharana, Mr. J.L. Khushu and Mr. S.D. Sharma. Mr. S.D. Sharma is the Chairman of the Shareholders/ Investors Grievance Committee.

The committee meetings were held during the year on 31st May, 2010, 31st July, 2010, 13th November, 2010 and 14th February, 2011.

The committee empowered to oversee the redressal of shareholders investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, dematerialization of shares, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints.

During the year the company received 17 shareholders complaints and all of them were resolved to the satisfaction of the shareholders. No complaint was pending at the end of financial year, 31st March, 2011.

Mr. Rajiv Kumar, Company Secretary is the compliance officer of the company, can be contacted at rajiv.k@eragroup.in.

7.(i) General Body Meetings

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

Year	Type	Venue	Date	Time	Special Resolutions passed
2007-08	Extra-Ordinary General Meeting	NCUI Auditorium, 3, Siri Institutional Area August Kranti Marg, New Delhi-110016	26.05.2007	05:00 p.m.	a) Issue of Equity, Shares/ warrants on preferential basis. b) Investment up to extent of ₹ 90 Crores in the capital of M/s. Gwalior Bypass Project Limited
2007-08	Annual General Meeting	NCUI Auditorium, 3, Siri Institutional Area August Kranti Marg, New Delhi-110016	29.09.2008	02:30 p.m.	a) Making Loan/and, Giving Guarantee to A.R.K. Transmission & Distribution Limited and ARK Vidhyut Urja Limited b) Making Investment upto ₹. 25 Crores in India Reality Excellence Fund c) Making Investment upto ₹ 20 Crores in Axis Infra Structure1 d) To increase the salary and perquisites of Mr. H.S. Bharana, Chairman & Managing Director of the company.
2008-09	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	08.08.2009	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956. b) Increasing the FII limits to 65% of the paid up equity share capital of the company.
2009-10	Annual General Meeting	Executive Club, 439, Village-Shahoorpur, P.O. Fatehpur Beri, New Delhi-74	06.08.2010	03:30 p.m.	a) Issue of shares on Preferential basis under Section 81(1A) of the Companies Act, 1956. b) Making Investment in the shares of Bareilly Highways Project Limited and Era T&D Limited.

Note : All Special Resolutions were passed through vote by Show of Hands.

(ii) Postal Ballot

(a) During the Financial Year 2010-11, no resolution was proposed for the approval of shareholders through Postal Ballot. However, the result of Postal Ballot dated: 22nd February, 2010 was declared on 06th April, 2010 wherein the following resolutions were passed as Special Resolutions:

- Section 372A for making Investments, Loans and providing Corporate Guarantees.
- Section 293(1)(a) for mortgaging/ creating charge over the properties of the Company.
- Section 293(1)(d) raising the borrowing powers of the Company.

The resolutions were passed with requisite and overwhelming majority.

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

8. Disclosures

i) No transaction of material nature has been entered into by the company with its promoters, directors or management or relatives etc. that may have potential conflict with the interest of the company.

ii) Related Party Transactions:

The details of transactions with related parties are placed before the audit committee on quarterly basis. The same are disclosed by way of a under the head "Note No. 15(c) (iv) of Schedule 'O' Part B under the head "Notes to Accounts" in the Financial Statements for the financial year ended 31.03.2011.

iii) Disclosure of Accounting Treatment:

The Company is following the Generally Accepted Accounting Policies of the trade which provides a true and fair view of the business of the Company.

iv) Compliance by the Company:

There were no instances of non-compliance or penalty structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

v) Number of Shares Held by Non-Executive Directors:

None of the Non-Executive Director hold any shares of the company.

9. Compliance with other mandatory requirements

i) Management Discussion and Analysis :

Management Discussion and Analysis are given elsewhere in this Annual Report.

ii) Subsidiary Companies :

At the end of the financial year 2010-2011 the Company has fourteen direct subsidiaries, two step subsidiaries and two foreign subsidiaries.

iii) Details about Material Subsidiaries and Transactions :

There was no material subsidiary as at 31.03.2011.

Details of transactions with subsidiaries are given in "Note No. 9 of Schedule 'O' Part B under the head "Notes to Accounts" in Balance Sheet as at 31.03.2011.

iv) Risk Management :

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

v) CEO/ CFO Certification :

A Certificate from Chairman and Managing Director and Group CFO on the financial statements of the Company was placed before the Board.

vi) Code of Conduct :

The Board has formulated a code of Conduct for the Board members and Senior Management of the Company. It is hereby affirmed that all the Directors and Senior Management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

10. Compliance with Non-Mandatory requirements

i) Remuneration Committee :

The board has set up a Remuneration Committee details whereof are furnished at Sr. No. 5 of this report.

ii) Whistle Blower Policy :

Though the Company does not have a Whistle Blower Policy. However it is ensured that every personnel has approach to the Audit Committee as and when he so desire.

