



**22nd Annual Report of Apex Buildsys Limited
(formerly known as Era Buildsys Limited)
2013-14**

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Introduction

Era Buildsys Limited, formerly known as Era E-Zone (India) Limited was incorporated in 1993. Era Buildsys of the Era Group is the vertical which has its presence in the ever growing robust PEB sector as well as entertainment & hospitality industry. Era Buildsys has built a name for itself in the PEB market by introducing key designs and delivering innovative and futuristic products in the infrastructure industry. On the other hand, the entertainment&hospitality arm of Era Buildsys prides itself of owning various screens across many towns in the country, with target of launching many more screens in near future.

The Company pursuant to the scheme of Arrangement/ Amalgmation of Era Buildsys Limited (transferor company) with Era E-Zone (India) Limited(transferee company) duly approved by the Hon'ble High Court of Delhi, vide its Order dated 31st July, 2013 become Era Buildsys Limited w.e.f. 1st November, 2013. Now Era Buildsys Limited has been rechristened as **Apex Buildsys Limited** w.e.f. 25th August, 2014 pursuant to the approval of Ministry of Corporate Affairs.



CORPORATE INFORMATION

Amit Bharana
Whole Time Director

S D Sharma
Director

S D Kapoor
Director

Sushil Kumar Gupta
Chief Financial Officer

Chetan Sharma
Company Secretary

Registered Office:
B-39, Ground Floor,
Friends Colony (West),
New Delhi - 110065

Head Office:
C-56/41, Sector 62,
Noida - 201 301 (U.P.)

Auditors:
P C Bindal & Co.
Chartered Accountants

Bankers:

State Bank of India
CAG Branch, Tolstoy Marg, New Delhi (Lead Bank)

State Bank of Patiala
Commercial Branch, Janpath Road, New Delhi

State Bank of Mysore
East of Kailash, New Delhi

Bank of Bahrain & Kuwait
Nariman Point, Mumbai

ICICI Bank Limited
Pragati Vihar, New Delhi

J & K Bank Limited
Lajpat Nagar, New Delhi

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

Investors Help:
e-mail: investors@eragroup.in



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report along with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

Particulars	(₹ in Lacs)	
	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
Total Income	31,252.95	48,399.31
Profit before Depreciation & Tax	1,188.69	2,674.14
Less : Depreciation	1,154.91	1,161.50
Profit/Loss before tax	33.78	1,512.64
Less : Tax Expenses		
Current Tax	1.51	257.37
Deferred Tax	5.24	184.14
Add: Mat Credit Entitlement	1.51	257.37
Profit /Loss after Tax	28.54	1328.50
Surplus/(deficit) carried to Balance sheet	17,276.75	17,248.21

REVIEW OF OPERATIONS

The turnover (revenue from operations) of the Company for the year ended 31st March, 2014 is ₹ 31,119.21 lacs as against ₹ 48,268.73 lacs in the previous year. Profit before depreciation and taxation was ₹ 1188.69 lacs and after providing ₹ 1154.91 lacs towards depreciation and ₹ 5.24 lacs towards tax, the net profit amounts to ₹ 28.54 lacs. 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

Infrastructure development in India has been going through a very difficult phase over the last three years. The Company was able to achieve breakeven, and post a net profit of ₹ 28.54 lacs for the financial year 2013-14.

During the financial year 2013-14, the Hon'ble Delhi High Court by order dated 31st July, 2013 has sanctioned the Composite Scheme of Arrangement and Amalgamation of Era Buildsys Limited with Era E-Zone (India) Limited w.e.f. 1st April, 2012. In terms of the said sanctioned scheme the name of Era E-Zone (India) Limited (Transferee Company) is to be changed to Era Buildsys Limited.

The Company is optimistic about the performance of the Company in near future.

INTRODUCTION AND APPLICABILITY OF NEW COMPANIES ACT, 2013

The Ministry of Corporate affairs vide its Notification dated: 26th March, 2014 has notified the commencement of New Companies Act, 2013, w.e.f. 1st April, 2014. In pursuance of General Circular No. 08/2014 issued by Ministry of Corporate Affairs, the present Directors' Report is prepared in accordance with the provisions of the Companies Act, 1956 and thus the new provisions of Companies Act, 2013 will be complied with in the next Directors' Report.

Your Board of Directors are in process of complying with all other new requirements of the Companies Act, 2013.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits under section 58A of the Companies Act, 1956. There are no unclaimed or unpaid deposits lying outstanding as at 31st March, 2014.

