LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document ("Letter of Offer") is sent to you as a shareholder(s) of Era Infra Engineering Limited ("EIEL" or the "Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in EIEL, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement and Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the sale was effected.

The Acquirers: **Era Housing & Developers (India) Limited** a company incorporated under the Companies Act, 1956 (Registered Office: 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014. Tel: +91-11-24378011-19; Fax: +91-11-2437 8784) and **Hi-Point Investment & Finance Private Limited** a company incorporated under the Companies Act, 1956 (Registered Office: 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014. Tel: +91-11-24378011-19; Fax: +91-11-2437 8784) Along with Persons Acting in Concert **Mr. H. S. Bharana, Mr. Brij Singh Bharana, Mr. Dheeraj Singh Bharana, Ms Rashmi Bharana, Mrs Rekha Bharana, Mr. Vaibhav Bharana, Mrs. Kamlesh Bharana, Mr. H. S. Bharana (HUF) and Era Exports (India) Limited** MAKE A CASH OFFER OF Rs. 615 PER FULLY PAID UP EQUITY SHARE TO ACQUIRE 46,20,711 fully paid-up equity shares representing 20% of the voting equity capital of **Era Infra Engineering Limited** a company incorporated under the Companies Act, 1956 (Registered Office: 370-371/2, Sahi Hospital Road, JangpuraJangpura, Bhogal, New Delhi – 110 014. Tel: +91-11-24378011-19; Fax: +91-11-2437 8784)
Note: (1) This Offer is being made pursuant to the Regulations 11(1) of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 ("SEBI (SAST) Regulations, 1997") and subsequent amendments thereof. No other statutory approval is required for the Offer other than those mentioned in the clause 7.12 of this Letter of Offer. (2) The Offer is not subject to any minimum level of acceptance by the shareholders of EIEL. (3) If there is any upward revision of the Offer Price by the Acquirers till the last date for revision viz. May,01, 2008 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement and the Corrigendum had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer and accepted under the Offer. (4) Shareholders, who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Corrigendum / Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer viz. Wednesday, May 07, 2008 **(5) If there is a competitive bid:** **(i) The public offers under all the subsisting bids shall close on the same date;** **(ii) As the Offer Price cannot be revised during seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.** **(6) There has been no competitive bid as on date** (7) A copy of the Public Announcement,,Corrigendum and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in)

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Motilal Oswal Investment Advisors Pvt. Ltd. 113/114, Bajaj Bhawan, Nariman Point, Mumbai 400 021 India Tel: +91-22-39804380 Fax: +91-22-39804315 Contact Person: Mr. Subodh Gupta E-mail: subodh.gupta@motilaloswal.com	**Beetal Financial and Computer Services Pvt. Ltd.** Beetal House, 3rd Floor 99 Madangir, Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi - 110062 Tel: 91-11-2996 1281(Six Lines) Fax: 91-11-2996 1284 Email: beetal@beetalfinancial.com Contact Person: Mr. Punit Mittal

ACTIVITY SCHEDULE

S/No.	Activity	Original Schedule	Revised Schedule
1	Date of publication of Public Announcement	Monday, December 17, 2007	Monday, December 17, 2007
2	Specified Date (for the purpose of determining the names of the Shareholders to whom the Letter of Offer would be sent)	Tuesday, December 18, 2007	Friday, December 21, 2007
3	Last date for announcement of a competitive bid	Monday, January 07, 2008	Monday, January 07, 2008
4	Last date by which the Letter of Offer shall be dispatched to the Shareholders of the Target Company as on the Specified Date	Saturday, January 19, 2008	Wednesday, April 16, 2008
5	Offer opens on	Wednesday, January 23, 2008	Monday, April 21, 2008
6	Last date for revising the Offer Price / Offer Size	Thursday, January 31, 2008	Thursday, May 01, 2008
7	Last date for withdrawing acceptance of the Offer	Wednesday, February 06, 2008	Wednesday, May 07, 2008
8	Offer closes on	Monday, February 11, 2008	Saturday, May 10, 2008
9	Last date for communicating acceptance / rejection and payment of consideration of accepted shares / dispatch of the share certificate in case of rejection	Monday, February 25, 2008	Saturday, May 24, 2008

RISK FACTORS

<u>Risks related to the proposed Offer</u>

1. In the event that either (a) a regulatory approval is not received in a timely manner, or (b) there is a litigation leading to stay on the Offer or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of the Target Company, whose Shares have been accepted in the Offer, as well as the return of Shares not accepted by the Acquirers may be delayed.
2. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirers make no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer, and disclaim any responsibility with respect to any decision by shareholders on whether or not to participate in this Offer.
3. In the case of over subscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
4. Further, shareholders of the Target Company should note that after the last date of withdrawal i.e. Wednesday May 07, 2008, the shareholders of the Target Company who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
5. The transaction is subject to any future uncertainties which are beyond the control of the Acquirers.

<u>Risks involved in associating with the Acquirers</u>

6. The Acquirers make no assurance with respect to the financial performance of the Target Company.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their participation in the Offer.

KEY DEFINITIONS	
Acquirers	EHDIL and HPIFPL as defined herein below
Act	The Companies Act, 1956
BSE	Bombay Stock Exchange Limited
Business Hours	Monday to Friday – 10.00 a.m. to 4.00 p.m.; Saturday – 10.00 a.m. to 1.00 p.m. (Closed on Sundays and public holidays)
Chartered Accountants	Mr. K.C. Gupta, Partner, P.C. Bindal & Co. Membership No.: 088638; Address: 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi – 110 005
EHDIL	Era Housing & Developers (India) Limited (one of the Acquirers)
Eligible Persons for the Offer	Registered shareholders of EIEL appearing in the Register of Members as on the Specified Date and unregistered shareholders who own the equity shares of EIEL, anytime before the closure of the Offer; other than the parties to the Share Purchase Agreements (as defined later in this document) and the PACs
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
HPIFPL	Hi-Point Investment & Finance Private Limited (one of the Acquirers)
Letter of Offer	This Letter of Offer dated April 15, 2008
Manager / Manager to the Offer	Motilal Oswal Investment Advisors Private Limited
NSE	National Stock Exchange of India Limited
Offer	Offer for acquisition of up to 46,20,711 fully paid-up equity shares of face value of Rs.10 each of EIEL representing 20% of the equity share capital at a price of Rs.615 per fully paid up Equity Share, payable in cash
Offer Price	Rs. 615 per fully paid up equity share
Offer Size	46,20,711 fully paid-up equity shares representing 20 % of the total voting equity capital of the Target Company
PACs/ Person Acting in Concert	Mr. H.S. Bharana, Mr. Brij Singh Bharana, Mr. Dheeraj Singh Bharana, Ms. Rashmi Bharana, Mrs Rekha Bharana, Mr. Vaibhav Bharana, Mr. Kamlesh Bharana, Mr. H. S. Bharana (HUF) and Era Exports (India) Limited
Public Announcement/PA	Announcement of the Offer made by the Acquirers on December 17, 2007
Promoter Group	EHDIL, HPIFPL, Mr. H.S. Bharana, Mr. Brij Singh Bharana, Mr. Dheeraj Singh Bharana, Ms. Rashmi Bharana, Mrs. Rekha Bharana, Mr. Vaibhav Bharana, Mrs. Kamlesh Bharana, Mr. H.S. Bharana (HUF) and Era Exports (India) Limited
Registrar to the Offer/ Beetal	Beetal Financial and Computer Services Private Limited

Regulations/ SEBI (SAST) Regulations, 1997	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of Public Announcement
SEBI	The Securities and Exchange Board of India
Share(s) / Equity Share(s)	Fully paid-up equity share(s) of face value of Rs10 each of EIEL to be acquired pursuant to the Offer not exceeding 46,20,711Equity Shares
Specified Date	Friday, December 21, 2007
Target Company/ EIEL	Era Infra Engineering Limited
Y. E.	Year Ended

Note: *All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.*

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ERA INFRA ENGINEERING LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, PERSONS ACTING IN CONCERT OR OF THE TARGET COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MOTILAL ODWAL INVESTMENT ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 22, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1. Background of the Offer

2.1.1. The Offer is made by the Acquirers along with the PACs in compliance with Regulation 11(1) of SEBI (SAST) Regulations, 1997 with the objective of consolidation of the holdings of the Promoter Group in the Target Company.

2.1.2. The Acquirers, along with the PACs, are making an Open Offer to acquire up to 46,20,711 fully paid-up equity shares of face value of Rs.10 each, representing 20% of the voting equity capital of EIEL at a price of Rs. 615 per fully paid up equity share. The Offer is being made to all the eligible shareholders of the Target Company other than parties to the Share Purchase Agreement (defined later in this document) and the PACs)

2.1.3. Kiran Vanijya Private Limited (“KVPL”), Orange Tradecom Private Limited (“OTPL”), Elegant Commodities Private Limited (“ECPL”), Evergreen Dealers Private Limited (“EDPL”) and Cornet Agencies Private Limited (“CAPL”) (together called as the “Sellers”) are selling their shareholding in the Target Company to the Acquirers at a price of Rs. 600 per equity share by way of share purchase agreements. The Sellers, in aggregate, are selling 35,16,904 equity shares (15.22%) of the Target Company to the Acquirers.

2.1.4. The details of the Sellers is as follows:

Sr. No.	Name and Address	No. of equity shares sold through the SPA	% of equity shares sold to total equity share capital of the Target Company
1	Kiran Vanijya Private Limited, 29A, Weston Street, Kolkata – 700012	4,91,904	2.13%
2	Orange Tradecom Private Limited 29A, Weston Street, Kolkata – 700012	6,50,000	2.81%
3	Elegant Commodities Private Limited 46/1, Strand Road, Kolkata – 700007	11,00,000	4.76%
4	Evergreen Dealers Private Limited AJC Bose Road, Kolkata – 700017	7,75,000	3.35%

5	Cornet Agencies Private Limited 59, Elliot Road, Kolkata – 700017	5,00,000	2.16%
	Total	**35,16,904**	**15.22%**

2.1.5. The said share purchase agreements ("Share Purchase Agreements") have been executed, first between EHDIL and EDPL on December 11, 2007, second between EHDIL and KVPL on December 11, 2007, third between EHDIL and CAPL on December 12, 2007, fourth between HPIFPL and ECPL on December 11, 2007 and fifth between HPIFPL and OTPL on December 12, 2007.

2.1.6. Brief extracts of the above referred four Share Purchase Agreements are as under:

2.1.6.1. Purchase Price: Rs 600 per equity share.

2.1.6.2. Purchase price payment: 10% of the Purchase Price (Rs 60 per share) shall be payable on Share Purchase Agreements becoming effective. Balance 90% of the Purchase Price shall be paid by the Acquirers to the respective Sellers within six months of the closure of the Offer.

2.1.6.3. The equity shares being sold shall be transferred to the Acquirers only after the full Purchase Price is paid to the respective Sellers.

2.1.6.4. In case of non- compliance of SEBI(SAST) Regulations, the Share Purchase Agreements shall be null and void

2.1.7. The Sellers are neither the Promoters nor the PACs of the Target Company

2.1.8. The Sellers are not the persons acting in concert with each other and have independently sold their shares to the Acquirers

2.1.9. EHDIL, HPIFPL, Mr. H.S. Bharana, Mr. Brij Singh Bharana, Mr. Dheeraj Singh Bharana, Ms. Rashmi Bharana, Mrs Rekha Bharana, Mr. Vaibhav Bharana, Mrs. Kamlesh Bharana, Mr. H. S. Bharana (HUF), and Era Exports (India) Limited form the promoter group ("Promoter Group") of the Target Company. As on the date of the PA the Promoter Group collectively holds 55,98,212 equity shares forming 24.23% of the fully paid up equity share capital of the Target Company.

2.1.10. On Share Purchase Agreements becoming effective the voting rights of the Promoter Group would increase from 24.23% to 39.45%. Assuming full acceptance of the Offer, the voting rights of the promoter group would further increase to 59.45% post completion of this Offer. This Offer will not result in change of control of the Target Company.

2.1.11. None of the Acquirers or its Directors or any of the PACs or its Directors or the Sellers or the Target Company has been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

2.1.12. The Acquirers do not intend to make any changes in the Board of Directors of the Target Company.

2.2. **Details of the proposed Offer**

2.2.1. The Public Announcement dated December 17, 2007 was published in all the editions of the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language	Editions
Financial Express	English	All Editions (Delhi/Mumbai/Chandigarh/Kolkatta/Chennai/Ahmedabad/Bangalore/Kochi/Hyderabad)
Jansatta	Hindi	All Editions (Delhi/kolkatta/Lucknow/Chandigarh)
Navakal	Marathi	Mumbai

The Corrigendum Announcement dated April 15 was also published in the same newspapers

The PA and the Corrigendum Announcement are also available on the SEBI website, www.sebi.gov.in.

2.2.2. Pursuant to and subject to the terms and conditions of this Letter of Offer, the Acquirers along with the PACs are hereby making an Offer to the Eligible Persons for the Offer to acquire from them up to 46,20,711 fully paid-up equity shares (representing 20% of the voting equity capital of EIEL) at a price of Rs. 615 (Rupees Six Hundred and Fifteen Only) per fully paid-up equity share, payable in cash. Any upward revision in the Offer with respect to the Offer Price will be announced in the above-mentioned newspapers and the revised Offer Price would be payable by the Acquirers for all the fully paid-up shares tendered anytime during the Offer.

2.2.3. The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

2.2.4. As on December 17, 2007, there are no partly paid-up equity shares in the Target Company.

2.2.5. The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 46,20,711 equity shares, subject to the conditions specified in the Public Announcement, Letter of Offer and Form of Acceptance-cum-Acknowledgement.

2.2.6. The Acquirers and the PACs have not acquired any equity shares of the Target Company since the date of the Public Announcement and up to the date of this Letter of Offer.

2.3. Object of the Offer

2.3.1. The Promoter Group intends to consolidate its holding in the Target Company and for this purpose the Acquirers agreed to purchase the shares held by KVPL, OTPL, ECPL, EDPL and CAPL, and have executed Share Purchase Agreements with them. Details of execution of said agreements have already been given under section 2.1.3 to section 2.1.6. On the Share Purchase Agreements becoming effective the voting rights of the Incumbent Promoter Group would increase from 24.23% to 39.45%. Hence, this Open Offer is being made in compliance with Regulation 11 (1) of the SEBI (SAST) Regulations.

2.3.2. Assuming full acceptance of this Offer, the promoter group holding in the Target Company would further increase to 59.45%.

3. BACKGROUND OF THE ACQUIRERS & PACs

3.1. Era Housing & Developers India Limited ("EHDIL")

3.1.1. EHDIL is a Public Limited Company and was incorporated on 15th September 1995 having its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014, Tel: +91-11-24378011-19, Fax: +91-11-2437 8784.