11. Means of Communication

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

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

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

The unaudited quarterly results for the quarters ended 30.06.2010, 30.09.2010, 31.12.2010 and un-audited results for the quarter and year ended 31.03.2011 were published in Navbharat Times, Times of India and The Economic Times in following manner:

Quarters	Date of Board Meeting	Date of Press Release and Newspaper
April-June, 2010	31/07/2010	02nd August, 2010 'The Times of India' 02nd August, 2010 'The Economic Times' 02nd August, 2010 'Nav Bharat Times'
July-September, 2010	13/11/2010	15th November, 2010 'The Times of India' 15th November, 2010 'The Economic Times' 15th November, 2010 'Nav Bharat Times'
October-December,2010	14/02/2011	15th February, 2011 'The Economic Times' 15th February, 2011 'The Times of India' 15th February, 2010 'Nav Bharat Times'
January- March, 2011 & April 2010- March,2011 (Unaudited-FY 2010-2011)	14/05/2011	16th May, 2011 'The Economic Times' 16th May, 2011 'The Times of India' 16th May, 2011 'Nav Bharat Times'

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

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

12. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date : 19th September, 2011

Day : Monday

Time : 3:30 p.m.

Venue : Executive Club 439, Village Shahoorpur
P.O. Fatehpur Beri, New Delhi-74.

b) **Financial Calendar:** 1st April 2011 to 31st March 2012.

Results for the quarter ending June 30, 2011 By mid of August 2011

Results for the quarter ending September 30, 2011 By mid of November 2011

Results for the quarter ending December 31, 2011 By mid of February 2012

Results for the quarter/year ending March 31, 2012 By mid/end of May 2012

Annual General Meeting for the year ending March 2012 Latest by end of Sept 2012

c) **Book Closure Period:** 14.09.2011 to 19.09.2011 (both days inclusive).

d) **Dividend:** A dividend @ ₹0.40 /- per share (20%) has been recommended by the Board of Directors for the financial year 2010-11 and is subject to the approval of the shareholders at the ensuing **Annual General Meeting**. Payment of Dividend, if declared at the meeting, will be made on or before 19th October, 2011.

i) To all the beneficial owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 13th September, 2011.

ii) To all the shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 19th September, 2011.

e) Listing on Stock Exchanges

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

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

Further, FCCB's issued by the company are listed at:

- Singapore Stock Exchange
2 Shenton Way
19-00 SGX Centres 1
Singapore 068804.

The GDR's issued by the Company were listed at Luxembourg Stock Exchange, Luxembourg. The same were delisted w.e.f December 10, 2010, as there are no GDR outstanding for conversion.

Listing fees including for the year 2011-12 has been paid on due dates to all the Stock Exchanges in India.

f) Market Price Data

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

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2010	233.70	224.40	233.85	224.45
May, 2010	228.35	209.55	228.20	209.65
June, 2010	211.10	207.10	210.85	207.05
July, 2010	211.50	205.20	211.50	205.10
August, 2010	229.85	216.35	229.95	216.45
September, 2010	241.35	221.00	241.45	221.45
October, 2010	234.85	219.00	234.95	219.05
November, 2010	236.80	216.80	236.75	216.80
December, 2010	217.65	211.70	217.55	211.60
January, 2011	215.65	206.45	215.65	205.80
February, 2011	204.50	187.90	204.55	187.95
March, 2011	194.05	188.60	194.05	188.60

(Source : BSE & NSE Website)

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



(Source : www.moneycontrol.com)

h) Stock Code

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

i) Registrar and Share Transfer Agent

M/s Beetal Financial & Computer Services Private Limited has been appointed as Registrar and Share Transfer Agent of the Company.