DIVIDEND

In order to plough back profits for the future requirements of the Company, your directors do not recommend any dividend for the year ended 31st March, 2014.

DIRECTORS

During the financial year 2013-2014, Mr. A.K. Mehta has resigned from the directorship of the Company w.e.f. 5th November, 2013. Mr. A.K. Seth was appointed as Director of the Company and designated as Whole Time Director w.e.f. 5th November, 2013 for a period of 3 years, However he resigned from the directorship of the company, w.e.f. 14th February, 2014.

Mr. H.S. Bharana, Chairman of the company has resigned from the directorship of the company, w.e.f. 14th August, 2014.

As per the provisions of the Companies Act, 2013, Independent Directors are eligible to hold office for a term upto five consecutive years and are eligible for re-appointment for the second term on passing special resolutions by the Company. During their tenure, they will not be liable to retire by rotation. The Company has received from all the Independent Directors consents for their appointment and declarations confirming that they meet the criteria of independence as envisaged under the Companies Act, 2013 and Listing Agreement.

Notices under Section 160 of the Companies Act, 2013 have been received from members proposing their candidature along with requisite deposits. Accordingly, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013, the Board recommends the appointment of the above directors as Independent Directors who shall hold office upto March 31, 2019 and shall not be liable to retire by rotation during their tenure. In accordance with the provisions of the Companies Act, 2013, Mr. Amit Bharana, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resumes of these directors proposed to be appointed/ re-appointed and other relevant information have been furnished in the Notice convening the Annual General Meeting. Appropriate resolutions for their appointment / re-appointment are being placed for approval of the members at the Annual General Meeting.

CAPITAL FORMATION & REDUCTION OF CAPITAL

Pursuant to the Composite Scheme of Arrangement/Amalgamation duly sanctioned by Hon'ble High Court of Delhi at New Delhi, the Company made the allotment of 4,48,12,956 equity shares to the shareholders of transferor company (M/s. Era Buildsys Limited) in the ratio of 541 equity shares of transferee company for every 100 equity shares of transferor company.

Further, the face value per share was reduced from ₹ 10/- each to ₹ 2/- each and ₹ 8/- per share was transfer to general reserve as per approved scheme.

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Your Board of Directors endeavors to comply with all other new requirements of the Companies Act, 2013.

AUDITORS

As per the provision of Section 141 of the Companies Act, 2013 read with rule 6 of the Companies (Audit & Auditors) Rules, 2014. M/s. P.C. Bindal & Co., the retiring auditors of the company can be further appointed as statutory auditors for another term of 3 (Three) consecutive years i.e., till the conclusion of Annual General Meeting to be held in the year 2017. The Company has obtained necessary certificate under section 141 of the Companies Act, 2013 from the auditor conveying their eligibility for the above appointment. The Audit Committee and the Board reviewed their eligibility criteria, as laid down under section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the above said period.

AUDIT COMMITTEE

The Audit Committee consists of following members namely Mr. S. D. Sharma, Mr. S. D. Kapoor and Mr. Amit Bharana out of which two are independent Directors. Mr. S. D. Sharma is the Chairman of Audit Committee. All members of the Audit Committee possess sufficient knowledge and experience in the field of Finance and Accounts. The Committee composition is in accordance with the provisions of Companies Act and Listing Agreement.

AUDITORS' REPORT

The Auditors' Report does not contain any adverse remark or qualification hence the same do not call for further information or explanation. The observations and comments given by the Auditors read together with notes to accounts are self explanatory, hence do not call for any further comments under Section 217 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956, your directors state and confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2014 and of the profit of the Company for the year ended on that date;
- 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;
- The annual accounts of the Company have been prepared on a going concern basis.

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

There is no employee in the Company in respect of whom particulars as required to be furnished u/s 217(2A) of the Companies Act, 1956 and rules made there under are to given.

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 is given as under:

CONSERVATION OF ENERGY:

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company; this includes periodical check-ups, preventive maintenance and calibration of all electrical instruments & machineries. Effective measures have been taken to minimize the loss of energy as far as possible.

The detail regarding present energy consumption including captive generation is furnished as below:

(in ₹)

I. Power & Fuel Consumption			
1.	Electricity Purchased	2012-13	2013-14
	Unit	3,338,130	1,820,785
	Total Amount	21,619,348	13,058,109
	Rate/Unit	6.48	7.17
2.	Own Generation through Diesel Generator		
	Unit	335,872	163,629
	Units per lit. of Diesel Oil	4,906,162	2,242,967
	Cost/Unit	14.61	13.71
II. Consumption per unit of Production			
		2012-13	2013-14
	Production (MTs)	26903.17	12697.94
	Electricity (Unit/MT)	248.06	143.39
	Electricity (Rs./ Mt)	1,573.31	1,028.36
	Diesel (Unit/Mt)	26.77	12.89
	Diesel (Rs/MT)	388.74	176.64

TECHNOLOGY ABSORPTION:

Your Company deploys latest updated technologies such as Highway Girders, Pipe Racks to the level of 2800 mm height of beam manufacturing with automatic welding, CNC punching & shearing, CNC sheet profiling and Multi torch flame cutting. This technology implemented by the company is best available in the world in the field of Pre-engineered Buildings.

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

(₹ in Lacs)

Particulars	Current Year	Previous Year
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	1.20

SUBSIDIARY COMPANY

M/s Silverline Cinemas Private Limited is the only Wholly Owned Subsidiary of the Company. Copies of the Balance Sheet, Profit & Loss Account and Reports of the Auditors' and Directors' of the Subsidiary Company have not been attached as per the consent granted by the Board of Directors of the Company in terms of general exemption granted by the Ministry of Corporate Affairs, Government of India under section 212(8) of the Companies Act, 1956 vide general circular no. 2/2011 dated 8th February, 2011. However as per the terms of general exemption, a statement containing brief financial details of the subsidiary company for the year ended 31st March, 2014 is included in the Annual Report. As required under the Listing agreement with the Stock Exchange, the Company has prepared the Consolidated Financial Statements of the Company and its subsidiary as per the Accounting Standard (AS) 21, Consolidated Financial Statements which form part of the Annual Report and Accounts.

The Annual Accounts of the subsidiary company and the related detailed information shall be made available to shareholders of the Company seeking such information. The Annual Accounts of the subsidiary company are also kept for inspection by any shareholder at the registered office of your Company.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS

A Company holds 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 stakeholder's 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 Ms. Pooja Anand, 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
For Era Buildsys Ltd.
[Formerly known as Era E-Zone (India) Limited]

Place: Noida
Date: 14th August, 2014

(Amit Bharana)
Chairman & Whole Time Director
(DIN: 01291420)

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

PEB INDUSTRY

Economic indicators show that growth in the PEB industry is expected to outpace India's GDP growth. The Indian PEB industry has shown a healthy growth rate of around 10% (Y-o-Y). Currently the Indian industry has greater manufacturing capability than demand. Therefore, a lot of PEB companies have decided to add heavy structures and multi-storey buildings to their portfolio.

PEB designs are unique to match the operational requirements of each customer which results in optimum usage of space. This has significant advantage for several applications. The potential of the warehousing market has not been fully explored as far as PEB solutions are concerned. Currently, investments are being made in making industrial and commercial buildings. Once the focus shifts to Indian infrastructure, PEB usage in those applications will go up as well.

The concept of green buildings is steadily increasing in India. One of the key reasons for the rise of the PEB industry in recent times has been the increasing emphasis on sustainable building strategies. Also, modern steel manufacturers are making use of energy efficient methods in steel production that helps considerably in reducing Green House Gas (GHG) emissions.

Indian PEB industry is fairly similar to that of other countries. We are facing challenges in conditions at construction sites. We are setting up higher safety standards in projects undertaken by us. As a policy, we at Era Buildsys Limited, take care of quality control processes and procedures with our highly technical team. We always make sure that all our products have a technical edge in the market place.

ENTERTAINMENT INDUSTRY

In calendar year 2013, despite economic slowdown, India's Media & Entertainment (M&E) Industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion. (FICCI-KPMG Indian Media and Entertainment Industry Report 2014).

Today, India's M&E industry reaches millions of people. 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2000 multiplexes, 214 million internet users out of which 130 million are mobile internet users – all these are platforms that could drive change and be transformational catalysts.

Films had slower growth in 2013, than in 2012 and returned to the mean as far as growth rates go. Multiplex expansion, ticket prices growth and the expansion of digital screens are all likely to slow down in the near term – challenging the industry to find new avenues to maintain momentum. However, India is a heavily under-screened country and the macro story for the film industry remains strong.

Multiplexes, as of today, account for approximately 25 per cent of the total number of screens in the country with a low screen density of 8 screens per million in comparison with 117 per million in the US. Given the low screen penetration, India has the potential to significantly increase the number of existing multiplex screens in the country over the next decade without causing an oversupply of screens.

Digitization has been a boon for the industry. From shooting a movie on digital formats and distributing content across various locations, to marketing the film on various social media platforms and promoting it on social media, the entire industry is going digital. Online ticketing systems have brought in transparency and the much-needed facility of bringing the Box Office to one's computer or mobile phones.

GROWTH IN PEB SECTOR

The government has planned to increase the share of infrastructure investment in GDP to more than 10% by the end of the Twelfth Five Year Plan (2012-2017). In order to achieve this, the government has set a massive target of around Rs. 55.7 trillion for developing infrastructure. Of the total amount, around 32% of planned investments will be for power sector, 17% for telecommunications, 11% for railways, 13% for irrigation & sanitation and 9% for other infrastructure activities (Source: Planning Commission). These investments will create a huge demand for PEBs, which are widely used in industrial and commercial sectors.

GROWTH IN ENTERTAINMENT SECTOR

The film industry has recorded a healthy growth both in terms of content and box office collections in the year 2013-14. The industry is projected to grow at a Compound Average Growth Rate (CAGR) of 11.9% to touch ₹ 219.8 billion in 2018 (Source: KPMG in India analysis). Domestic theatrical revenues are expected to continue dominating the overall film exhibition pie. Growth in the number of screens by multiplexes contributed largely to the growth in domestic theatrical revenues. Penetration is now moving into tier II, III and even tier IV cities, which are experiencing rapid urbanization and greater economic growth.

The multiplex industry is set to enjoy a long period of healthy growth. The corporatization of several exhibitors and their listing at the bourses has also ensured availability of corporate financing options. Going forward, it is expected that the rate of increase of multiplex screens shall continue across geographies. The biggest winners will be the underserved markets of tier II and III cities, which has been the geographies of interest to most of the players in recent times. As per a study by Economic Times, between FY 11 and FY 13, 90% of the screen addition by various players took place in the tier II and III cities itself.

FUTURE OUTLOOK

Steel buildings are the fastest systems of industrial construction today and are popular all over the world in the form of Pre-engineered Buildings (PEB). PEBs are custom-designed, expandable, durable and maintenance free.

Central government's fast tracking of approvals on infrastructure and industrial projects during the second half of FY 14 are likely to boost the PEB industry. Construction activity, including those of industrial and commercial buildings, is likely to gain momentum over coming quarters. With a clear shift towards PEBs from conventional structures, the PEB segment would grow faster. With newly added capacities at a strategic location and increasing buyer interest in this building technique, the division is poised for rapid growth.

Also, the film industry recorded a double digit growth, albeit slower than in 2012, with multiple movies scoring big on box office collections. Approximately 90-95 per cent movie screens are now digitized in the country, with a shift in focus to tier II and III cities. Going forward, multiplex growth is expected to slow down, in line with the overall delays and future expectations for retail sector and commercial real estate development, impacting box office growth in the short term. However, the long term prospects of the industry are very positive.

The growth in domestic theatrical revenues can be largely attributed to the growth in number of screens via growth of the multiplex segment, coupled with increased ticket prices and a steady supply of content across genres and languages. With metros and most of the tier I markets getting saturated, the focus is now shifting to the tier II and III cities which are experiencing rapid urbanization and greater economic growth. The industry achieved approximately 90-95 per cent digitization of screens, and almost all commercially viable properties have been covered. Digital technology is now enabling reaching the unserved population which sits near the bottom of the pyramid. The key advantages of digital technology are affordability, security and timely access.

Keeping in view the growth prospects of the above mentioned industries, we expect that the growth momentum will prevail and the revenue & profitability of the Company will always be on the up rise.

OPERATIONAL PERFORMANCE

For the Financial Year ended on 31st March, 2014, the total operational income(Gross) of the Company stood at ₹ 31,428.26 lacs and an income for the financial year ended on 31st March, 2013 were ₹ 49,119.91 lacs.

SEGMENT – WISE PERFORMANCE

Based on the guiding principles giving in the accounting standard (AS-17) on segment reporting issued by the Institute of Chartered Accountants of India, the primary segment of the company are Metal Products & Allied Services, Real Estate