3.1.2. The Company's main source of revenue is from execution of civil and mechanical contracts.

3.1.3. EHDIL is not listed on any of the stock exchanges.

3.1.4. Mr. H.S. Bharana, Mrs Rekha Bharana, Mr. Dheeraj Singh Bharana, Mr Brij Singh Bharana, Mr. Amit Bharana, Hi-Point Investment & Finance Pvt Ltd and Sumit Bharana are the promoters of EHDIL and together hold the total share capital of EHDIL of Rs 46,20,700/-(4,62,070 equity shares of Rs.10 each).

3.1.5. The details of Board of Directors of EHDIL as on 27th November 2007 are as follows:

S/No.	Name of the Directors, Age	Profile of the Directors (experience and qualification)	Residential Address	Date of Appointment
1	Mr. H. S. Bharana, 48 yrs	Civil Engineer from University of Roorkee. Has 25 years of experience in the field of construction	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	17-Sep-07
2	Mr. Dheeraj Singh Bharana, 42 yrs	12th Pass from U.P. Board. He is an agriculturist.	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	12-May-05
3	Mr. Brij Singh Bharana, 54 yrs	10th Pass from U.P. Board. He is an agriculturist	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	19-Apr-02
4	Mr. Sumit Bharana, 21 yrs	He is a student.	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	10-Nov-05

3.1.6. Mr. H. S. Bharana, a director of EHDIL, is also a director of the Target Company. As a director of the Target Company, he shall recuse himself and will not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer. No other directors of EHDIL are on the Board of Directors of the Target Company

3.1.7. EHDIL is a promoter of the Target Company and holds 12,35,574 equity shares (5.35%) in the Target Company.

3.1.8. EHDIL has acquired 914,994 Shares of the Target Company in the 12 month period prior to the date of PA and the highest price and average price paid for such acquisition are Rs 615.00 per equity share and Rs. 509.98 per equity share respectively.

3.1.9. EHDIL has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.1.10. The brief financials of EHDIL are as follows:

Rs. Lacs

Profit and Loss Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Income from operations	**200.14**	**858.00**	**0.00**	**0.00**
Other income	**0.86**	**6.79**	**1.22**	**0.92**
Variation in Stock	0.00	0.00	0.00	0.00
Total Income	**201.00**	**864.79**	**1.22**	**0.92**
Total Expenditure	**142.19**	**850.07**	**0.49**	**0.32**
Profit before Depreciation, Interest and Taxes	58.81	14.72	0.73	0.60
Depreciation	0.00	0.00	0.00	0.00
Interest	55.00	0.00	0.01	0.00
Profit Before Tax and Extra Ordinary Items	**3.81**	**14.72**	**0.72**	**0.60**
Extra ordinary item Inc/(Exp)	0.00	0.00	0.00	0.00
Profit Before Tax	**3.81**	**14.72**	**0.72**	**0.60**
Provision for Tax	0.00	2.08	0.00	0.00
Profit After Tax	**3.81**	**12.64**	**0.72**	**0.60**

Balance Sheet Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Sources of Funds				
Paid-up Equity Share Capital	46.21	46.21	46.21	181.61
Reserves and surplus (excluding revaluation reserves)	12.58	8.77	0.00	-4.59
Net worth	58.79	54.98	46.21	177.02
Revaluation Reserve	0.00	0.00	0.00	0.00
Secured Loans	1425.00	0.00	0.00	0.00
Unsecured Loans	4510.23	600.03	600.03	0.00
Other Liabilities	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	**5994.02**	**655.01**	**646.24**	**177.02**
Uses of Funds				
Net fixed Assets	14.17	14.17	14.17	14.17
Capital work in progress	0.00	0.00	0.00	0.00
Investments	5495.71	184.68	183.68	15.50
Net Current Assets	484.14	456.16	444.52	147.32

Total Miscellaneous Expenditure Not Written-Off	0.00	0.00	0.00	0.03
Total	**5994.02**	**655.01**	**646.24**	**177.02**

Other Financial Data	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Dividend (%) *	0.00	0.00	0.00	0.00
Earnings per Share (Rs) **	0.83	2.74	0.16	0.13
Return on Networth (%) ***	6.48%	23.00 %	1.56 %	1.44 %
Book Value per Share (Rs) ****	12.72	11.90	10.00	9.01

* Calculated as Dividend per Equity share/ Face Value of the Equity Share

** Calculated as Profit After Tax/ Number of outstanding Equity Shares

*** Calculated as Profit After Tax/ (Networth - Misll. Expenditure not written off)

**** Calculated as (Networth - Misll. Expenditure not written off) / Number of outstanding Equity Shares

Note:

1. Paid-up capital for Y.E. 31st March 2005 includes share application money of Rs. 135.40 lacs
2. The revenue and PAT for the Y.E. 31st March 2007 showed marked increase over the previous year as EHDIL started the execution of civil and mechanical contracts in the year2006-07. Prior to that, EHDIL had its main income from dividends
3. In the 1st half of financial year 2007-08, EHDIL has made investments in the Target Company to consolidate its holdings. The investments were financed by the unsecured loans from its promoters. EHDIL has secured loan of Rs. 1425 lacs as on 30th September 2007 which is taken for consolidation of holdings in EIEL and for the working capital financing of EHDIL
4. The dividend income (other income) of EHDIL for the 1st half of the year 2007-08 is Nil.
5. There are no contingent liabilities on the part of EHDIL as on 30th September 2007
6. Financials for the financial years 2004-05, 2005-06, 2006-07 and that of 1st six months of the year 2007-08 are certified by statutory auditors.

3.1.11. The details of acquisition of shares by EHDIL in the Target Company are as follows:

Sr. No.	**Date**	**Consideration**	**No. of Shares acquired**	**Face Value (Rs.)**	**Cumulative number of shares**	**Shareholding %**	**Status of Compliance**
1	09.11.00	Cash	58,000	10	58,000	1.34%	Complied
2	30.11.04	Bonus	29,000	10	87,000	1.34%	Complied
3	19.07.05		233,580	10	320,580	2.40%	Complied
4	21-06-07 to 23-10-07	Market Acquisitions	913,494	10	1,234,074	5.34%	Complied
5	26.11.07	Transfer	1,500	10	1,235,574	5.35%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares.

3.1.12. Significant Accounting Policies of EHDIL are as follows:

A.1 The Accounts are prepared under the historical cost convention and on the basis of going concern concept

A.2 All income / expenses have been accounted for on accrual basis

A.3 Investments are considered as long term and accordingly valued at cost. Provisions for dimunition in the value of long term investment is made, only if such decline is other than temporary

A.4 Fixed Assets have been stated at historical cost

A.5 Preliminary Expenses are amortized over the period as described under Section 35-D of the Income Tax Act, 1961

3.2. **Hi-Point Investment & Finance Private Limited ("HPIFPL")**

3.2.1. HPIFPL is a Private Limited Company and was incorporated on 18th September 1992 with its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014, Tel: +91-11-24378011-19, Fax: +91-11-2437 8784.

3.2.2. HPIFPL's main income is from agriculture and lease rentals.

3.2.3. HPIFPL is not listed on any of the stock exchanges.

3.2.4. Mr. H.S. Bharana, Mr. Dheeraj Singh Bharana, Mr. Brij Singh Bharana and Mrs Rekha Bharana are the promoters of HPIFPL and together hold the total share capital of HPIFPL of Rs. 32,97,000/- (32,970 equity shares of Rs.100 each).

3.2.5. The details of Board of Directors of HPIFPL as on 27th November are as follows:

S/No.	Name of the Directors, Age	Profile of the Directors(experience and qualification)	Residential Address	Date of Appointment
1	Mr. H.S. Bharana, 48 yrs	Civil Engineer from University of Roorkee. Has 25 years of experience in the field of construction	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	17-Sep-07
2	Mr. Dheeraj Singh Bharana, 42 yrs	12th Pass from U.P. Board. He is an agriculturist.	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	25-Nov-04
3	Mr. Brij Singh Bharana, 54 yrs	10th Pass from U.P. Board. He is an agriculturist	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	25-Nov-04

3.2.6. Mr. H. S. Bharana, a director of HPIFPL, is also a director of the Target Company. As a director of the Target Company, he shall recuse himself and will not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer. No other directors of HPIFPL are on the Board of Directors of the Target Company.

3.2.7. HPIFPL is the promoter of the Target Company and holds 17,35,896 Shares (7.51%) in the Target Company.

3.2.8. HPIFPL has acquired 9,73,996 equity shares of the Target Company in the 12 month period prior to the date of PA and the highest price and average price paid for such acquisition are Rs 561.00 per equity share and Rs. 171.30 per equity share respectively.

3.2.9. HPIFPL has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.2.10. The financial information of HPIFPL, is given below, in compliance with the provisions of Clause 4.1.12 of the standard letter of offer format as prescribed by SEBI:

Rs. Lacs

Profit and Loss Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Income from operations	**0.97**	**1.60**	**1.12**	**2.58**
Other income	**0.00**	**15.24**	**5.54**	**3.75**
Variation in Stock	0.00	0.00	0.00	0.00
Total Income	**0.97**	**16.84**	**6.66**	**6.33**
Total Expenditure	0.51	1.16	0.68	1.58
Profit before Depreciation, Interest and Taxes	0.46	15.68	5.98	4.75
Depreciation	0.00	0.00	0.00	0.00

Interest	0.01	0.00	1.04	1.97
Profit Before Tax and Extra Ordinary Items	**0.45**	**15.68**	**4.94**	**2.78**
Extra ordinary item Inc/(Exp)	0.00	0.00	0.00	0.00
Profit Before Tax	**0.45**	**15.68**	**4.94**	**2.78**
Provision for Tax	0.00	0.00	0.00	0.00
Profit After Tax	**0.45**	**15.68**	**4.94**	**2.78**

Balance Sheet Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Sources of Funds				
Paid-up Equity Share Capital	58.97	58.97	58.97	178.97
Reserves and surplus (excluding revaluation reserves)	27.45	27.01	11.32	6.39
Net worth	86.42	85.98	70.29	185.36
Revaluation Reserve	0.00	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	1410.00	471.00	471.00	21.48
Other Liabilities	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	**1496.42**	**556.98**	**541.29**	**206.84**
Uses of Funds				
Net fixed Assets	20.95	20.95	20.95	20.95
Capital work in progress	0.00	0.00	0.00	0.00
Investments	1440.98	472.30	472.30	64.00
Net Current Assets	34.50	63.72	48.04	121.89
Total Miscellaneous Expenditure Not Written-Off	0.00	0.00	0.00	0.00
Total	**1496.42**	**556.98**	**541.29**	**207.41**

Other Financial Data	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Dividend (%) *	0.00	0.00	0.00	0.00
Earnings per Share (Rs) **	1.38	47.56	14.97	8.43
Return on Networth (%) ***	0.52%	18.24 %	7.03%	1.50%
Book Value per Share (Rs) ****	262.11	260.78	213.20	562.21

* Calculated as Dividend per Equity share/ Face Value of the Equity Share

** Calculated as Profit After Tax/ Number of outstanding Equity Shares

*** Calculated as Profit After Tax/ (Networth - Misll. Expenditure not written off)

**** Calculated as (Networth - Misll. Expenditure not written off) / Number of outstanding Equity Shares

Note:

1. Paid-up capital for Y.E. 31st March 2005 includes share application money of Rs. 120 lacs
2. In the 1st half of financial year 2007-08, HPIFPL has made investments in the Target Company to consolidate its holdings. The investments were financed by the unsecured loans from its promoters. HPIFPL does not have any secured loan as on 30th September 2007
3. The dividend income (other income) of HPIFPL for the 1st half of the year 2007-08 is Nil.
4. There are no contingent liabilities on the part of HPIFPL as on 30th September 2007
5. Financials for the financial years 2004-05, 2005-06, 2006-07 and that of 1st six months of the year 2007-08 are certified by statutory auditors.

3.2.11. The details of acquisition of shares by HPIFPL in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	25.03.93	Cash	11,000	100	11,000	22.0%	Complied
2	30.07.94	Share Split	110,000	10	110,000	11.3%	Complied
3	30.09.94	Bonus1:1	110,000	10	220,000	11.3%	Complied
4	12.12.94	Cash	-50,000	10	170,000	8.7%	Complied
5	31.10.98	Cash	5,300	10	175,300	5.1%	Complied
6	27.11.98	Cash	100	10	175,400	5.1%	Complied
7	09.11.00	Cash	199,200	10	374,600	8.6%	Complied
8	30.11.04	Bonus 1:2	187,300	10	561,900	8.6%	Complied
9	19.07.05	FPO	200,000	10	761,900	5.7%	Complied
10	21.06.07	Market Acquisitions	2,096	10	763,996	4.1%	Complied
11	29.06.07	Conversion of Warrants	890,000	10	1,653,996	7.2%	Complied
12	05.10.07	Transfers	81,900	10	1,735,896	7.5%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions also and that is the reason that shareholding % is reduced in spite of increase in number of shares

3.2.12. Significant Accounting Policies of HPIFPL are as follows:

A.1 The Accounts are prepared under the historical cost convention and on the basis of going concern concept

A.2 All income / expenses have been accounted for on accrual basis

A.3 Fixed Assets are stated at the cost of acquisition

A.4 Investments are considered as long term and accordingly valued at cost. Provisions for diminution in the value of long term investment is made, only if such decline is other than temporary

A.5 Preliminary Expenses are amortized over the period as described under Section 35-D of the Income Tax Act, 1961

Person Acting in Concert

3.3. **Mr. H. S. Bharana**

3.3.1. Mr. H. S. Bharana, aged 48 years, S/O Mr. R. S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. He is a Civil Engineer from University of Roorkee and a professional with an experience of 25 years in construction business. He is the promoter of Era Infra Engineering Ltd, the Target Company. He is also the promoter of Era Housing & Developers (India) Limited and Hi-Point Investment & Finance Private Limited, the Acquirers.

3.3.2. The Net Worth of Mr. H.S. Bharana as on 26th November 2007 was Rs. 9383.82 lacs.as certified by Mr. K.C. Gupta, Partner, P.C. Bindal & Co. Membership No.: 088638; Address: 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi – 110 005 ("Chartered Accountants")

3.3.3. He holds a total 16,42,500 Shares (7.11%) of the Target Company of which 12,38,760 Shares (5.36%) are held singly, 77,415 Shares (0.34%) are held jointly with Mrs. Rekha Bharana, 1,65,000 Shares (0.71%) are held jointly with Mr. Vaibhav Bharana and 1,61,325 Shares (0.70%) are held jointly with Ms. Rashmi Bharana.

