

**18<sup>TH</sup> ANNUAL REPORT**  
**2017-18**

**SRS LIMITED**

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# CORPORATE INFORMATION

CIN: L74999HR2000PLC040183

## BOARD OF DIRECTORS\*

Dr. Anil Jindal - Chairman  
Sh. Raju Bansal - Whole-Time Director  
**Sh. Ashok Kumar Gulla** - **Resolution Professional**  
(IBBI Registration No IBBI/IPA-003/IP-N00024/2017-2018/101)

\* The powers of the board of directors were suspended vide NCLT, Chandigarh order dated 21<sup>st</sup> August, 2018.

## STATUTORY AUDITORS

M/s. SVP & Associates  
M/s. Oswal Sunil & Company

## BANKERS

State Bank of India  
Bank of India  
Oriental Bank of Commerce  
Union Bank of India  
Syndicate Bank

## REGD. OFFICE

SRS Multiplex, 2<sup>nd</sup> Floor, City Centre,  
Sector-12, Faridabad  
Faridabad, NCR Delhi – 121003  
Ph. 8448995132  
Email id: compliances@srsparivar.com

## REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukh Dass Mandir,  
New Delhi – 110062  
Ph. # 011-29961281 Fax#011-29961284

## Management Discussion Analysis

The Economic Survey report 2017-18 has estimated the economic growth rate in the fiscal year 2019 between 7% and 7.5%, while saying that the rising crude oil price has become a major concern and is expected to grow by average 12% in the FY19. The Indian M&E sector reached INR 1.5 Trillion in 2017, after experiencing 13% growth over 2016.

The Economic Survey Report 2017-18 also said that private investment is poised to rebound in the fiscal year 2019 and employment, education and agriculture will remain the focus in the medium term. The survey also said that exports will be the biggest source of upside potential for the economy.

Government's advance India GDP Growth data showed that India's economic growth at 6.5%. However, even as the structural reforms — the GST and demonetization — are expected to ease out over the next few quarters.

The fiscal deficit at the end of November breached the target and touched 112% of the budget estimate for 2017-18 mainly due to lower GST collections and higher expenditure.

The growth of real Gross Value Added (GVA) in 2017-18 is anticipated at 6.1% as against 6.6% in the previous year. As per the CSO data, the expansion in activities in agriculture, forestry and fishing' is likely to slow to 2.1% in the current fiscal from 4.9% in the preceding year. The growth in manufacturing sector, too, is expected to decelerate to 4.6% this fiscal, down from 7.9% in 2016-17.

The International Monetary Fund (IMF) has said that India could grow at 7.4% in the current year 2018, as against China's 6.8%, making it the fastest growing country among emerging economies. Notably, the International Monetary Fund has projected a 7.8% growth rate for India in 2019.

Economic Survey is an annual document of the Ministry of Finance, Government of India, and reviews the developments in the Indian economy over the previous 12 months, summarizes the performance on major development programs, and highlights the policy initiatives of the government and the prospects of the economy in the short to medium term.

## Indian Media Report

### Introduction

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian advertising industry is projected to be the second fastest growing advertising market in Asia after China. At present, advertising revenue accounts for around 0.38 per cent of India's gross domestic product.

### Market Dynamics

Indian media and entertainment (M&E) industry grew at a CAGR of 10.90 per cent from FY17-18; and is expected to grow at a CAGR of 13.10 per cent to touch Rs 2,660.20 billion (US\$ 39.68 billion) by FY23 from Rs 1,436.00 billion (US\$ 22.28 billion) in FY18. India's media consumption has grown at a CAGR of 9 per cent between 2012-18, almost nine times that of US and two times that of China. The industry provides employment to 3.5-4 million people, including both direct and indirect employment in CY 2017.

Newspaper readership in India has increased by 40 per cent to 407 million in 2017 from 295 million in 2014.

India's advertising revenue is projected to reach Rs 1,232.70 billion (US\$ 18.39 billion) in FY23 from Rs 608.30 billion (US\$ 9.44 billion) in FY18.

**Recent development/Investments**

The Foreign Direct Investment (FDI) inflows in the Information and Broadcasting (I&B) sector (including Print Media) in the period April 2000 – June 2018 stood at US\$ 7.17 billion, as per data released by Department of Industrial Policy and Promotion (DIPP).