The shareholders are advised to approach M/s Beetal Financial & Computer Services Private Limited at the following address for any share and demat related queries and problems:

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

j) Share Transfer System

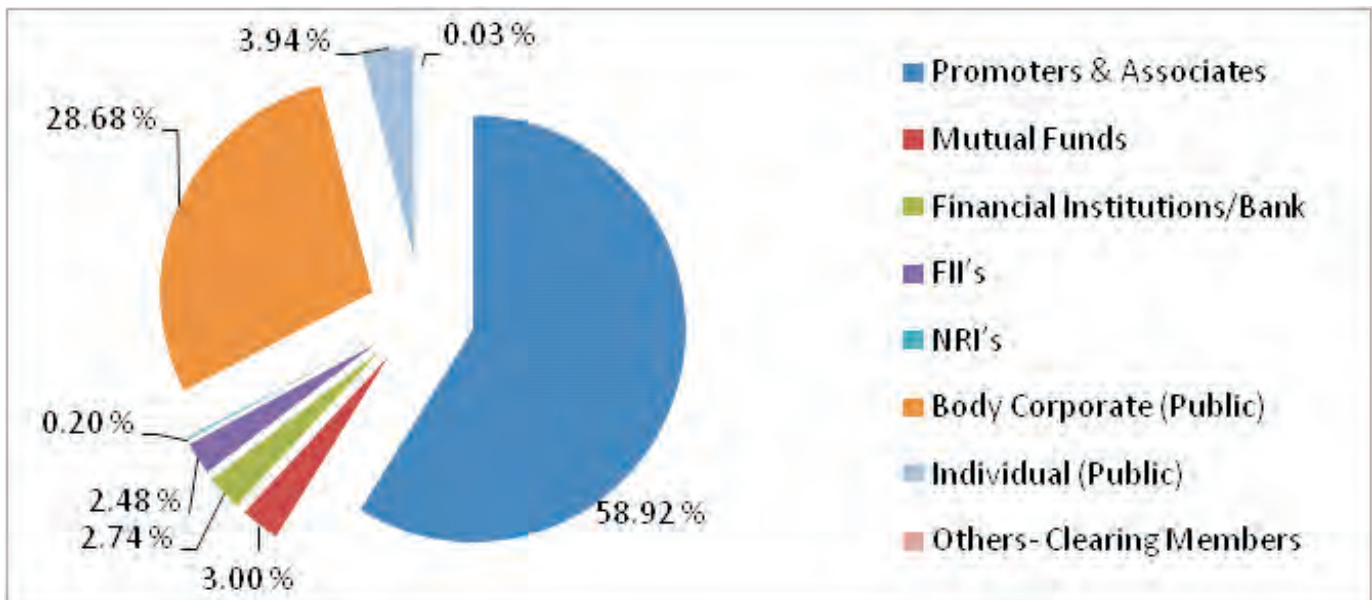
Transfers of Equity Shares (in Physical) are handled by Beetal Financial & Computer Services Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Beetal Financial & Computer Services Private Limited at the above address in order to enable Beetal Financial & Computer Services Private Limited to process the transfer. The share transfer committee normally attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed with in 21 days from the date of receipt of request.

k) Distribution of shareholding/shareholding pattern as on 31st March, 2011

Shareholding	Shareholders		Share Amount	
	Nominal Value in ₹	Number	% to total	In ₹
Upto 5,000	13,979	97.12	8,821,200.00	2.43
5,001- 10000	188	1.31	1,389,884.00	0.38
10,001 - 20,000	61	0.42	946,906.00	0.26
20,001 – 30000	31	0.22	770,266.00	0.21
30,001 - 40000	8	0.06	265,916.00	0.07
40,001 - 50,000	3	0.02	130,252.00	0.04
50,001 - 1,00,000	18	0.12	1,433,796.00	0.39
1,00,001 and above	105	0.73	349,897,060.00	96.22
Total	14,393	100.00	363,655,280.00	100.00

Categories of Equity Shareholders as on March 31, 2011:

Category	As on 31.03.2011	
	Shareholding	% to paid up capital
Promoters & Associates	107131293	58.92
Mutual Funds	5453900	3.00
Financial Institutions/Bank	4990629	2.74
FII's & Foreign Corporate Bodies	4518241	2.49
NRI's	371380	0.20
Body Corporate (Public)	52141097	28.68
Individual (Public)	7164923	3.94
Others- Clearing Members	56177	0.03
Total	181827640	100.00



l) Dematerialization of Shares

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely National Securities Depository Limited and Central Depository Services (India) Limited. The company's ISIN No. for both the depositories is INE039E01020. As on 31st March, 2011; 18,08,87,929 Equity Shares constituting 99.48% of total equity of the Company were held in dematerialized form with NSDL & CDSL.

m) FCCBs Outstanding

The Company raised 750 Zero Coupon Foreign Currency Convertible bonds due 2012 (FCCBs) of USD 100,000 each, aggregating to USD 75 million, at par, on January 24, 2007. These bonds have maturity period of 5 years and 1 day.