3.3.4. Mr. H. S. Bharana, a director of the Target Company represents the Acquirers and PACs. As a director of the Target Company, he shall recuse himself and will not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

3.3.5. Mr. H.S. Bharana is also on the Board of Directors of Era E-Zone (India) Limited, a company listed on BSE

3.3.6. In addition, Mr. H.S. Bharana also serves as a full time director on the boards of Era Infra Engineering Limited (Target

Company) and Era E-Zone (India) Limted.

3.3.7. Mr. H. S. Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997

3.3.8. The details of acquisition of shares by Mr. H. S. Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	03.09.90	Cash	1	100	1	50.0%	Complied
2	02.01.91	Cash	1,811	100	1,812	36.2%	Complied
3	27.03.92	Cash	3,100	100	4,912	32.7%	Complied
4	05.09.92	Cash	660	100	5,572	37.1%	Complied
5	27.03.93	Cash	15,000	100	20,572	41.1%	Complied
6	31.03.94	Cash	8,755	100	29,327	30.1%	Complied
7	30.07.94	Stock Split		10	293,270	30.1%	Complied
8	30.09.94	Bonus 1:1	293,270	10	586,540	30.1%	Complied
9	10.05.95	Cash	9,200	10	595,740	17.3%	Complied
10	15.02.96	Cash	-54,100	10	541,640	15.7%	Complied
11	27.11.98	Cash	100,000	10	641,640	18.6%	Complied
12	09.11.00	Cash	124,000	10	765,640	17.6%	Complied
13	31.07.01	Cash	61,860	10	827,500	19.0%	Complied
14	30.11.04	Bonus 1:2	413,750	10	1,241,250	19.0%	Complied
15	15.02.05	Transfer of shares	101,250	10	1,342,500	20.6%	Complied
16	19.07.05	Cash	300,000	10	1,642,500	12.3%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.4. **Mr. Brij Singh Bharana**

3.4.1. Mr. Brij Singh Bharana, son of Late Mr. R. S. Bharana and brother of Mr. H.S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. He is an agriculturist by profession and is engaged in agricultural activities on self owned land.

3.4.2. He holds 288,650 Shares (1.25%) in the Target Company.

3.4.3. The net worth of Mr. Brij Singh Bharana as on 26th November 2007 was Rs 1620.61 lacs as certified by the Chartered Accountants.

3.4.4. He is not on the Board of Directors of any listed company.

3.4.5. He does not serve as a full time director on the board of any company

3.4.6. Mr. Brij Singh. Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.4.7. The details of acquisition of shares by Mr. Brij Singh Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	02.01.91	Cash	260	100	260	5.2%	Complied
2	31.03.94	Cash	1,325	100	1,585	1.6%	Complied
3	12.07.94	Cash	2,000	100	3,585	3.7%	Complied
4	30.07.94	Share Split	35,850	10	35,850	3.7%	Complied
5	30.09.94	Bonus 1:1	35,850	10	71,700	3.7%	Complied
6	15.01.96	Cash	-12,600	10	59,100	1.7%	Complied
7	30.11.04	Bonus 1:2	29,550	10	88,650	1.4%	Complied
8	19.07.05	FPO	200,000	10	288,650	2.2%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.5. **Mr. Dheeraj Singh Bharana**

3.5.1. Mr. Dheeraj Singh Bharana, son of Late Mr. R. S. Bharana and brother of Mr. H.S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. He is an agriculturist by profession and is engaged in agricultural activities on self owned land.

3.5.2. He holds 296,090 Shares (1.28%) in the Target Company.

3.5.3. The net worth of Mr. Dheeraj Singh Bharana as on 26th November 2007 was Rs 1603.25 lacs as certified by the Chartered Accountants.

3.5.4. Mr. Dheeraj Singh Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997

3.5.5. He is not on the Board of Directors of any listed company.

3.5.6. He does not serve as a full time director on the board of any company.

3.5.7. The details of acquisition of shares by Mr. Dheeraj Singh Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	02.01.91	Cash	2,477	100	2,477	49.5%	Complied
2	25.03.93	Cash	1,200	100	3,677	7.4%	Complied
3	31.03.94	Cash	1,361	100	5,038	5.2%	Complied
4	30.07.94	Share Split	50,380	10	50,380	5.2%	Complied
5	30.09.94	Bonus 1:1	50,380	10	100,760	5.2%	Complied
6	15.01.96	Cash	-36,700	10	64,060	1.9%	Complied
7	30.11.04	Bonus 1:2	32,030	10	96,090	1.9%	Complied
8	19.07.05	FPO	200,000	10	296,090	2.2%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.6. **Ms. Rashmi Bharana**

3.6.1. Ms. Rashmi Bharana, daughter of Mr. H. S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. She is a student.

3.6.2. She holds 56,550 Shares (0.24%) in the Target Company.

3.6.3. The net worth of Ms. Rashmi Bharana as on 26th November 2007 was Rs 328.71 lacs as certified by the Chartered Accountants

3.6.4. She is not on the Board of Directors of any company.

3.6.5. Ms. Rashmi Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.6.6. The details of acquisition of shares by Ms. Rashmi Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	27.03.92	Cash	1,170	100	1,170	7.80%	Complied
2	25.03.93	Cash	600	100	1,770	3.54%	Complied
3	30.07.94	Stock Split	17,700	10	17700	1.82%	Complied
4	30.09.94	Bonus 1:1	17,700	10	35,400	1.82%	Complied
5	1994-95	Transfer	-17700	10	17,700	0.91%	Complied
6	2002-03	Market Acq.	20,000	10	37,700	0.87%	Complied
7	30.11.04	Bonus 1:2	18,850	10	56,550	0.87%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.7. **Mrs. Rekha Bharana**

3.7.1. Mrs. Rekha Bharana, wife of Mr. H. S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. She is a house wife.

3.7.2. She holds 240,502 Shares (1.04%) in the Target Company of which 27,000 Shares (0.12%) are held singly, 84,502 Shares (0.37%) are held jointly with Ms. Rashmi Bharana and 129,000 Shares (0.56%) are held jointly with Mr. Vaibhav Bharana.

3.7.3. The net worth of Mrs. Rekha Bharana as on 26th November 2007 was Rs 1459.21 lacs as certified by the Chartered Accountants

3.7.4. She is not on the Board of Directors of any company

3.7.5. Mrs. Rekha Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.7.6. The details of acquisition of shares by Mr.s. Rekha Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	27.03.92	Cash	2,100	100	2,100	14.00%	Complied
2	25.03.93	Cash	21,000	100	23,100	46.20%	Complied
3	31.03.94	Cash	3,600	100	26,700	27.38%	Complied
4	30.07.94	Share Split	267,000	10	267000	27.38%	Complied
5	30.09.94	Bonus 1:1	267,000	10	534000	27.38%	Complied
6	During 1995-96	Transfer	-417,000	10	117000	3.39%	Complied
7	During 1996-97		186,000	10	303,000	8.78%	Complied
8	During 2004-05	Transfer	-159,665	10	143,335	3.30%	Complied
9	30.11.04	Bonus 1:2	71667	10	215,002	3.30%	Complied
10	19.06.07 to 28.09.07	Market Acquisitions	25,500	10	240,502	1.04%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.8. **Mr. Vaibhav Bharana**

3.8.1. Mr. Vaibhav Bharana, son of Mr. H. S. Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. He is a student.

3.8.2. He holds 19,800 Shares (0.09%) in the Target Company.

3.8.3. The net worth of Mr. Vaibhav Bharana as on 26th November 2007 was Rs 127.43 lacs as certified by the Chartered Accountants

3.8.4. He is not on the Board of Directors of any listed company.

3.8.5. He does not serve as a full time director on the board of any company

3.8.6. Mr. Vaibhav Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.8.7. The details of acquisition of shares by Mr. Vaibhav Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	27.03.92	Cash	920	100	920	6.13%	Complied
2	25.03.93	Cash	400	100	1320	2.64%	Complied
3	30.07.94	Share Split	13,200	10	13200	1.35%	Complied
4	30.09.94	Bonus 1:1	13,200	10	26400	1.35%	Complied
5	Before 10-05-95	Transfer	-13,200	10	13,200	0.68%	Complied

6	30-11-04	Bonus 1:2	6,600	10	19,800	0.30%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.9. **Mrs. Kamlesh Bharana**

3.9.1. Mrs. Kamlesh Bharana, wife of Mr. Brij Singh Bharana, resides at C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017, Tel. +91-11-26532063/41829282. She is a housewife.

3.9.2. She holds 10,650 Shares (0.05%) in the Target Company.

3.9.3. The net worth of Mrs. Kamlesh Bharana as on 26th November 2007 was Rs 75.65 lacs as certified by the Chartered Accountants

3.9.4. She is not on the Board of Directors of any company.

3.9.5. Mrs. Kamlesh Bharana has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997..

3.9.6. The details of acquisition of shares by Mr.s. Kamlesh Bharana in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	31.03.94	Cash	355	100	355	0.36%	Complied
2	30.07.94	Share Split	3,550	10	3,550	0.36%	Complied
3	30.09.94	Bonus 1:1	3,550	10	7,100	0.36%	Complied
4	30.11.04	Bonus 1:2	3,550	10	10,650	0.16%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.10. **Mr. H. S. Bharana (HUF)**

3.10.1. Mr. H.S. Bharana (HUF) was incorporated on 30th December 1991 and Mr H.S. Bharana is its karta.

3.10.2. It holds 45,000 Shares (0.19%) in the Target Company. Its net worth as on 26th November 2007 was Rs 279.26 lacs as certified by Chartered Accountants

3.10.3. Mr. H. S. Bharana (HUF) has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

3.10.4. The details of acquisition of shares by Mr. H. S. Bharana (HUF) in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	27.03.92	Cash	1,660	100	1,660	11.1%	Complied
2	05.09.92	Cash	-660	100	1,000	6.7%	Complied
3	23.12.93	Cash	2,000	100	3,000	4.4%	Complied
4	30.07.94	Share Split	30,000	10	30,000	3.1%	Complied
5	30.09.94	Bonus 1:1	30,000	10	60,000	3.1%	Complied
6	15.02.96	Cash	-30,000	10	30,000	0.9%	Complied
7	30.11.04	Bonus 1:2	15,000	10	45,000	0.7%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.11. **Era Exports (India) Ltd.**

3.11.1. Era Exports (India) Ltd (EEIL), is a company incorporated on 30th December 1991 under Companies Act, 1956 with its registered office at 370-371/2, Sahi Hospital Road,Jangpura, Bhogal, New Delhi 100014.

3.11.2. It is engaged in the business of trading of chemical items.

3.11.3. The equity shares of this company are not listed on any of the stock exchanges.

3.11.4. It holds 27,000 Shares (0.12%) in the Target Company.

3.11.5. Mr. A.K. Mehta is the main promoter of EEIL and he alongwith Mr. H.S. Bharana, Mrs. Rekha Bharana, Mrs Kamlesh Bharana, Mr. Zubin Mehta, Mr. Dheeraj Singh Bharana, Mrs Shireen Mehta, KTL Industries Limited and Ratna Commercial Enterprises Private Limited holds the entire share capital of Rs 20,35,400 (2,03,540 equity shares of Rs 10 each).

3.11.6. EEIL has complied with the all applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997

3.11.7. The details of Board of Directors of EEIL as on 27th November 2007 are as follows:

S/No.	Name of the Directors, Age	Profile of the Directors(experience and qualification)	Residential Address	Date of Appointment
1	Mr. H.S. Bharana, 48 yrs	Civil Engineer from University of Roorkee. Has 25 years of experience in the field of construction	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	13-Dec-91
2	Mr. A. K. Mehta, 58 yrs	Worked in Indian Army from 1970 to 1976 as a commissioned officer and thereafter worked with various institutions. He has 36 yrs of experience in the field of management and administration	A-5, Estate Sultanpur, Mehrauli, Gurgaon Road, Delhi – 110030	23-Aug-94
3	Mrs. Shiren Mehta, 58 yrs	She is Cambridge alumni. Wife of Mr. A. K. Mehta. Currently, a Housewife	A-5, Estate Sultanpur, Mehrauli, Gurgaon Road, Delhi – 110030	03-Apr-00
4	Mr. Zubin Mehta, 25 yrs	He is a LLB graduate and currently works as an Advocate.	A-5, Empire Estate, Mehrauli Road, Sultanpur, New Delhi	11-Oct-04
5	Mr. Manil Harjai, 44 yrs	He is Master of Arts. He manages his family business.	B-141, Sector-31, Noida, UP	08-Aug-06

3.11.8. Mr. A. K. Mehta and Mr. H.S. Bharana are also the directors of the Target Company. As the directors of the Target Company, both of them shall recuse themselves and will not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

3.11.9. The financial information of EEIL, is given below, in compliance with the provisions of Clause 4.1.12 of the standard letter of offer format as prescribed by SEBI

Rs. Lacs

Profit and Loss Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Income from operations	**134.97**	**197.12**	**92.76**	**51.03**
Other income	**0.00**	**3.26**	**0.48**	**2.84**
Variation in Stock	129.65	0.00	0.00	0.00
Total Income	**129.65**	**200.38**	**93.24**	**53.87**
Total Expenditure	92.38	160.75	82.76	48.74
Profit before Depreciation, Interest and Taxes	37.27	39.63	10.48	5.13
Depreciation	1.43	2.28	0.31	0.29
Interest	0.30	0.55	0.53	0.40
Profit Before Tax and Extra Ordinary Items	**35.54**	**36.80**	**9.64**	**4.44**
Extra ordinary item Inc/(Exp)	0.00	0.00	0.00	0.00
Profit Before Tax	**35.54**	**36.80**	**9.64**	**4.44**
Provision for Tax	12.30	12.80	3.52	1.60
Profit After Tax	**23.24**	**24.00**	**6.12**	**2.84**

Balance Sheet Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Sources of Funds				
Paid-up Equity Share Capital	72.35	72.35	7.35	7.35
Reserves and surplus (excluding revaluation reserves)	57.48	34.23	10.23	4.12
Net worth	129.83	106.58	17.58	11.47
Revaluation Reserve	0.00	0.00	0.00	0.00
Secured Loans	7.40	12.84	8.00	0.00
Unsecured Loans	0.21	6.21	22.21	0.09
Other Liabilities	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.01	0.01	0.10	0.06
Total	**137.45**	**125.64**	**47.89**	**11.62**
Uses of Funds				
Net fixed Assets	10.83	11.42	2.12	0.70
Capital work in progress	0.00	0.00	0.00	0.00
Investments	4.50	4.50	4.50	4.50
Net Current Assets	122.12	109.72	41.27	6.42
Total Miscellaneous Expenditure Not Written-Off	0.00	0.00	0.00	0.00
Total	**137.45**	**125.64**	**47.89**	**11.62**

Other Financial Data	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Dividend (%) *	0.00	0.00	0.00	0.00
Earnings per Share (Rs) **	11.42	31.56	83.19	38.61
Return on Networth (%) ***	17.90%	22.52%	34.81%	24.76%
Book Value per Share (Rs) ****	63.78	52.37	239.05	155.97

* Calculated as Dividend per Equity share/ Face Value of the Equity Share

** Calculated as Profit After Tax/ Number of outstanding Equity Shares

*** Calculated as Profit After Tax/ (Networth - Misll. Expenditure not written off)

**** Calculated as (Networth - Misll. Expenditure not written off) / Number of outstanding Equity Shares

Note:

1. Paid-up share capital of EEIL was increased in the year 2006-07 through infusion of funds from its promoters
2. Turnover and PAT for FY07 showed marked increase as EEIL increased its trading activities.
3. There are no contingent liabilities on the part of EEIL as on 30th September 2007
4. Financials for the financial years 2004-05, 2005-06, 2006-07 and that of 1st six months of the year 2007-08 are certified by statutory auditors.