- As of September 2018, Twitter announced video content collaboration with 12 Indian partners for video highlights and live streaming of sports, entertainment and news.
- As of August 2018, PVR Ltd acquired SPI Cinema for worth US\$ 94.42 million.
- In H12018, 5 private equity investments deals were recorded of worth US\$ 115 million.
- The Indian digital advertising industry is expected to grow at a Compound Annual Growth Rate (CAGR) of 32 per cent to reach Rs 18,986 crore (US\$ 2.93 billion) by 2020, backed by affordable data and rising smartphone penetration.
- India is one of the top five markets for the media, content and technology agency Wavemaker where it services clients like Hero MotoCorp, Paytm, IPL and Myntra among others
- After bagging media rights of Indian Premier League (IPL), Star India has also won broadcast and digital rights for New Zealand Cricket upto April 2020.

**Government Initiatives**

The Telecom Regulatory Authority of India (TRAI) is set to approach the Ministry of Information and Broadcasting, Government of India, with a request to fastrack the recommendations on broadcasting, in an attempt to boost reforms in the broadcasting sector. The Government of India has agreed to set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai. The Indian and Canadian Government have signed an audio visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

**Road Ahead**

The Indian Media and Entertainment industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate.

Growth is expected in retail advertisement, on the back of factors such as several players entering the food and beverages segment, e-commerce gaining more popularity in the country, and domestic companies testing out the waters. The rural region is also a potentially profitable target.

**BUSINESS OF SRS LIMITED**

SRS Limited is a diversified Company deals in Cinema, Jewellery, Retail and F&B. SRS works on the motto of 'Enduring quality and Trust' which denotes its belief in superior customer relationship, integrity and innovation on every step of the business process to deliver products and services that are second to none. The group continuously strives to achieve higher standards of benchmarks in its offerings to provide ultimate satisfaction to its customers and stakeholders.

**SRS Cinemas**

SRS Group launched its cinema exhibition division, SRS Cinemas, on 12<sup>th</sup> November, 2004 in Faridabad and since then has grown from strength to strength with its presence in 17 cities with 22 multiplexes under its umbrella. To provide an exemplary and worthy movie experience to its customers is of paramount importance to SRS.

Keeping this in mind, the multiplexes are fitted with latest sound and projection system and offers easy booking options like online, mobile booking and even tele-booking.

At present, SRS Cinemas has 38 screens and 9725 seats under SRS Limited and 12 screens & 3103 seats under SRS Entertainment India Limited, Wholly Owned Subsidiary of SRS Limited. The brand's primary objective for every cinema viewer entering its multiplexes is to provide them with a comfortable cinematic experience. For this, the seats are ultra-luxurious with ample of arm to arm distance.

Also, keeping safety aspects in mind, the seats are fabricated with fire retardant fabric. All this and more, is what puts SRS cinemas ahead of its competitors. Being the 2nd large multiplex chain in Delhi, NCR, SRS cinemas has created a strong foothold in tier 2 cities as well, such as Patiala, Gorakhpur, Bijnor etc.

SRS multiplexes are not just about movies but way more. With attention to every little detail, SRS Cinemas has all the facilities required to make its customers movie viewing experience unforgettable.

### **Jewellery**

The Company was dealing in Jewellery Division both Wholesale and Retail which contributed major part of revenue. The Company's jewellery division was operated under the brand 'SRS Jewells'.

Pursuant to board resolution dated 15<sup>th</sup> December, 2017, the Company has decided to discontinue the operations of its Gold & Jewellery Division. The intention of discontinuing the Jewellery division was intimated to the Stock exchanges and hence the Jewellery Division was permanently closed.

### **Retail**

The company had various retail stores spread across different locations, However, Vide it's Board resolution dated 13<sup>th</sup> February, 2018, the Company intended to sell its retail division to Spencer Retail Limited and sought for shareholder's approval through postal ballot vide notice dated 21<sup>st</sup> February, 2018 and got the shareholders approval subsequently and applied for the lender's approval which could not be obtained. Hence, the sale to Spencer Retail Limited did not materialise due to failure to obtain NOC from lenders. Due to liquidity crunch the payment of most of the lessors of retail stores were also outstanding for several months.

Since the selling of retail division was already in the process, in consequence of this the employees of the retails stores had resigned in majority in February, 2018 itself and the top executives were not available for the decision making as the statutory authorities had raided the premises of SRS group on 8<sup>th</sup> March, 2018 which created a panic in SRS group as a whole and among the lessors of retail stores. Consequently, the management was compelled to close down the retail division during last week of March 2018 as and where basis leading to a significant loss of inventory and property, plant & equipment.

