

Notice

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA E-ZONE (INDIA) LIMITED WILL BE HELD ON FRIDAY, THE 6TH DAY OF AUGUST, 2010 AT 5.00 P.M. AT EXECUTIVE CLUB, 439, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI-110074 TO TRANSACT THE FOLLOWING BUSINESSSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31st, 2010 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 a director in place of Mr. Ajay Kumar Mishra, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. A.K. Mehta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. 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 198, 269, 309, 310 and 316 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company, consent of the Company be and is hereby accorded for increase in the remuneration payable to Mr. Amit Bharana, Managing Director of the Company upto Rs. 297806/- per month with effect from January 1, 2010 for the rest of his term.

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

By Order of the Board of Directors
for **Era E-Zone (India) Limited.**

Place : New Delhi
Date : 28th June, 2010

(Kapil Kumar)
Company Secretary

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 statement pursuant to section 173(2) of the Companies Act, 1956 setting out all material facts in respect of special business of the notice is attached.
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 10th July, 2010 to 17th July, 2010 (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. Corporate Members are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the AGM.
8. The members are requested to notify the change in their address, if any, at the earliest.
9. 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.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. All documents as are mentioned 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.
12. Information regarding Directors to be appointed at this Annual General Meeting pursuant to clause 49 of the Listing Agreement are as under:

Name of Directors		
Particulars	Mr. A.K. Mehta	Mr. Ajay Kumar Mishra
Date of Birth	18.12.1949	17.01.1964
Date of appointment	20.03.2006	18.04.2008
Expertise in specific areas	Having 40 years of experience in Management & Administrative activities. He also has rich experience in handling, administrative, financial and other related matters of corporate bodies.	Having more than Two decades of experience in Finance and Administration in many Public and Private, infrastructure Development Organizations at senior positions.
Qualifications	Pre Engineering	A Post Graduate in Science and Master in Business Administration (Finance)
Directorship in other Companies	<ul style="list-style-type: none"> - Era Infra Engineering Ltd. - Era Buildsys Limited - Era Exports (India) Ltd. - Era Landmarks Ltd. 	<ul style="list-style-type: none"> - Gwalior Bypass Project Limited - Speed Minerals Pvt. Ltd. - ARK Vidhyut Urja Ltd. - Era T & D Ltd. - ARK Transmission & Distribution Ltd. - Era Housing & Developers (India) Ltd. - West Haryana Highways Projects Private Limited - ILA Enterprise Pvt. Ltd. - Era Power and Infrastructure Zambia Ltd. - Haridwar Highways Project Ltd. - Dehradun Highways Project Ltd. - Era Agritech (India) Pvt. Ltd. - Era Energy Limited
Other Committee Memberships/ Chairmanships	Audit Committee: -Era Infra Engineering Ltd.:Chairman -Era Landmarks Limited: Chairman -Era Buildsys Ltd: Chairman	Audit Committee: - Gwalior Bypass Project Limited: Chairman - West Haryana Highways Projects Pvt. Ltd. Member - Era T & D Ltd. Member
Shareholdings in the company as on 31.03.2010	NIL	NIL

By Order of the Board of Directors
for **Era E-Zone (India) Limited**

Place: New Delhi
Date : 28th June, 2010

(Kapil Kumar)
Company Secretary

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item no. 5

Mr. Amit Bharana presently holds the position of Managing Director in the Company and he has been contributing immensely towards the accomplishment of the goals and working of the Company.

Mr. Amit Bharana is an MBA from Central Queensland University, Australia and also holds BBA (Hons.) from Thames Valley University located in the United Kingdom. He also holds a Diploma in Import and Exports from Foreign Trade Development Centre, New Delhi.

Taking into account his experience, qualification and his sincere efforts towards the attainment of goals and objectives of the Company, and on the recommendation of Remuneration Committee and Subject to approval of Shareholders, the Board of Directors has increased his remuneration w.e.f. January 1, 2010 for the rest of his term.

Altered monthly Remuneration Payable to Mr. Amit Bharana is as follow.

Basic Salary	:	Rs. 95,613/-
Housing Rent Allowance	:	Rs. 57368 (i.e. 60% of Basic Salary)
Conveyance	:	Rs. 23903 (i.e. 25% of Basic Salary)
Special Allowance	:	Rs. 33465 (i.e. 35% of Basic Salary)
LTA	:	Rs. 7965 (i.e. 8.33% of Basic Salary)
Medical	:	Rs. 7965 (i.e. 8.33% of Basic Salary)
Bonus	:	Rs. 19123 (i.e. 20% of Basic Salary)
Gratuity	:	Rs. 4599 (i.e. 4.81% of basic salary)
Performance Linked Incentive	:	upto Rs. 47806(i.e. 50% of Basic Salary)

Board of Directors recommends passing of the resolution as special resolution.