3.11.10. The details of acquisition of shares by EEIL in the Target Company are as follows:

Sr. No.	Date	Consideration	No. of Shares acquired	Face Value (Rs.)	Cumulative number of shares	Shareholding %	Status of Compliance
1	31.03.94	Cash	3,093	100	3,093	3.17%	Complied
2	30.07.94	Share Split	30,930	10	30930	3.17%	Complied
3	30.09.94	Bonus 1:1	30,930	10	61860	3.17%	Complied
4	1998-99	Transfer	-43,860	10	18,000	0.52%	Complied
5	30.11.04	Bonus 1:2	9,000	10	27000	0.41%	Complied

Note: The change in shareholding represents change between the two acquisitions only. There have been the changes in the total paid-up capital of the Target Company (as detailed in Sec. 5.5) in between the two acquisitions and that is the reason that shareholding % has reduced in spite of increase in number of shares

3.11.11. Significant Accounting Policies of EEIL are as follows:

A.1 The Accounts are prepared under the historical cost convention and on the basis of going concern concept

A.2 All income / expenses have been accounted for on accrual basis

A.3 Fixed Assets are stated at the cost of acquisition

A.4 Investments are considered as long term and accordingly valued at cost. Provisions for diminution in the value of long term investment is made, only if such decline is other than temporary

A.5 Preliminary Expenses are amortized over the period as described under Section 35-D of the Income Tax Act, 1961

3.12. There is no written agreement between any of the Acquirers or PACs for this Offer

3.13. **Disclosure in terms of Regulation 16(ix)**

The Acquirers and the PACs do not intend to dispose of or otherwise encumber any assets of the Target Company in the successive two years, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalizing and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of EIEL, except with the prior approval of shareholders of EIEL. Notwithstanding the above, it will be the responsibility of the Board of Directors of EIEL to make appropriate decisions in these matters, in accordance with the requirements of the business of EIEL and in line with opportunities or changes in the economic scenario from time to time. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws at the relevant time.

3.14. **Future plans/strategies of the Acquirers with regard to the Target Company**

3.14.1. As on date of this PA, the Acquirers and the PACs do not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and / or rationalization, reorganization, arrangements of operations, assets, investments, liabilities or otherwise of the Target Company. The Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.

3.14.2. The Acquirers plan to manage the operations of the Target Company as per the current strategic plan and any change in the business strategy would be approved by the Board of Directors before being implemented

4. DISCLOSURE IN TERMS OF REGULATION 21 (2) OF THE SEBI (SAST) REGULATIONS, 1997

4.1. On Share Purchase Agreements becoming effective, the voting rights of the Promoter Group would increase from 24.23% to 39.45%. Assuming the full acceptance of the Offer, the voting rights of the Promoter Group would further increase to 59.45% post completion of this Offer. Consequently, the public shareholding in EIEL will not be reduced below the limit specified in the Listing Agreement with the BSE and NSE for the purpose of listing on continuous basis.

4.2. The Acquirers do not intend to de-list the Target Company.

5. BACKGROUND OF TARGET COMPANY

5.1. The Target Company was incorporated as Era Constructions (India) Private Limited on 3rd September 1990 as a private limited company. The name of the Target Company was changed to Era Constructions (India) Limited on 19th October 1992 when it became a public limited company. The name of the Target Company was further changed to its present name, Era Infra Engineering Limited, on 25th June 2007. The Target Company has its registered office at 370-371/2, Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110 014. Tel No. +91-11-24378011-19; Fax No.: +91-11-2437 8784.

5.2. EIEL is engaged in diverse construction activities relating to highways, road, railways, airports, power projects, institutional and industrial complexes and multiplexes catering to government owned entities, the private sector and central public works department. The Company has undertaken various construction projects in different parts of the country and the work is taking place on those construction sites. The Company's corporate office is at 153, Okhla Industrial Estate, Phase-3, Okhla, New Delhi – 110020. Further information about Era Infra Engineering is available at its website www.eragroup.co.in

5.3. The Target Company has five subsidiaries namely Era Landmarks (India) Ltd., Era Building Systems Ltd., Big Ben Developers Pvt. Ltd., Victor Buildwel Pvt. Ltd. and Style & Smile Buildwell Pvt. Ltd. While Era Landmarks (India) Ltd is in the business of real estate and infrastructure development and Era Building Systems Ltd. is in the business of manufacturing pre-engineered building materials, the other three subsidiaries Big Ben Developers Pvt. Ltd., Style & Smile Buildwell Pvt. Ltd. and Victor Buildwel Pvt. Ltd. have been incorporated to conduct the business of builders, developers, colonizers, contractors, architects and town planners.

5.4. Share Capital structure of the Target Company is as follows:

Paid up Equity Shares of EIEL	No. of Shares/ voting rights	% of Shares/ voting rights
Fully paid up equity shares	23,103,552	100%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	23,103,552	100%
Total voting rights in EIEL	23,103,552	100%

5.5. The following table provides capital build-up of EIEL since inception:

Date of Allotment	No. of shares issued	% of paid-up capital	Face value (Rs.)	Cumulative paid up capital (Rs.)	Mode of allotment	Identity of Allottees	Status of compliance
03.09.90	2	100.00%	100	200	Fresh Allotment	Promoters	Subscription Memorandum
02.01.91	4,998	99.96%	100	500,000	Fresh Allotment	Promoters & Associates	Complied
27.03.92	10,000	66.67%	100	1,500,000	Fresh Allotment	Promoters & Associates	Complied
25.03.93	35,000	70.00%	100	5,000,000	Fresh Allotment	Promoters & Associates	Complied

27.03.93	15,000	23.08%	100	6,500,000	Fresh Allotment	Promoters & Associates	Complied
23.12.93	3,290	4.82%	100	6,829,000	Fresh Allotment	Promoters & Associates	Complied
31.03.94	29,224	29.97%	100	9,751,400	Fresh Allotment	Promoters & Associates	Complied
30.07.94	877,626	90.00%	10	9,751,400	Share Split	Stock Split	Complied
30.09.94	975,140	50.00%	10	19,502,800	Bonus 1:1	Bonus Issue	Complied
10.05.95	1,500,800	43.49%	10	34,510,800	IPO	Others	Complied
09.11.00	893,200	20.56%	10	43,442,800	Preferential Allotment	Promoters & Others	Complied
30.11.04	2,172,140	33.33%	10	65,164,200	Bonus 1:2	Bonus Issue	Complied
19.07.05	6,833,932	51.19%	10	133,503,520	FPO	Others	Complied
27.02.06	5,263,200	28.28%	10	186,135,520	GDR Issue	Others	Complied
29.06.07	4,490,000	19.43%	10	231,035,520	Warrants Conversion	Promoters & Others	Complied
Total	**23,103,552**	**100.00%**					

5.6. The total paid-up capital of the Target Company is Rs.231,035,520 comprising 23,103,552 fully paid-up equity shares of Rs.10 each. The Target Company does not have any partly paid-up shares. The fully paid-up shares of the Target Company have 100% voting rights in the Target Company. The Target Company has issued 5,263,158 number of Global Depository Receipts (GDRs) (each representing one equity share of the Target Company) listed on the Luxemburg Stock Exchange. A total of 9588 number of GDRs are outstanding as on December 17, 2007.

5.7. All GDRs have been included for calculation of the Offer size. The GDR holders are eligible to participate in the Open Offer provided they get it converted into equity shares before the date of closing of the Offer.

5.8. The Company has issued Foreign Currency Convertible Bonds (FCCBs) of USD 75 mn on 24th January, 2007. These FCCBs are convertible into equity shares of the Target Company, at the option of the bondholder, at a conversion price as per the terms of the issue. The conversion period for the FCCBs is from 24th January 2008 till 24th January 2012.

5.9. The FCCBs are bonds in the nature of unsecured liability of the Target Company. Given the long Conversion Period from 24 January 2008 till 10 January 2012 and that the Conversion Price can only be ascertained on 24th January 2008, the FCCBs have been excluded while calculating the post issue voting capital.

5.10. None of the FCCBs allotted by the Company on January 24, 2007 has been converted into equity shares as on date

5.11. The Target Company has undertaken that none of the FCCBs would be converted into equity shares during the Offer Period

5.12. The equity shares of the Target Company are listed on BSE and NSE, the GDRs are listed on Luxemburg Stock Exchange and the FCCBs are listed on Singapore Stock Exchange

5.13. The Target Company made a preferential allotment of 5,500,000 convertible warrants on 26th May 2007 to EHDIL, Marigold Promoters Private Limited and Victory Realtech Private Limited. The warrants so issued shall at the option of warrant holder can be converted into equal number of equity shares of nominal value of Rs.10 each at a premium of Rs.415 each, within a period of 18 months from the date of allotment. The warrant holders have given the undertaking that they will not convert the warrants till 15 days from the closure of the Offer, therefore the same have been excluded while calculating the post issue voting capital.

5.14. Apart from the above mentioned convertible instrument, the Company does not have any other convertible instruments that can be converted into equity shares within 15 days from the closure of the Offer

5.15. The Target Company has complied with the provisions of the Listing Agreement. Further, no punitive action has been taken against EIEL by the stock exchange where its shares are listed. Presently the shares of the Target Company are not suspended from trading on any stock exchanges.