The bonds are convertible into shares, as per the terms of the issue, as laid down in Letter of Offering dated 17th January 2007. The conversion price of ₹ 793/- per share of ₹10/- each was determined on 24th January, 2008. The conversion price was adjusted to ₹ 158.60/- per share owing to split of face value of shares from ₹ 10/- per share to ₹ 2/- per share w.e.f. 24th September, 2008.

The company has bought back FCCB's worth USD 21.3 million and converted 136 FCCB's worth USD 13.6 million till the date of this report. The details of FCCBs conversion are as follows:

Date of Allotment	Number of FCCB's converted (US \$ 1,00,000 each)	Number of Equity Shares Allotted	Conversion Price (in ₹)
20.02.2009	19	5,32,262	158.60
16.06.2009	5	1,40,069	158.60
21.12.2009	1	28,013	158.60
06.02.2010	10	2,80,138	158.60
25.03.2010	6	1,68,083	158.60
12.04.2010	1	28,013	158.60
03.05.2010	90	25,21,248	158.60
25.05.2010	3	84,041	158.60
28.06.2010	1	28,013	158.60
TOTAL	136	38,09,880	158.60

A total of 401 FCCB's are outstanding as on the date of this report.

n) UNCLAIMED DIVIDEND

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

Members who have not yet encashed their dividend warrant(s) for the financial year 2003-04 are requested to make their claims without any further delay to the Company's Registrar and Transfer Agents, M/s Beetal Financial & Computer Services Private Limited.

Members may please note that no claim will lie against IEPF or the Company with respect to Dividend declared for the financial year 2003-04, on or after 01st November, 2011.

o) Compliance Officer

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

p) Plant Location

Construction Projects are executed projects at the clients locations. The company has its only manufacturing facilities in RMC division. As on 31.03.2011 the RMC manufacturing plants are situated at:

1. Greater Noida (U.P) : I-43/44, Site-V, Surajpur Industrial Area, Kasna , Gr.Noida, (U.P).
2. Sahibabad (U.P) : A-43/2, Site -IV, Sahibabad Industrial Area , Ghaziabad (U.P) .
3. Faridabad (H.R.) (Dedicated)-Era Divine court Sector-76, Near Nimika, Faridpur Faridabad (Haryana).
4. Bangaluru Plant (Dedicated) -Era Devine Court project Survey No : 13, Mysore Road Opp to Jagadale Exports,Kengeri, Bangalore-560 060.
5. Nathupur (Kundli), (Haryana)-Killa No.-16,17,18 & 19, Nera Crystal Chemical Ltd.Nathupur Industrial area Nathupur (Kundli) Sonapat (Haryana) .
6. Pusa Road Delhi (Dedicated): All India radio Prasar Bharti Campus, Pusa Road, Vill-Todapur, New Delhi.

q) Address for Correspondence:

Registered Office:

Era Infra Engineering Limited.

370-371/2, Sahi Hospital Road, Jungpura, Bhogal, New Delhi -110 014.

Tel: 011- 43637000. E-mail: rajiv.k@eragroup.in. Web site: www.eragroup.co.in.

Investor Assistance : E-mail : investorinfra@eragroup.in

r) Green Initiative for Paperless Communication:

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

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

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

To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with Depositories through their concerned Depository Participant. Member’s who hold shares in physical form are requested to register their e-mail addresses with the company at investorinfra@eragroup.in or fill in the Registration Form provided in this Annual Report or register their e-mail addresses.

DISCLOSURES BY THE MANAGEMENT

During the year 2010-11, there have been no transactions of material nature entered into by the Company with the Management or their relatives that may have potential conflict with interest of the Company. None of the Non- Executive Directors have any pecuniary material relationship or transaction with the Company for the year ended March 31, 2011 and have given undertaking to that effect.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended 31st March 2011.

For **Era Infra Engineering Limited**

H.S. Bharana

(Chairman & Managing Director)

Place : New Delhi

Date : August 13, 2011

CHAIRMAN AND MANAGING DIRECTOR / HEAD OF FINANCE CERTIFICATION

We, H.S. Bharana, Chairman & Managing Director and Joy Saxena, Group CFO of Era Infra Engineering Ltd., to the best of our knowledge and belief hereby certify that:

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

Place : New Delhi
Date : August 13, 2011

(H.S. Bharana)
Chairman & Managing Director

(Joy Saxena)
Group CFO

COMPLIANCE CERTIFICATE

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

I have examined the compliance of conditions of corporate governance by Era Infra Engineering Limited, for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

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

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

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

Place: New Delhi.
Date : August 13, 2011

R.S. Bhatia
Company Secretary in Practice
CP. No. : 2514