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

The above Information may be treated as compliance under Section 302 of the Companies Act, 1956.

STATEMENT CONTAINING INFORMATION PURSUANT TO CLAUSE (iv) OF PART II, SECTION II, 1(B) OF SCHEDULE XIII OF THE COMPANIES ACT 1956.

I. GENERAL INFORMATION:

(1) Nature of Industry

Currently Company is operating into Food Courts and Cineplex Business.

(2) Date or expected date of commencement of commercial production.

Company is in the business of Cineplex since financial year 2006-07.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

N.A.

(4) Financial performance based on given indicators

Particulars	Year ended 31st March, 2010	(Rs. in lakhs)	
		Year ended 31st March, 2009	
Total Income	813.14	2505.23	
Profit before Depreciation & tax	(232.49)	(62.59)	
Depreciation	82.59	45.45	
Profit/Loss before tax	(315.08)	(108.04)	
Tax Expenses:			

Current Tax	-	-
Earlier Year Tax	-	-
Deferred Tax	(97.44)	(33.23)
Fringe Benefit Tax	-	0.90
Profit /Loss after Tax	(217.64)	(75.71)
Surplus/(deficit) carried to Balance sheet	896.10	1113.74
(5) Export performance and net foreign exchange collaborations		
N.A		
(6) Foreign Investments and Collaborators, if any		
N.A		

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background Details

Mr. Amit Bharana is an MBA from Central Queensland University, Australia and BBA (Hons.) from Thames Valley University located in the United Kingdom. He also holds a Diploma in Import and Exports from Foreign Trade Development Centre, New Delhi.

(2) Past remuneration

He was drawing the remuneration of Rs. 125,000 (Rupees One Lakh and Twenty Five Thousand) per month.

(3) Recognition or Awards

NIL

(4) Job Profile and Suitability

Mr. Amit Bharana being a management graduate from Central Queensland University is looking after all the day to day managerial and operational activities of the Company.

(5) Remuneration Proposed

As explained above in the explanatory statement.

(6) Comparative remuneration profile with respect to industry.

The Proposed remuneration is in line with the remuneration in the industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Amit Bharana belongs to the Promoter Group of the Company.

III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits: Company has not carried out any trading/any other activity this year and has fully focussed on its business of cineplex and food courts only. This is the main reason for reduction in the income and profitability.
- (2) Steps taken or proposed to be taken for improvement : The company is exploring other opportunities in related fields and further investment in those areas will increase its income and profitability in near future.
- (3) Expected increase in productivity and profits in measurable terms : Not Applicable.

IV. DISCLOSURES:

Details of Remuneration package- The requisite information has been given under the section of corporate governance attached to the Annual Report.

By Order of the Board of Directors
for **Era E-Zone (India) Limited**

Place : New Delhi
Date : 28th June, 2010

(Kapil Kumar)
Company Secretary

Director's Report

Dear Members,

Your Directors have pleasure in presenting their 18th Annual Report along with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results for the year under review are summarized below for your consideration:

PARTICULARS	(Rs. in lakhs)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
Total Income	813.14	2505.23
Profit before Depreciation & tax	(232.49)	(62.59)
Depreciation	82.59	45.45
Profit/Loss before tax	(315.08)	(108.04)
Tax Expenses:		
Current Tax	-	-
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Deferred Tax	(97.44)	(33.23)
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Profit /Loss after Tax	(217.64)	(75.71)
Surplus/(deficit) carried to Balance sheet	896.10	1113.74

REVIEW OF OPERATIONS

For the financial year ended 31st March, 2010, the total income of the company was Rs. 813.14 Lacs as compared to an income of Rs. 2505.23 Lacs for the year ended 31st March, 2009.

The Company incurred a net loss of Rs. 217.64 Lacs for the year ended 31st March, 2010 as compared to a net loss of Rs. 75.71 Lacs for the year ended 31st March 2009.

No material changes having adverse effect on the working of the company have occurred between the end of the financial year and the date of this report.

FUTURE PROSPECT

At Present our Company is focusing on Multiplexes and Entertainment Sectors. The opportunities in these sectors are vast. Your Company has drawn expansion plans which are discussed in details in Management Discussion and Analysis attached to this report.

