

Annual Report 2005-06



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Era Financial Services (India) Limited



BOARD OF DIRECTORS

H.S. BHARANA

Chairman

BIJANDER SINGH

Whole Time Director

A.K. MEHTA

Director

S.M. GUPTA

Director

AMARJIT GUPTA

Director

RUPESH PURWAR

Company Secretary

MAIN BANKERS UNION BANK OF INDIA

Asaf Ali Road,
New Delhi

AUDITORS

P.C. BINDAL & CO.

Chartered Accountants

REGISTERED OFFICE

10/1, Nehru Enclave (East),
Kalkaji, New Delhi-110019
Ph.: +91 11 26234729-31,
Fax: +91 11 26234733

REGISTRAR & SHARE TRANSFER AGENT BEETAL FINANCIAL AND COMPUTER SERVICES (P) LIMITED

Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Complex,
Near Dada Harsukhdas Mandir,
New Delhi- 110 062
Ph.: +91 11 29961281-82,
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ERA FINANCIAL SERVICES (INDIA) LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA FINANCIAL SERVICES (INDIA) LIMITED WILL BE HELD ON THURSDAY, THE 7th SEPTEMBER, 2006 AT 11:00 A.M. AT CHANDIWALA AUDITORIUM, 3RD FLOOR, RESIDENTIAL BLOCK, CHANDIWALA ESTATE, MAA ANANDMAI ASHRAM MARG, KALKAJI, NEW DELHI-110019 TO TRANSACT THE FOLLOWING BUSINESSSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31st, 2006 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date together with reports of the Auditors' and Directors' thereon.
2. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of the Company and the Listing Agreement(s) entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and subject to any approval(s), consent(s), permission(s) or sanction(s) of the Central Government, Reserve Bank of India and any other appropriate authority(ies), institution(s) or Body(ies) [hereinafter collectively referred to as the appropriate authority(ies)], and subject to such conditions as may be prescribed by any one of them while granting any such approval(s), consent(s), permission(s), and /or sanction(s) [hereinafter referred to as the requisite approval(s)], which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), consent be and is hereby given to issue, offer and allot, in domestic/International offerings any securities including Global Depository Receipts and/or American Depository Receipts convertible into equity shares, equity shares, preference shares whether Cumulative / Redeemable/Convertible at the option of the Company and /or at the option of the holders of the security and/or securities linked to equity shares/preference shares and /or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into equity shares /preference shares (hereinafter referred to as Securities) to be subscribed by foreign / domestic investors/institutions and/or corporate bodies including mutual funds, banks, insurance companies and/or individuals or otherwise, whether or not such persons/entities/investors are Members of the Company as may be deemed appropriate by the Board and permitted under applicable laws and regulations upto an aggregate amount not exceeding US \$ 40 Million or equivalent with Green Shoe Option whether in Indian currency or foreign currency, inclusive of such premium as may be fixed on such securities, by offering such securities in one or more countries through public offer and/or offer letter and/or circular and/or information memorandum and/or such other documents/writings and such issue and allotment to be made at such time or times in one or more tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit, in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such others as are provided in Securities offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Securities during the duration of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such Securities on one or more stock exchanges including international Stock Exchanges, wherever permissible.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic and /or international practice and regulations, and under the forms and practices prevalent in securities markets.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and /or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable laws.

RESOLVED FURTHER THAT Board or any committee thereof be and is hereby authorized to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred above or as may be necessary in accordance with the terms of the offering, all such shares being pari-passu with the then existing shares of the Company in all respects, excepting such rights as to dividend as may be provided under the terms of the issue and in the offering document.

RESOLVED FURTHER THAT such of these securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in the best interest of the Company and is permissible at law.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution / trustees / agents and similar agreements / and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings



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of securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / charges under Section 293 (1) (a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or the Chairman, Managing Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. H.S.Bharana, be and is hereby appointed as a director of the Company, not liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. A. K. Mehta, be and is hereby appointed as a director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. S. M. Gupta, be and is hereby appointed as a director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Amarjit Gupta, be and is hereby appointed as a director of the Company liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the provisions of Section 94 of the Companies Act, 1956, and subject to such approvals from statutory authorities the Authorised Share Capital of the Company be increased from Rs. 12,00,00,000 /- (Rupees Twelve Crores only) divided into 1,20,00,000 equity shares of Rs. 10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 equity shares of Rs. 10/- each, ranking pari-passu in all respects with the existing equity shares of the company.

RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company be deleted and the following new Clause V be inserted namely:

V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten) each."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to section 293(1) (d) and other applicable provisions of the Companies Act, 1956, and in suppression of all earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money which together with the money already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), shall not exceed in the aggregate at any one time Rs. 500.00 crores (Rupees Five Hundred Crores only) irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be required for the purpose of giving effect to this resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Company do hereby accord its consent under section 293(1)(a) of the companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the company of all or any of the immovable and moveable properties of the company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the company in certain events for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/Banks/ insurance Companies or person or persons, and /or to secure any debentures issued and/or that may be issued and all interests, compound/additional interests, commitment charges, costs, charges, expenses and all other moneys payable by the company to the concerned lenders within the overall limit of Rs. 1000 Crores (Rupees One Thousand Crores only)."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT the Articles of Association of the company be and is hereby altered by adding new article no. 92 A after the existing article no. 92:

92A. Mr. H. S. Bharana will be the permanent director and chairman of the company."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT in partial modification of the resolution regarding allotment of 27,50,000 equity shares and 30,00,000 convertible warrants on preferential basis, passed at the Extraordinary General Meeting of the company held on 26.04.2006, the revised pre and post preferential shareholding pattern as given below be and is hereby received, considered and approved.

RESOLVED FURTHER THAT all acts done by management in this regard be and are hereby confirmed and ratified."



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Identity of the proposed Allottees	Present Holding	Proposed Allotment		Post preferential Holding		% of Post Issued Capital	
		Equity shares	Warrants	After Allotment of Equity Shares	After conversion of warrants	After Allotment of Equity Shares	After conversion of warrants
<u>Promoter / Promoter Group</u>							
1) H.S. Bharana	8,63,385	2,50,000	7,50,000	11,13,385	18,63,385	13.78	16.82
2) Era Constructions (I) Ltd	1,10,000	7,50,000	2,50,000	8,60,000	11,10,000	10.64	10.02
3) Peshwa Realtors Pvt. Ltd.	NIL	2,50,000	10,00,000	2,50,000	12,50,000	3.09	11.28
4) Sachet Reality Pvt. Ltd.	NIL	2,50,000	10,00,000	2,50,000	12,50,000	3.09	11.28
<u>Other Than promoter group</u>							
1) Him Realty (P) Limited	NIL	4,00,000	NIL	4,00,000	4,00,000	4.95	3.61
2) Eden Realty (P) Limited	NIL	4,00,000	NIL	4,00,000	4,00,000	4.95	3.61
3) Merlina Enterprises(P) Ltd	NIL	4,50,000	NIL	4,50,000	4,50,000	5.57	4.06
TOTAL		27,50,000	30,00,000				

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT in pursuance of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, as may be required, the name of the company be changed from Era Financial Services (India) Limited to 'ERA E-ZONE (INDIA) LIMITED.'

RESOLVED FURTHER TH, the name Era Financial Services (India) Limited wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name ERA E-ZONE (INDIA) LIMITED."

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution. "

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 198,269, 309,310,311, Schedule XIII, other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the reappointment of Mr. Bijander Singh, as whole time Director of the Company for a further period of one year w.e.f. 24th June, 2006 at a remuneration, as approved by the Remuneration Committee of the Company and as set out in the explanatory statement pertaining to this item, annexed to the notice convening this Annual General Meeting.

RESOLVED FURTHER that Sh. Bijander Singh, shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things in its absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution as may be otherwise considered by it to be in the best interest of the Company."

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT the Board of directors be and is hereby authorized, pursuant to section 293(1) (e) of the Companies Act, 1956 and other applicable provisions of law, to contribute at its discretion from time to time in any financial year by way of donations/ charities, or to subscribe to any body, institute, society, person, trust, fund etc., not directly related to the business of the Company or to the welfare of its employees, up to a total amount of Rs 10 Crores (Rupees Ten Crores) or such amount as may be permissible under the said section of the companies Act, 1956 whichever is greater."