5.16. The details of share capital build-up of promoters are as follows:

Date	Opening Balance - Promoter group (No. of shares)	Opening Capital (Rs.)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/Market Purchages/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se transfer etc.,)	No of shares sold	Closing Capital (Rs.)	Closing holding - promoter group (No. of shares)	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Compliance status
03.09.90	0	0	0.00%	HSB	1	Memorandum	0	200	1	50.00%	50.00%	NA
02.01.91	1	200	50.00%	HSB, BSB. DSB	4,548	Fresh Allotments	0	500,000	4,549	90.98%	40.98%	NA
27.03.92	4,549	500,000	90.98%	HSB, RASHMI, REKHA, VAIBHAV, HSB HUF	8,950	Fresh Allotments	0	1,500,000	13,499	89.99%	-0.99%	NA
25.03.93	13,499	1,500,000	89.99%	HPIFPL, DSB, RASHMI, REKHA, VAIBHAV	34,200	Fresh Allotments	0	5,000,000	47,699	95.40%	5.40%	NA
27.03.93	47,699	5,000,000	95.40%	HSB	15,000	Fresh Allotments	0	6,500,000	62,699	96.46%	1.06%	NA
23.12.93	62,699	6,500,000	96.46%	HSB HUF	2,000	Fresh Allotments	0	6,829,000	64,699	94.74%	-1.72%	NA
31.03.94	64,699	6,829,000	94.74%	HSB, BSB, DSB, REKHA, KAMLESH, EE	18,489	Fresh Allotments	0	9,751,400	83,188	85.31%	-9.43%	NA
12.07.94	83,188	9,751,400	85.31%	BSB	2,000	Transfer	0	9,751,400	85,188	87.36%	2.05%	NA
30.07.94	85,188	9,751,400	87.36%	---	766,692	Share Split	0	9,751,400	851,880	87.36%	0.00%	NA
30.09.94	851,880	9,751,400	87.36%	All	851,880	Bonus Issue 1:1	0	19,502,800	1,703,760	87.36%	0.00%	NA
12.12.94	1,703,760	19,502,800	87.36%	HPIFPL	0	Transfer	50,000	19,502,800	1,653,760	84.80%	-2.56%	NA
23.01.95	1,653,760	19,502,800	84.80%	REKHA, VAIBHAV	0	Transfer	211,900	19,502,800	1,441,860	73.93%	-10.87%	NA
10.05.95	1,441,860	19,502,800	73.93%	HSB	9,200	**IPO**	0	34,510,800	1,451,060	42.05%	-31.88%	NA
15.01.96	1,451,060	34,510,800	42.05%	BSB, DSB	0	Market Transaction	49,300	34,510,800	1,401,760	40.62%	-1.43%	NA
15.02.96	1,401,760	34,510,800	40.62%	HSB, HSB HUF	0	Market Transaction	84,100	34,510,800	1,317,660	38.18%	-2.44%	NA
31.10.98	1,317,660	34,510,800	38.18%	HPIFPL	5,300	Market Transaction	0	34,510,800	1,322,960	38.33%	0.15%	Complied
27.11.98	1,322,960	34,510,800	38.33%	HPIFPL, HSB	100,100	Market Transaction	0	34,510,800	1,423,060	41.24%	2.90%	Complied
09.11.00	1,423,060	34,510,800	41.24%	EHDIL, HPIFPL, HSB, EE	399,200	Preferential Allotment	0	43,442,800	1,822,260	41.95%	0.71%	Complied
31.12.03	1,822,260	43,442,800	41.95%	RASHMI	20,000	Market Transaction	0	43,442,800	1,842,260	42.41%	0.46%	Complied
09.08.04	1,842,260	43,442,800	42.41%	REKHA	0	Market Transaction	35,000	43,442,800	1,807,260	41.60%	-0.81%	Complied
10.08.04	1,807,260	43,442,800	41.60%	REKHA	0	Market Transaction	160,000	43,442,800	1,647,260	37.92%	-3.68%	Complied
11.08.04	1,647,260	43,442,800	37.92%	REKHA	0	Market Transaction	14,665	43,442,800	1,632,595	37.58%	-0.34%	Complied
30.11.04	1,632,595	43,442,800	37.58%	All	816,297	Bonus 1:2	0	65,164,200	2,448,892	37.58%	0.00%	NA
15.02.05	2,448,892	65,164,200	37.58%	HSB	101,250	Transmission	0	65,164,200	2,550,142	39.13%	1.55%	Complied
19.07.05	2,550,142	65,164,200	39.13%	EHDIL, HPIFPL, HSB, BSB, DSB	1,133,580	FPO	0	133,503,520	3,683,722	27.59%	-11.54%	NA
27.02.06	3,683,722	133,503,520	27.59%	None	0	GDR Issue	0	186,135,520	3,683,722	19.79%	-7.80%	NA
21.06.07	3,683,722	186,135,520	19.79%	EHDIL, HPIFPL, REKHA	209,732	Market Transaction	0	186,135,520	3,893,454	20.92%	1.13%	Complied
29.06.07	3,893,454	186,135,520	20.92%	HPIFPL	895,000	Warrants Conversion	0	231,035,520	4,788,454	20.73%	-0.19%	Complied
06.07.07	4,788,454	231,035,520	20.73%	EHDIL	86,427	Market Transaction	0	231,035,520	4,874,881	21.10%	0.37%	Complied
11.07.07	4,874,881	231,035,520	21.10%	EHDIL	32,500	Market Transaction	0	231,035,520	4,907,381	21.24%	0.14%	Complied
12.07.07	4,907,381	231,035,520	21.24%	EHDIL	30,000	Market Transaction	0	231,035,520	4,937,381	21.37%	0.13%	Complied
27.08.07	4,937,381	231,035,520	21.37%	EHDIL	45,321	Market Transaction	0	231,035,520	4,982,702	21.57%	0.20%	Complied
29.08.07	4,982,702	231,035,520	21.57%	EHDIL	1,954	Market Transaction	0	231,035,520	4,984,656	21.58%	0.01%	Complied
30.08.07	4,984,656	231,035,520	21.58%	EHDIL	52,725	Market Transaction	0	231,035,520	5,037,381	21.80%	0.23%	Complied
31.08.07	5,037,381	231,035,520	21.80%	EHDIL	25,000	Market Transaction	0	231,035,520	5,062,381	21.91%	0.11%	Complied
06.09.07	5,062,381	231,035,520	21.91%	EHDIL	48,664	Market Transaction	0	231,035,520	5,111,045	22.12%	0.21%	Complied
07.09.07	5,111,045	231,035,520	22.12%	EHDIL	28,500	Market Transaction	0	231,035,520	5,139,545	22.25%	0.12%	Complied
10.09.07	5,139,545	231,035,520	22.25%	EHDIL	20,075	Market Transaction	0	231,035,520	5,159,620	22.33%	0.09%	Complied
11.09.07	5,159,620	231,035,520	22.33%	EHDIL	15,000	Market Transaction	0	231,035,520	5,174,620	22.40%	0.06%	Complied
12.09.07	5,174,620	231,035,520	22.40%	EHDIL	20,008	Market Transaction	0	231,035,520	5,194,628	22.48%	0.09%	Complied
13.09.07	5,194,628	231,035,520	22.48%	EHDIL	38,216	Market Transaction	0	231,035,520	5,232,844	22.65%	0.17%	Complied
14.09.07	5,232,844	231,035,520	22.65%	EHDIL	18,977	Market Transaction	0	231,035,520	5,251,821	22.73%	0.08%	Complied
17.09.07	5,251,821	231,035,520	22.73%	EHDIL	24,389	Market Transaction	0	231,035,520	5,276,210	22.84%	0.11%	Complied
18.09.07	5,276,210	231,035,520	22.84%	EHDIL	20,000	Market Transaction	0	231,035,520	5,296,210	22.92%	0.09%	Complied
19.09.07	5,296,210	231,035,520	22.92%	EHDIL	56,002	Market Transaction	0	231,035,520	5,352,212	23.17%	0.24%	Complied
20.09.07	5,352,212	231,035,520	23.17%	EHDIL	25,500	Market Transaction	0	231,035,520	5,377,712	23.28%	0.11%	Complied
21.09.07	5,377,712	231,035,520	23.28%	REKHA	15,000	Market Transaction	0	231,035,520	5,392,712	23.34%	0.06%	Complied
26.09.07	5,392,712	231,035,520	23.34%	REKHA	5,000	Market Transaction	0	231,035,520	5,397,712	23.36%	0.02%	Complied
27.09.07	5,397,712	231,035,520	23.36%	REKHA	500	Market Transaction	0	231,035,520	5,398,212	23.37%	0.00%	Complied
28.09.07	5,398,212	231,035,520	23.37%	EHDIL	10,000	Market Transaction	0	231,035,520	5,408,212	23.41%	0.04%	Complied
05.10.07	5,408,212	231,035,520	23.41%	HPIFPL	81,900	Market Transaction	0	231,035,520	5,490,112	23.76%	0.35%	Complied
17.10.07	5,490,112	231,035,520	23.76%	EHDIL	29,000	Market Transaction	0	231,035,520	5,519,112	23.89%	0.13%	Complied
19.10.07	5,519,112	231,035,520	23.89%	EHDIL	49,000	Market Transaction	0	231,035,520	5,568,112	24.10%	0.21%	Complied
23.10.07	5,568,112	231,035,520	24.10%	EHDIL	28,600	Market Transaction	0	231,035,520	5,596,712	24.22%	0.12%	Complied
26.11.07	5,596,712	231,035,520	24.22%	EHDIL	1,500	Transfer	0	231,035,520	5,598,212	24.23%	0.01%	Complied

HSB - H.S.Bharana, BSB - B.S. Bharana, DSB - D.S. Bharana, EE - Era Exports, HSB HUF - H.S. Bharana HUF

5.17. On the date of the PA the Board of Directors of EIEL comprised of the following:

S/No.	Name of the Directors	Profile of the Directors	Resi8dential Address	Date of Appointment
1	Mr. H. S. Bharana, 48 yrs *Chairman & Managing Director*	Civil Engineer from University of Roorkee. Has 25 years of experience in the field of construction	C-146, 1st Floor, Sarvodaya Enclave, New Delhi - 110017	03-Sep-90
2	Mr. J.L. Khushu, 65 yrs	Masters in Structural Engineering. He has 40 yrs of experience in project management of roads, bridges and building projects	Block P-2C Apptt#36, Princeton Estate, DLF Phase-5, Gurgaon, Haryana – 122050	30-Nov-04
3	Mr. A.K. Mehta, 58 yrs	Worked in Indian Army from 1970 to 1976 as a commissioned officer and thereafter worked with various institutions. He has 36 yrs of experience in the field of management and administration	A-5, Estate Sultanpur, Mehrauli, Gurgaon Road, Delhi – 110030	20-Aug-94
4	Mr. S.D.Sharma, 65 yrs	B.Tech (Civil) amd Masters in Structural Engineering, he has 35 yrs of versatile experience in project execution	Block C-1, House No. 24, SDA, New Delhi – 110016	28-May-05
5	Mr. Arvind Pande, 68 yrs	B.Sc, B.A. (Hons), M.A. (Economics) from Cambridge University, UK, he has 36 yrs of experience in management and administration	E-148 (FF), East of Kailash, New Delhi - 110065	19-Mar-05
6	Mr. S.D. Kapoor, 62 yrs	B.Sc (Metallurgy) and MBA from University of Leeds, UK, he has more than 25 yrs of experience. He also served as the Chairman of MMTC Ltd. And Neelanchal Ispat Nigam Ltd.	Plot-199, Sector-47, Gurgaon, Haryana - 122002	01-Dec-07

5.18. Mr. H.S. Bharana is also on the Board of Directors of both the Acquirers i.e. EHDIL and HPIFPL. As a director of the Target Company, he shall recuse himself and will not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

5.19. There has been no merger / demerger / spin-off during last 3 years involving the Target Company.

5.20. The brief financial details of EIEL are as follows:

Rs. Lacs

Profit and Loss Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Income from operations	**50430.69**	**76301.71**	**31083.88**	**15624.02**
Other income	**3253.62**	**1329.91**	**207.22**	**123.06**
Variation in Stock	0.00	0.00	0.00	0.00
Total Income	**53684.31**	**77631.62**	**31291.10**	**15747.08**
Total Expenditure	41062.61	62243.20	26220.63	14220.64
Profit before Depreciation, Interest and Taxes	12621.70	15388.42	5070.47	1526.44
Depreciation	821.88	747.37	346.74	215.53
Interest	3243.40	3500.43	994.26	568.08
Profit Before Tax and Extra Ordinary Items	**8556.42**	**11140.62**	**3729.47**	**742.83**

Extra ordinary item Inc/(Exp)	0.00	0.00	0.00	0.00
Profit Before Tax	**8556.42**	**11140.62**	**3729.47**	**742.83**
Provision for Tax	2859.68	3228.59	1014.78	197.88
Profit After Tax	**5696.74**	**7912.03**	**2714.69**	**544.95**

Balance Sheet Statement	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Sources of Funds				
Paid-up Equity Share Capital	4647.86	3289.66	3073.66	970.64
Reserves and surplus (excluding revaluation reserves)	38410.87	27206.74	20948.22	2270.99
Net worth	43058.73	30496.40	24021.88	3241.63
Revaluation Reserve	0.00	0.00	0.00	0.00
Secured Loans	70842.19	44317.96	8101.38	2997.23
Unsecured Loans	4659.13	4482.03	806.00	730.48
Other Liabilities	29872.50	32602.50	0.00	0..00
Deferred Tax Liability	3621.79	2414.45	1110.32	690.80
Total	**152054.33**	**114313.34**	**34039.58**	**7660.14**
Uses of Funds				
Net fixed Assets	37549.10	22649.91	9438.24	3712.16
Capital work in progress	17296.47	14348.16	318.37	12.88
Investments	18231.40	12519.68	1254.62	3725.04
Net Current Assets	78977.36	64795.59	23028.35	3859.77
Total Miscellaneous Expenditure Not Written-Off	0.00	0.00	0.00	0.00
Total	**152054.33**	**114313.34**	**34039.58**	**7660.14**

Other Financial Data	**6 Months ending 30th Sep 07**	**Y.E. 31st March 07**	**Y.E. 31st March 06**	**Y.E. 31st March 05**
Dividend (%) *	0%	20%	20%	10%
Earnings per Share (Rs) **	24.66	42.51	14.59	8.36
Return on Networth (%) ***	13.23%	25.94%	11.30%	16.81%
Book Value per Share (Rs) ****	186.37	163.83	129.06	49.75

* Calculated as Dividend per Equity share/ Face Value of the Equity Share

** Calculated as Profit After Tax/ Number of outstanding Equity Shares

*** Calculated as Profit After Tax/ (Networth - Misll. Expenditure not written off)

**** Calculated as (Networth - Misll. Expenditure not written off) / Number of outstanding Equity Shares

Note:

1. Paid-up equity capital includes paid-up equity share capital of Rs. 2310.35 lacs and share warrants of Rs. 2337.50 lacs
2. Other liabilities represent amount received against issue of FCCBs
3. The Target Company's turnover and PAT has been showing consistent increase year on year owing to favorable business environment and successful implementation of the Target Company's strategic plans.
4. Financials for the financial years 2004-05, 2005-06, 2006-07 and that of 1st six months of the year 2007-08 are certified by statutory auditors.

5.21. Significant Accounting policy

1. The Company follows the percentage of completion method as per Accounting Standard-7 to recognize revenue in respect of Contracts executed. Contract revenue is accounted for on the basis of bills submitted to clients / bills certified by clients and do not include material supplied by clients free of cost.
2. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation.
3. Advances paid towards the acquisition of fixed assets and costs of assets not ready for use before the year-end are included under Capital Work-in-Progress.
4. Borrowing cost is charged to Profit & Loss Account except cost of borrowing for acquisition of qualifying assets which is capitalized till the date of commercial use of the assets.
5. Investments are classified into long-term investments and current investments. Long-term investments are stated at cost. Provision for diminution in the value of a long-term investment is made if such diminution is other than temporary. Current investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.
6. Materials, work in progress and stores and spare parts are valued at the lower of cost and net realizable value. Cost of inventories is ascertained on the weighted average cost method.
7. Real Estate projects (including land under agreement to sell) are valued at cost.
8. Expenditure incurred in connection with issue of shares, debentures and bonds is written off against Securities Premium Account in the year of incurrence.
9. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized.

5.22. The Acquirers and PACs form the Promoter Group of the Target Company. The changes in shareholding of the Acquirers and PACs in the Target Company and the compliance with applicable provisions, as detailed in the earlier sections, would be applicable for the Promoter Group as well.

5.23. The equity shareholding in EIEL before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer.		Shares /voting rights agreed to be acquired which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
A. Parties to agreement, if any								
Era Housing & Developers (India) Ltd.	1,235,574	5.35%	1,766,904	7.65%	2,310,355	10.00%	5,312,833	23.00%
Hi-point Investment & Finance Pvt. Ltd.	1,735,896	7.51%	1,750,000	7.57%	2,310,356	10.00%	5,796,252	25.09%
B. Promoters other than (A) above	2,626,742	11.37%	N.A	N.A	N.A	N.A	2,626,742	11.37%
Total 1 (A+B)	**5,598,212**	**24.23%**	**3,516,904**	**15.22%**	**4,620,711**	**20.00%**	**13,735,827**	**59.45%**
(2) Acquirers								
As per (A)								
(3) Parties to agreement other than (1) & (2)								
1. Kiran Vanijya Pvt. Ltd.	491,904	2.13%	-491,904	-2.13%	N.A	N.A	0	0.00%
2. Orange Tradecom Pvt. Ltd.	650,000	2.81%	-650,000	-2.81%			0	0.00%
3. Elegant Commodities Pvt. Ltd.	1,100,000	4.76%	-1,100,000	-4.76%			0	0.00%
4. Evergreen Dealers Pvt. Ltd.	775,000	3.35%	-775,000	-3.35%			0	0.00%
5. Cornet Agencies Pvt. Ltd.	500,000	2.16%	-500,000	-2.16%			0	0.00%
Total 3 (1+2+3+4+5)	**3,516,904**	**15.22%**	**-3,516,904**	**-15.22%**			**0**	**0.00%**
(4) Public (other than parties to agreement, acquirers & PACs) *(indicates total number of shares under "Public" category*								
a. FIs/MFs/FIIs/Banks, SFIs /NRIs/FBs	4,518,937	19.56%	N.A	N.A	-4,620,711	-20.00%	9,367,725	40.55%
b. Others	9,469,499	40.99%						
Total (4)(a+b)	**13988436**	**60.55%**	**N.A**	**N.A**	**-4,620,711**	**-20.00%**	**9,367,725**	**40.55%**
GRAND TOTAL (1+2+3+4)	**23,103,552**	**100.00%**	**0.00**	**0.00%**	**0.00**	**0.00%**	**23,103,552**	**100.00%**

5.24. **Status of Corporate Governance**

As per the information provided by the Target Company, provisions of Clause 49 of the Listing Agreement with the stock exchange dealing with Corporate Governance have been complied with. Certificate of Compliance on Corporate Governance received from the Statutory Auditors had been published in the Annual Report for the year ended March 31, 2007.