PUBLIC DEPOSITS

Your Company does not accept public deposits. There are no unclaimed or unpaid deposits as at 31st March, 2010.

DIVIDEND

In View of the losses incurred during the year, the directors express their inability to recommend dividend.

DIRECTORS

Mr. A.K. Mehta and Mr. Ajay Kumar Mishra, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, the Board of Directors of the Company have a Committee of Board of Directors known as Audit Committee, which consists of Mr. S. D. Sharma, as its chairman and Mr. A. K. Mehta & Mr. S.D. Kapoor, as its members. Audit Committee has all powers and authority as provided under the aforesaid provisions of the act and listing agreement.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance with the accounting and financial reporting requirements under section 217(2AA) of the Companies (Amendment) Act, 2000, in respect of financial statements, your directors state and confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Accounting policies selected were applied consistently, reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of March 31, 2010 and of the loss of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS

M/s. P.C. Bindal & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. A certificate has been obtained from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

There are no adverse qualifications in the report which need to be explained here.

PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956

The particular of employees as required u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 are given below:

Name	Mr. Amit Bharana
Designation	Managing Director
Remuneration received	Rs. 18,41,323/-
Nature of employment	Contractual
Nature of duties of the employee	Looking after all the day to day managerial and operational activities of the Company
Qualification & experience of the employee	MBA from Central Queensland University, Australia and having the experience of more than 4 years
Date of commencement of employment	29.09.2008
Age of the employee	29 years
Last Employment	Era Landmarks Ltd

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding the conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. Still it endeavors to save the energy wherever possible at all levels of operation.

Further, your Company does not use any foreign technology which needs to be absorbed.

The foreign exchange earning/outgo during the year are as under:

	Current Year	Previous Year
Foreign Exchange Earning:	Nil	Nil
Foreign Exchange Outgo :	Nil	Nil

SUBSIDIARIES

Silverline Cinemas Private Limited is the only Wholly Owned Subsidiary of the Company pursuant to provisions of Section 212 of the Companies Act, 1956, the Audited Statement of Accounts for the year ended 31st March, 2010 together with the report of Directors and the Auditors and also the Statement of interest in Subsidiary Company is attached to Balance Sheet.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS

A Company hold fiduciary relationship with its stakeholders and community, where the Board of Directors of the Company acts as trustee to all the stakeholders of the Company to enhance the stakeholders value and protect their interest. Your Company is committed to benchmark itself with global standards in all areas including appropriate standards for Good Corporate Governance. Towards this end, an effective Corporate Governance System has been put in place in the Company, which also ensures that the provisions of Clause 49 of the Listing Agreement are duly complied with. A report on Corporate Governance along with Certificate on its compliance from Mr. R.S. Bhatia, Company Secretary in Practice is enclosed with this Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 28th June, 2010

H.S. Bharana
Chairman

Management Discussion and Analysis

Industry Structure and Development

The Indian entertainment industry is on the threshold of emerging as a large market globally. Future growth of the industry is expected to be led by rising spends on entertainment by a growing Indian middle class, regulatory initiatives, increased corporate investments and the industry's dynamic initiatives to make strategic structural corrections to grow. In addition to the Indian middle class' enhanced spends projected towards entertainment, the rising global interest in Indian content is expected to fuel growth in this industry.

The entertainment industry in India has the potential to be the next 'sunrise' industry and is undergoing significant changes. Increasingly, the Indian entertainment industry is being influenced by international trends and developments. The industry is steadily moving towards corporatisation and globalised markets.

Growth in Entertainment Sector

The media and entertainment industry is poised to start recovery in 2010, after hitting a rough patch in the previous year due to economic slowdown.

The growth in the industry is expected to be driven, amongst other factors, by the growth in subscription through enhanced penetration and expansion of digital delivery infrastructure, a latest analysis report by Ficci-KPMG on the Media and entertainment industry says.

The report notes that rising disposable incomes of the working population and increased spend on discretionary items is expected to continue impacting the M&E industry favorably.

The growth of newer delivery platforms with superior technology and functionality is likely to expand horizons for the Media and entertainment business. Aspirations of Indian players to go global and foreign players entering the industry will also help the industry target a double digit growth in next five years.

With the average Indian getting younger, and hence more likely to spend on non- essentials, the entertainment industry has the potential to grow explosively in the future.

The entertainment industry is now at an inflection point. The earlier phase of growth has run its course. Now the industry is ready to enter a second stage of growth powered by the engines of technology (availability of quality infrastructure and the accelerated penetration of digital connectivity) and an enabling regulatory environment.

Next to Hollywood, Indian film industry is said to be the largest in the world and it is the largest in terms of films produced & tickets sold.

The Indian film industry is currently worth about US\$ 1256 million and is expected to grow at a Compounded Annual Growth Rate of 18 per cent for the next 5 years. Nearly one thousand films are produced every year. The technology used and the special effects in movies are becoming increasingly sophisticated and animation is also finding a huge market with kids.

The industry is currently witnessing the trend of more digital cinemas and growth of multiplexes. The Dubbing industry has grown at the rate of 25-30% over the last 4-5 years. Many international films are dubbed in local languages and shown in India. India has over 5 million home video and DVD users. The Indian film industry is also making its presence felt in the international market. The foreign investment in the Indian film industry is also increasing significantly. In fact, it witnessed the maximum flow of foreign investment in 2006.

Regional (especially southern) films command almost 60 per cent of the total Indian film market with the rest being commanded by Hindi films.

Multiplexes

India currently has 11500 existing screens, 95% are standalone, single screens. These single screen cinemas are poorly maintained as the owners find it difficult to upgrade and renovate their facilities, due to unavailability of organized finance. The deteriorating quality of these cinemas dissuaded viewers and they started using alternative viewing options.

Over the last few years, multiplexes have emerged as a trend in urban India. "Multiplexes" are essentially cinemas with 3 or more screens. They provide a quality viewing experience and are generally located around shopping malls to increase footfalls in these malls. Each screen in a multiplex has small seating capacities in the range of 150-300 seats as compared to single screen cinemas which have capacities in the range of 800-1,200 seats.

With around 11500 active screens, India is under screened. China, which produces far lesser films than India has 65,000 screens while the US has 36,000. India's screen density stands low at 12 screens per million populations. There is a need of at least 20,000 screens as against the current 11500. This gives multiplex operators enough room to grow as the traditional single-screen theatres do not have the financial wherewithal nor do they enjoy tax incentives. The cinema exhibition industry in India is growing at 10% per annum driven by multiplexes, which are expanding rapidly in major metropolitan cities as well as second and third tier cities. Favorable demographics in a cinema-crazy nation, tax exemptions, and quality locations such as malls, are driving growth of multiplexes in India.

Indian and Hollywood films, although a ticket now costs about \$3 (Rs121). Moreover, many are located in big malls, adding the attraction of shopping to a day out at the movies. Earlier, it was like one film in one hall, you don't get tickets you go home. Now you have a choice of films under one roof.

Such has been the runaway success of this cinema viewing experience that today, even though multiplexes make up just 2% of India's nearly 11500 screens, they account for more than half the box office revenue of Hollywood releases in the country and more than a third for Bollywood. That success, however, has not been limited to the glitzy cinema halls. Industry analysts say that multiplexes, with their smaller halls, have also redefined filmmaking by creating a niche for experimental cinema among urban, educated audiences. Multiplexes, where ticket prices are five times that at a single-screen cinema, ensure a faster return on investment for producers and, because of quick turnarounds, have become instrumental in raising the output of films. "The idea now is to recover investments within the first weekend," said Future Outlook.

Not only in Metros but also in upcoming cities, entertainment activities are expected to be major area of growth in the coming future as the change in lifestyles, increasing consumerism and also a boom in the retail sector is recorded.

Food Courts

Food courts are a vital element in any entertainment complex. To make recreational outing complete, fast food chains, food courts, food joints, etc. have got a new recognition in the last few years. This is an indication of their having a tremendous scope in future. With more and more nucleus families coming into existence and with trend of more and more working women catching on, the requirement of fast food outlets is becoming a need of the hour.

Future Outlook

Changing lifestyles, a retail boom and increasing consumerism have brought about substantial change in the marketing style and pattern in upcoming cities. Entertainment activities are expected to be major area of growth in the coming future. Your company focuses on the development and operation of

- Multiplexes and Cineplexes
- Food Courts and Play Zones.

Now the company is also exploring other opportunities in related fields and further investment in those areas will increase its income and profitability and enhance operations.

Operational Performance

For the financial year ended 31st March, 2010, the total income of the company from Entertainment/Cineplex was Rs.796.04 Lacs as compared to an income of Rs. 798.05 lacs for the year ended 31st March, 2009.

Business

Segment wise Revenue, Results and Capital Employed for the period ended 31st March, 2010, (Audited)