By Order of the Board of Directors
for Era Financial Services (India) Limited.
Sd/-

(Rupesh Purwar)
Company Secretary

Place : New Delhi
Date : August 4, 2006



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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.
2. Explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.
3. Members requiring information about the Accounts to be explained at the meeting, are requested to send their queries at least ten days prior to the meeting at the Registered Office of the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 4th of September, 2006 to 7th September, 2006 (both days inclusive).
5. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
6. Members attending the meeting are requested to bring their copy of Annual Report.
7. The members are requested to notify the change in their address, if any, at the earliest.
8. The members holding shares in the physical form are requested to intimate to the Registrar and Transfer Agents, M/s. BEETAL Financial & Computer Services Pvt. Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping centre, Near Dada Harsukhdas Mandir, New Delhi-110062 about the change of address, if any, at the earliest quoting their registered folio number.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
10. All documents as are mentioned either in Notice containing draft resolution or in explanatory statement attached to the notice are open for inspection during the business hours up to the date of this Annual General Meeting.
11. Information regarding Directors to be appointed at this Annual General Meeting pursuant to clause 49 of the Listing Agreement is as under:

Particulars	Name of Directors			
	Mr. H. S. Bharana	Mr. A.K. Mehta	Mr. S.M. Gupta	Mr. Amarjit Gupta
Date of Birth	20.09.1959	18.12.1949	29.04.1960	12.02.1939
Date of Appointment	20.03.2006	20.03.2006	01.04.2006	23.06.2006
Expertise in specific areas	Technocrat with rich experience in constructions Industry	Rich experience in handling, administrative, financial and other related matters of corporate bodies	Professional with versatile experience in the field of accounts and finance.	Professional experience in all fields of Electrical & Mechanical engineering in Indian Railways
Qualifications	Civil Engineer	Pre Engineering	Chartered Accountant	B.Sc. Engg. (Hons) in Electrical Engineering
Directorship in other Company	* Era Constructions (India) Limited * WTD Era (India) Limited * Era Infrastructure (India) Limited * Era Metal Building Systems Limited * Era Advance Developers Private Limited * Prasandi Infotech Park Pvt. Ltd. * Gwalior Bypass Project Pvt. Ltd.	* Era Constructions (India) Limited * WTD Era (India) Limited * Era Metal Building Systems Limited * Era Exports (India) Limited	N.A.	* Era Infrastructure (India) Limited
Shareholding in the company as on 31.03.2006	8,63,385	NIL	NIL	NIL

By Order of the Board of Directors
for Era Financial Services (India) Limited

Sd/-

(Rupesh Purwar)
Company Secretary

Place : New Delhi
Date : August 4, 2006



ERA FINANCIAL SERVICES (INDIA) LTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item no. 3

Your Company has drawn plans to enter, into multiple business activities including running of multiplexes, cinema halls, theaters, family entertainment centers, food courts, departmental stores, trading (both international and domestic) etc.

To fund the said growth plan it is considered advisable to raise part of this fund requirement through the issue of securities as defined in the resolution in item No. 3 of the notice. The funds to be raised through issue of securities are proposed to be utilized towards capital expenditure, working capital, expansion/setting up of company's business, general corporate purposes, investments in/loans to joint ventures, associates and others, repayment of debts etc.

Hence it is proposed to issue the Securities as mentioned in the resolution in item no. 3 for an amount not exceeding US\$ 40 Million with Green Shoe Option (or its equivalent in one or more currencies) in one more tranches, in such form on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of investors in the domestic/international markets as set out in the Resolution in item No. 3 of the Notice.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Director in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the terms of statutory approvals from such authorities as may be required.

The issue price of the security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions. The securities will be listed on such International/Indian Stock Exchange as the Board may decide.