5.25. **Pending Litigations as on 1st September 2007**

5.25.1. ***Filed Against the Company***

A. Pertaining to Criminal Laws

S. No.	Parties	Court	Charges/ Allegations	Date of Institution & Next date of hearing	Present Status	Amount Involved (in Rs.)
1.	Verma Glass & Plywood Company v/s ECIL	Judicial Magistrate Ist class, Chandigarh	ECIL had awarded work for providing & fixing Glass to M/S S.P. Construction at Mohali project. The Cheques of Rs. 6 lac were issued to the Complainant on behalf of M/S S. P. Construction towards supply of glass. Further full & final payment made to	17.01.04 Next date of hearing 8/10/07	Summons issued in name of MD, Mr. Sanjay Gupta, GM and Mr. Ramesh Singh, Dy GM to appear before	600000 + Interest & penalty

	through its MD & others Complaint no. 44 & 45 of 2004		M/S S.P. Constn. Without collecting the cheques. Later on the Complainant presented all six cheques (Rs. 1 lac each) to the bank to get undue benefit from ECIL, which were returned by the bank due to insufficient funds. The complainant filed case u/s 138 & 142 of NIA.		the court.	
2.	Rajendra Kr. Mishra, Proprietor, M/s Siddhartha Traders V/s. Shri H.S. Bharana, Shri P.P. Mainra & Others. Case No. 1057 of 1998 & Appeal No.599 of 1999	H'ble High Court of UP at Allahabad	ECIL had awarded work to M/S Sidaratha Traders for providing & applying paints at Shahjahan pur project. Complaint filed in the court of CJM Shahjahan pur (UP) for alleged violence by Director/Project Incharge of ECIL on demand of outstanding Payment of Rs. 3 lac. CJM Shahjanpur issued NBW in name of H.S. Bharana, MD & others.	17.03.99 Not listed till date.	Appeal filed in High Court for cancellation of NBW and for quashing of the complaint filed in the court of CJM Shahjahn pur. H,ble High Court passed an order dated 17.03.99 for cancellation of NBW and further stayed the proceeding of the District Court till further order.	Not Applicable
3.	S.N. Jain V/s. Shri H.S. Bharana & Others Case No. 1091 of 1998 & Appeal No. 972/04	H'ble High Court of Uttranchal at Nainital	Complainant was an employee of ECIL and working as Dy. GM at our Tehri Project. He was issued a cheque of Rs.10,527/- only on 13.11.95 against salary, the payment of which was stopped by ECIL. Case filed during 1998 for alleged cheating & cheque bouncing (bar by limitation) u/s 420 of IPC and u/s 138 of NIA. Non bailable warrant issued by CJM Tehri	25.05.98 not listed till date	An appeal filed for Cancellation of NBW and quashing of the complaint, which has been allowed by H'ble High Court of UP. The proceeding of the CJM Court Tehri Stayed till further order. Now the case file transferred to H'ble High Court of Uttranchal at Nainital and likely to be listed shortly.	Not Applicable

B. Pertaining to Statutory Laws (Addendum/Revised)

S. No.	**Assessment Order Challenged**	**Assessing Authority**	**Issue**	**Date of Institution**	**Present Status**	**Amount Involved (in Rs.)**
1	The Joint Commissioner (Appeal) Trade –	The Joint Commissioner (Appeal) Trade –Tax, IInd Range,	ECIL had purchased Low Density Polythene for use in work execution at Fertiliser project at Shahajahan pur during 1994-95. Assessing Authority of UP trade tax	21.09.06 Not listed till date	ECIL has filed an appeal before Joint Commissioner (Appeal) against	658866.00 + interest

	Tax, IInd Range, Ghaziabad. Appeal no. 747/06	Ghaziabad.	has allowed the same. Dy. Commissioner, UP Trade tax has disallowed the same and raised demand note of Rs. 6.58 lac.		the demand note raised. Stay granted on dated 26.10.2006 up to 70% of the total demand. ECIL has deposited 30% of the total demand by DD and submitted Bank Guranttee for the balance amount. Remanded back to STO for reassessment	
2	The Joint Commissioner (Appeal) IV, Trade –Tax, Ghaziabad. Appeal no. 500/07	The Joint Commissioner (Appeal) Trade –Tax, IVth Range, Ghaziabad	ECIL had purchased Cement and diesel from Ex-UP for use in work execution at U.P. during the year 2005-06. Assessing Authority of UP demand Rs. 3,09,293.00. on 15/06/07 regarding entry tax on cement and diesel.	15/06/07 not listed till date	ECIL has filed an appeal before Joint Commissioner (Appeal) against the demand note raised on 16/07/07.	3,09,293/-

<u>C. Pertaining to Civil Laws</u>

1.	Sur Iron & Steel Company (P) Ltd. (SISCO) V/s. ECIL OMP no. 428 of 2005	H'ble High Court of Delhi	ECIL has issued Purchase Order dt. 30.11.2000 of Rs.19.84 lac to the petitioner along with advance of Rs.1.99 lac for supply & commissioning of crushing plant at our NTPC Talcher Project. The Pettioner had delayed the supply and fail to commission the plant and ECIL has not released the balance payment. The Petitioner Invoked Arbitration Clause for the balance amount of Rs.17.84 lac & interest @30% thereon and other costs.	29.11.05 Next date of hearing is **3.12.2007**	Award was passed in favour of ECIL by Ld. Arbitrator Sh. J.L.Khushu for Rs.199340/- with direction to the petitioner to lift the said Plant from the project.	37,21,695.99 + future interest @30 % till the date of payment.

					Objections filed by SISCO in Delhi High Court u/s 34 of Indian Arbitration & Conciliation Act and lifted the plant supplied to ECIL. Fixed for Final argument	
2.	Narender Kumar V/s. ECIL Suit No. 378/94 & MCA No.6/2006	Civil Judge, Tis Hazari Court, Delhi	ECIL had awarded the work to the petitioner for supply of labour at various projects and made full & final payment. The petitioner has filed civil suit for recovery of alleged outstanding dues.	22.09.94 Next date of hearing is **19.9.2007**	Ex-parte decree was passed by Civil Judge against ECIL as the summon was not received by the company. Appeal filed before Distt. & Session judge u/s order 34 rule 1 (d) with stay Application and to set aside the ex-parte decree. Stay granted agst. execution proceeding. Argument on application under order9rule 13of Code of Civil Procedure	78,364.53 + Interest
3.	Gujarat Framing Mart V/s. ECIL Suit No. 232 of 1997	Civil Judge (Sr. Division), Himmat Nagar, Gujarat	ECIL had awarded the Work to petitioner for Supply & fixing the glass at our project at Himatnagar. There were dispute in measurement of Glass fixing and the petitioner stopped the work and file the civil suit for recovery of balance amount with interest.	**10.07.97** Next date of hearing is **24. 09. 2007**	Pleadings are not yet completed.	37,127.39 + Interest

4.	Indian Oil Corporation Ltd. v/s ECIL OMP 104/2006	High Court of Delhi, New Delhi	IOCL had awarded civil work for Rs.661 lac to ECIL for Mathura Refinery Project. IOCL fail to release 50% job site & drawings and thus ECIL executed the work of Rs. 327 lacs only. IOCL had stopped to release payment to ECIL and awarded the balance work to other agency at risrk & cost of ECIL and further invoked arbitration clause to recover Rs.4.44 crores on a/c of Risk Purchases, Liquidated damages, supervision charges and other costs. ECIL had also filed counter claims of Rs. 4 crores on account of Final Bill payment, interest, idling charges and other cost.	20.03.06 Next date of hearing is **5.12.2007**	Award given in favour of ECIL for Rs.155 lacs along with future interest @10% p.a. & IOCL's claims are rejected due to barred by limitation. Objection has been filed by IOCL u/s 34 of Arbitration & Conciliation Act in High Court at Delhi against award passed by Arbitrator exceeding power beyond contractual terms & conditions. Fixed for final Argument.	4,44,43,999.48 Plus interest @18% p.a.
5.	Johrilal Bansidhar V/s ECIL & others Civil Suit No. 10-S/1 of 1996 & Appeal Of 2004	H'ble High Court of Himachal Pradesh at Simla.	The petitioner had supplied Wooden planks & plywood at Nalagarh (HP) project of ECIL . ECIL had deducted payment of substandard material supplied. The petitioner filed as suit for recovery of balance amount and interest thereon.	18.10.04 Not listed so far	Ex-parte Decree passed against ECIL on 19th July 2004 for Rs. 2,23,942.67 + interest @ 12%. Appeal has been filed by ECIL before High Court of Shimla and execution stayed subject to deposit of 50% of decreetal amount by DD and balance by BG. ECIL has deposited the same in the court.	2,23,942.67 + Pendente lite Interest @12% Plus@ 6%p.a future interest

6.	Sushil Kumar Roop Lal V/s. ECIL & others. Suit No. 124 of 2000	Civil Judge (Jr. Division), Barnala	The petitioner was sub-contraor of ECIL and executed fabrication work at our project at Barnala. ECIL had deducted amount of Rs. 3 lac from his bills due to bad quality of work. The petitioner filed suit for recovery of outstanding dues from ECIL.	19.08.00	Decree passed against ECIL on 15.05.04 for an admitted amount of Rs.10,312 /- outstanding in books of ECIL, along with interest @6% p.a. However no execution proceedings have been initiated till date by the petitioner.	10,312 + Interest @6%
7.	National Thermal Power Corporation v/s Govt. of AP, Department of Mines & Mineral and others (ECIL) 9073/2004	High court of AP at Hyderabad.	Show cause Notice issued to NTPC for payment of seigniroage fees & five time penalty for the quantity of sand & Agreegate consumed before 01.10.03 by various Contractors including ECIL .	10.05.2004 & Not listed	NTPC has file a petition in the High Court against the demand note raised by the Department of Mines & Mineral. Stay granted to NTPC on deposit of Rs. 50 lac in the court. ECIL is liable to pay on its part i.e. Rs. 6.17 lacs & penalty.	6.17 lacs + interst & five times penalty.

8.	Union of India, Ministry of defence v/s ECIL ARB 15/2006	District Court, Jallandhar	The petitioner had awarded civil work to ECIL for construction of School building at Beas (Punjab). The work was delayed due to delay in decision & delay in release of payment to ECIL. ECIL had invoke the arbitration clause & filed the claims for Rs.76899728/- on a/c of outstanding dues, idling, interst & other cost. The petitioner had also filed counter claims for Rs.64252976/-only as damages due to delay in completion of the project.	25.05.06 Next date of hearing is **6.9.2007**	The petitioner objected to continue the Arbitrator after his retirement from the Army Services and fail to attend the proceeding Ex-parte Award given in favour of ECIL for amounting to Rs.	76899728 The counter claim of Respondent is Rs.64252976 +interest

					55,50,201/= Only for which objection has been filed by the Petitioner in the District Court Jalandhar u/s 34 of the Arbitration & conciliation Act 1996 on the ground of continue the proceedings by the arbitrator after retirement from the Army services. Issue to be framed.	
9.	M/s GSB Carriage Contractors v/s ECIL Suit for recovery	Civil Judge, Jagadhri, Haryana	The plaintiff had supplied sand & Bajri to ECIL at LNJP Project. An amount of Rs.31200/- is outstanding against ECIL. The petitioner filed a suit for recovery of balance amount and interest thereon	22.01.2007 Next date of hearing is **3.12.2007**	Written Statement has filed by ECIL. Issue to be framed	31200/- Plus Interest
10	M/s R.C.Jalan v/s ECIL, Suit for recovery	Additional Civil Judge, Beawar (Raj.)	The Plaintiff had executed road work for our HPCL Plant at Nasserabad (Raj.) in the year 2001.Total work executed by him was 624592/- & was paid 566820/-. An amount of 57772/- is balance towards ECIL. The petitioner has filed civil suit for recovery of alleged outstanding dues.	22.12.2006 Next date of hearing is **12.09.2007**	Written Statement has filed by ECIL	57772/- plus Interest.
11	M/s Build Aids Timber Pvt. Ltd. V/S ECIL & Others	Civil Judge (Senior Division), Gurgaon	The plaintiff had supplied goods/material at our PGCIL, Gurgaon site. An amount of Rs. 434840/- is outstanding against ECIL. The plaintiff has filed suit for recovery against ECIL.	8.01.2007 Next date of hearing is **29.1.2008**	Written Statement has been filed by ECIL	Rs.434840/- PLUS Interest
12	M/s Aggarwal Builders V/S ECIL & Others	District & Session Judge-II, Bikaner	The Plaintiff had executed road work for our RUIDP Project at, Bikaner (Raj.) An amount of Rs. 1,92,253/- is outstanding against ECIL. The plaintiff has filed suit for recovery against ECIL.	30.05.2007 Next date of hearing is **18.09.2007**	Written Statement has been filed by ECIL	Rs.1,92,253/- PLUS Interest

D. Pertaining to Labor Laws

S. No.	**Parties**	**Court**	**Issue**	**Date of Institution**	**Present Status**	**Amount Involved (in Rs.)**

1 a b.	Godharam & Hawa Singh and Smt. Dharam Devi V/s. ECIL Petition No. 1682 of 2003	The Commiss-ioner under Workmen's Compens-ation Act Bhiwani	Workman died of electrocution on 7th May 2003 who was not an employee of ECIL. The relatives of workman are asking for compensation from ECIL u/s 22 of Workmen Compensation Act 1923	12.08.03 Reserved for order	For orders	8,00,000
2	ECIL V/S Reena Kunwar	Delhi High Court.	Claim for Compensation on Death of Worker during Site Accident	Next date of Hearing- **10.09.2007**	Award given in favour of Reena Kunwar by W.C. Commissioner, Delhi.ECIL has deposited Rs.322920/-in favour of WC Commissioner& filed Appeal against the Order.	7,00,000
3	Smt. Manbhari W/O Late Ram Avtar Jogi & Others V/S ECIL CASE NO. WCCF NO.72 OF 2005	The Commiss-ioner, Workmen's Compens-ation Act-1923, Jaipur Rajasthan	Claim for compensa-tion against death of worker who was employed under sub contrac tor, Rakesh Gupta.	31.10.05 Next date of hearing is 21.09.2007	Case filed under Workmen Compensation Act,1923 for which written statement has filed by ECIL.	19,77,000 + Interest @ 12%P.A.
4.	Jagdai Devi V/s ECIL Case no.106/2006	District Magistrate,Pilibhit.	Claim for compensation against death of worker who was working at our Bajaj Hindusthan Ltd.,Pilibhit.	14.12.2006 The next date of hearing is 10.09.2007	Written statement filed by ECIL	200000/-
5.	ECIL V/S Labour Commissioner & Others DIARY NO. 20477/07, 20479/07,20481/07& 20452/07	Supreme Court of India, New Delhi	Show cause notice issued by Labour Commissio-ner, Delhi under Building & other Construction Workers Act	06.01.06	ECIL filed appeal against show cause notice before High court at Delhi but same was dismissed on 28.02.2007. ECIL has filed Special Leave petition before Supreme court against the order of High Court. Not Listed Till Date	85.61 lacs
6.	Jagdish Singh v/s ECIL &	Labour Court, Bareilly	Case filed by Petty Contractor Mr. Jagdish Singh under Section 33C(ii) of	24.07.07 Next date of	Listed for appearance.	542623/-

