LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **ERA FINANCIAL SERVICES (INDIA) LTD**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the offer/ Registrar to the Offer. In case you have recently sold your equity shares in the company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum- Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER
by
Mr. H.S. Bharana("Acquirer")
C-146, 1st Floor, Sarvodaya Enclave, New Delhi – 110017
Ph: +91 11 26532063/41829282
&
Era Constructions (India) Limited("PACs")
370-371/2 , Sahi Hospital Road, Jangpura, Bhogal, New Delhi – 110014
Ph:[+ 91 11 24378011(10 lines), Fax:+ 91 11 24378784
&
Peshwa Realtors Pvt. Ltd.("PACs")
W –19, Rajouri Garden,New Delhi
&
Sachet Reality Pvt. Ltd.("PACs")
254,2nd Floor,AGCR Enclave,Delhi-110092

to the shareholders of
Era Financial Services (India) Ltd. ("EFSIL" or "Target Company")
10/1, Nehru Enclave (East), Kalkaji, New Delhi –110019
Ph:+91 11 26234729-31 , Fax:+91 11 26234733

To acquire up to 22,16,000 fully paid up Equity Shares of Rs. 10/- each representing 20% of the expanded paid-up equity share capital of the target company at a price of Rs. 62.20/- (Rupees Sixty Two and Twenty Paisa Only) per Equity Share (the "Offer Price")

- The Offer is being made by Mr. H.S.Bharana ("Acquirer") on behalf of the Acquirer & the Persons Acting in Concert ("PACs"),") pursuant to and in compliance with, among others, regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time (the Regulations") issued by the Securities and Exchange Board of India ("SEBI").
- The Offer is not subject to a minimum level of acceptance.
- This is not a competitive bid.
- As on the date of this Letter of Offer, As per Acquirer and PACs, no statutory or regulatory approval is required for the Acquirer to proceed with this Offer. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.
- **Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations. (i.e. Friday, September 8, 2006).**
- The Acquirer can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer (i.e. Monday, September 4, 2006). If there is any upward revision in the Offer Price by the Acquirer till the last date for revising the Offer Price, or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirer would pay such revised Offer Price for all the Equity Shares validly tendered any time during the Offer and accepted under the offer.
- **If there is a competitive bid(s):**
    - **The public offers under all the subsisting bids shall close on the same date;**
    - **As the Offer Price cannot be revised during 7 (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**.

Copy of the Public Announcement and the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ALLIANZ **Allianz Securities Limited** 2nd Floor, 3 Scindia House, Jan path, New Delhi – 110001, India Tel: + 91 11 41514666-69 Fax: + 91 11 41514665 E-mail: era.openoffer@aslfinancial.com Contact Person: Ms. Payal Puri Website: www.aslfinancial.com	**Beetal Financial & Computer Services (P) Ltd** Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre New Delhi – 110062, India Tel: + 91 11 29961281 Fax: + 91 11 29961284 E-mail: beetal@beetalfinancial.com Contact Person: Mr. Puneet Mittal

THE TABLE BELOW SUMMARIZES THE SCHEDULE OF ACTIVITIES

S.No.	Activity	Original Schedule	Revised Schedule
1	Public Announcement (PA) Date	Friday, March 31, 2006	Friday, March 31 2006
2	Specified Date	Monday, April 3, 2006	Monday, April 3, 2006
3	Last date for a competitive bid, if any	Thursday, April 20,2006	Thursday, April 20,2006
4	Last Date by which Letter of Offer is to be dispatched to shareholders of the Target Company	Tuesday, May 9,2006	Thursday, August 17,2006
5	Date of opening of the Offer	Monday, May 15,2006	Friday, August 25,2006
6	Last date for revising the Offer Price/ number of equity shares	Thursday, May 25,2006	Monday, September 4,2006
7	Last date for shareholders for withdrawing their acceptance of the Offer	Tuesday, May 30,2006	Friday, September 8,2006
8	Date of closure of the Offer	Saturday, June 3, 2006	Wednesday, September 13,2006
9	Last date of communicating rejection/ acceptance and payment of consideration for applications accepted and or return of Shares/ Share certificates for applications rejected	Saturday, June 17,2006	Thursday, September 28

RISK FACTORS

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or its subsidiaries or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk 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 analyzing all the risks with respect to their participation in the Offer.

Risks related to the proposed Offer

1. In the event that either (a) there is any litigation leading to a stay on the Offer, or (b) Regulatory approval if any are not received in time or (c) SEBI instructs the Acquirer 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 Era Financial Services (India) Ltd whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed.
2. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.
3. The Acquirer makes no assurance with respect to the financial performance of the Target Company or with respect to its investment / divestment relating to its proposed shareholding in the target company
4. The Acquirer & PACs makes no assurance of market price of shares of the target company during or after the offer.
5. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

The risk factors set forth above pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any 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 risks with respect to their participation in the Offer.

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1. DEFINITIONS

Acquirer	Mr. H.S. Bharana
Allianz/ASL/ Manager to the offer/MB/ Merchant Banker	Allianz Securities Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Date of closure of Offer	September 13,2006, Wednesday
DP	Depository Participant
ECIL	Era Constructions (India) Limited
Eligible Person(s) for the Offer	Registered shareholders of Era Financial Services (India) Limited, and unregistered shareholders who own the equity shares of Era Financial Services (India) Limited at any time prior to the Offer closure other than the Acquirer and the PACs.
EGM	Extraordinary General Meeting
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FOW	Form of Withdrawal
FPO	Follow on Public Offering
GDR	Global Depository Receipt
IPO	Initial Public Offering
Letter of Offer/LOO	This Letter of Offer dated August 11,2006
NSDL	National Securities Depository Limited
NSE	National Stock Exchange Limited
Offer	Open Offer for acquisition of 22,16,000 Equity Shares, representing 20% of the expanded post preferential issue paid-up voting capital at the Offer Price
Offer Price	Rs 62.20/- per Equity Share
Expanded Paid Up Equity Capital/Post Preferential Paid- up Equity Capital	The post preferential allotment expanded paid up voting capital of 1,10,80,000 Equity shares of Rs 10/- each of Era Financial Services (India) Limited after conversion of 30,00,000 warrants into equity shares,
Preferential Issue	Issue of 27,50,000 Equity Shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 54.35 per share, representing 24.82 % of the post preferential paid up capital of the company and 30,00,000 Warrants representing 27.08 % of the post preferential paid up capital of the company with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 54.35 per Equity Share, including a premium of Rs. 44.35 per Equity Share on conversion within a period of 18 months from the date of allotment
Public Announcement/PA	Public Announcement of the Offer made by the Acquirer /PACs on March 31, 2006, Friday
Persons Acting in Concert/ PACs	Era Constructions (India) Limited, Peshwa Realtors Private Limited and Sachet Reality Private. Limited
Promoter	Mr. H. S Bharana, Promoter of the target company
Promoter Group	Promoter Group of the target company viz Mr. R. S Bharana, Mr. Dhiraj Singh, Era Constructions (India) Limited, Hi-Point Investment & Finance Private Limited
Registrar/Registrar to the Offer/Beetal	Beetal Financial Computer & Services (India) Ltd
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations 1997 and subsequent amendments thereto upto the date of Public Announcement
Share(s)	Fully paid-up equity shares of face value of Rs 10/- each of Era Financial Services (India) Limited,
Shareholder(s)	Shareholders of Era Financial Services (India) Limited
Specified Date	April 3,2006, Monday, being the date for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent
Target Company/EFSIL	Era Financial Services (India) Limited
Warrants	30,00,000 Warrants representing 27.08 % of the post preferential paid up capital of the company with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 54.35 per equity shares, including a premium of Rs. 44.35 per share on conversion within a period of 18 months from the date of allotment

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 SEBI (SAST) REGULATION. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ERA FINANCIAL SERVICES (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, ANY PACs OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL 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 ACQUIRER IS 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 ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, ALLIANZ SECURITIES LIMITED, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED April 12, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 On March 27, 2006, the Board of Directors of Era Financial Services (India) Limited ("EFSIL" or " Target Company") has agreed to issue and allot on a preferential basis ("Preferential Issue") (a) 27,50,000 equity shares of Rs. 10/- each ("Shares") of the Target Company for cash at a price of Rs. 54.35 per share, representing 24.82 % of the post preferential paid up capital of the company and (b) 30,00,000 Warrants representing 27.08 % of the post preferential paid up capital of the company with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 54.35 per equity shares, including a premium of Rs. 44.35 per Equity Share on conversion within a period of 18 months from the date of allotment in accordance with section 81(1A) of the Companies Act, 1956 and the applicable provisions of the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines")

3.1.2 The total number of such Equity Shares and Warrants in the Preferential Issue will be up to 57,50,000 representing 51.90 % of the post preferential paid up capital of the company out of which Preferential Issue of 45,00,000 shares and Warrants representing 40.61 % of the post preferential paid up capital of the company will be made to Promoters, Promoter Group and PACs which includes Mr. H.S Bharana, Era Constructions (India) Ltd, Peshwa Realtors Private Limited and Sachet Reality Private Limited. The balance 12,50,000 Equity shares have been allotted to corporates other than promoter group viz Him Realty (P) Limited, Eden Realty (P) Limited and Merilina Enterprises (P) Limited.

3.1.3 The subscription and allotment of the Preferential Issue of 57,50,000 shares and warrants representing 51.90 % of the post preferential paid up capital of the company is subject to various conditions precedents being fulfilled, including approval of the shareholders of the Target Company. The shareholders of the company has approved allotment of 27,50,000 equity shares of Rs. 10/- each representing 24.82% of the post preferential paid up capital of the Target Company for cash at a price of Rs. 54.35 per share and 30,00,000 Warrants representing 27.08 % of the post preferential paid up capital of the company with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 54.35 per equity shares, including a premium of Rs. 44.35 per Equity Share on conversion within a period of 18 months from the date at the EGM held on April 26,2006. The terms of issue of warrants as per the resolution passed by the shareholders in their meeting held on April 26,2006 are: -

a) The issue and allotment of equity shares and/or warrants to promoter group and others is for consideration in cash.
b) That warrants so issued shall at the option of warrant holder be converted into equal number of Equity shares of nominal value of Rs 10/- each at a premium of Rs 44.35 each, computed in accordance with chapter No. XIII of Guidelines for Preferential Issue of the SEBI (Disclosure and Investor Protection) Guidelines 2000 as amended from time to time, within a period of 18 months from the date of allotment of warrants

c) That on the date of the allotment of warrants, allottees shall pay a minimum amount equivalent to 10% of the total consideration of warrants and balance shall be payable on the date of conversion of warrants into equity shares of the Company as and when made in one or more tranches.

d) That the shares which are issued to promoter's associates shall be locked in for a period of 3 years, and that which are issued to any other persons/body corporate(s) etc, shall be locked in for a period of 1 year or for such periods as provided in the SEBI Guidelines.

e) That the Equity shares to be issued shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company and carry same rights as of then existing Equity shares of the Company including dividend declared, if any, by the company in respect of the Financial Year in which shares will be allotted.

f) The issue and allotment of the Equity Shares/Warrants convertible into equity Shares shall be subject to compliance of the Disclosure and Investor Protection Guidelines (DIP Guidelines) issued by SEBI as applicable from time to time.

g) In terms of the explanation (a) of clause 13.1.1.1 of SEBI (DIP) Guidelines 2000, the relevant date on the basis of which price of the equity Shares is calculated is March 27,2006

BSE had vide its letter dated May 2,2006 given its in-principle approval for issue and allotment of 27,50,000 equity shares and 30,00,000 warrants. The said Equity shares and warrants were allotted on preferential basis on May 10,2006 by the board of directors of the target company. The Equity Shares allotted were listed on BSE w.e.f July 28,2006

3.1.4 The Acquirer belongs to the Promoter group of the Target Company, which in aggregate along with PACs owns 15,89,025 shares aggregating 29.81% of the Equity Shares and voting rights of the Target Company. As a result of the above Preferential Issue, the Acquirers (including PACs) could acquire upto a maximum of 45,00,000 Equity Shares, and the total voting rights of the Promoter group could stand increased upto a maximum of 54.96% if the entire allotment proposed to be made to Acquirers is subscribed by them. The voting rights before and after proposed preferential allotment (on a fully diluted basis) is given below

Category	**Voting Rights (%) before Preferential Issue**	**Voting rights (%) after preferential Issue (fully diluted basis and Entire subscription by acquirer)**
Promoters	29.81	54.96
Others	70.19	45.04
Total	**100.00**	**100.00**

Pursuant to the intention of acquiring shares and warrants convertible into equity through preferential allotment, the Acquirers propose to acquire upto 22,16,000 fully paid up Equity Shares ("Shares") of the Target Company (the "Offer Size") representing 20% of the fully expanded voting equity capital of the Target Company (including the Shares and warrants proposed to be allotted in the Preferential Issue) at a price of Rs. 62.20 (Rupees Sixty Two and Twenty paisa only) for each Share of the Target Company (such price, the "Offer Price"), to be paid in cash in accordance with the Regulations.