Section 81 of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further share shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the shareholders in a General Meeting decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchange also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the shareholder in a General Meeting decide otherwise. The Special Resolution seeks the consent of the Shareholders authorizing the Board of Directors to make the proposed issue of securities or convertible securities to foreign/domestic investors/institutions and/or corporate bodies including mutual funds, banks, insurance companies and/or individuals or otherwise, whether or not such persons/entities/investors are Members of the Company on such terms as may be deemed appropriate by the Board and permitted under applicable laws and regulations. This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued pursuant to the international offer including the power to issue such Securities in such tranche or tranches with/without voting rights.

The Board of Directors recommends the resolution set out at items No 3 of the accompanying Notice for the approval of the Members.

None of the Directors may be deemed to be concerned or interested in the aforesaid resolution except to the extent of shares which may be allotted to them, their relatives or bodies corporate (s) in which they are Director(s)/Member(s).

Item No. 4

Mr. H. S. Bharana was appointed as an additional director of the Company with effect from 20th March 2006 by the Board of Directors pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto the conclusion of this Annual General Meeting of the Company. Pursuant to the provisions of section 257 of the Companies Act, 1956, the Company has received the notice from a shareholder of the Company along with a deposit of Rs. 500/- proposing the name of Mr. H.S.Bharana for the office of the Director.

Mr. H.S. Bharana is a qualified Civil Engineer. He has work experience of 24 years in constructions industry. He is the main promoter of the Company. The Board is of the opinion that his knowledge and experience would be of immense help for the overall progress of the Company and hence recommends his appointment as director.

Board of Directors recommend passing of the resolution.

None of the Directors except Mr. H.S. Bharana is concerned or interested in the above resolution.

Item No. 5

Mr. A. K. Mehta was appointed as an additional director of the Company with effect from 20th March 2006 by the Board of Directors pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto the conclusion of this Annual General Meeting of the Company. Pursuant to the provisions of section 257 of the Companies Act, 1956, the Company has received the notice from a shareholder of the Company along with a deposit of Rs. 500/- proposing the name of Mr. A. K. Mehta for the office of the Director.

Mr. A. K. Mehta has 35 years of experience in handling administrative, financial and other related matters of corporate bodies. The Board is of the opinion that his knowledge and vast experience would be in the great interest of the Company and hence recommends his appointment as director.

Board of Directors recommends passing of the resolution.

None of the Directors except Mr. A. K. Mehta is concerned or interested in the above resolution.



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Item No. 6

Mr. S. M. Gupta was appointed as an additional director of the Company with effect from 1st April 2006 by the Board of Directors pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto the conclusion of this Annual General Meeting of the Company. Pursuant to the provisions of section 257 of the Companies Act, 1956, the Company has received the notice from a shareholder of the Company along with a deposit of Rs. 500/- proposing the name of Mr. S. M. Gupta for the office of the Director.

Mr. S.M.Gupta is a qualified Chartered Accountant and has more than 19 years of rich experience in the field of accounts and finance. The Board is of the opinion that it is desirable to avail his guidance and expertise in the best interest of the company and hence recommends his appointment as director.

Board of Directors recommend passing of the resolution.

None of the Directors except Mr. S.M. Gupta is concerned or interested in the above resolution.

Item No. 7

Mr. Amarjit Gupta was appointed as an additional director of the Company with effect from 23rd June 2006 by the Board of Directors pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto the conclusion of this Annual General Meeting of the Company. Pursuant to the provisions of section 257 of the Companies Act, 1956, the Company has received the notice from a shareholder of the Company along with a deposit of Rs. 500/- proposing the name of Mr. Amarjit Gupta for the office of the Director.

Mr. Amarjit Gupta has 34 years experience in the fields of electrical and mechanical engineering department of Indian Railways. He has the membership of various prestigious professional institutions like Chartered Engineer (India), Fellow Institution of Engineers (India), Member Institute of Rail Transport, Member Indian council of arbitration etc.

The Board is of the opinion that it is desirable to avail his guidance and expertise in the best interest of the company and hence recommends his appointment as director.

Board of Directors recommend passing of the resolution.

None of the Directors except Mr. Amarjit Gupta is concerned or interested in the above resolution.