	Ors. Misc.Case No.- 23/2007	(UP)	Industrial Disputes Act against outstanding balance.	hearing is 15.09.2007		
7.	Daya Shanker Mishra V/s ECIL & Others Case No. WCA/07	The Commiss-ioner, Workmen's Compens-ation Act-1923,Dist-Mau (U.P.)	Claim for Compensation injuries of Worker during Site Accident	03.02.07 Next date of hearing is 15.09.2007	ECIL has filed written Statement.	500000/-

5.25.2. ***Filed By the Company***

A. Pertaining to Criminal Laws

S. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Amount Involved (in Rs.)
1	ECIL V/s. Director, Health Services through its Secretary/Directors Dr.Joginder Singh & Mr.Shingara Singh Mann, Administerative Officer (F.W.) Criminal Complaint No.228 of 2003	Judicial Magist-rate Class I, Chandi-garh	ECIL had executed the civil work at Mohali (PB) project of Punjab Health services. A Cheque of Rs. 7.62 lac as full & final amount issued by Accused (s) to ECIL was returned by bank due to payment stopped by the drawer as want on inventory & some minor rectifications. ECIL has filed criminal complaint against them u/s 138 & 142 of NIA.	04.04.03 Next date of hearing is **6.10.2007**	The case is fixed for Complainant's Evidence and summon issued to Bank Staff for statement of facts.	7,62,433
2.	ECIL V/s. WTD S.r.l. ITALY and others. Complaint nos 317/1,318/1, 319/1& 325/1	ACMM New Delhi	ECIL has executed civil work at NTPC Rihand project as sub-contractor of the petitioner and received cheques aggregating to Rs.694809 against book balance of Rs.3107771 but returned unpaid due to insufficient funds/ payment stopped by the drawer u/s 138 of NIA.	20.12.04 Next date of hearing is **20.08.2008**	The case admitted and summon issued to the Accused.	6,94,809

B. Pertaining to Civil Laws and Arbitration Matters

S. No.	Parties	Court/ Arbitrator	Charges/ Allegations	Date of Institution	Present Status	Amount Involved (in Rs.)
1.	ECIL V/s Hindustan Petroleum Corporation Ltd. Petition No. 81 of 2004	High Court of Mumbai	ECIL has executed Civil work at Ajmer project of HPCL. The defendant has recovered the liquidated damages from the final bill w/o any notice to the petitioner due to delay in completion of the project from final bill.	07.07.04 **Not listed so far**	Award passed by Arbitrator Shri R. Roy, Deputy GM, Commercial (P&P), HPCL in favour of ECIL for a	92,91,134 + interest @24% claims filed by ECIL)

			ECIL has invoked arbitration clause and claimed for illegal recovery of liquidated damages by HPCL from the final bill and cost of extra work executed for HPCL plus interest & other costs		sum of Rs. 18,19,572 + interest @ 7% p.a. HPCL has challenged the Award u/s 34 before Mumbai High Court for setting aside of the award and the same is allowed. ECIL has filed an appeal against the order passed by H'ble High Court Mumbai on the ground that the H'ble court has no power to enter in to the merit of the case as the same does not fall under Section 34 of Arbitration & conciliation ACT.	No counter claim filed by HPCL
2.	ECIL v/s Director Health Services Case no. 66/2006	Civil Judge Senior Divison Chandiga-rh	ECIL had executed the civil work at Mohali (PB) project of Punjab Health services. A Cheque of Rs. 7.62 lac as full & final amount issued by Accused (s) to ECIL was returned by bank due to payment stopped by the drawer as want on inventory & some minor rectifications. Civil suit filed by the company for recovery of outstanding amount and interest theron.	11.02.06 Next date of hearing is **14.11.2007**	Petition filed for recovery of Rs.12.68 lacs for which reply filed by the Defendant. Rejoinder has been filed by ECIL.	No negative effect
3.	ECIL V/s Mr. D.K. Sharma, Prop. M/S Keshav Securities Services (Regd.) OMP 130 of 2004	H'ble High Court of Delhi	ECIL had engaged M/S Keshav Security for providing security staff to various sites of the petitioner. The defendant has withdrawn the security services without any notice to the petitioner and invoked arbitration clause for recovery of balance wages and interest due thereon and other costs.	02.04.04 **Reserved for order**	Award was passed against ECIL by Ld. Arbitrator Justice Mohd. Shamim (Retd.) for Rs. 2056833 + future interest @ 18%. Objections filed by ECIL in Delhi High Court on the ground of exceeding power beyond	20,56,833 + Interest @18%

					the Agreement terms & conditions.	
4.	ECIL V/S United India insurance Ltd. & Others MCA no. 876/2006	Delhi High Courti,Delhi (MACT COURT)	A lady expired due to an accident with company's vehicle and Mr. Sayeed Javed was the driver. The relative of the defendant has filed compensation from ECIL & Driver. The court allowed compensation of Rs.75000/- only to be paid by ECIL & driver.	20.10.2006 Next date of hearing is 4.02.2008	Appeal filed by ECIL u/s 173 of M.V.Act against compensation granted by MACT court on the ground to recover from Insurance company as vehicle was insured at the time of accident.	75000/- plus Interest @6% p.a.

5.26. Ms. Namita Bhatnagar, Company Secretary, EIEL, is the compliance officer of the Target Company. The correspondence address is as below:

Era Infra Engineering Limited

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

Tel No: +91-11-24378011-19; Fax No.: +91-11-2437 8784

Email: nbhatnagar@eragroup.in

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. **Justification of Offer Price**

6.1.1. The Equity Shares of EIEL are listed and traded on NSE and BSE.

6.1.2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which the P.A. is made (June 2007 - November 2007) in terms of number and % of total listed shares, on NSE and BSE, is given as under:

Name of Stock Exchanges	Total number of shares traded during the 6 calendar months prior to the month in which PA was made	Total number of listed shares	Annualized trading turnover (in terms of % of total listed shares)
NSE	29,782,263	23,103,552	258%
BSE	22,151,562	23,103,552	192%

Accordingly, the equity shares of the Target Company are considered to be frequently traded on both NSE and BSE and to be most frequently traded on NSE.

6.1.3. This Offer is being made at a price of Rs. 615 (Rupees Six Hundred and Fifteen only) per fully paid up equity share. The Offer Price is justified in terms of Regulation 20(4) of the Regulations, as it is higher than the highest of the following:

The Offer Price should be the highest of (i), (ii) and (iii) below:

i. Negotiated price under the agreement referred to in sub-regulation (1) of regulation 14.	Rs. 600.00

ii. Highest price paid by the Acquirers or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of public announcement, whichever is higher	Rs. 615.00
iii. Higher of (a) or (b) below:	Rs. 580.72
(a) The average of the daily high and low prices for Shares of the Target Company on NSE (being the Stock Exchange on which the Shares of the Company are most frequently traded) for the two weeks period preceding the date of Public Announcement	Rs. 580.72
(b) The average of the weekly high and low of the closing prices of the Shares of the Target Company as quoted on NSE (being the Stock Exchange where the Shares of the Target Company are most frequently traded) during the twenty six weeks preceding the date of Public Announcement	*Rs.539.07*

6.1.4. The details of closing prices and volume on NSE for the 26 weeks period prior to the date of Public Announcement are as under:

Week Number	**Week**	**High (Rs.)**	**Low (Rs.)**	**Average (Rs.)**	**Total Volume (Number of shares)**
1	18-06-07 to 22-06-07	362.65	353.05	357.85	875,566
2	25-06-07 to 29-06-07	373.50	359.60	366.55	759,513
3	02-07-07 to 06-07-07	472.60	401.50	437.05	3,799,217
4	09-07-07 to 13-07-07	518.25	491.75	505.00	3,241,186
5	16-07-07 to 20-07-07	549.45	512.85	531.15	1,901,927
6	23-07-07 to 27-07-07	563.10	532.85	547.98	1,637,463
7	30-07-07 to 03-08-07	546.75	497.95	522.35	983,028
8	06-08-07 to 10-08-07	594.95	525.55	560.25	1,746,698
9	13-08-07 to 17-08-07	625.05	574.55	599.80	1,194,512
10	20-08-07 to 24-08-07	575.50	468.85	522.18	444,309
11	27-08-07 to 31-08-07	552.90	492.30	522.60	1,716,402
12	03-09-07 to 07-09-07	569.60	549.80	559.70	753,172
13	10-09-07 to 14-09-07	577.15	569.15	573.15	580,620
14	17-09-07 to 21-09-07	592.75	576.65	584.70	795,891
15	24-09-07 to 28-09-07	573.55	556.60	565.08	483,858
16	01-10-07 to 05-10-07	571.90	561.60	566.75	706,196
17	08-10-07 to 12-10-07	571.80	564.35	568.08	948,884
18	15-10-07 to 19-10-07	593.30	580.10	586.70	998,829
19	22-10-07 to 26-10-07	588.75	562.50	575.63	836,978
20	29-10-07 to 02-11-07	598.75	565.80	582.28	881,513
21	05-11-07 to 09-11-07	576.20	556.65	566.43	416,459
22	12-11-07 to 16-11-07	562.15	548.50	555.33	655,341
23	19-11-07 to 23-11-07	565.75	549.85	557.80	882,706
24	26-11-07 to 30-11-07	550.95	544.30	547.63	680,162
25	03-12-07 to 07-12-07	551.15	539.30	545.23	445,315
26	10-12-07 to 14-12-07	658.30	556.00	607.15	1,848,074
	Average	**555.26**	**522.77**	**539.01**	**1,162,070**

Source: NSE website

6.1.5. The details of intra-day price and volume on NSE for the 2-week period prior to the date of the Public Announcement are as follows:

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Total Volume (Number of shares)
1	03/12/2007	562.0	549.0	555.5	23,040
2	04/12/2007	569.0	548.0	558.5	98,611
3	05/12/2007	579.9	547.0	563.4	63,369
4	06/12/2007	572.0	548.1	560.1	51,478
5	07/12/2007	573.0	532.6	552.8	208,817
6	10/12/2007	565.0	545.0	555.0	328,711
7	11/12/2007	606.0	558.5	582.3	528,596
8	12/12/2007	619.8	530.0	574.9	405,679
9	13/12/2007	683.8	620.0	651.9	428,036
10	14/12/2007	675.1	630.7	652.9	157,052
	Average	**600.6**	**560.9**	**580.7**	**229,339**

Source: NSE website

6.1.6. If the Acquirers acquires Shares after the date of Public Announcement up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.1.7. There is no non-compete agreement entered into by any or between any of the Acquirers, PACs, or the Sellers.

6.1.8. The Offer Price is justified as per the Clause – 20(11) of SEBI (SAST) Regulation, 1997

6.2. **Financial Arrangement for the Offer**

6.2.1. The total fund required for this Offer (assuming full acceptance) i.e. for the acquisition of 4,620,711 shares at Rs. 615 per share is Rs. 284,17,37,265/- (Rupees Two hundred and eighty four crores, seventeen lacs, thirty seven thousand, two hundred and sixty five only) (the "Maximum Consideration").

6.2.2. In accordance with Regulation 28 of the SEBI (SAST) Regulations, Acquirers have created an escrow account in the form of cash deposit of Rs. 45,00,00,000 (Rupees Forty five crores only), being in excess of 25% of the consideration payable up to Rs 100 crore and 10% thereafter, under this Offer, with Union Bank of India, 4/14 A, Asaf Ali Road, New Delhi. The Manager to the Offer, has been empowered by the Acquirers to realize the value of the Escrow in terms of the Regulations, by making a lien on the deposit in its favor.

6.2.3. In case of a revision in the Offer Price, the Acquirers would raise the amount in the escrow account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

6.2.4. The Acquirers have arranged for lines of funding amounting to Rs. 250 crore from Infrastructure Leasing & Financial Services Ltd, ("IL&FS") IL&FS Financial Services Ltd ("IFIN") and Motilal Oswal Financial Services Ltd ("MOFS"). to finance the fund requirement for this Offer. The break-up of same is as follows:

Line of funding (Rs crore)	**IL&FS**	**IFIN**	**MOFS**	**Total**
Era Housing & Developers (India) Ltd	81	19	25	**125**
Hi Point Investment & Finance Pvt Ltd	89	11	25	**125**
Total				**250**

The lines of funding of Rs 250 crore made available by the lenders to the Acquirers is a committed loan facility for acquisition under the Offer. The actual draw-down under these lines of funding would be subject to the level of acceptance of the Offer. These loans would carry an interest rate of 14.6%p.a. - 15% p.a. and are repayable after 1 year from draw down. The repayment of these facilities would be made by further fund/capital raising by the Acquirers or by using their internal resources or if required, by part sale of investments by the Acquirers.

6.2.5. The balance funds required for the Offer would be Rs 34.17 crore

a. Acquirers have created an escrow of Rs 45 crore, of which Rs 24 crore have been funded by the Acquirers while Rs 21 crore has been disbursed under the lines of funding mentioned above.

   Hence the balance fund requirement from the Acquirers for the Offer would be Rs 10.17 crores

b. The Acquirers and the PACs have a cumulative net worth of over Rs 150 crore as per the certification by the Chartered Accountants. On the basis of above we are satisfied about the financial ability to implement the Offer.

6.2.6. The financers of the Acquirers, Infrastructure Leasing & Financial Services Ltd, IL&FS Financial Services Ltd and Motilal Oswal Financial Services Ltd., are not acting in concert with the Acquirers for the Offer. They do not form part of either the Acquirers or the PACs for the Offer.

6.2.7. Under the Share Purchase Agreements (“Agreements”), the Sellers intend to sell 35,16,904 equity shares at a purchase price of Rs 600 per share, which translates to a total consideration of about Rs 211 crore.

6.2.8. As per the Agreements, 10% of the purchase price shall be payable on the Share Purchase Agreements becoming effective (on due completion of the Open Offer) and the balance 90% of the purchase price shall be payable to the respective Sellers within six months of the closure of the Offer. The Sellers would transfer the shares only after receipt of full consideration.