3.1.5 The Manager to the Offer does not hold any shares in the Target Company, as on the date of this Letter of Offer

3.1.6 As on the date of Public Announcement, Mr. H. S Bharana is holding 8,63,385 Equity Shares representing 16.20%, Era Construction (India) Ltd is holding 1,10,000 Equity shares representing 2.06% of paid-up capital of the Target company. Peshwa Realtors Pvt Ltd and Sachet Reality Pvt Ltd are not holding any shares of the Target company presently. The shareholding of Mr. H.S Bharana would be 18,63,385 Equity Shares representing 16.82%, Era Construction (India) Ltd would be 11,10,000 Equity Shares representing 10.02%, Peshwa Realtors Pvt Ltd would be 12,50,000 shares representing 11.28% and Sachet Reality Pvt Ltd would be 12,50,000 shares representing 11.28% of the post Preferential allotment paid up capital of the company on fully diluted basis assuming the full subscription of preferential allotment. **All purchases in the offer will be made by Mr. H. S Bharana and Era Constructions (India) Ltd.** To the extent of the Offer Size, all the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by Acquirers.

3.1.7 As on date of this letter of offer, post allotment of Equity shares on preferential basis, the shareholding of Acquirer and PACs are as follows: -

	Number of Equity Shares	% Of Post Preferential Paid Up Capital
H. S Bharana	11,13,385	10.05
Era Construction (India) Ltd	8,60,000	7.76
Peshwa Realtors Private Limited	2,50,000	2.26
Sachet Reality Private Limited	2,50,000	2.26

3.1.8 Mr. H. S Bharana is the Promoter Director of Era Construction (India) Limited. Sachet Reality Private Limited and Peshwa Realtors Private Limited, PACs have common promoter director viz Mr. Arvind Kumar Birla. Both these companies have vide their resolution dated 27.03.2006 have decided to act as an associate of Mr. H.S Bharana in acquisition of shares of Target company.

3.1.9 Neither the Acquirer, PACs nor the Target Company has been prohibited by the SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act or under any of the regulation made under the SEBI Act.

3.1.10 As on date the Acquirers and PACs do not have any plans to make changes in the Board of Directors of the Target Company pursuant to the Open Offer

3.2 Details of the proposed offer

3.2.1 The Public Announcement announcing the Offer as per Regulation 15(1) of the SEBI (SAST) Regulations was made in the following newspapers:

Newspaper	Language	Edition	Date
Financial Express	English	All India	Friday, March 31, 2006
Jansatta	Hindi	All India	Friday, March 31, 2006
Samnna	Marathi	Mumbai	Friday, March 31, 2006
Navabharat	Hindi	Mumbai	Friday, March 31, 2006

3.2.2 A copy of the Public Announcement is available on the SEBI website at http://www.sebi.gov.in/.

3.2.3 This offer is being made by the Acquirer and the PACs to the shareholders (other than Acquirer, PACs and the Promoters) of EFSIL to acquire upto 22,16,000 Equity Shares of EFSIL, representing 20% of the fully expanded voting equity share capital (post Preferential Issue) of EFSIL, at an Offer Price of Rs. 62.20/- per fully paid-up Equity Share payable in cash in terms of regulation 20 and 21 of the Regulations. The Offer is in accordance with regulation 11(1) of the Regulations, consequent to the Preferential Issue of Equity Shares of the Target Company to the Acquirer referred to in paragraph 3.1.1 above and on account of substantial acquisition of Equity Shares without change in control or management.

3.2.4 The public shareholding is not expected to fall below the applicable limits of public shareholding for the purpose of continous listing under the listing agreement of EFSIL as consequence of the offer. Hence the provisions of Regulation 21(3) do not apply.

3.2.5 Any decision for an upward revision in the Offer Price by the Acquirer till the last date of revision i.e. September 4, 2006,Monday or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer.

3.2.6 The Offer is for the fully paid up Equity Shares of EFSIL and there are no partly paid up Equity Shares.

3.2.7 There has been no competitive bid

3.2.8 The Offer is not a conditional offer and is not subject to a minimum level of acceptance. Accordingly, the Acquirer will accept all Equity Shares tendered by the shareholders of the Target Company pursuant to the Offer at the Offer Price subject to the Offer size not being exceeded. In case the number of Equity Shares received in the Offer exceeds the offer size, the acceptance will be made on a proportionate basis.

3.3 Object of the Offer and Future Plans

3.3.1 The promoters and the persons acting in concert, presently holds 29.81% of the paid up capital of the Company. In order to part finance, the future growth plans of the Company, the Company intends to raise Capital by issue of Equity Shares and Warrants. Since, the promoter group intends to subscribe 15,00,000 Equity Shares and 30,00,000 Warrants, which is more than 5% of the voting capital of the Company, the provisions of Regulation 11(1) of the SEBI (SAST) Regulations 1997 become applicable. Hence, this Offer of 20% of the fully expanded voting Capital, i.e. 22,16,000 equity shares of EFSIL is made in terms of Regulations 11 of the SEBI (SAST) Regulations 1997.

3.3.2 Presently EFSIL is engaged into real estate activities as per existing main objects. But of late considering the present market scenario the management is of the opinion that entertainment business including running multiplexes, cineplexes, eateries etc offer sustainable business opportunity. In view of above perspective, EFSIL proposes to undertake the business as mentioned above and change its main objects accordingly. The shareholders of the company have approved the alteration in object clause in Memorandum of Association vide resolution passed through postal ballot pursuant to section 192A of the Companies Act, 1956, the result of which were declared on April 25, 2006.

3.3.3 The Acquirers do not have any plan to dispose of or otherwise encumber any assets of EFSIL within two years from the date of closure of the Offer except in the ordinary course of business. However, re-organization and/or streamlining of various businesses may be considered for commercial reasons and operational efficiencies which may include the restructuring and/or rationalization of assets of EFSIL, however, not limited to, merger.

3.3.4 Other than ordinary course of business, the Acquirers undertake not to sell, dispose of or otherwise encumber any significant assets of EFSIL in the succeeding two years, except with the prior approval of shareholders.

4. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

4.1 Mr. H.S. Bharana ("Acquirer")

4.1.1 Mr. H.S. Bharana, s/o Sh. R.S.Bharana r/o C- 146, 1st Floor, Sarvodya Enclave, New Delhi-110017, Tel: +91 11 26532063/41829282 is a Civil Engineering Professional. He is aged 46 years. He has work experience of 24 years in Construction business. He is also the promoter of Era Constructions (India) Ltd besides being the main promoter of Era Financial Services (India) Limited (Target Company).

4.1.2 Networth of Mr. H.S.Bharana as on 29th March 2006 is Rs.5359.88 lacs as certified by Mr. K. C Gupta (membership no. 88638), Partner of M/s P. C Bindal & Co, Chartered Accountants, having their office at 101,Sitaram Mansion, 718/21,Joshi Road, Karol Bagh, New Delhi-110005 Tel No: +91 11.23549822/ 23/ 24.

4.1.3 Mr. H. S Bharana is on the board of Directors of listed ventures namely Era Constructions (India) Ltd and Chairman and Managing Director of Era Financial Services (India) Ltd. He is also on board of following unlisted companies - Era Exports (India) Ltd., WTD Era (India) Ltd., Era Infrastructure (India) Ltd., Era Metal Building Systems Ltd. and Era Advance Developers (Pvt) Ltd.

4.1.4 As on date of PA, Mr. H.S Bharana holds 8,63,385 representing 16.20 % of paid up equity shares in the Target company. He has further been allotted 2,50,000 equity shares and 7,50,000 warrants on May 10,2006 on preferential basis. The shareholding of Mr. H.S Bharana would be 18,63,385 Equity Shares representing 16.82% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis assuming the full subscription of preferential allotment.

The details of earlier acquisition made by the acquirer in the target company are as follows: -

Date	Number of shares issued/sold /acquired	% Of paid up capital	Mode of transaction	Status of compliance
4.11.1992	1	00.00	Cash	Complied with
20.03.1993	1,00,110	1.88	Cash	Complied with
30.06.1994	4,900	0.00	Cash	Complied with
25.03.1994	1,37,470	2.58	Cash	Complied with
01.12.1995	2,10,000	3.94	Cash	Complied with
16.02.1996	8,21,500	15.41	Cash	Complied with

F.Y 1996-97	(4,52,396)	(8.49)	Market Sales	Complied with
F.Y 1997-98	20,000	00.37	Market Purchases	Complied with
F.Y 2000-01	(100)	00.00	Market sales	Complied with
F.Y 2001-02	15,000	00.28	Market Purchases	Complied with
F.Y 2005-06	6900	00.13	Transfer	Complied with
Total	**8,63,385**	**16.20**		

The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and he has made timely disclosures to the target company. Mr. Bharana has not acquired any further shares except as stated above from the date of public announcement till date

4.1.5 The details of pending litigations against the acquirer are as follows: -

A. Pending Litigations - Against H.S. Bharana

i. Pertaining to Criminal Laws:

Sr. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Amount Involved (in Rs.)
1	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	Complaint filed for alleged violence due to non payment of Supplier's outstanding bills	17.03.99	Appeal filed in High Court for quashing the complaint along with stay application. Stay granted till further order.	Not Applicable
2.	Naresh Chandra Jain V/s. Shri H.S. Bharana & others. C.M. Case No. 845 of 1999 & Appeal No.971 of 2004	H'ble High Court of Uttranchal at Nainital	Case filed for alleged cheating due to non-payment of outstanding bills.	25.04.99	Non-Bailable Warrants issued for personal appearance of directors have been cancelled by H'ble High Court and further proceeding of trial court remain stayed till further order. Further Appeal has been filed for quashing of the complaint and the case file transferred to H'ble High court of Uttranchal at Nainital due to change of State.	Not Applicable
3.	S.N. Jain V/s. Shri H.S. Bharana & Others.	H'ble High Court of Uttranchal at Nainital	Case filed by alleged cheating due to cheque payment	25.05.98	Warrants issued for personal appearance have been cancelled by H'ble High Court of UP at Allahabad and	Not Applicable

	Case No. 1091 of 1998 & Appeal No. 972/04		stopped by ECIL.		further proceedings of the trial court stayed till further order. Further appeal was filed for quashing of the complaint and the case file now transferred to H'ble High Court of Uttranchal due change of State.	
4.	State V/s. H.S. Bharana	Metropolitan Magistrate Patiala House New Delhi	Allegation of criminal breach of trust u/s 406 of IPC and cruelty u/s 498A of IPC by an ex-employee of the company	13.07.01	Matter is pending for consideration on charges	Not Applicable

ii. Pertaining To Securities Laws: Nil

iii. Pertaining To Statutory Laws: Nil

iv. Pertaining To Civil Laws:

	Court	**Charges/ Allegations**	**Date of Institution**	**Present Status**	**Amount Involved (in Rs.)**
Meena alias Dr. Rakshita V/s. H.S. Bharana	ADJ Tis Hazari	Petition for divorce on ground of cruelty	04.06.01	Case is fixed for petitioners' evidence	Nil

v. Pertaining To Labour Laws: Nil

B. Pending Litigations – Filed By H.S. Bharana

i. Pertaining to Criminal Laws:

Parties	**Court**	**Charges/ Allegations**	**Date of Institution**	**Present Status**	**Amount Involved (in Rs.)**
Shri H.S. Bharana V/s. Dwarika Prashad & others	CMM Delhi	Contractor was creating nuisance by staging demonstrations in front of office and residence of director for payment of alleged outstanding Amount.	16.10.03	Case is fixed for evidence of the complainant	Not Applicable

ii. Pertaining to Tax Disputes: Nil

iii. **Pertaining To Securities Laws: Nil**

iv. **Pertaining To Statutory Laws: Nil**

v. **Pertaining To Civil Laws: Nil**

vi. **Pertaining To Labour Laws: Nil**

4.2 ERA Constructions (India) Ltd ("Person Acting in Concert"/ "PACs")

4.2.1 ECIL was incorporated on September 3,1990 as Private Limited Company having its registered office at 370-371/2 Sahi Hospital Road, Jangpura, Bhogal, New Delhi -110014. (Tel. No.: +91 11 24378011(10 lines), Fax No.: +91 11 24378784. The company was subsequently converted into a public limited company on October 19, 1992.

4.2.2 ECIL, a medium sized Constructions Company is engaged in diversified Constructions activities of runway & integrated cargo complex for airports, power projects, drainage, sewerage & roads under infrastructure, institutional & industrial complexes, multiplexes and residential buildings. The company is providing its services to various Public sector Undertakings, Private Sector Business Groups and Central Public Works Department.

4.2.3 The company came out with an IPO in March 1995,FPO in June 2005 aggregating Rs 4920 Lakhs and with a GDR issue of $30 mn in Feb 2006. The Equity Shares of the company is at present listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The GDRs of the Company are listed on Luxembourg Stock Exchange, UK since February 27, 2006.

4.2.4 The promoters of Era Constructions (India) Limited are Mr. H.S. Bharana, Mr. B.S. Bharana, Mr. D.S. Bharana, M/s Hi- Point Investment & Finance Private Limited and M/s Era Housing & Developers (India) Limited. The company belongs to the Era Group.

4.2.5 The status of compliance with Chapter II of SEBI (SAST) Regulations, 1997 is as follows:
The company had received a notice vide letter No. CFD/DCR/RC/TO/20949/04 dated September 20,2004 from SEBI for violation of regulations 6(2) and 6(4) for 1997 and 8(3) for the period till 1998 till 2002 under the said Regulations, in respect of not filing the required information in accordance with the regulations. SEBI had decided to consider Company's request for consent order if the company is willing to pay an amount of Rs 1,75,000/- as penalty for the aforesaid violations, subject to acceptance by the learned adjucating officer. The company vide its letter dated December 27, 2004, has consented by paying the aforesaid penalty of Rs 1,75,000. The company has not received any further communication from SEBI in this regard till date. The company has complied with all the regulations of SEBI (SAST) Regulations after the period mentioned above.

4.2.6 The details of Board of Directors of ECIL as on date of PA are: -

Name	**Designation**	**Experience & Qualification**	**Date of Appointment**
Mr. H. S Bharana R/o C-146,1st Floor Sarvodaya Enclave, New Delhi – 110 017	Chairman & Managing Director	Civil Engineer. He has work experience of 24 years in Constructions. He is also the promoter of EFSIL and on the Board of the Company.	Since incorporation
Mr. P.P. Mainra Flat No. 147, Sector "A", Pocket –C, Vasant Kunj, New Delhi- 110 070	Executive Director	B.E. (Hons) in Civil Engineering and has 35 years of experience in Constructions industry.	1/03/2004
Mr. J.L Khushu Block P –II C, Apartment No. 036, Princeton Estate, DLF Phase – V, Gurgaon – 122 002	Whole Time Director	B.Sc, Bachelor in Civil Engineering & Masters in Structural Engineering. He is a retired chief Engineer and having about 40 years of experience in total project management of large size Roads, Bridges and Building projects.	30/11/2004
Mr. A.K.Mehta A-5, Empire Estate, Sultanpur, Mehrauli Gurgaon Road, New	Director	Pre- Engineering (Punjab University). He has 35 years of experience in management and administration	20/08/1994

Delhi – 110030			
Mr. S.D.Sharma C—1/24, Safdarjang Development Area, New Delhi – 110 016	Director	B.Sc, B.E.(Civil), M.E.(Structures),Diploma ACTIm (France) in Mechanisation of Railway Track maintenance, Diploma in Welded Girder Bridges from West German Railways. He has 42 years of experience in northern railways.	28/05/2005
Mr. Arvind Pande E-148 (FF), East of Kailash, New Delhi – 110 065	Director	M.A., He is a retired IAS officer having about 40 years of experience with Govt of India and various public sector undertakings.	19/03/2005

4.2.7 Except for Mr. H.S Bharana, who is holding 11,13,385 equity shares and Mr. P.P Mainra, who is holding 2000 Equity Shares in the target company, none of the directors are holding any shares in the target company.

4.2.8 The following Directors are on the board of Target company: -

a) Mr. H.S Bharana, Director
b) Mr. A.K Mehta, Director

4.2.9 Shareholding pattern of Era Constructions(India) Limited as on date of PA i.e March 31, 2006 is as follows:

	Category	**No. Of Shares Held**	**Percentage Of Shareholding**
A.	**Promoters Holding**		
1	**Promoters**		
	Indian Promoters		
A.	H.S. Bharana	16,42,500	8.82
B.	B.S.Bharana	2,88,650	1.55
C.	D.S. Bharana	2,96,090	1.59
D.	Hi Point Investment Finance Pvt Ltd	7,61,900	4.09
E.	Era Housing & Developers (I) Ltd	3,20,580	1.72
2	**Persons Acting In Concert**		
A.	Rekha Bharana	2,15,002	1.16
B.	Below 1%	2,44,050	1.31
	Sub Total (1+2)	**37,68,772**	**20.25**
B.	**Non-Promoters Holding**		
3	**Institutional Investors**		
A.	Mutual Funds & UTI		
	I) Sundaram Mutual Fund A/C Sundaram Capex Opportunities Fund-Dividend	3,08,574	1.66
	II) UTI-Dynamic Equity Fund	2,25,000	1.21
	Iv) Others (Below 1%)	3,63,243	1.95
B.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Governmental Institutions)	-	-
C.	FIIs		
	I)BSMA Limited	883,727	4.75
	III) Magna Umbrella Fund Plc	559,669	3.01
	III)India Emerging Opportunities Fund Limited	202,677	1.09
	III)Others(Below 1%)	223,976	1.20
	Sub Total	**2,766,866**	**14.86**
4	**Others**		
A.	Private Corporate Bodies	1,471,209	7.90
B.	Indian Public	4,801,951	25.80
C.	NRIs/OCBs	261,560	1.41

D.	Any Other		
	I) The Bank Of New York-Depository*	5,263,200	28.28
	Ii) Trusts	1,000	0.01
	Iii) Demat Transit	278,994	1.50
	Sub Total	**12,077,914**	**64.89**
	Grand Total	**18,613,552**	**100.00**

Note: Total Foreign Shareholding is

NRIs/FIIs/OCBs	21,31,609	11.45%
Global Depository Receipts (GDRs)	52,63,200	28.28%
Total	73,94,809	39.73%

* Being 52,63,200 Equity Shares underlying 52,63,200 Global Depository Receipts issued and allotted on 27.02.2006 in the name of the depository, Bank of Newyork.Out of these,35,36,702 GDRs have been converted into equity shares and 17,26,498 GDRs are being held by Bank of Newyork as June 30,2006.Further these 17,26,498 GDRs are being held by persons other than the promoters and persons acting in concert of Era Construction (India) Limited.

4.2.10 **The brief audited financials of Era Constructions (India) Limited** for the Financial Years ended March 2004, 2005 and 2006 as certified by M/s P. C Bindal & Co, Chartered Accountants, having their office at 101,Sita Mansion, 718/21,Joshi Road, Karol Bagh, New Delhi-110005 Tel No: +91 11.23549822/ 23/ 24.are:

Particulars	**2003-04**	**2004-05**	**2005-06**
Profit & Loss Statement			
Income from Operations	10,946.58	15,624.02	31,083.88
Other Income	87.22	123.06	207.22
Total Income	11,033.80	15,747.08	31,291.10
Total Expenditure	10,109.37	14,220.64	26,220.63
Profit before Depreciation, Interest and tax	924.43	1,526.44	5,070.47
Depreciation	182.89	215.53	346.74
Interest	317.03	568.08	994.26
Profit before tax	424.51	742.83	3,729.47
Provision for tax	135.90	197.88	1,014.78
Profit after tax	288.61	544.95	2,714.69
Balance Sheet Statement			
Sources of funds			
Paid up Share Capital	434.43	651.64	1,861.36
Share Application Money		319.00	-
Preferential Warrants	-	-	1,212.30
Reserves and surplus (excl revaluation reserve)	2,017.66	2,270.99	20,948.22
Networth	**2,452.09**	**3,241.63**	**24,021.88**
Secured Loans	1,210.85	2,997.22	8,101.38
Unsecured Loans	581.65	730.48	806.00
Deferred tax liability	637.44	690.80	1,110.32
Total	**4,882.03**	**7,660.13**	**34,039.58**
Uses of Funds			
Net fixed assets	2,745.53	3,725.03	9,756.61
Investments	52.56	52.56	1,254.62
Net current assets	2,080.13	3,859.77	23,028.35
Total miscellaneous expenditure not written off	3.81	22.77	-
Total	**4,882.03**	**7,660.13**	**34,039.58**

Other Financial Data			
Dividend(%)	10.00	10.00	20.00**
Earning per share:			
- Basic	4.43 *	8.36	23.03
- Diluted	4.43 *	8.36	21.02
Return on Net worth	11.79	16.93	11.30
Book Value per share	56.36	44.50	129.06

* Adjusted EPS
** Proposed Dividend

4. 2.11 As per Audited financials as 31st March 2006 major contingent liabilities not provided for are:

i) In respect of guarantees and letter of credits issued by Banks, outstanding as at 31st March, 2006 Rs.5, 662.98 Lacs net of margin (P.Y. Rs. 3,156.71 Lacs net of margin).
ii) In respect of Sales Tax Rs. 7.94 Lacs (P.Y. Rs. 15.44 Lacs). An appeal has been filed with appropriate authority.
iii) In respect of other legal cases for different matters Rs. 42.85 Lacs (P.Y. Rs. 24.76 Lacs). Appropriate representations have been filed in respect of these matters with the authorities concerned.
iv) In respect of Labour Welfare Cess Rs. 85.56 Lacs (P.Y. Rs. Nil) as the appeal has been filed with the Hon'ble High Court, New Delhi.
v) The company does not acknowledge claims amounting to Rs. 20.57 Lacs as debts as, in the opinion of management, these claims are frivolous. Company has also lodged counter claims of Rs. 55.11 Lacs against the parties

4.2.12 Comparison of Performance of the company

4.2.12.1 For Financial year ended 31st March 2006 vis-à-vis 31st March 2005

Sales
The Company achieved sales of Rs. 31,083.88 Lacs during the year 2006, recording a growth of 98.95% as against the previous year sales.

Other Income
During the year, other income increased from Rs. 123.06 Lacs to Rs. 207.22 Lacs, an increase of more than 68%. The other income during the year 2005 includes profit on sale of investments/assets of Rs.72.47 Lacs.

Expenditure
Contract cost accounted for 78.48% of sales during the year at Rs. 24,394.36 Lacs as compared to 85.42% of sales at Rs. 13,346.55 Lacs during the last year, while the administrative expenditure accounted for 6.05% of sales at Rs. 1,882.00 Lacs during the year as compared to 6.94% of sales at Rs. 1,084.59 Lacs during the last year.

Finance charges
Financial charges increased during the year from Rs. 568.08 Lacs to Rs. 994.26 Lacs due to additional credit facility in form of Cash Credit, L/C and Guarantee sanctioned to the Company.

Depreciation
During the year, depreciation increased from Rs. 215.53 Lacs to Rs 346.74 Lacs, due to purchase of additional fixed assets.

Profit after tax
The Company booked profit after tax of Rs. 2,714.69 Lacs, recording a growth of 4.98 times against the previous year.

4.2.12.2 For Financial year ended 31st March 2005 vis-à-vis 31st March 2004

Sales
The Company achieved sales of Rs.15,624.02 Lacs during the year 2005, recording a growth of 42.73% as against the previous year sales.

Other Income
During the year, other income increased from Rs.87.22 Lacs to Rs.123.06 Lacs, an increase of more than 41%. The other income during the year 2005 includes profit on sale of investments/assets of Rs.72.47 Lacs.

Expenditure
Contract cost accounted for 85.42% of sales during the year at Rs.13,346.55 Lacs as compared to 86.09% of sales at Rs.9,423.54 Lacs during the last year, while the administrative expenditure accounted for 6.94% of sales at Rs.1,084.59 Lacs during the year as compared to 6.76% of sales at Rs. 739.67 Lacs during the last year.

Finance charges
Financial charges increased during the year from Rs. 317.03 Lacs to Rs.568.08 Lacs due to additional loans taken during the year. During the year, the Company got credit facility in form of Cash Credit, L/C and Guarantee from Andhra Bank for Rs.2,910 Lacs.

Depreciation
During the year, depreciation increased from Rs. 182.89 Lacs to Rs. 215.53 Lacs, due to purchase of additional fixed assets.

Profit after tax
The Company booked profit after tax of Rs.544.95 Lacs, recording a growth of 88.82% against the previous year.

4.2.13 As on date of PA, Era Constructions (India) Ltd is holding 1,10,000 Equity shares representing 2.06% of paid-up capital of the Target company. The company has further been allotted 7,50,000 equity shares and 2,50,000 warrants on May 10,2006 on preferential basis. The shareholding of Era Constructions (India) Ltd would be 11,10,000 Equity Shares representing 10.02% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis assuming the full subscription of preferential allotment. The details of earlier acquisition made by the ECIL in the target company is as follows:-

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	Status of compliance
30.06.1994	60,000	1.12%	Cash	Complied With
25.03.1994	50,000	0.94%	Cash	Complied with
Total	**1,10,000**	**2.06**		

The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the ECIL and it has made timely disclosures to the target company .The company has not acquired any further shares other than as stated above from the date of public announcement till date

4.2.14 Significant Accounting Policies of ECIL as per Annual Report for the F.Y 2005-06 is as follows: -

The financial statements have been prepared in accordance with applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial statements are set out below:

1) Basis Of Accounting: The financial statements are prepared under historical cost convention on accrual basis of accounting and on a going concern basis.

2)Revenue Recognition: 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.

3) Fixed Assets: Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation.

4)Depreciation: Depreciation has been provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on addition/disposals during the year has been provided on pro-rata basis.

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

6) Capital Work In-Progress: Advances paid towards the acquisition of fixed assets, costs of assets not ready for use before the year-end are included under Capital Work-in-Progress.

7) Investments: 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.

8) Inventories: Materials, work in process 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.

9) Foreign Exchange Transactions: Transactions In Foreign Currency Are Recorded At The Exchange Rates Prevailing At The Dates Of The Respective transactions. In the case of foreign currency denominated monetary assets and in case of monetary liabilities, due to import of material, the loss or gain arising from restatement at the balance sheet date / settlement is charged or credited to the profit & loss account.

10) Retirement Benefits

i) Contribution to Provident Fund, a defined contribution plan, is accounted for on accrual basis. The Company continues to make contributions to provident fund plan administered by the Government of India.
ii) Leave encashment are charged to Profit & Loss Account through provision for accruing liabilities based on assumptions that such benefits are payable to eligible employees at the end of accounting year.
ii) The liability of the company for gratuity, a defined retirement benefit plan, is determined by actuarial valuation carried out by an independent actuary.

11) Public Issue Expenses: In respect of expenditure incurred in connection with shares issued after 31st March, 2005, the company has adopted the policy of writing off such expenditure against Securities Premium Account as against the earlier policy of deferring and amortizing such expenditure over the period prescribed under section 35-D of the Income-Tax Act, 1961.

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

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

4.2.15 The statutory auditors of Era Constructions (India) Ltd have vide their letter dated 12th April 2006 certified, for the year 31st March 2006, that in their opinion and to the best of their information and according to the explanation given to them, and the representations made by the directors and management, ECIL has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement.

4.2.16 The details of pending litigation as on date are:-

A. Against The Company

i. Pertaining To Criminal Laws:

S. No.	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Amount Involved (in Rs.)
1.	Verma Glass & Plywood Company v/s ECIL through its MD & others Complaint no. 44 & 45 of 2004	Judicial Magistrate Ist class, Chandigarh	Cheques dishounered amounting to Rs. 3 lacs in each case	17.01.04	Summons issued in name of Mr. Sanjay Gupta and Mr. Ramesh Singh for furnishing Bail Bond.	600000 + Interest & penalty

ii. Pertaining To Securities Laws:

The Company received a letter no. CFD/DCR/RC/TO/20949/04 dated September 20, 2004 from SEBI, wherein SEBI has given a gist of the allegations against the Company about violation of regulations 6(2) and 6(4) for 1997 and 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for the period from 1998 till 2002.

SEBI has decided to consider Company's request for consent order if the Company is willing to pay an amount of Rs.1,75,000/- as penalty for the aforesaid violations subject to acceptance by the learned Adjudicating Officer.

The Company, vide its letter dated 27th December 2004, has given its consent to pay the aforesaid penalty of Rs. 1,75,000/- and waived its right to a hearing under Rule 4(5) of SEBI (Procedure for Holding Enquiries and Imposing of penalties by Adjudicating Officer) Rules, 1995.

iii. Pertaining To Statutory Laws:

a) Tax Disputes:

Sr. No.	Assessment Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Amount Involved (in Rs.)
1	Sales Tax Officer, Angul Assessment Order for the year 2000-01	Assistant Commissioner of Sales Tax, Cuttack-II Range, Cuttack	Sales tax of Rs.662959.23 excess levied by Sales Tax Officer, Angul has been disputed by ECIL as the expenses on account of labour & services charged in ECIL's accounts were disallowed by the Sales Tax Officer, Angul	07.07.04	Pending for Argument	662959.23
2.	Assessing Authority Orissa Entry Tax Assessment Order for the year 2000-01	Assistant Commissioner of Sales Tax-cum-Entry Tax Cuttack-II Range, Cuttack	Entry Tax of Rs.130955.13 excess levied by Sales Tax Officer, Angul has been disputed by ECIL	07.07.04	Pending for argument	130955.13
3	ECIL V/S Labour Commissioner & Others CASE NO. 224/06,846/06,848/06 & 225/2006	High Court of Delhi, New Delhi	Show cause notice issued by Labour Commissioner, Delhi under Building & other Constructions Workers Act	06.01.06	Reply to be filed by the labour department	85.61 lacs

b) Pertaining to Civil laws:

Sr. No.	Assessment Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Amount Involved (in Rs.)
1.	Mr. D.K. Sharma Prop. M/S Keshav Securities Services (Regd.) V/s. ECIL OMP 130 of 2004	H'ble High Court of Delhi	The claimant has claimed the payment on account of security provided at various projects of ECIL interest due thereon and other costs.	02.04.04	Award was passed against ECIL by Arbitrator Justice Mohd. Shamim (Retd.) for Rs. 2056833 (including pendente lite interest @ 10%) and future interest @ 18%. Objections filed by ECIL in Delhi High Court are still pending	2056833.00 + Interest @18%
2	Sur Iron & Steel Company (P) Ltd. (SISCO) V/s. ECIL OMP no.428 of 2005	H'ble High Court of Delhi	The Claimant has claimed the balance payable towards supply of crushing system plant to ECIL interest due thereon and other costs.	29.11.05	Award was passed in favour of ECIL by Ld. Arbitrator Sh. J.L. Khushu for Rs.199340. Objections filed by SISCO in Delhi High Court.	3721695.99 plus interest @30 % till the date of payment.
3	Narinder Kumar V/s. ECIL Suit No. 378/94 Appeal No. 232 of 2000	Civil Judge Tis Hazari Court Delhi	Non-payment of Petty contractor's outstanding bills.	22.09.94	Ex-parte decree was passed by Civil Judge Delhi against ECIL for entire amount. Application filed by ECIL for stay of execution and setting aside of ex-parte decree was also dismissed. Appeal filed by ECIL before ADJ has been allowed and case has been remanded to the Civil Judge.	78364.53 + Interest

4	Gujarat Framing Mart V/s. ECIL Suit No. 232 of 1997	Civil Judge (Sr. Division) Himmat Nagar Gujarat	Non-payment of petty contractor's bills outstanding	**10.07.97**	Stay granted to the Plaintiff for restraining ECIL from engaging third parties to get the balance work executed vacated upon deposit of Rs.25000 by ECIL in court. Pleadings are not yet complete.	37127.39 + Interest
5.	Indian Oil Corporation Ltd. v/s ECIL OMP 104/2006	High Court of Delhi New Delhi	IOCL has claimed Liquidated damages supervision charges and other costs.	20.03.2006	Award given in favour of ECIL for Rs.155 lacs along with future interest @10% p.a. IOCL's claims are rejected.	44443999.48 Plus interest @18% p.a.
6	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 Shimla.	Non-payment of supplier's outstanding bills.	18.10.04	Decree passed against ECIL on 19th July 2004 for Rs. 223942.67 + interest @ 12%. However no execution proceedings have been instituted till date appeal has been filed by ECIL before High Court of Shimla and stay of decree has been granted.	223942.67 + Pendente lite Interest @12% Plus @ 6%p.a future interest
7	ECIL V/s Director Health Services Case no.66/2006	Civil Judge Senior Division Chandigarh	Civil Suit filed by the company for recovery of outstanding amount	11.02.06	Petition filed for recovery of Rs 12.68 lacs for which reply filed by the Defendant. Rejoinder to be filed by ECIL.	Nil
8a b	Sushil Kumar Roop Lal V/S ECIL & others. Suit No. 124 of 2000	Civil Judge (Jr. Division) Barnala	Non-payment of supplier's outstanding bills.	19.08.00	Decree passed against ECIL on 15.05.04 for the admitted amount i.e. Rs.10312 outstanding in books of ECIL along with interest @6% p.a. However no execution proceedings have been initiated till date.	10312.00 + Interest @6%

iv. Pertaining To Labour Laws:

Sr. 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 Commissioner under Workmen's Compensation 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	12.08.03	Listed for arguments	800000.00
2	Reena Kunwar V/S ECIL	Commissioner Workmen's Compensation New Delhi	Claim For Compensation On Death Of Worker During Site Accident	24.01.05	Application filed under Workmen Compensation Act 1923 As the workmen expired during site accident for which reply is to be filed by the ECIL .	700000.00
3	Smt. Manbhari W/O Late Ram Avtar Jogi & Others V/S Ecil Case No. WCCF No.72 Of 2005	The Commissioner Workmen Compensation Act-1923 Jaipur Rajasthan	Claim For Compensation Against Death Of Worker Who Were Employed Under Sub Contractor Rakesh Gupta.	31.10.05	Case filed under workmen compensation Act1 923 for which written statement is to be filed by ECIL.	1977000.00 + Interest @ 12%P.A.

B. Pending Litigations - Filed By The Company

i. Pertaining to Criminal Laws:

Sr. 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 Administrative Officer (F.W.) Criminal Complaint No.228 of 2003	Judicial Magistrate Class I Chandigarh	Cheque issued by Accused (s) to ECIL was returned by bank due to payment stopped by the drawer.	04.04.03	The case is fixed for Complainant's Evidence and summon issued to Bank staff for statement of facts	762433.00
2.	ECIL V/s. WTD S.r.l. ITALY and others. Complaint nos317/1318/1319/1 & 325/1	ACMM New Delhi	ECIL has received cheques aggregating to Rs.694809 against book balance of Rs.3107771 but returned unpaid due to insufficient funds/ payment stopped by the drawer.	20.12.04	Case filed and fixed for admission and issue of summons to the Accused.	694809.00

ii) Pertaining to Securities Laws: Nil

iii) Pertaining To Statutory Laws:

a) Arbitration Matters:

Sr. 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	The defendant has deducted the liquidated damages from final bill. ECIL has claimed for	07.07.04	Award passed by Arbitrator Shri R. Roy Deputy GM Commercial (P&P) HPCL in favour of ECIL for a sum of Rs. 1819572 + interest @ 7%has been challenged by HPCL before Mumbai	9291134.00 + interest @24% Claims filed by ECIL. No counter claim filed

			illegal recovery of liquidated damages by HPCL from the final bill and cost of extra work executed for HPCL interest & other costs		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.	by HPCL
2	ECIL V/s. Union of India Public Work Deptt. Delhi	H'ble Sole ArbitratorMr. A.K. Singhal	ECIL filed the claim for Rs.24273143.19 towards Escalation And extra work executed along with interest @ 18%p.a. for the extended period beyond the contractual date of completion and other costs.	19.08.04	Date of hearing not fixed. Counter claim filed by Union of India, PWD Division NO.28 (MCTD) for Rs.15434124 Towards liquidated damages for alleged delay in completion and arbitration cost.	24273143.19 plus interest @ 18%p.a. Counter claim of Union of India Respondent is Rs. 15434124
3	ECIL V/S HEAD QUARTER 11 CORPS C/O 56 APO	District court,Jallandhar	ECIL filed the claims for Rs.76899728/- towards amount due against final bill and extra claims along with interest @ 18%p.a. The counter claims of the respondent ae amounting to Rs 64252976 only as damages	25.05.01	The Respondent has approached to appoint another arbitrator due to his retirement whereas ECIL has refused for an appointment of new Arbitrator.	76899728.00 Counter claim of HQ11 is Rs. 64252976 +interest

iv. Pertaining To Labour Laws: Nil

Further the following litigations disclosed in draft letter of offer have been settled and are no more outstanding:-

1. Pertaining to Criminal Laws
Kuldeep Singh Saluja v/s ECIL(Criminal Complaint No. 244/04 of 1998 & Appeal No.5010 of 2005)filed in the court of Additional Civil Judge,Ajmer.

2. Pertaining to Civil Laws
M/s Gopal Paints v/s ECIL and others(Summary Civil Suit No. 2739 of 1999)filed in the court of City Civil Judge Court, Ahemdabad

3. Pertaining to Labour Laws
Bajrangi Sharma v/s ECIL(Case No. 279/05)filed with Dy. Labour Commissioner, Noida

4.2.17 The details of Compliance Officer is:-

Ms. Gunjan Singh
Company Secretary
Era Constructions(India)Ltd
370-371/2, Sahi Hospital Road
Jangpura,Bhogal, New Delhi-110014
Ph;+91 11 24378011(10 lines)
Fax:+91 11 24378784

4. 2.18 There has been no merger/ De-merger/ Spin off during the last three years

4. 3 PESHWA REALTORS PRIVATE LTD("Person Acting in Concert"/ "PACs")

4.3.1 Peshwa Realtors Private Ltd having registered office at W –19, Rajouri Garden, New Delhi, has been incorporated on 8th Feb 2006 . The promoter director of the company are Mr. Arun Kumar Seth and Mr. Arvind Kumar Birla. The Company's object is to undertake real estate business.

4.3.2 The details of Board of Directors of the company as on date of PA are:-

Name	**Designation**	**Experience & Qualification**	**Date of Appointment**
Mr. Arvind Kumar Birla 254,IInd Floor AGCR Enclave New Delhi	Director	B.Com,F.C.A having over 13 years of experience	Since Incorporation
Mr. Arun Kumar Seth W-19, Rajouri Garden New Delhi 110027	Director	C.A having 30 years of experience	Since Incorporation

4.3.3 Mr. A.K Birla was on the board of Target Company as on date of Public Announcement. He has resigned from the board vide letter dated 31.03.2006, which has been accepted by the board vide resolution passed on meeting held on 1st April 2006.

4.3.4 The paid up capital of the company as on date of PA is 10,000 Equity Shares of Rs 10/- each. The details of shareholding pattern is:-

S. No	**Name**	**Face Value**	**No. of shares held**
1	Arvind Kumar Birla	10	5000
2	Arun Kumar Seth	10	5000
	Total		10,000

4.3.5 As on date of PA, Peshwa Realtors Private Ltd does not hold any shares in the target company. The company has further been allotted 2,50,000 equity shares and 10,00,000 warrants into equity shares on May 10,2006 on preferential basis representing 11.28% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis assuming the full subscription of preferential allotment. The company has not acquired any further shares other than as stated above from the date of public announcement till date.

4.3.6 The provisional balance sheet of the company as on July 31,2006 as certified by M/s P. C Bindal, Chartered Accountants are as follows:-

Liabilities		**Amount (Rs)**	**Assets**		**Amount (Rs)**
Shareholders Funds (i)Equity Capital	1,00,000		Investments (i) 2,50,000 Equity of Era Financial Services (India) Limited	1,35,87,500	
(ii) Share Application Money	1,90,50,000	1,91,50,000	(ii)10,00,000 Warrants of Era Financial Services (India) Limited	54,35,000	1,90,22,500
Current Liabilities & Provision			Current Assets, Loans & Advances		
Expenses Payable		11,020	In current account with Bank		97,896
			Profit & Loss Account		40,624
Total		1,91,61,020	Total		1,91,61,020

4.3.7 Peshwa Realtors Private Limited has sufficient networth to pay the application money towards subscription of 2,50,000 equity shares and 10,00,000 warrants allotted by the target company on preferential basis on May 10,2006 out of its shareholders' funds.

4.3.8 The Board of Directors of the company vide their resolution dated March 27,2006 has decided to act as an associate of Mr. H.S Bharana in acquisition of shares of Target Company.

4.3.9 As on date there is no litigations filed by the company or pending against the company.

4.4 SACHET REALITY PRIVATE LIMITED. ("Person Acting in Concert"/ "PACs")

4.4.1 Sachet Reality Private Limited, having registered office at 254,2nd Floor, AGCR Enclave,Delhi-110092 has been recently incorporated on 19th Jan 2006. It is yet to start its operations. The promoter directors of the company are Mr. Arvind Kumar Birla and Ms Gunjan Singh. The company's object is to undertake real estate business.

4.4.2 The details of Board of Directors of the company as on date of PA are:-

Name	**Designation**	**Experience & Qualification**	**Date of Appointment**
Mr. Arvind Kumar Birla 254,IInd Floor AGCR Enclave New Delhi	Director	B.Com,F.C.A having over 13 years of experience	Since Incorporation
Ms. Gunjan Singh 304, Sector-5, Patrakar Parisar Vasundhra Ghaziabad,U.P	Director	B.Com, C.S with 3 years of experience	Since Incorporation

4.4.2 As on date of PA, Sachet Reality Pvt. Ltd does not hold any shares in the target company . The company has further been allotted 2,50,000 equity shares and 10,00,000 warrants convertible into equity shares on May 10,2006 on preferential basis representing 11.28% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis assuming the full subscription of preferential allotment. The company has not acquired any further shares other than as stated above from the date of public announcement till date

4.4.3 The paid up capital of the company as on date of PA is 10,000 Equity Shares of Rs 10/- each. The details of shareholding pattern is:-

S. No	**Name**	**Face Value**	**No. of shares held**
1	Arvind Kumar Birla	10	5000
2	Gunjan Singh	10	5000
	Total		10,000

4.4.4 The provisional balance sheet of the company as on July 31,2006 as certified by M/s P. C Bindal, Chartered Accountants are as follows:-

Liabilities		**Amount (Rs)**	**Assets**		**Amount(Rs)**
Shareholders Funds (i)Equity Capital	1,00,000		Investments (i) 2,50,000 Equity of Era Financial Services (India) Limited	1,35,87,500	
(ii) Share Application Money	1,90,50,000	1,91,50,000	(ii)10,00,000 Warrants of Era Financial Services (India) Limited	54,35,000	1,90,22,500
Unsecured loans					
From Directors		17,200	Current Assets, Loans & Advances		
			In current account with Bank		1,06,260
Current Liabilities & Provision					
Expenses Payable		2,184	Profit & Loss Account		40,624
Total		1,91,69,384	Total		1,91,69,384

4.4.5 Sachet Reality Private Limited has sufficient networth to pay the application money towards subscription of 2,50,000 equity shares and 10,00,000 warrants allotted by the target company on preferential basis on May 10,2006 out of its shareholders' funds.

4.4.6 The Board of Directors of the company vide their resolution dated 27.03.2006 has decided to act as an associate of Mr. H.S Bharana in acquisition of shares of Target company.

4.4.7 Mr. A.K Birla was on the board of Target Company as on date of Public Announcement. He has resigned from the board vide letter dated 31.03.2006, which has been accepted by the board vide resolution passed on meeting held on 1st April 2006.He is not a member of board of Directors of the target company as on date of filing this Letter of Offer

4.4.3 As on date there are no litigations filed by the company or pending against the company.

5. DISCLOSURE IN TERMS OF REGULATION 21(3)

The public shareholding is not expected to fall below the applicable limits of public shareholding for the purpose of continuous listing under the listing agreement of EFSIL as consequence of the offer. Hence the provisions of Regulation 21(3) do not apply.

6. BACKGROUND OF ERA FINANCIAL SERVICES (INDIA) LTD ("EFSIL" / "TARGET COMPANY")

6.1 The Target Company, having its registered office at 10/1, Nehru Enclave (East), Kalkaji, New Delhi- 110 019,Ph +91 11 26234729-31, Fax+91 11 26234733 was incorporated on January 6, 1993 under the Companies Act 1956 as Era Financial Services (India) Limited. The main promoter of the company is Mr. H. S Bharana.

6.2 The company was registered as NBFC in category B(without accepting public deposit) with a certificate of registration dated 26-8-2000 issued by Reserve Bank of India under section 45IA of the Reserve Bank of India Act,1934. The company has vide letter dated 3rd March 2006 surrendered the NBFC certificate to RBI and requested for their NOC. The company has not been doing NBFC activity and is presently engaged in the business of real estate .The company has passed a board resolution on 20/03/2006 to change its object clause to enter in the business of entertainment including running and operation of cineplexes and food courts etc instead of existing real estate business subject to necessary approvals and permissions. The shareholders of the company have approved the alteration in object clause in Memorandum of Association vide resolution passed through postal ballot pursuant to section 192A of the Companies Act,1956, the result of which were declared on April 25, 2006.

6.3 Reserve Bank of India vide its letter dated April 19,2006 has given its No Objection for the changing the name of the company. The company had subsequently filed application to the Registrar of Companies for availability of name, which is approved by ROC. RBI had vide its letter dated July 3,2006 has cancelled as Surrendered the Certificate of Registration issued to the company in terms of clause (i) of sub-section 6 of Section 45 IA of the Act.

6.4 The Shares of the Target Company are listed on BSE. EFSIL had delisted its securities from The Delhi Stock Exchange Association Limited with effect from January 02, 2006 and from The Stock Exchange, Ahemdabad w.e.f Feb 22, 2006.

6.5 Current Share Capital Structure of the target company is as under:-

Paid Up Equity Shares of Target Company	**No. of Shares/ Voting Rights**	**% of shares/voting rights**
Fully Paid up Equity Shares	80,80,000	100%
Partly Paid Up Equity Shares	Nil	-
Total Paid Up Equity Shares	80,80,000	100%
Total Voting Rights in Target Company	80,80,000	100%

6.6 The current share capital structure of EFSIL since inception and the disclosure relating to the status of compliance with applicable provisions of SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992 and other statutory requirements as applicable, is given as under:

Date of Allotment	**Number of Shares Issued**	**% of Shares Issued**	**Cumulative Paid-Up Capital**	**Mode of Allotment**	**Identity of Allottees**	**Status Of Compliance**
04.11.1992	7	0.00	70	Cash	Promoters	Subscription to Memorandum
20.03.1993	1,50,110	1.86	15,01,170	Cash	Promoters	Complied with
25.03.1994/ 31.03.1994	5,49,080	6.80	69,91,970	Cash	Promoters & Others	Complied with
30.06.1994	1,05,900	1.31	80,50,970	Cash	Promoters & Others	Complied with
01.12.1995	2,76,300	3.42	1,08,13,970	Cash	Promoters & PACs	Complied with
16.02.1996	19,18,603	323.74	3,00,00,000	Cash	Promoters & Others	Complied with
30.03.1996	23,30,000	28.84	5,33,00,000	Cash	IPO	Complied with
10.05.2006	27,50,000	34.03	8,08,00,000	Cash	Preferential Allotment	Complied with
Total	80,80,000	100.00	8,08,00,000			

6.7 There are no partly paid up Equity Shares carrying voting rights nor outstanding convertibles nor any stock options as on the date of this Letter of Offer except for 30,00,000 warrants convertible into equity shares allotted through preferential issue.

6.8 The brief audited financials of EFSIL for the years ended March 31 2004, 2005 and 2006 as certified by M/s P.C.Bindal & Co., Chartered Accountants are as under:-

Particulars	**2003-04**	**2004-05**	**2005-06**
Profit & Loss Statement			
Income from Operations	9.17	19.17	102.79
Interest Income	14.65	20.50	16.05
Other Income	11.68	116.01	356.78
Total Income	35.50	155.68	475.62
Total Expenditure	18.88	69.19	15.46
Profit before Dep, Interest and tax	16.62	86.49	460.16
Depreciation	12.93	4.72	0.08
Interest	-	-	5.90
Profit before tax	3.69	81.77	454.18
Provision for NPA written back	12.07	-	31.09
Provision for Current tax	0.23	9.48	36.16
Provision for Deferred Tax	5.35	(12.41)	10.47
Profit after tax	10.18	84.70	438.64
Balance Sheet Statement			
Sources of funds			
Paid up Share Capital	533.00	533.00	533.00
Reserves and surplus(excl revaluation reserve)	11.40	55.13	493.77
Networth	**544.40**	**588.13**	**1,026.77**
Deffered Tax Liability	1.95	-	0.01
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Total	**546.35**	**588.13**	**1,026.78**
Uses of Funds			
Net fixed assets	90.54	10.92	0.35
Investments	137.87	26.19	41.85
Net current assets	275.06	540.57	984.58
Profit & Loss Account	40.97	-	-
Deffered Tax Assets	-	10.45	-
Total misc. expenditure not written off (c)	1.91	-	-
Total	**546.35**	**588.13**	**1,026.78**
Other Financial Data			
Dividend(%)	-	-	-
Earning per share	0.19	1.59	8.23
Return on Networth %	1.88	14.40	42.72
Book Value per share	10.18	11.03	19.26

6.9 The Shareholding of the target Company as on date of public announcement i.e March 31st, 2006, is as below:

	Category	No. Of Shares Held	Percentage Of Shareholding
A.	**Promoters Holding**		
1	Promoters		
	Indian Promoters:		
	Sh. H.S. Bharana	863,385	16.20
	Foreign Promoter:		
2	**Person Acting In Concert**		
	R. S. Bharana	66,900	1.26
	Dhiraj Singh	128,200	2.41
	Era Constructions (India) Ltd.	110,000	2.06
	Hi Point Investment & Finance Pvt. Ltd.	56,000	1.05
	Below 1%	364,540	6.84
	Sub Total	**1,589,025**	**29.81**
B.	**Non-Promoters Holding**	**-**	**-**
3	Institutional Investors	-	-
	Mutual Funds & UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Govt.,Institutions/ Non-Governmental Institutions)		
	FIIs	-	-
	Sub Total	-	-
4	Others		
a.	**Private Corporate Bodies**		
	i.) Image Estates Pvt. Ltd.	69,000	1.29
	ii.) Advance Construction Co. Pvt. Ltd.	57,734	1.08
	iii.) Others (Below 1%)	141,286	2.65
b.	Indian Public	3,447,955	64.69
c.	NRIs	24,000	0.45
d.	Any Other (Demat Transit)	1,000	0.02
	Sub-Total	**3,740,975**	**70.19**
	Grand Total	**5,330,000**	**100.00**
Total Foreign shareholding is		24,000	0.45

6.10 The shares of the company have never been suspended from trading since the date of its listing at Bombay Stock Exchange (BSE)

6.11 There has been no merger/ De-merger/ Spin off during the last three years. The company has acquired Equity shares of two Private Limited Companies viz Superlative Infrastructure Private Limited and Magad Realtors Private Limited, making it wholly owned subsidiaries of the company w.e.f May 18,2006 and May 27,2006 respectively.

6.12 The details of Board of Directors as on date of PA are:-

Name	Designation	Experience & Qualification	Date of Appointment
Mr. H.S Bharana C-146,1st Floor Sarvodaya Enclave, New Delhi – 110 017	Director	Civil Engineer. He has work experience of 24 years in Constructions and administration. He is also the promoters of EFSIL and on the Board of the Company.	20.03.2006
Mr. A.K Mehta A-5, Empire Estate, Sultanpur, Mehrauli Gurgaon Road, New Delhi – 110030	Director	Pre- Engineering (Punjab University). He has 35 years of experience in management and administration	20.03.2006
Mr. Bijander Singh Village Mewla Maharajpur P.O Amar Nagar, Faridabad	Whole Time Director	B.A,L.LB having 15 years of experience	24.06.2002
Mr. A.K Birla 254,Iind Floor AGCR Enclave Delhi-110092	Director	B.Com,F.C.A having over 13 years of experience	24.06.2002
Mr. Sanjay Gupta 4/563, Ground Floor Sector-4,Vaishali Ghaziabad-201010	Director	B.Com,CA with 13 years of experience	24.06.2002
Mr. T.D Arora 141, Ward No. 33 Sri Ganga Nagar Rajasthan-33501	Director	Diploma in civil Engineering having over 13 years	25.03.2003
Mr. I.S Gulia Flat No. 522/8A Mayur Kunj Delhi-110091	Director	B.A ,L.L.B having 18 years of experience	25.03.2003

The details of Board of Directors as on date of letter of offer are:-

Name	Designation	Experience & Qualification	Date of Appointment
Mr. H.S Bharana C-146,1st Floor Sarvodaya Enclave, New Delhi – 110 017	Director	Civil Engineer. He has work experience of 24 years in Constructions and administration. He is also the promoters of EFSIL and on the Board of the Company.	20.03.2006
Mr. A.K Mehta A-5, Empire Estate, Sultanpur, Mehrauli Gurgaon Road, New Delhi – 110030	Director	Pre- Engineering (Punjab University). He has 35 years of experience in management and administration	20.03.2006
Mr. Bijander Singh Village Mewla Maharajpur P.O Amar Nagar, Faridabad	Whole Time Director	B.A,L.LB having 15 years of experience	24.06.2002
Mr. S.M Gupta 42,Balbinder Apartment Mayor Bagh CGHS A-4 Paschim Vihar Delhi	Director	CA, having more than 19 years experience	01.04.2006
Mr. Amarjit Gupta Flat No. 152,Pocket B SFS Sheikh Sarai, Phase I New Delhi110017	Additional Director	BSC Engg.(Hons) in Electrical Engineering .He has more than 34 years of experience in the electrical department of	23.06.2006

		Indian Railways	

Changes in Board of Directors of target company from the date of Public Announcement till date is as follows:-

Name	**Date of Appointment**	Date of Cessation	Reason
Mr. A.K Birla	24.06.2002	31.03.2006	Resigned
Mr. Sanjay Gupta	24.06.2002	31.03.2006	Resigned
Mr. T.D Arora	25.03.2003	31.03.2006	Resigned
Mr. I.S Gulia	25.03.2003	31.03.2006	Resigned
Mr. S.M Gupta*	01.04.2006	-	Appointed
Mr. Amarjit Gupta*	23.06.2006	-	Appointed

*Mr. S. M Gupta and Mr. Amarjit Gupta are not related to nor are representative of the Acquirer or PACs in any manner whatsoever.

6.12 Mr. H. S Bharana has been the promoter of the target company since incorporation. He has been the director of the target company since incorporation. Subsequently he resigned from the Board of Directors and Chairmanship of the target company w.e.f June 30,2002. He has again been appointed as additional director in the company on March 20,2006. There is no nominee director of the promoter on the board of the target company.

6.13 Comparison of Performance of the company

6.14.1 Comparison of Performance for Financial year ended 31st March 2006 vis-à-vis 31st March 2005

Revenues

During the year 2005-6-05, the Company has diversified into real estate and the major revenues are from real estate business. The total revenue for the year stands at Rs. 118.84 registering an increase of 199.6% over the previous year.

Other Income

The other income for the year 2004-05 includes long term capital gain on sale of agricultural land & investment amounting to Rs. 356.58 lacs.

Expenditure

The administrative & other expenses expenditure have gone down from Rs. 54.19 Lacs to Rs. 15.46 lacs during the year.

Depreciation

Depreciation has decreased from Rs. 4.72 Lacs to Rs. 0.08 Lacs during the year on account of sale of fixed assets.

Profit after tax

The Company booked profit after tax of Rs. 438.64 Lacs, recording a growth of 5.18 times against the previous year.

6.14.2. Comparison of Performance for Financial year ended 31st March 2005 vis-à-vis 31st March 2004

Revenues

During the year 2004-05, the Company has earned revenue from sale of shares apart from its income from lease & interest charges registering an increase of 66.54% over the previous year.

Other Income

The other income for the year 2004-05 includes long term capital gain on sale of investment amounting to Rs. 115.92 lacs.

Expenditure

The administrative & other expenses expenditure accounted for Rs. 54.19 Lacs during the year has registered an increase of 187.02% over the previous year on account of loss on sale of fixed assets amounting to Rs. 42.54 lacs.

Depreciation

Depreciation has decreased from Rs. 12.93 Lacs to Rs. 4.72 Lacs during the year on account of sale of fixed assets.

Profit after tax

The Company booked profit after tax of Rs. 84.70 Lacs, recording an annual growth of 732.02% during the year.

6.15 The pre and post offer shareholding of the target company is as follows:-

S. No	**Sharehol-ders Category**	**Shareholding & voting rights prior to the acquisition and offer 31st March 2006**			**Shareholding & voting rights agreed to be Acquired which triggered off the regulation**			**Shareholding & voting rights to be acquired in open offer (Assuming full Acceptances)**			**Shareholding & voting rights after the acquisition and offer**			**Shareholding & voting rights post preferential allotment**		
		A						C			D=A+B+C					
		No. of Shares (%)	No. of Warrants (%)	Total (%)	No. of Shares (%)*	No. of Warrants (%)*	Total (%)*	No. of Shares (%)*	No. of Warrants (%)*	Total (%)*	No. of Shares (%)*	No. of Warrants (%)*	Total (%)*	No. of Shares (%)*	No. of Warrants (%)*	Total (%)*
1	**Promoter Group**															
A	Parties to agreement, if any															
	H.S. Bharana	863385 (16.20)	-	863385 (16.20)	250000 (2.26)	750000 (6.77)	10,00,000 (9.0)	22,16,000 (20.00)	-	22,16,000 (20.00)	4189385 (37.81)	1000000 (9.03)	5189385 (46.84)	4189385 (37.81)	1000000 (9.03)	5189385 (46.84)
	Era Constructions (India) Limited	110000 (2.06)	-	110000 (2.06)	750000 (6.77)	250000 (2.26)	10,00,000 (9.03)									
B	Promoters other than (a) above															
I	R. S Bharana	66900 (1.26)	-	66900 (1.26)	-	-	-	-	-	-	66900 (0.60)	-	66900 (0.60)	66900 (0.60)	-	66900 (0.60)
ii	Dhiraj Singh	128200 (2.40)	-	128200 (2.40)	-	-	-	-	-	-	128200 (1.16)	-	128200 (1.16)	128200 (1.16)	-	128200 (1.16)
Iii	Hi Point Investments &Finance Pvt Ltd	56,000 (1.05)	-	56,000 (1.05)	-	-	-	-	-	-	56,000 (0.51)	-	56,000 (0.51)	56,000 (0.51)	-	56,000 (0.51)
iv	Below 1 %	364540 (6.84)	-	364540 (6.84)	-	-	-	-	-	-	364540 (3.29)	-	364540 (3.29)	364540 (3.29)	-	364540 (3.29)
	Total 1(A+B)	1589025	-	29.81	1000000	1000000	2000000	22,16,000		22,16,000	4805025	1000000	5805025	4805025	1000000	5805025

2	Acquirers															
A	Main Acquirer	(Same as promoters above)														
B	PACs															
I	Peshwa Realtors Pvt Ltd	-	-	-	2,50,000 (2.26)	10,00,000 (9.03)	12,50,000 (11.28)	Nil	Nil	Nil	2,50,000 (2.26)	10,00,000 (9.03)	12,50,000 (11.28)	2,50,000 (2.26)	10,00,000 (9.03)	12,50,000 (11.28)
Ii	Sachet Reality Private Limited	-	-	-	2,50,000 (2.25)	10,00,000 (9.03)	12,50,000 (11.28)	Nil	Nil	Nil	2,50,000 (2.25)	10,00,000 (9.03)	12,50,000 (11.28)	2,50,000 (2.25)	10,00,000 (9.03)	12,50,000 (11.28)
(3)	Parties to agreement other than (1)(a) &(2)	N.A														
(4)	**Public (other than parties to agreement, acquirers & PACs)**															
A	FIs / MFs/ FIIs/ Banks, SFIs	-		-	-	-	-									
B	Corporate	2,68,020 (5.03)		2,68,020 (5.03)	12,50,000 (11.28)	Nil	12,50,000 (11.28)	(22,16,000) (20.00)	-	(22,16,000) (20.00)	27,74,975 (25.04)	-	27,74,975 (25.04)	27,74,975 (25.04)	-	27,74,975 (25.04)
C	NRI / OCB/ Indian Public	34,71,955 (65.14)		34,71,955 (65.14)	-	-	-									
D	Others	1000 (0.02)		1000 (0.02)	-	-	-									
	Total (4)(a+b+c+d)	3740975 (70.19)		3740975 (70.19)	12,50,000 (11.28)	-	12,50,000 (11.28	(22,16,000) (20.00)	-	(22,16,000) (20.00)	27,74,975 (25.04)	-	27,74,975 (25.04)	27,74,975 (25.04)	-	27,74,975 (25.04)
	Grand Total (1+2+3+4)	5330000		5330000	27,50,000	30,00,000	57,50,000	0	0	0	80,80,000	30,00,000	1,10,80,000	80,80,000	30,00,000	1,10,80,000

* % of post preferential issue expanded capital

6.16 Changes in shareholding of the Promoter and the Promoter Group, as and when it happened in the target company along with status of compliance with the applicable provisions of SEBI (SAST) Regulations/other applicable regulations under the SEBI ACT 1992 and other statutory requirements, as applicable:

Mr. H. S Bharana

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	Status of compliance
4.11.1992	1	00.00	Allotment for Cash	Complied with
20.03.1993	1,00,110	1.88	Allotment for Cash	Complied with
30.06.1994	4,900	0.00	Allotment for Cash	Complied with
25.03.1994	1,37,470	2.58	Allotment for Cash	Complied with
01.12.1995	2,10,000	3.94	Allotment for Cash	Complied with
16.02.1996	8,21,500	15.41	Allotment for Cash	Complied with
F.Y 1996-97	(4,52,396)	(8.49)	Market Sales	Complied with
F.Y 1997-98	20,000	00.37	Market Purchases	Complied with
F.Y 2000-01	(100)	00.00	Market sales	Complied with
F.Y 2001-02	15,000	00.28	Market Purchases	Complied with
F.Y 2005-06	6900	00.13	Transfer	Complied with
Total	**8,63,385**	**16.20**		

Mr. R. S Bharana

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	status of compliance
1.12.1995	1,900	0.04	Allotment for Cash	Complied with
16.02.1996	65,000	1.22	Allotment for Cash	Complied with
Total	**66,900**	**1.26**		

Mr. Dhiraj Singh

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	status of compliance
16.02.1996	1,28,200	2.40	Allotment for Cash	Complied with
Total	1,28,200	**2.40**		

Era Construction (India) Ltd

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	Status of compliance
30.06.1994	60,000	1.13	Allotment for Cash	Complied with
25.03.1994	50,000	0.93	Allotment for Cash	Complied with
Total	**1,10,000**	**2.06**		

Hi Point Investments &Finance Pvt Ltd

Date	Number of shares issued/sold /acquired	% of paid up capital	Mode of transaction	Status of compliance
25.03.1994	40,000	0.75	Allotment for Cash	Complied with
01.12.1995	8,300	0.16	Allotment for Cash	Complied with
16.02.1996	3,500	0.06	Allotment for Cash	Complied with
1998-99	3,700	0.07	Market Purchases	Complied with
2000-01	500	0.01	Market Purchases	Complied with
Total	**56,000**	**1.05**		

6.17 The statutory auditors of EFSIL have vide their letter dated 12th April 2006,certified, for the year ended 31st March 2006,that in their opinion and to the best of their information and according to the explanation given to them, and the representations made by the directors and management, ECIL has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement.

6.18 EFSL has confirmed that applicable legal provisions, in particular the provisions of SEBI Takeover Code, as in force at the relevant times and SEBI (Prohibition of Insider Trading) Regulations, 1992 were complied with by the Promoters / persons acting in concern with them and EFSL, at the time of each change in the Promoter's shareholding, including changes in the shareholding of the persons acting in concert.

6.19 The details of pending litigations as on date of letter of offer of the target company are as follows:-

i. Pertaining to Criminal Laws:

Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Amount Involved (in Rs.)
EFSIL V/s. Rohini Strips Ltd. & others. Cases No. 1694 of 2001 and 1695 of 2001	CMM Patiala House Delhi	Cheques received by EFSIL towards financing of lease assets were returned due to insufficient funds and excess arrangement.	03.06.98	Warrants have already been served and the concerned party is repaying the amounts involved in installments	243584.00

ii. Pertaining To Securities Laws: Nil

iii. Pertaining To Statutory Laws: Nil

iv. Pertaining To Civil Laws: Nil

v. Pertaining To Labour Laws: Nil

6.20 The details of Compliance Officer is :-

Mr. Rupesh Purwar
Company Secretary
Era Financial Services(India)Ltd
10/1, Nehru Enclave (East),
Kalkaji, New Delhi –110019
Ph: +91 11 26234729-31
Fax+91 11 26234733

7. OFFER PRICE & FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Shares of the Target Company are listed on the Bombay Stock Exchange Limited, Mumbai ("BSE"). The shares of the company are frequently traded within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations. The annualised trading turnover during the preceding six Calendar months prior to March 2006 in the Stock Exchanges is detailed below:-

S.No	Name of Stock Exchange	Total No. Of Equity Shares traded during the 6 calendar months prior to March, 2006*	Total no. Of equity shares listed	Annualised trading turnover (in terms of % to total no. Of shares)
1.	BSE	12,18,362	53,30,000	45.72%

*As per official website of BSE (www.bseindia.com)

7.1.2 **The Offer price of Rs 62.20/- is justified in terms of Regulation 20(4) of the SEBI (SAST) regulation 1997, in view of the following: -**

The negotiated price under the agreement for acquisition of shares/voting rights	**Not Applicable**
Price paid by acquirer or PACs with him for acquisition, if any by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	**Not Applicable**
The price to be paid by the Acquirer and PACs for proposed allotment of shares/warrants by way of preferential issue	**Rs 54.35**
The average of weekly high and low of the closing prices of the shares of the target company as quoted on BSE during twenty-six weeks prior to PA for the week ending on 29th March 2006	**Rs 27.24**
The average of the daily high and low of the prices of the shares during two weeks preceding date of Board Meeting for approval of preferential allotment for the week ending on 24th March 2006	**Rs 54.90**

Following are the average of the weekly high and low of the closing prices and volume data for 26-week period ended on March 29,2006 i.e the weeks preceding the date of P.A.
(at BSE) (Source: www.bseindia.com)

No. of Weeks	Week Ended	Weekly High (In Rupees)	Weekly Low (In Rupees)	Average	Volume (No. of Shares)
1	29th Sep-5th Oct 2005	18.30	16.10	17.20	24,354
2	6th Oct-11th Oct 2005	16.35	15.50	15.93	15,476
3	13th Oct-19th Oct 2005	15.05	13.60	14.34	27,409
4	20th Oct-26th Oct 2005	18.95	15.65	17.30	13,999
5	27th Oct- 2nd Nov 2005	19.70	18.05	18.88	66,714
6	7th Nov –9th Nov 2005	19.75	18.85	19.30	35,275
7	10th Nov-16th Nov 2005	20.40	19.00	19.70	79,723
8	17th Nov –23rd Nov 2005	19.90	18.95	19.43	55,178
9	25th Nov-30th Nov 2005	18.35	16.30	17.34	43,848
10	1st Dec - 7th Dec 2005	16.25	15.45	15.85	33,213
11	8th Dec-14th Dec 2005	16.15	15.10	15.625	27,781
12	15th Dec –21st Dec 2005	15.00	14.75	14.88	15,902

13	22nd Dec-28th Dec 2005	15.50	14.50	15.00	28,132
14	29th Dec –4th Jan 2006	19.60	16.20	17.90	24,385
15	5th Jan-10th Jan 2006	23.70	20.55	22.13	30,150
16	12th Jan- 18th Jan 2006	28.70	24.85	26.78	85,625
17	19th Jan- 25th Jan 2006	33.80	27.90	30.85	1,04,791
18	27th Jan –1st Feb 2006	41.00	35.45	38.23	77,083
19	2nd Feb –8th Feb 2006	39.00	34.00	36.50	1,01,490
20	10th Feb-15th Feb 2006	38.15	33.00	35.58	20,639
21	16th Feb-22nd Feb 2006	42.05	37.10	39.56	58,206
22	23rd Feb-1st March 2006	37.25	33.50	35.38	39,781
23	2nd March-8th March 2006	38.90	33.65	36.28	28,801
24	9th March-14th March 2006	47.10	40.80	43.95	39,800
25	16th March-22nd March 2006	60.00	49.45	54.73	52,356
26	23rd March-29th March 2006	76.50	63.00	69.75	57,500
Average of weekly High & Low				**27.24**	

Following are the prices and volume data for 2-week period preceding the date of board meeting considering preferential allotment. (at BSE) (Source: www.bseindia.com)

Dated	**Daily High (In Rupees)**	**Daily Low (In Rupees)**	**Average**	**Volume**
13th March 2006	44.90	44.90	44.90	3950
14th March 2006	47.10	47.10	47.10	4050
16th March 2006	49.45	49.45	49.45	6708
17th March 2006	51.90	51.90	51.90	4946
20th March 2006	54.45	54.45	54.45	6503
21st March 2006	57.15	57.15	57.15	4450
22nd March 2006	60.00	60.00	60.00	29749
23rd March 2006	63.00	63.00	63.00	9920
24th March 2006	66.15	66.15	66.15	1809
Average of 2 Weeks			**54.90**	

7.1.3 The Acquirer and PACs have not acquired any shares from date of PA to date of filing of LOO with SEBI.

7.1.4 There is no non-compete agreement

7.2 Financial Arrangement

7.2.1 The total fund requirement for the acquisition of 22,16,000 equity shares, being 20% of the voting capital of EFSIL, at Rs.62.20/- per share is Rs. 13,78,35,200 only (Rupees Thirteen Crores Seventy Eight Lakhs Thirty Five Thousand and Two hundred only).

7.2.2 Mr. K. C Gupta Partner of M/s. P.C. Bindal & Co. (Membership No. 88638), Chartered Accountants, having Office at 101 Sitaram Mansion, 718 Joshi Road, Karol Bagh, New Delhi–110005. has certified vide certificate dated 29.03.2006 that the Acquirer have sufficient resources to fulfill their obligations under this Offer and that Acquirer has made firm arrangement for meeting their obligation under SEBI(SAST) Regulations,1997

7.2.3 In accordance with the Regulation 28 of SEBI(SAST)Regulations 1997, an escrow account has been created in the form of deposit with Bank and Bank guarantee. The acquirer has opened an escrow deposit account of Rs 3,50,00,000/-(Rupees Three Crores Fifty Lakh only) with Union Bank of India,4/14, Asaf Ali Road, New Delhi, with lien and authority marked in favour of manager to the offer, which is more than 25% of the amount required for open offer. Further the acquirer has also arranged a Bank guarantee from Union Bank of India,4/14, Asaf Ali Road, New Delhi, for Rs 10,50,00,000/-(Rs Ten Crores Fifty Lakh only) in favour of the manager to the offer, which is more than 75% of the amount required for open offer. The Acquirer has empowered manager to the offer to realize the value of the aforesaid Escrow account and Bank Guarantee

7.2.4 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 the SEBI (SAST) Regulations. The Offer will be implemented by the Acquirers through their own funds and internal resources.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 This Letter of Offer together with the Form of Acceptance has been mailed to the Shareholders of EFSIL whose names appear on the Register of Members of EFSIL and to the beneficial owners of the Equity Shares of EFSIL whose names appear on the beneficial records of the respective depositories at the close of business on Monday, April 3, 2006 (the"Specified Date").

8.2 All Equity Shares tendered and accepted under the Offer, will be acquired by the Acquirer, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Equity Shares to the Acquirer will be preconditions for acceptance of the tendered Equity Shares. Besides the Equity Shares allotted by EFSIL to the Acquirer consequent to the Preferential Issue, EFSIL does not have any Equity Shares that are subject to lock-in.

8.3 Non-resident shareholders, if any, will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of EFSIL, except where the shares have been acquired under automatic route/exemption order of RBI. In case of previous RBI Approvals not being submitted, the Acquirers reserves the right to reject the shares tendered in the offer.

8.4 All equity shareholders of EFSIL (except the Acquirer and the Promoters), whose names appear in the register of members of EFSIL as of Monday, April 3, 2006 and also persons (except the Acquirer, the PACs and the Promoters), who acquire any Equity Shares of EFSIL at any time prior to the closure of the Offer, whether or not they are registered shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

8.5 The acceptance of the Offer made by Acquirer is entirely at the discretion of the shareholders of EFSIL and each shareholder of EFSIL to whom this Offer is being made, is free to offer his shareholding in EFSIL, in whole or in part while accepting the Offer by way of the Offer as per the instructions contained in the aforementioned circular As on the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer

8.6 As on the date of this Letter of Offer, no statutory or regulatory approval is required for the Acquirer to proceed with this Offer If any other such approvals are required subsequently, the Offer would be subject to such additional approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals indicated above are refused in terms of Regulation 27(b) of the SEBI (SAST) Regulations.

8.7 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment of consideration under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. If the delay occurs due to the willful default or neglect or inaction or non-action on the part of the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

8.8 The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12), SEBI may, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, at such rates as may be specified by SEBI.

8.9 Applications in respect of Equity Shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these Equity Shares are not received together with the Equity 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.

8.10 Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

8.11 The instructions, authorisations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

8.12 Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the Equity Shares, including dispatch payment of consideration to the shareholders who have accepted the Offer, by September 28, 2006,Thursday.

8.13 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.14 This Offer is not subject to any minimum level of acceptance from the shareholders. This Offer is being made by the Acquirer to the public shareholders of EFSIL to acquire up to 22,16,000 Equity Shares, representing 20% of the equity share capital of the Target Company. The Acquirer will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the Equity Shares of EFSIL for which this Offer is made.

8.15 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.16 The Acquirer is permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer (i.e. September 4, 2006,Monday). If there is any upward revision in the Offer Price before the last date of revision (i.e. September 4, 2006,Monday) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer to all shareholders who tender their Equity Shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.

8.17 Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting Equity Shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. September 13, 2006,Wednesday else the application would be rejected.

8.18 The instructions, authorisations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1. Shareholders of EFSIL, who wish to avail this Offer should forward the under mentioned documents by **hand delivery or by registered post** to the Registrar to the Offer at the address of the registrar so as to reach the Registrar on or before the date of closure of the Offer (i.e., September 13, 2006,Wednesday)

In the case of demat Equity Shares, the Registrar is not bound to accept Equity Shares, which are not credited to the Special Depository Account as on the date of closure of the Offer, i.e. September 13, 2006,Wednesday

9.2 For equity share held in physical form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ first shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with EFSIL and duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The transfer deed should been left blank, excepting the signatures as mentioned above.

9.3 For equity share held in demat form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ all shareholders whose names (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.
- A photocopy of the Delivery Instruction Slip duly acknowledged by the Depository Participant ("DP") filled as per the instructions given hereunder:
- The Beneficial Owners who hold Equity Shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and

crediting the Special Depositary Account. The credit in the Special Depository Account should be received on or before 3 p.m as on the date of closure of the Offer, i.e. September 13, 2006,Wednesday

- The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.
- The Registrar to the Offer Beetal Financial & Computer Services (P) Ltd, has opened a special depository account. Beneficial owners holding Equity Shares in the demat form, will be required to send their Form of Acceptance to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, i.e. September 13, 2006,Wednesday along with 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 "Beetal A/c Era Financial -Open offer Escrow Account filled in with details given below:

DP Name	Abhipra Capital Ltd
DP ID Number	IN300206
Beneficiary Account Number	10876142
Client ID	Beetal A/c Era Financial -Open offer Escrow Acc
Depository	National Securities Depository Limited

For Equity Shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars.

Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account with NSDL.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the shareholder.

9.4 The address of the Registrar for the purpose of the Offer is as follows:-

Beetal Financial & Computer Services (P) Ltd
Beetal House,3rd Floor,99 Madangir
Behind Local Shopping Centre, New Delhi 110062
Tel:+91 11 29961281
Fax: +91 11 29961284

Business Hours: Monday to Saturday: 10.00 a.m. to 3.00 p.m.

Holidays : Sundays and Bank Holidays

9.5 Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centers, to the Registrar at the addresses as mentioned hereinabove during business hours indicated above other than on holidays.

Please note that the Share Certificates/ Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer or the Target Company. Such documents should NOT be sent to the Manager to the Offer

9.5 All owners of Equity Shares registered or unregistered, who own the Equity Shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer. They are required to submit, besides the documents as mentioned i above, other documents to prove their title to the Equity Shares offered for acceptance, such as a copy of the contract note issued by the broker through whom they acquired their Equity Shares on or before the close of the Offer, i.e. September 13, 2006,Wednesday , transfer deed(s) executed by the registered holders of the Equity Shares in addition to the Form of Acceptance and share certificate(s). No indemnity is required from the unregistered owners. Unregistered owners, if they so desire, may also apply on the Form of Acceptance downloadable from SEBI's website (www.sebi.gov.in). Notwithstanding that the signature(s) of the transferor(s) have been witnessed as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with EFSIL or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Equity Shares.

9.6 In case of non-receipt of the Letter of Offer, shareholders may send their acceptance of the Offer to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Equity Shares held, Distinctive Number., Folio Number, Number of Equity Shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of closure of the Offer (i.e. September 13, 2006,Wednesday). No indemnity is required in this regard. Shareholders who have lodged their Equity Shares for transfer with EFSIL must also send the acknowledgement, if any, received from EFSIL towards such lodging of Equity Shares.

9.7 As per the provisions of Section 196 D(2) of the Income-tax Act, 1961, 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 of the Income-tax Act, 1961, payable to a Foreign Institutional Investor. While tendering Equity Shares under the Offer, NRI/ OCB/ foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring Equity Shares of EFSIL and a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject the Equity Shares. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

9.8 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
- Duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s);
- No objection certificates from the chargeholder/ lender, if the Equity Shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- In case of companies, the necessary corporate authorisation (including Board Resolutions);
- Any other relevant documentation.

9.9 Payment of consideration will be made by crossed account payee cheques/ demand drafts and sent by registered post and /or courier in case of consideration amount exceeding Rs. 1,500/- (under Certificate of Posting otherwise) to those shareholders whose share certificates and other documents are found in order and accepted by the Acquirer. All cheques /demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

9.10 In case of physical Equity Shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance duly filled in and the transfer deed(s) on behalf of shareholders of EFSIL who have accepted the Offer, till the cheques/ drafts for the consideration and/ or the share certificates are posted.

9.11 In case of demat Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for credit to the beneficial account of the Acquirer.

9.12 Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the Equity Shares, including dispatch of consideration to the shareholders who have accepted the Offer, by September 28, 2006,Thursday

9.13 In case of physical Equity Shares, to the extent the Equity Shares are not accepted under the Offer, the rejected Share Certificates, transfer deeds and other documents, if any, will be returned by registered post by the Registrar to the Offer to the shareholders /unregistered owners. Subject to the necessary approval from RBI, for the physical Equity Shares accepted under the Offer, the Registrar shall take action for transferring the Equity Shares to Acquirer after the consideration cheques are released to the shareholders concerned.

9.14 The Equity Shares held in demat form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owner. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. Subject to the necessary approval from RBI, for the Equity Shares lying in the Special Depository Account, the Registrar shall take action for transferring the Equity Shares to Acquirer after the consideration cheques are released to the Beneficial Owners.

9.15 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to three working days prior to the date of Closure of the Offer. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before September 8, 2006,Friday

- The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.
- The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal.
- Shareholders should enclose the following:-

For Equity Shares held in demat form beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
- Photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP. For Equity Shares held in physical form Registered shareholders should enclose:
- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
- In case of partial withdrawal, Valid Share Transfer 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 EFSIL and duly witnessed at the appropriate place. Unregistered owners should enclose:
- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
- The withdrawal of Equity Shares will be available only for the Share certificates/ Equity Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
- The intimation of returned Equity Shares to the shareholders will be sent at the address as per the records of EFSIL/ Depository as the case may be.
- The Form of Withdrawal along with enclosure should be sent to the Registrar to the Offer only.
- In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from EFSIL. The facility of partial withdrawal is available only to Registered shareholders.
- Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
- In case of physical Equity Shares: name, address, Distinctive Nos., Certificate Numbers., Folio Number, number of Equity Shares tendered
- In case of dematerialized Equity Shares: name, address, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Allianz Securities Limited,2nd Floor, Scindia House, Janpath, New Delhi - 110001 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

a. Minutes of Board Meeting of EFSIL held on 27th March 2006 approving allotment of shares and warrants on preferential basis

b. Minutes of EGM held on April 26,2006 approving allotment of shares and warrants on preferential basis

c. Copy of resolution passed through postal ballet approving change in object clause

d. Certificate of Incorporation, Memorandum and Articles of Association of the Era Construction (India)Ltd, Peshwa Realtors Private Limited and Sachet Reality Private Limited

e. Networth certificate of Mr. H.S.Bharana as certified by Mr. K. C Gupta(membership no. 88638), Partner of M/s P. C Bindal & Co, Chartered Accountants , having their office at 101,Sita Mansion, 718/21,Joshi Road, Karol Bagh, New Delhi-110005 Tel No:+91 11.23549822/ 23/ 24.

f. Certificate from Mr. K. C Gupta Partner of M/s. P.C. Bindal & Co. (Membership No. 88638), Chartered Accountants, having Office at 101 Sitaram Mansion, 718 Joshi Road, Karol Bagh, New Delhi–110005. regarding financial adequacy of Acquirer to fulfill the open offer

g. Audited Annual Report of ECIL for F.Y 2004-05,2003-04,2002-03

h. Audited Annual Report of EFSIL for 2004-05,2003-04,2002-03

i. Certificate from Union Bank of India, New Delhi, confirming the amount placed in escrow towards the proposed Offer, with a lien in favour of Allianz Securities Limited, Manager to the Offer.

j. Bank Guarantee from Union Bank of India, New Delhi, in favour of Allianz Securities Limited, Manager to the Offer

i. Copy of the Board Resolution of ECIL, authorizing Mr.H.S.Bharana to be the authorized signatory to the Letter of Offer.

j. Published copies of Public Announcement made on March 31, 2006 by the Acquirer and the PACs.

K. A copy of the agreement entered into with the Depository participant for opening a special depository account for the purpose of the offer.

l. Copy of RBI letter dated April 19,2006(No. 4282/S.S.B/05.05.023/2005-06) giving its No Objection for the name change of the company

M. Copy of RBI letter dated July 3,2006(No. DNBS.ND.No./31/MSB/05.19.131/2005-06) regarding cancellation of NBFC Certificate of Registration.

11. DECLARATION BY THE ACQUIRER AND PERSONS ACTING IN CONCERT

The Acquirer and the PACs accept joint and several responsibilities for the information contained in this Letter of Offer and also for their obligations under the SEBI (SAST) Regulations. The Acquirer and each PACs is responsible for their respective obligations in terms of the SEBI (SAST) Regulations.

All information contained in this document is as of the date of the Public Announcement, unless stated otherwise

Signed by all the Acquirer and the PACs

	For and on behalf of: Era Construction (India) Limited
Mr. H.S Bharana	Mr. J.L Khushu Director
For and on behalf of: Peshwa Realtors Private Limited	**For and on behalf of:** Sachet Reality Private Limited
Mr. A.K Birla Director	Mr. A.K Birla Director

Place: New Delhi
Date: August 11,2006

Encl.:
1) Form of Acceptance-cum-Acknowledgement
2) Form of Withdrawal
3) Transfer Deed for Shareholders holding Equity Shares in Physical Form

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance cum Acknowledgement with enclosures to **Beetal Financial & Computer Services(P)Limited** *at the address as mentioned in the Letter of Offer)*

From
Name:
Address:
Tel No:
Fax:
email:

OFFER
Opens on: August 25, 2006, Friday
Last date of withdrawal: September 8, 2006, Friday
Closes On: September 13, 2006, Wednesday

Mr. H. S Bharana on behalf of Acquirer & PACs
C/o Beetal Financial & Computer Services(P)Limited, Beetal House, 3rd Floor,99 Madangir, Behind Local Shopping Centre, New Delhi-110062
Dear Sir,

Sub: To acquire up to 22,16,000 fully paid up Equity Shares of Rs. 10/- each representing 20% of the expanded paid-up equity share capital of Era Financial Services (India) Ltd. ("EFSIL" or "Target Company") at a price of Rs. 62.20 (Rupees Sixty Two and Twenty Paisa only) per fully paid up equity Shares ("Offer Price") payable in cash.

I/We refer to the Letter of Offer dated August 11,2006 for acquiring the Shares held by me/us in Era Financial Services (India) Limited**.** I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

S.No	Folio	Certificate No.	Distinctive No.		No. of shares
			From	To.	
				Total	

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding Shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by my/our DP in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have done an off-market transaction for crediting the Shares to the depository account with Abhipra Capital Limited at NSDL styled "Beetal A/c Era Financial -Open offer Escrow Acc" whose particulars are:

DP Name: Abhipra Capital Ltd	DP ID: IN300206	Client ID: 10876142

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

☐ Power of Attorney

☐ Corporate authorisation in case of companies along with Board Resolution and specimen signatures of authorised signatories

☐ No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961 for NRIs/OCBs/Foreign Shareholders as applicable.

☐ Death /Succession Certificate

☐ Others (please specify)

- I/We confirm that the Shares of Era Financial Services (India) Ltd, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.
- I/We note and understand that the original Share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time Acquirer. PACs pays the purchase consideration as mentioned in the Letter of Offer.
- I/We also note and understand that Acquirer /PACs will pay the purchase consideration only after verification of the documents and signatures.
- I/We authorise Acquirer and the PACs to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
- I/We note and understand that the Shares would lie in the Special Depository Account until the time Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
- I/We authorise Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorise Acquirer/PACs to return to me/us, Share certificate(s) in respect of which the Offer is not found valid/not accepted.

So as to avoid fraudulent encashment in transit, shareholder(s) should provide details of Bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank	Address:
Account Number	Savings/current/others

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE HOLDER	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed

Place:
Date

________________________________Tear along this Line______________________________________

Acknowledgement Slip :

Era Financial Services (India) Limited – Open Offer (to be filled in by the shareholder)

Sr. No

Received from
Mr./Ms./M/s.____

Physical Shares: Folio No. _________________ / Demat Shares: Client ID____________________ ; DP ID _______________________;

Form of Acceptance along with:

☐ Physical Shares: No. of Shares___________ ; No. of certificates enclosed________________________

☐ Demat Shares: Copy of delivery instruction for ______________number of Shares enclosed

(Tick whichever is applicable)

Stamp of Collection Center

Signature of Official _________________ Date of Receipt ___________________

INSTRUCTIONS

1. In the case of dematerialised Shares, the shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. September 13, 2006,Wednesday. The Form of Acceptance-cum-Acknowledgement of such demat Shares not credited in favour of the Special Depository Account, before the Date of Closure of the Offer will be rejected.

2. Share holders should enclose the following :

I. For Shares held in demat form:-

Beneficial owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.

II. For Shares held in physical form:-

Registered Shareholders should enclose

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.
- **Original Share certificate(s)**.
- **Valid transfer deed(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 Era Financial Services (India) Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

  The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of Acquirer as buyer will be filled by them upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

III. Unregistered owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share certificate(s).
- Original broker contract note.
- Valid Share transfer deed(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

3. The Share certificate(s), share transfer form(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 Acquirer or PACs

4. Shareholders having their beneficiary account in 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.

5. Non-resident shareholders should enclose a copy of the permission received from RBI for the Shares held by them in Era Financial Services(India)Limited

6. Non resident shareholders should enclose No Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the shareholder on the entire consideration payable by the Acquirer

7. It is mandatory for Shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration would be made to the bank account of the sole/ first shareholder. The payment would be made at par to all the shareholders.

8. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the office of Beetal Financial & Computer Services Private Limited as stated in the Letter of Offer.

9. Rejection of Shares

If the Shares are rejected for any of the following reasons, the Shares will be returned to the holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.

a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of EFSIL
b. The transfer deed is not complete or that the signatures do not match the specimen recorded with EFSIL
c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical Share certificate(s) submitted or in case of dematerialised Shares; the Shares in the Form of Acceptance-cum-Acknowledgement do not tally with the instruction to the depository participant.
d. The relevant documents, as applicable, mentioned above at 2 and in addition at 5 and 6 for non-resident shareholders are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid 'no-objection' certificate is not submitted.

9. All documents / remittances sent by or to shareholders will be at their own risk. Shareholders of EFSIL are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement

10. Neither the acquirer or PACs or the Manager, the Registrar or EFSIL will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the Special Depository Account or submission of original physical Share certificate(s) due to inaccurate/incomplete particulars/instructions on your part, or for any other reason.

11. Applicants who cannot hand deliver their documents at the address of the registrar, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer, Beetal Financial & Computer Services(P)Limited, Beetal House, 3rd Floor,99 Madangir, Behind Local Shopping Centre,New Delhi-110062 so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. September 13, 2006,Wednesday

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor,99 Madangir
Behind Local Shopping Centre
New Delhi – 110062, India
Tel : + 91 11 29961281
Fax : + 91 11 29961284
E-mail : beetal@beetalfinancial.com
Contact Person:Mr. Puneet Mittal

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*(Please send this Form of withdrawal with enclosures **to*** **Beetal Financial & Computer Services(P)Limited** *at the address as mentioned in the Letter of Offer)*

From:

Name:
Address:
Tel No:
Fax:
email:

OFFER
Opens on: August 25,2006,Friday
Last date of withdrawal: September 8, 2006,Friday
Closes On: September 13, 2006,
THIS FORM SHOULD BE USED BY SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROVIDED IN THE LETTER OF OFFER

To,
C/o Beetal Financial & Computer Services(P)Limited,
Beetal House, 3rd Floor,99 Madangir, Behind Local Shopping Centre,New Delhi-110062
Dear Sir,

Sub: To acquire up to 22,16,000 fully paid up Equity Shares of Rs. 10/- each representing 20% of the expanded paid-up equity share capital of Era Financial Services (India) Ltd. ("EFSIL" or "Target Company") at a price of Rs. 62.20 (Rupees Sixty Two and Twenty Paisa only) per fully paid up equity Shares ("Offer Price") payable in cash.

I/We refer to the Letter of Offer dated August 11,2006 for acquiring the Shares held by me/us in Era Financial Services (India) Limited
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.
I/We have read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/we further authorise the Acquirer to return to me/us, tendered Share certificate(s)/Share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer / PAC/Manager to the Offer/Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the address as mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
I/We note that the Acquirer/PACs/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer shall return original Share certificate(s), Share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of tendered original Share certificate(s), which I/we wish to withdraw are detailed below:

S.No	**Folio No.**	**Certificate No.**	**Distinctive No.**		**No. of shares**
		Tendered	**From**	**To.**	
		Withdrawn			
				Total	

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding Shares in demat form, have tendered the shares in the offer and had done off-market transaction for crediting the shares to the special depository account Abhipra Capital Limited at NSDL styled "Beetal A/c Era Financial -Open offer Escrow Acc" whose particulars are:

DP Name: Abhipra Capital Ltd	DP ID: IN300206	Client ID: 10876142

Please find enclosed a photocopy of the depository delivery instruction(s)duly acknowledged by the Depository Participant. The particulars of the account from which my/our shares have been tendered are as detailed below:-

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard. .I/We confirm that the particulars given above are true and correct.
In case of dematerialised Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,
Signed and Delivered

	FULL NAME(S) OF THE HOLDER	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed along with board resolution

Place:
Date:

____________________________________Tear along this line_____________________________________

Acknowledgement Slip :Form of Withdrawal

Era Financial Services (India) Limited – Open Offer (to be filled in by the shareholder)

Sr. No

Received from
Mr./Ms./M/s.____

(Tick whichever is applicable)
Form of withdrawal along with:

☐ Physical Shares: No. of shares tendered______________No. of shares withdrawn____________
Folio No. _________________

☐ Demat Shares: No. of shares tendered _______________Client ID____________________
DP ID ________________________;

Stamp of Collection Center

Signature of Official _________________ Date of Receipt ___________________ ☐

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. September 8, 2006,Friday .

2. Shareholders should enclose the following:-

I. For Shares held in demat form:-

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

II. For Shares held in physical form:-

Registered shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Financial Eyes(India)Ltd and duly witnessed at the appropriate place.

III. Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

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

4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

5. The Form of Withdrawal should be sent only to the Registrar to the Offer.

6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.

7.Only Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8. The Form of Withdrawal and other related documents should be submitted at the office of Beetal Financial & Computer Services Private Limited as stated in the Letter of Offer.

9. Applicants who cannot hand deliver their documents at the address of the registrar, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer, Beetal Financial & Computer Services(P)Limited, Beetal House, 3rd Floor,99 Madangir, Behind Local Shopping Centre,New Delhi-110062 so as to reach the Registrars to the Offer on or before the last date of withdrawal i.e. September 8, 2006,Friday

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor,99 Madangir
Behind Local Shopping Centre
New Delhi – 110062, India
Tel : + 91 11 29961281
Fax : + 91 11 29961284
E-mail : beetal@beetalfinancial.com
Contact Person:Mr. Puneet Mittal