Item No. 8

In order to meet the enhanced fund requirements of the company further shares may be issued in future, hence it is proposed to increase the authorised share capital of the company from Rs. 12 Crores to Rs. 20 Crores. These new equity shares shall rank pari-passu in all respects with the existing equity shares of the company.

The Board recommends the passing of resolution.

None of the Directors is in any way concerned or interested in the above said resolution except to the extent of shares which may be issued to him/them in future.

Item No. 9

Under Section 293(1)(d) of the Companies Act, 1956, The Board of Directors cannot except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Accordingly, the sanction of shareholders, under section 293(1)(d) of the Act is being requested to enable the Company to borrow moneys to the extent of Rs. 500 Crores.

For the aforesaid borrowing your approval is sought by way of an ordinary resolution. Your Directors commend the resolution for approval.

None of the Directors is in any way concerned or interested either directly or indirectly in the aforesaid resolution.

Item No. 10

In order to borrow loans from Banks, institutions, etc. the Board needs authorization to mortgage/hypothecate the assets of the company as security/ collateral security. For creating charges on the assets of the Company by way of mortgage or hypothecation, the consent of the shareholders in the General Body Meeting is required under section 293(1) (a) of the companies Act, 1956 authorising the Board of directors with necessary powers, hence this resolution.

Board of Directors recommend passing of the resolution.

None of the Directors is concerned or interested in the above resolution.

Item No. 11

Mr. H.S. Bharana is the Promoter Director of the Company. He is the man of futuristic visions. It is in the interest of the company to avail his guidance and expertise. It is therefore proposed to appoint him as permanent director and chairman of the company. For this purpose the Articles of Association is required to be amended and hence the resolution.

Your Directors commend the resolution for approval.

None of the Directors except Mr. H. S. Bharana is in any way concerned or interested either directly or indirectly in the aforesaid resolution.



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Item No. 12

The members of the Company may recall that a special resolution was passed at the Extraordinary General Meeting held on 26.04.2006 for making the allotment of 27,50,000 equity shares and 30,00,000 convertible warrants on preferential basis. Though all care was taken to provide disclosures as per SEBI guidelines still BSE has desired that Pre and Post issue shareholding pattern should be given in the following format as required under clause 13.1A of the SEBI (Disclosure & Investor Protection) Guidelines, 2000.

The Company gave an undertaking to the BSE stating that the same shall be placed before the shareholders at the next shareholders General Meeting. Accordingly the members are requested to take note of the same and ratify the acts of the management.

Identity of the proposed Allottees	Present Holding	Proposed Allotment		Post preferential Holding		% of Post Issued Capital	
		Equity shares	Warrants	After Allotment of Equity Shares	After conversion of warrants	After Allotment of Equity Shares	After conversion of warrants
<u>Promoter / Promoter Group</u>							
1) H.S. Bharana	8,63,385	2,50,000	7,50,000	11,13,385	18,63,385	13.78	16.82
2) Era Constructions (I) Ltd	1,10,000	7,50,000	2,50,000	8,60,000	11,10,000	10.64	10.02
3) Peshwa Realtors Pvt. Ltd.	NIL	2,50,000	10,00,000	2,50,000	12,50,000	3.09	11.28
4) Sachet Reality Pvt. Ltd.	NIL	2,50,000	10,00,000	2,50,000	12,50,000	3.09	11.28
<u>Other Than promoter group</u>							
1) Him Realty (P) Limited	NIL	4,00,000	NIL	4,00,000	4,00,000	4.95	3.61
2) Eden Realty (P) Limited	NIL	4,00,000	NIL	4,00,000	4,00,000	4.95	3.61
3) Merlina Enterprises(P) Ltd	NIL	4,50,000	NIL	4,50,000	4,50,000	5.57	4.06
TOTAL		27,50,000	30,00,000				

The directors recommend the passing of the resolution.

Mr. H. S. Bharana, Director of the company, is deemed to be concerned or interested in the resolution to the extent of the number of equity shares held by him and his associates and/or to be allotted to his associates out of the proposed offer.

Item No. 13

Your company was incorporated on 6th January 1993 under the name Era Financial Services (India) Limited with the main object of carrying on financing activities. Later on the Company ventured into the real estate business after alteration of the main object clause of the Memorandum of Association.

Recently the company has changed its main object clause by passing special resolution through postal ballot on 25.04.2006 and got the approval from the ROC (vide SRN A00562827 dt.08.05.2006). At present the main object Clause of the Company contains entertainment related businesses including running of multiplexes, cinema halls, theaters, family entertainment centers, food courts, food chain, departmental stores etc.etc. Therefore, the name of the company is required to be changed to reflect its activities.

The Registrar of companies, NCT of Delhi & Haryana has made available new name for Registration under section 21 of the Companies Act, 1956 and subject to the resolution being passed an application will be made to the Registrar of Companies for confirmation to the change of name. Since the company is doing the entertainment related businesses, it will be well recognized by adopting the new name.

The Director trust that this change of name will have the members' support and approval.

None of the Directors is in any way concerned or interested either directly or indirectly in the aforesaid resolution.

Item No. 14

Mr. Bijander Singh is whole time Director of the company since 2002. He is B. A. and L.L.B. during his tenure as Whole time director of the company he has handled various responsibilities including administration and managing day to day affairs of the Company. Under his guidance the business of the Company has shown progress.

Considering the qualification, efficiency, Managerial skills, contribution, vast experience of Sh. Bijander Singh, your Board has appointed Shri Bijander Singh as whole time director of the Company for a further period of One (1) year w.e.f. 24.06.2006 as per provisions of Schedule XIII of the Companies Act, 1956.

As per provisions of the said schedule, Shareholders' approval by way of an ordinary resolution is required for the appointment and payment of remuneration to Mr. Bijander Singh, hence the Resolution.



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The Remuneration Committee of the Board has approved the following remuneration for Mr. Bijander Singh, as whole time director for the said period:

i) Salary: Rs. 8230/- per month

ii) Housing: The expenditure by the Company in hiring unfurnished accommodation will be subject to the ceiling of maximum of sixty percent of the basic salary.

In case accommodation is provided by Company, the whole-time Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing -1.

iii) Medical Re-imbursement: Expenses incurred for self and family subject to a ceiling of Maximum of 8.33 percent of basic salary.

iv) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.

v) Gratuity: Not exceeding half month's salary for each completed year of service.

vi) Contribution to PF: The Company's contribution shall not exceed 12% of Salary.

vii) Conveyance: Whole Time Director shall be entitled to conveyance allowance of 60% of basic Salary

viii) Bonus: The Whole Time Director shall be entitled to bonus subject to maximum of 20% of basic Salary.

Other terms & Conditions:

1. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax rules wherever actual cost cannot be determined.
2. Mr. Bijander Singh shall perform his duties subject to superintendence, control and directions of the Board of Directors of the Company.
3. The limits specified above are the maximum limits and the Board may in its absolute discretion pay to Mr. Bijander Singh, lower remuneration and revise the same from time to time within the maximum limits stipulated above.
4. If at any time Sh. Bijander Singh ceases to be a director of the Company for any cause whatsoever, he shall cease to be a whole time director of the company.

Your Directors commend the resolution for approval.

None of the Directors except Mr. Bijander Singh is in any way concerned or interested either directly or indirectly in the aforesaid resolution.

Item No. 15

The Company has been receiving a number of applications and requests for contributions to charitable and other funds which are scrutinized and responded depending on their merit. As a gesture of munificence, the Company has to make donations to charitable institutions which, in a financial year, are likely to exceed the limit specified in section 293(1) (e) of the Companies Act, 1956, that is to say, Rs. 50,000 or 5% of the average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956, during the three financial year immediately preceding, whichever is greater.

Section 293(1)(e) permits such subscription in excess of this limit if shareholders approve. Hence Your Board seeks the approval of the members for this resolution.

None of the Directors is in any way concerned or interested either directly or indirectly in the aforesaid resolution.

By Order of the Board of Directors
for Era Financial Services (India) Limited.

Place : New Delhi
Date : August 4, 2006

Sd/-
(Rupesh Purwar)
Company Secretary