6.2.9. The above implies that the Acquirers would have to make a payment of about Rs 21.1 crore to the Sellers on closure of the Offer while the balance (Rs 190 crore) shall be payable to the Sellers by the end of six months from the closure of the Offer. The Acquirers intend to raise Rs 190 crores by way of either debt (by leveraging their and PACs’ networth) or equity capital from private equity investors, within a period of six months

6.2.10. SREI Infrastructure Finance Limited has given in-principle approval to the Acquirers, by the way of two separate letters to EHDIL and HPIFPL, for extending line of credit of Rs. 100 crore each for purchase of shares from the Sellers

6.2.11. In case the Acquirers are unable to tie-up the necessary financing, they would acquire the shares from the Sellers only to the extent of funds available. Such an outcome,will have no impact on this Offer.

6.2.12. On the basis of the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. The Offer to the shareholders of EIEL to acquire up to 46,20,711 Shares representing 20% of the paid-up equity share capital of EIEL at Rs.615/- per Share is being made pursuant to Regulation 11(1) of SEBI (SAST) Regulations, 1997.

7.2. EIEL will furnish the register of Members as on the Specified Date. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the Shareholders whose names appear on the Register of Members of EIEL, at the close of the Business Hours on December 21, 2007 (the Specified Date), except to the Acquirers and the Promoter Group in EIEL. Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

7.3. Shares of the Target Company that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholder(s) of the Target Company may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions / orders releasing these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

7.4. The Shares of the Target Company will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

7.5. The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 46,20,711 Shares, subject to the conditions specified in the Public Announcement published on Monday, December 17, 2007, and this Letter of Offer (in paragraphs 7.1 to 7.4) and Form of Acceptance-cum-

Acknowledgement.

7.6. If there is any further upward revision of the Offer price by the Acquirers till the last date for revision viz. May 01, 2008 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement and Corrigendum had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.

7.7. Shareholders who wish to tender their Shares should submit documents in accordance with the procedure specified in Section 8 of this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

7.8. Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer by Saturday, May 10, 2008, either by hand delivery to the collection centers during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m., Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post at any of its collection centres whose addresses are given below.in 8.16 of this Letter of Offer, so that the same are received on or before the close of the Offer i.e. Saturday, May 10, 2008 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.

7.9. **Locked-in Shares**

None of the Eligible Persons for Offer have locked-in shares.

7.10. **Eligibility for Accepting the Offer**

The present Offer is being made to all the Shareholders, except the parties to the Share Purchase Agreements and the PACs, whose names appear as on the Specified Date (i.e.Friday, December 21, 2007) and also to those persons, except the Acquirers and the Promoters of EIEL, who own the shares at any time prior to the closure of the Offer but are not registered shareholders of EIEL.

7.11. **Marketable Lot**

The marketable lot for the shares of EIEL is 1 (one) Share as the Shares of EIEL can be traded on the secondary market only in demat form.

7.12. **Statutory Approvals and Conditions of the Offer**

The Offer is subject to the Acquirers obtaining the approval(s) from the Reserve Bank of India (RBI) for acquisition of shares from NRIs who have acquired shares under the portfolio investment scheme under the Foreign Exchange Management Act, 1999. The Acquirers will make applications for the requisite approvals to RBI, if any, at the appropriate time. Shares shall not be acquired from OCBs.

To the best of the knowledge of the Acquirers, as on the date of the Public Announcement, there are no other statutory approvals required to implement the Offer. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirers will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused in terms of Regulation 27 of the Regulations.

In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1. Shareholders who wish to avail of this Offer should forward the under mentioned documents by hand delivery or registered post to the Registrar to the Offer, either by hand delivery during business hours or by registered post so that the same are received on or before the closure of the Offer, i.e. by Saturday, May 10, 2008. **Shareholders are advised to ensure that the**

Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. Physical shares tendered under the Offer and subsequently withdrawn by the Shareholders will be returned to the Shareholders by registered post.

8.2. The Registrar to the Offer, **M/s. Beetal Financial & Computer Services (P) Ltd.** has opened a special depository account named as **"Escrow A/C Beetal- Open Offer – Era Infra"** with National Securities Depository Limited ("NSDL") for receiving shares during the offer from eligible shareholders who hold shares in dematerialized form.

8.3. Beneficial owners and shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.00 AM and 4.00 PM and on Saturdays between 10.00 AM and 1.00 PM, on or before the date of Closure of the Offer, i.e. Saturday, May 10, 2008, along with a photocopy of the delivery instructions in **"Offmarket"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"Escrow A/C Beetal- Open Offer – Era Infra" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : IL&FS Limited

DP ID : IN300095

Client ID :11414259

Depository : National Securities Depository Limited-(**"NSDL"**)

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

8.4. In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

8.5. In case of Non-resident equity shareholders, Foreigners, Foreign companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in EIEL.

8.6. In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

8.7. **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 4.00 PM upto the Offer Closing Date i.e.Saturday, May 10, 2008, else the application would be rejected.

8.8. **Registered shareholders of EIEL, should enclose:**

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders of EIEL whose names appear on the share certificates
- Original share certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all registered shareholders of EIEL (in case of joint holdings) in the same order and as per specimen signatures registered with EIEL and duly witnessed at the appropriate place(s)

8.9. **Unregistered shareholders of EIEL should enclose:**

- Form of Acceptance-cum-Acknowledgement or an application on plain paper, duly completed and signed in accordance with the instructions contained therein
- Original share certificate(s)

- Copy of the original contract note issued by the broker through whom the shares were acquired
- Proof of lodgement of shares for transfer and acknowledgement thereof by EIEL or its registrar and share transfer agent (if the share certificates have already been lodged for transfer)
- Valid share transfer deed(s) duly signed by a registered holder and an additional valid transfer deed duly signed by the unregistered shareholder as the transferor

No indemnity is required from the unregistered owners.

8.10. **Shareholders who have tendered their shares for transfer should enclose:**

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein
- Copy of the letter sent to EIEL for transfer of shares
- Valid share transfer deed(s) including valid transfer deed duly signed by the unregistered shareholder as the transferor

8.11. Valid share transfer deed/ form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with EIEL and duly witnessed at the appropriate place.

8.12. **The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or the Target Company.**

8.13. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer with name, address, number of shares held, distinctive numbers, folio numbers, number of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. Saturday, May 10, 2008

Alternatively, the Letter of Offer and Form of Acceptance-cum-Acknowledgement will be available on SEBI's website: www.sebi.gov.in, from the date of opening of the Offer. The eligible persons can download the Form of Acceptance-cum-Acknowledgement from the SEBI's website and apply in the same.

8.14. As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ("the Income Tax Act), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. However, while tendering their shares under the Offer, NRIs, OCBs and other non-resident shareholders of EIEL will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders of EIEL on the entire consideration amount payable to such Shareholders.

a) If any of the above stated documents (as applicable) are not enclosed along with the Form of Acceptance-cum-Acknowledgement, the Shares tendered under the Offer are liable to be rejected.

b) As per section 10(36) of the Income-tax Act, 1961, any income arising from the transfer of a long-term capital asset, being an equity share for which the transactions of purchase and sale of such share are entered into on a recognised stock exchange, is exempt from tax. However, gains on transfer of shares tendered under the Offer would not be eligible for the exemption under section 10(36), as the transfer would not be effected through a recognised stock exchange. As such, gains on transfer of the shares offered pursuant to this letter of offer would be liable to tax as per the normal provisions of the Income-tax Act, 1961. This position has been intimated to the Acquirers by the tax advisers of the Acquirers. However, the Acquirers, by this letter of offer, are not providing any tax advice to the Shareholders and the Shareholders are requested to seek their own advice on such matters. The Shareholders will be sent the proof of Tax Deducted at Source (TDS) along with the payment for sale of Shares.

8.15. In case of shareholders who have not received the Letter of Offer and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 8.3 above, so as to reach the Registrar to the Offer on or before 4.00 PM upto the date of Closure of the Offer i.e. Saturday**,** May 10, 2008. Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing

8.16. The Form of Acceptance-cum-Acknowledgement along with the share certificate(s), signed transfer deed and other documents should be submitted at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned herein below would be open on all working days as follows :

Business Hours: Mondays to Fridays 10.00 a.m. to 4.00 p.m; Saturdays 10.00 a.m. to 1.00 p.m. The centres will be closed on Sundays and any other public holidays

No.	Location	Address of the collection centre	Contact person	Phone & Fax number	Mode of delivery
1	Delhi	Beetal Financial & Computer Services Pvt Ltd. 99 Madangir Behind local shopping centre New Delhi-110062	Mr. Punit Mittal	TEL :011-29961281-83 FAX:011 -29961284	Hand delivery/ Registered post
2	Mumbai	Beetal Financial & Computer Services Pvt Ltd. C/O Ghia Textile Products Co. Office No 5, Agra Building First floor 121, MG Road Mumbai 400001	Mr R Philip Andrew	TEL :022-22651498 , 326 23359 FAX:022-22651498	Hand delivery
3	Kolkata	Skystock Financial Services M/s Dynamic Financial Consultants 196, A-G, Arabinda Sarani, Gouribari Kolkata – 700004	Mr. Bhaskar	TEL :033-25333706 FAX:033 -28250087	Hand delivery
4	Hyderabad	Skystock Financial Services 1-8-155/A, Behind Autofin Showroom Above Sharvana Bhavan Hotel PG Road, Secunderabad Hyderabad 500005	Mr. Shireesh	TEL :040-65908183	Hand delivery
5	Chennai	Skystock Financial Services 7/A Laxman Nagar, East Main Road Chennai 600082	Mr. B. Srinivas	TEL:044-26712611	Hand delivery
6	Bangalore	Skystock Financial Services #74, 1st Floor, Keshava Krupa Jayanagar, 4th Block Bangalore 560011	Mr. Umashankar	TEL:080-41211374	Hand delivery
7	Ahmedabad	Skystock Financial Services C/O S.S. Enterprises Above Avoji Showroom Opp. Tailor Point Zaveri Naka, Relief Road Ahmedabad 380001	Mr. Hitesh Mehta	TEL: 9227232513	Hand delivery

Applicants who cannot hand deliver their documents at the collection centres referred to above, may send the same by Registered Post, at the above mentioned address at their own risk and cost.

8.17. The payment of consideration will be made by the Acquirers in cash through crossed account payee cheque, demand draft or pay order sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by ordinary post, which would be dispatched to the shareholders / unregistered owners of shares of EIEL at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders of shares of EIEL, cheques / demand drafts / pay orders will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. **It is desirable that Shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.**

8.18. In case the Shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis.

8.19. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Except that, in case the share certificates tendered have to be split, the Acquirers will arrange to split the share certificates and send the balance share certificates (for Shares not accepted in the Offer) by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner.

8.20. The Registrar to the Offer will hold in trust the Share(s) / share certificate(s), Form of Acceptance-cum-Acknowledgement and the transfer deed(s), if any, on behalf of the shareholders / unregistered owner(s) of the Target Company who have accepted the Offer, till the Acquirers complete the Offer obligations in terms of the Regulations latest by Saturday, May 24, 2008

8.21. The Acquirers shall complete all procedures relating to the Offer latest by Saturday, May 24, 2008. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

8.22. In terms of Regulation 22(5A) of the Regulations, Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the closure of the Offer, i.e. by Wednesday, May 07, 2008. The withdrawal option can be exercised by submitting the Form of Withdrawal as per the instructions below, so as to reach the Registrar to the Offer either by hand delivery on all days (excluding Sundays and public holidays): Mondays to Fridays - 10.00 a.m. to 4.00 p.m.; Saturdays 10.00 a.m. to 1.00 p.m. or by Registered Post, on or before Wednesday, May 07, 2008. The withdrawal option can be exercised by submitting the Form of Withdrawal along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement.

8.23. In case of non receipt of Form of Withdrawal, withdrawal option can be exercised by making an application on plain paper along with the following details

8.23.1. In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the "Escrow A/C Beetal – Open Offer – Era Infra ("Depository Escrow Account").

8.23.2. In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares

8.24. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account

8.25. **Method of Settlement.**

8.25.1. Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirers, Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manger to the offer taking care to ensure that the lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of EIEL is 1 (One) share.

8.25.2. The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of EIEL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirers only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

8.25.3. On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirers will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of EIEL whose equity shares are accepted by the Acquirers at his address registered with EIEL. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/ demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

8.25.4. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

8.25.5. The equity shares of EIEL held in dematerialized form, which are not accepted in view of not being valid tender of equity shares or which are withdrawn by the shareholders, will be released to the beneficial owner's depository account with respective depository participant, from where the credit was initially received in favour of the Depository Escrow Account, at the sole risk of the beneficial owner. An intimation to that effect will be sent to the beneficial owner by Ordinary post.

8.25.6. The Acquirers shall endeavor to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. Saturday, May 24, 2008), including payment of consideration to the shareholders of EIEL whose equity shares are accepted for purchase by the Acquirers.

8.25.7. In case of non-receipt of any of statutory approvals, if any required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirers will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

9. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer at 113/114, Bajaj Bhawan, Nariman Point, Mumbai- 400 021 from 10.00 a.m. to 4.00 p.m. on any working day, except Saturdays, Sundays and holidays, until the closure of the Offer:

- Certificate of Incorporation, Memorandum of Association and Articles of Association of the Acquirers.
- Certificate dated December 14, 2007 from M/s P. C. Bindal & Co., Chartered Accountants, certifying that the Acquirers has adequate resources to meet the financial obligations relating to the Offer
- Certificate of Incorporation, Memorandum of Association and Articles of Association of the Target Company
- Audited annual reports of the Acquirers and PACs for the financial years ended March 31, 2005, 2006 and 2007
- Certified results of Acquires and PACs for six months ending September 2007
- Audited annual reports of the Target Company for the financial years ended March 31, 2005, 2006 and 2007Certified results of the Target Company for six months ending September 2007

- Copy of Public Announcement published on December 17, 2007
- Letter dated December 14, 2007 from Union Bank of India confirming the amount placed in fixed deposit receipt, towards the proposed Offer, with a lien in favour of the Manager to the Offer
- Copy of Board Resolutions of the Acquirers authorising the Offer
- SEBI observation letter dated April 09, 2008
- Copies of Share Purchase Agreements
- Copies of agreement with Depository Participant for opening special depository account for the purpose of the Offer
- Our letters to SEBI dated 31.01.2008, 12.03.2008 and 13.03.2008
- Documents pertaining to terms and conditions related to loans taken by the Acquirers to fund the Offer as mention in the Clause 6.2.4

10. DECLARATION BY THE ACQUIRERS & PACs

The Acquirers and the PACs, jointly and severally, accept responsibilities for the information contained in this Letter of Offer and also for their obligations under the SEBI (SAST) Regulations. They have authorized Mr. H.S. Bharana to sign this Letter of Offer on their behalf.

For Acquirers and PACs
H. S. Bharana
Authorised Signatory
Place: New Delhi
Date: April 15, 2008

Enclosures:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed