



ERA
E-ZONE

Believe in difference

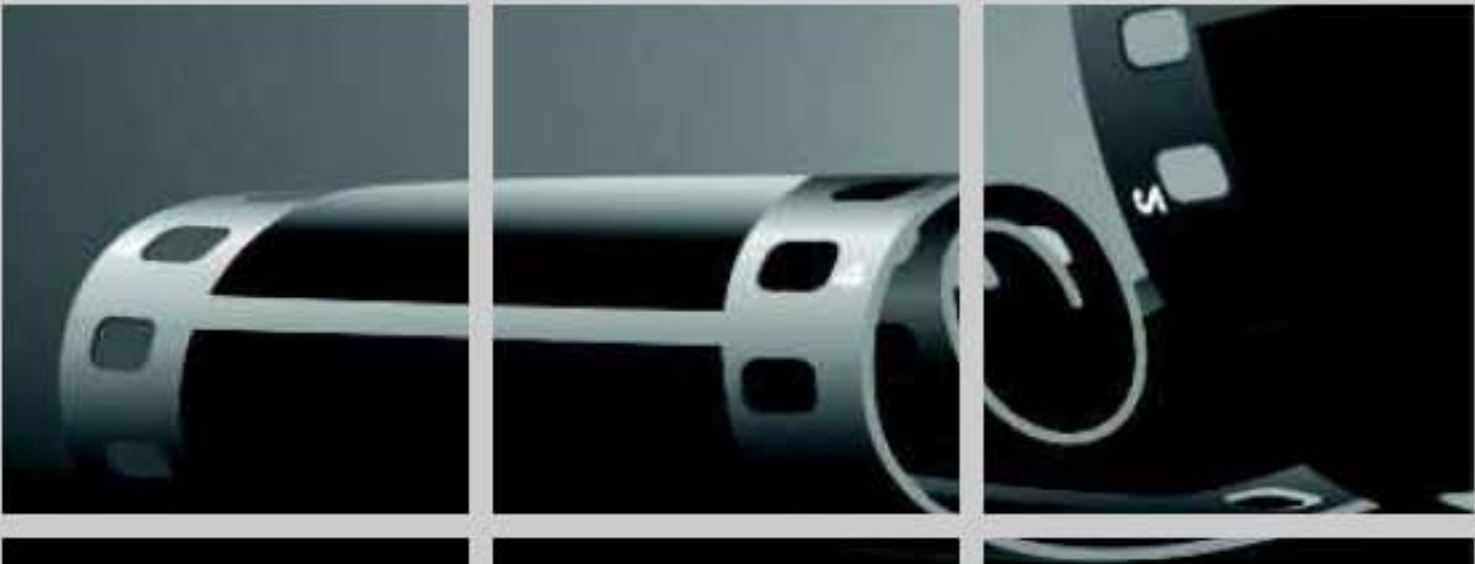


Annual Report
2011-12



Content

01	Introduction
02	Chairman's Message
04	Corporate Information
05	Notice
08	Directors' Report
11	Management Discussion and Analysis
15	Corporate Governance Report
32	Auditors' Report
36	Financials
52	Consolidated Auditors' Report
53	Consolidated Financials
69	Statement Pursuant to Section 212



Introduction

Incorporated in 1993, Era E-Zone (India) Ltd. represents the entertainment and hospitality arm of Era Group. Era E-Zone has been conceptualised with an objective of addressing the entertainment and recreation needs comprising cinemas & food courts with a differentiated approach that stands out for distinctive leisure.

Era E-Zone is among the few Indian companies to pioneer the delivery of a complete entertainment solution (multiplexes and food courts) in the fast maturing and evolving cities & towns.



Chairman's Message

Dear Shareholders,

I welcome you to Era E-Zone Annual Report. I am pleased to present yet another year of good performance.

Over the years, the Media and Entertainment (M&E) industry has emerged as one of the fastest growing sectors in India. Growing at an encouraging rate of 11%, the sector is poised to touch USD 28 billion by 2015, garnering USD 14.54 billion in revenue. Indian entertainment is booming. In fact, Bollywood and cricket are considered to be two major religions for viewers in India.

Increasing investments by the private sector, foreign media and entertainment majors have enhanced India's entertainment infrastructure. A key recent policy initiative by the government has been granting 'industry' status to the entertainment segment as a whole in 2001; allowing sector access to institutional finance for new projects. Indian film industry provides employment to nearly 6 million people. Fourteen million Indians go to the movies on a daily basis. In India, there is a huge viewership for films. The main revenue stream for new films released in India is the box office collection, contributing about 80% of the revenues. Producing more than 1,000 films in more than 20 languages annually, India is the largest producer of films in the world. According to a recent study on cinema in India, there is a requirement of more than 20,000 screens as against the current figure of about 12,000. With Indian Film Industry completing a 100 years in 2013, the expectations are soaring sky high. Indian film industry has come a long way. Even during the peak cricketing season like the World Cup and IPL, thanks to the multiplexes, movies are finding their share of business. The exhilarating collections of movies are shining example of the multiplex success.

Multiplex

Redefining the way we enjoyed the silver screen, multiplexes have driven a revolution with their online or phone booking of tickets, perfumed auditoria, plush bucket seats and state-of-the-art audio and projection systems. For the Mall developers, Multiplexes are a way to ensure footfalls. India's multiplex bandwagon has gone beyond the metros to redefine entertainment in B and C class towns. We, at Era Cinemas follow the same strategy. With 3 cinemas and 7 screens operational across Meerut, Ajmer and Jaipur, we have redefined the cinematic experience in the smaller cities. Going ahead, a report by KPMG and FICCI states that this industry which currently has approximately 1000 multiplex screens is likely to double its screen count over the next 5 years. This multiplex growth is expected to be the key driving force for the growth of Indian film industry.

Food Court

Another attraction at every mall is its food section. Food courts play a pivotal role in increasing the time people spend at the mall and drive business to other stores in the mall. It is one of the major profit centres of every business establishment. Spicing up the menu with different cuisines along with traditional ones, add the zing in form of additional profits. Following the trend, Era Food Court is operational at the Era Mall, Meerut with a seating capacity of 200 people. With exciting growth potential waiting to be unlocked, we are confident that our combination of innovative strategy and fundamental approach will help us deliver exceptional value.

Future Prospects

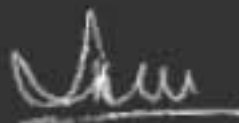
As a part of progressive initiatives, the Company has planned to enter into a new line of business i.e. manufacturing and providing services related with all types of pre fabricated building construction materials and structure and related activities.

Keeping in view the growth prospects of the above mentioned new business initiatives, your Company has decided to merge one of our Group Company - Era Buildsys Limited (EBL) with us. EBL is an established name in the PEB Industry and has worked for many renowned clients both from Private Sector and Public Sector. We have already taken a step ahead in this direction by obtaining a "No Objection Certificate" on the scheme of Merger from the Bombay Stock Exchange and by altering the object clause of the Memorandum of Association of the Company for affecting the said scheme of merger.

I assure you that with the business initiatives your company is poised to grow and garner increased customer satisfaction.

Along with this, the focus will remain intact on the booming opportunities in Indian Entertainment industry slated to continue growing at double digit in 2012. This is possible due to changing lifestyles, retail boom and increasing consumerism.

Lastly, I would thank all our stakeholders for their continued patronage, our Board of Directors for their expert guidance and most importantly our colleagues for their valued contributions in the past years.



H.S. Bharana
Chairman



Corporate Information

H S Bharana
Chairman

S D Sharma
Director

S D Kapoor
Director

A K Mehta
Director

Amit Bharana
Director

Kapil Kumar
Company Secretary

Auditors
P C Bindal & Co.
Chartered Accountants

Main Banker
Union Bank of India
Asaf Ali Road, New Delhi

Axis Bank Ltd.
B-2 & 3, Sector 16, Noida

Registrar & Share Transfer Agent
Beetal Financial & Computer Services Pvt. Ltd.,
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi – 110062

Registered & Corporate Office
153, Okhla Industrial Estate, Phase III,
New Delhi – 110020

Investor Help
E-mail: investors@eragroup.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF ERA E-ZONE (INDIA) LIMITED WILL BE HELD ON SATURDAY, THE 29TH DAY OF SEPTEMBER, 2012 AT 5:00 P.M. AT EXECUTIVE CLUB, 439, VILLAGE SHAHOORPUR, P.O. FATEHPUR BERI, NEW DELHI-110074 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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. S.D. Sharma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

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

Place : New Delhi
Date : 14th August, 2012

(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/HERSELF 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. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2012 to 29th September, 2012 (both days inclusive).
4. Members/proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
5. Members attending the meeting are requested to bring their copy of Annual Report.
6. Corporate Members are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. The members are requested to notify the change in their address, if any, at the earliest.
8. Members are requested to register their e-mail addresses through their depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the Shares in Physical form may register their e-mail at Company's registered office or Company's email address at investors@eragroup.in.
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 are open for inspection at the registered office during the business hours up to the date of this Annual General Meeting.
12. Information regarding Director (s) to be appointed/re-appointed at this Annual General Meeting pursuant to clause 49 of the Listing Agreement are as follows :

PARTICULARS	
Name of Director	Mr. S.D. Sharma
Date of Birth	08.07.1939
Date of Appointment	18.04.2008
Expertise in specific areas	Mr. S. D. Sharma has 42 years of experience in executing Railway Projects in India & Abroad involving construction of New lines, Gauge Constructions, Yard Remodeling, Bridges, Multistory Building. He held senior positions in Northern Railway, PSU's and Railway Board (Ministry of Railways).
Qualifications	B.Tech in Civil Engineering, Masters in Structural Engineering, Fellow member of the Institution of Engineers and Institution of Permanent Way Engineers (India) and Arbitration Council of India.
Directorship in other Companies	<ul style="list-style-type: none"> Era Infra Engineering Limited Surya Datta Nirmal Engineering Private Limited
Other Committee Memberships/ Chairmanships	Audit Committee : <ul style="list-style-type: none"> Era Infra Engineering Limited : Member Investor Grievance Committee : <ul style="list-style-type: none"> Era Infra Engineering Limited : Chairman
Shareholdings in the company as on 31.03.2012	Nil

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses, so far, are requested to register their e-mail addresses with Depository through their concerned Depository Participants, in respect of electronic holdings. Members who hold shares in physical form are required to kindly register their e-mail address with the company at email: investors@eragroup.in or by fill in the Registration Form, attached at the end of this Annual Report. The company shall use the e-mail address of the members obtained from Depositories/ Depository Participants, available with the company, to send all future members communications.

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

Place : New Delhi
Date : 14th August , 2012

(Kapil Kumar)
Company Secretary

Directors' Report

Dear Members,
of Era E-Zone (India) Limited

Your Directors have pleasure in presenting the 20th Annual Report along with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

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

(₹ In Lakhs)

PARTICULARS	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Total Income	1073.83	862.37
Profit before Depreciation & Tax	23.67	(233.11)
Depreciation	73.12	72.94
Profit/Loss before tax	(49.45)	(306.05)
Tax Expenses:		
Current Tax	-	-
Deferred Tax	-	-
Deferred Tax Assets Reversed	-	130.85
Profit /Loss after Tax	(49.45)	(436.91)
Surplus/(deficit) carried to Balance sheet	409.74	459.19

REVIEW OF OPERATIONS

Due to continuous efforts in improving the operational efficiency of the Company, the total income of the company has been increased to Rs. 1073.83 lacs for the financial year ended 31st March, 2012 as compared to the total income of Rs. 862.37 lacs earned in the previous financial year and Company's net loss for the financial year ended 31st March, 2012 has been reduced to Rs. 49.45 lacs as compared to a net loss of Rs 436.91 lacs incurred in the previous financial year.

No material changes have occurred since the date of the Balance sheet and this report, which has any adverse effect on the working of the company.

FUTURE PROSPECTS

At present your Company is carrying on the business of Cinemas/Multiplexes and Food Courts. As a diversification option Company has planned to enter into a new line of activity i.e. all types of building construction materials and pre-fabricated building structure and similar activities. In this regard, Company has already changed its objects by altering its Memorandum of Association and the Board of Directors of the Company has also approved the merger of one of our group company carrying the above mentioned objects with our Company and further for effecting the said scheme, Bombay Stock Exchange has also granted its no objection to the proposed scheme of merger. If the said scheme is approved by the Hon'ble High Court at Delhi, your Company's turnover and profitability will increase many folds as the company being merged has a good standing.