### **Human Resource**

Due to liquidity problems in the Company since April, 2016, the Company was in the process of consolidation of Business and started cost cutting. Some of the employees were terminated while some resigned from the Company. The staff pertaining to jewellery and retail business left the Company, pursuant to the discontinuance of their operations.

The Cinema division was the only operational division till the end of FY 2017-18. During FY 2017-18, the total number of job applications received were 1043 (approx.) out of which 894 new employees joined the Company. Majority of the staff was employed in the cinema division.

### **SRS IT Infrastructure Upgrade**

The Company believes in constant upgrade of Technology and invests wisely to utilize the true potential of technology to provide stability, speed and transparency to business. We have done below mentioned implementation in our company.

- Vista Screen schedule at box office
- GST Implementation done
- Create new reports as per requirement of account
- Vista Version upgrade 4.5.6.29
- Vista H.O version upgrade 4.3.506.8
- Bulk booking bill generate from candy with customer GST Number
- BMS Cancellation active all sites
- Paytm off line done at all sites
- Consolidate ticket done at all sites

**CORPORATE INSOLVENCY RESOLUTION PROCESS**

The Company is under Corporate Insolvency Resolution Process ("CIRP") under Insolvency and Bankruptcy Code, 2016 vide order dated 21.08.2018 of Hon'ble National Company Law Tribunal, Chandigarh Bench. Mr Ashok Kumar Gulla has been appointed as Resolution Professional. In accordance with the Code, Resolution Professional has invited Expression of Interests from eligible Resolution Applicants for the resolution of the Company. The CIRP is to conclude on 18.05.2019.

**Cautionary Statement**

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words.

## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting (AGM) of the Members of SRS Limited will be held as under:

Day : Tuesday  
Date : 14<sup>th</sup> May, 2019  
Time : 11:30 A.M.  
Venue : Basement-1, SRS Multiplex,  
City Centre, Sector-12,  
Faridabad-121007

to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31<sup>st</sup> March, 2018, including the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit & Loss for the year ended on that date, together with the Reports of the Directors' and Auditors' thereon.

On behalf of the Board  
For SRS Limited

Place: Faridabad  
Date: 11.04.2019

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN: 00007344

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the Company.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules made thereunder, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The enclosed proxy form, duly completed, stamped and signed, must reach at the Registered Office not later than 48 hours before the scheduled time of the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members entitled to vote would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing is given to the Company.
5. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.



6. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting has been done away with by the Ministry of Corporate Affairs, New Delhi vide its notification dated 7<sup>th</sup> May, 2018. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed in the 16<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016 to hold office till the conclusion of 21<sup>st</sup> Annual General Meeting.
7. Beetal Financial & Computer Services Pvt. Ltd. is the Registrar and Share Transfer Agents (RTA's) of the Company. All investor related communication may be sent to RTA's at the following address:  
**Beetal Financial & Computer Services Pvt. Ltd.**  
Beetal House, 3<sup>rd</sup> Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukh Dass Mandir, New Delhi-110062  
Ph. #011-29961281-283, Fax#011-29961284  
Email id: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)
8. Members are requested to notify all the changes, if any, in their addresses/particulars to their depository participants in respect of their holding in electronic form and to RTA's at the above address in respect of their holding in physical form.
9. The Register of Members and Share Transfer Books will remain closed from Wednesday, 8<sup>th</sup> May, 2019 to Tuesday, 14<sup>th</sup> May, 2019 (both days inclusive).
10. In terms of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), the Company has uploaded the information in respect of the unclaimed dividend, pending share application money, interest on refund account in IPO of the Company as on the last annual general meeting of the Company which was held on 27<sup>th</sup> September, 2017, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors" section on the website of the Company viz. [www.srsparivar.com](http://www.srsparivar.com). The concerned members are requested to verify the details of their unclaimed amounts, if any, from the said websites and write to the Company/RTAs before the same is due for transfer to the Investor Education and Protection Fund.
11. The Company is concerned about the environment and utilizes all natural resources in an optimum way. Therefore, you are requested to update your email ids with your Depository Participants in case of shares held in demat and in case of physical shares, register/update your email id with the Company's RTAs to enable us to send you the reports and other communications via email.
12. In terms of Section 101 and 136 of the Companies Act, 2013 read with the Rules made thereunder, Copies of the Annual Report containing Notice of 18<sup>th</sup> Annual General Meeting and the instructions for e-voting along with Attendance Slip and Proxy Form is being sent by electronic mode to all the Members whose email addresses are registered with Depository Participant(s) or Company or Registrar & Share Transfer Agents unless any member has requested a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of Annual Report along with attendance slip and proxy form are being sent by permitted mode. In case you wish to get the physical copy of Annual Report, you may send your request to [compliances@srsparivar.com](mailto:compliances@srsparivar.com).
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and provisions of Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 the Company is pleased to provide the members facility to exercise their right to vote at the 18<sup>th</sup> Annual General Meeting of the Company by electronic means and the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
14. The Shareholders can vote on all the businesses to be transacted at the Annual General Meeting by way of any one of the following methods:

- Remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of the Annual General Meeting;
  - Voting at the venue of the Annual General Meeting by poll through ballot paper, as will be provided by the Company.
15. A Shareholder can opt for only one mode of voting. In case a shareholder votes through remote e-voting as well as casts vote through ballot form, the votes cast through remote e-voting shall be considered and the voting through physical ballot shall not be considered by the scrutinizer.
  16. The Shareholders who have voted through remote e-voting shall be entitled to attend the meeting, however, they shall not be allowed to cast their vote again at the venue of the Annual General Meeting.
  17. The Shareholders attending the meeting, who have not already cast their votes through remote e-voting, shall be able to exercise their right at the meeting.
  18. The Shareholders shall have one vote per equity share held by them. The facility of voting would be provided once for every folio/client id, irrespective of the number of joint holders.
  19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names would be entitled to vote.
  20. The Shareholders as on the cut-off date i.e. Tuesday, 7<sup>th</sup> May, 2019 shall only be eligible to vote on the resolutions mentioned in the notice of annual general meeting.
  21. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website [www.srsparivar.com](http://www.srsparivar.com) for their download.
  22. The Company has appointed M/s. Jatin Singal & Associates, Company Secretaries, as the Scrutinizer for conducting the voting process in a fair and transparent manner.
  23. The scrutinizer will submit his final and consolidated report to the Chairman of the Meeting within 2 working days after the conclusion of the Annual General Meeting. The scrutinizer's decision on the validity of all kinds of voting will be final.
  24. The results of Annual General Meeting shall be declared after the Annual General Meeting within the prescribed time limits.
  25. The results of voting will also be placed at the website of the company viz. [www.srsparivar.com](http://www.srsparivar.com) and on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Saturday, 11<sup>th</sup> May, 2019 at 10:00 A.M. and ends on Monday, 13<sup>th</sup> May, 2019 at 5:00 P.M. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 7<sup>th</sup> May, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for demat shareholder as well as physical shareholder)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for SRS Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
26. Members desiring any information/clarification on the accounts are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready at the Annual General Meeting.
27. Should any assistance be desired or clarification be sought, you may write at [compliances@srsparivar.com](mailto:compliances@srsparivar.com).

**On behalf of the Board  
For SRS Limited**

Place: Faridabad  
Date: 11.04.2019

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN: 00007344

To,

The Members,

**INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

Pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT), Chandigarh, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of SRS Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 21<sup>st</sup> August, 2018.

In this connection, Sh. Ashok Kumar Gulla has been appointed as Resolution Professional (RP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional -

- the management of the affairs of the company shall vest in the Resolution Professional.
- the powers of the Board of Directors company shall stand suspended and be exercised by the Resolution Professional.
- the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the Resolution Professional.
- the financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

**FINANCIAL RESULTS**

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2018 is summarized below: -

₹ in Lacs

Particulars	2017-18	2016-17
<b>Continuing Operations</b>		
Revenue from Operations	11,372.05	11,200.08
Other Income	98.08	264.07
<b>Total Revenue</b>	<b>11,470.13</b>	<b>11,464.15</b>
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expense and Tax	(1,033.57)	1,196.57
Finance Cost	1,106.58	1,239.51
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(2,140.15)</b>	<b>(42.94)</b>
Depreciation	1,152.07	1,415.72
<b>Profit/(Loss) before Tax from continuing operations</b>	<b>(3,292.22)</b>	<b>(1,458.66)</b>
Provision for Tax		
- Current	-	-
- Deferred Tax	(4,132.55)	(4,637.99)
- MAT Credit	-	-
- Earlier Years	(10.03)	-
<b>Profit/(Loss) after Tax from discontinued operation</b>	<b>(7,414.74)</b>	<b>3,179.33</b>
<b>Discontinued Operations</b>		
<b>Profit/(Loss) before Tax from continuing operations</b>	<b>(1,38,690.37)</b>	<b>(19,228.03)</b>
<b>Less: Tax Expenses</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) after Tax from discontinued operation</b>	<b>(1,38,690.37)</b>	<b>(19,228.03)</b>
<b>Profit/(Loss) before Tax</b>	<b>(1,46,105.11)</b>	<b>(16,048.70)</b>
Other Comprehensive Income	17.70	(2.11)
<b>Total Comprehensive Income</b>	<b>(1,46,087.41)</b>	<b>(16,050.81)</b>
Face Value per Equity Share (in Rs.)	10.00	10.00
<b>Earnings Per Share (in Rs.)</b>		
Basic & Diluted (in ₹)		
From Continuing Operations	(2.66)	1.14
From Discontinued Operations	(49.78)	(6.90)
<b>Total Basic &amp; Diluted from continuing &amp; discontinued operations (in ₹)</b>	<b>(52.44)</b>	<b>(5.76)</b>



**RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

During the financial year under review, the Company has suffered huge losses as compared to the previous financial year.

**Continuing Operations**

The Company reported total revenue of Rs.113.72 Crore in FY 2017-18 from Continuing Operations, representing an increase of 1.54% over the figure of Rs.112.00 Crore reported in FY 2016-17. The Company has suffered Total Loss from Continuing Operations of Rs. 74.15 Crore in F.Y. 2017-2018 as compared to Total Income of Rs.31.79 Crore in F.Y.2016-2017.

**Discontinued Operations**

The Company has suffered Total Loss from Discontinued Operations of Rs.1386.90 Crore in F.Y. 2017-2018 as compared to Total loss of Rs.192.28 Crore in F.Y.2016-2017.

**Total Comprehensive Loss from Continuing & Discontinued Operations**

The Company has suffered Total Comprehensive Loss from Continuing & Discontinued Operations of Rs.1460.87 Crore in F.Y. 2017-2018 as compared to Total Comprehensive loss of Rs.160.51 Crore in F.Y.2016-2017.

The Company is facing liquidity crunch since April, 2016 and the impact of the same is still subsisting. Due to this, your Company is unable to make payments of Secured & Unsecured Debts on time.

**Material Changes affecting the financial position of the Company which have occurred between the F.Y.2017-2018 and the date of this report:**

Dr. Anil Jindal, Chairman (Whole-Time Director)-Promoter and Sh. Bishan Bansal, Promoter of the Company were arrested on 5<sup>th</sup> April, 2018 and are in judicial custody under FIR No.111-130/2018 and FIR No.483/2017 since 11<sup>th</sup> April, 2018 Whole-Time Director (Promoter) for committing fraud for the estimated amount involved 10-11 Crores (approx.).

Due to this reason, there were frequent resignations of Directors as well as Company Secretary & Chief Financial Officer since April, 2018. Now, there is no proper composition of the Board. Most of the senior employees and other staff has also resigned.

There is only one Executive Director i.e. Sh. Raju Bansal is present in the Board of the Company. Hence, the composition of the Board as well as committees are not as per the provisions of the Companies Act, 2013 and the SEBI (LODR), 2015.

Due to the above mentioned reasons & circumstances, the overall working of the Company has been affected since April, 2018 and panic is created till now among the existing employees/staff.

There is delay in preparing of Financial Statements & conducting AGM as per the specified timelines and to comply with the other provisions of the Companies Act, 2013 & SEBI (LODR), 2015. The Stock Exchanges- BSE, NSE & other authorities has imposed penalties for non-compliance.

**DIVIDEND**

Your company is incurring losses, hence, unable to recommend any dividend for the Financial year 2017-18.

The details of amount lying as unclaimed in the Unpaid Dividend Account of the Company for the Dividend declared for the financial year 2011-12 & 2012-13 are given in the Corporate Governance Report.

**SHARE CAPITAL**

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2018 was Rs.278, 58, 20,260/- During the year under review, your Company did not issue any further Capital.

Equity Shares of your Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sh. Jitender Kumar Garg, Non-Executive Director, has resigned from directorship of the Company on 14<sup>th</sup> August, 2017, due to some unavoidable reasons & circumstances. The Board placed on record its appreciation for the services rendered by Sh. Jitender Kumar Garg during his tenure of directorship with the Company.

Sh. Sunil Jindal, was re-designated from Managing Director to Whole-Time Director w.e.f. 14<sup>th</sup> August, 2017 and has resigned from directorship of the Company on 1<sup>st</sup> September, 2017, due to other preoccupations. The Board placed on record its appreciation for the services rendered by Sh. Sunil Jindal during his tenure of directorship with the Company.

Sh. Shivam Gupta, Independent Director, has resigned from directorship of the Company on 1<sup>st</sup> September, 2017, due to other preoccupations. The Board placed on record its appreciation for the services rendered by Sh. Shivam Gupta during his tenure of directorship with the Company.

Ms. Anjali Trehan, Independent Director, has resigned from directorship of the Company on 21<sup>st</sup> February, 2018, due to other preoccupations. The Board placed on record its appreciation for the services rendered by Ms. Anjali Trehan during her tenure of directorship with the Company.

Sh. Vaibhav Gupta, Independent Director, has resigned from directorship of the Company on 1<sup>st</sup> April, 2018, due to personal and unavoidable circumstances. The Board placed on record its appreciation for the services rendered by Sh. Vaibhav Gupta during his tenure of directorship with the Company.

Sh. Lalit Kumar, Independent Director, has resigned from directorship of the Company on 9<sup>th</sup> April, 2018, due to other preoccupations. The Board placed on record its appreciation for the services rendered by Sh. Lalit Kumar during his tenure of directorship with the Company.

Sh. Jogindar Lal Chhabra, Independent Director, has resigned from directorship of the Company on 7<sup>th</sup> May, 2018, due to some unavoidable reasons & circumstances. The Board placed on record its appreciation for the services rendered by Sh. Jogindar Lal Chhabra during his tenure of directorship with the Company.

Sh. Sachin Goyal, Chief Financial Officer, has resigned from the Company on 28<sup>th</sup> April, 2018.

Ms. Navneet Kwatra, C.O.O. & Company Secretary, has resigned from the Company on 9<sup>th</sup> May, 2018.

Sh. Vinod Kumar was re-designated from Executive to Non-Executive Director on 23<sup>rd</sup> June, 2017. He has resigned from the Directorship on 1<sup>st</sup> May, 2018 and has filed his resignation with MCA in Form-DIR-11.

Sh. Rajesh Yadav was appointed as an Additional (Independent) Director of the Company on 9<sup>th</sup> May, 2018. He has given his resignation to Resolution Professional and it is noted in the meeting of the CoC.

Sh. Yogesh Kumar was appointed as an Additional (Independent) Director of the Company on 9<sup>th</sup> May, 2018. He has given his resignation to Resolution Professional and it is noted in the meeting of the CoC.

Sh. Sandeep was appointed as an Additional (Non-Executive) Director of the Company on 14<sup>th</sup> August, 2017. He has resigned from the Directorship on 04.07.2018 and has filed his resignation with MCA in Form-DIR-11.

Dr. Anil Jindal, Chairman (Whole-Time Director) is under judicial custody since 5<sup>th</sup> April, 2018.

Since, April, 2018, due to frequent resignations of Directors, the Company is not complying with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015 in respect of Board of Directors and Composition of Committees.

Further, Dr. Anil Jindal, Sh. Raju Bansal, Sh. Vinod Kumar, Sh. Lalit Kumar, Sh. Jogindar Lal Chhabra, Ms. Anjali Trehan and Sh. Vaibhav Gupta have been disqualified u/s 164(2) of the Companies Act, 2013 from 30/09/2017 to 30/09/2022 by the Registrar of Companies, NCT of Delhi & Haryana.

### **BOARD MEETINGS**

During the year under review, Sixteen (16) meetings of the Board of Directors were held.

The details of Board meetings are given in the 'Corporate Governance Report' forming part of this Annual Report.

### **Details in respect of frauds reported by auditors u/s 143(12) other than those which are reportable to the Central Government**

The Chairman of the Company, Dr. Anil Jindal is under Judicial Custody under FIR No.111 –130/2018 and FIR No.483/2017 since 5<sup>th</sup> April, 2018.

### **REMUNERATION POLICY**

Information regarding Remuneration Policy is given in the Corporate Governance Report.

### **COMPOSITION OF COMMITTEES**

During the year under review, the composition of Corporate Social Responsibility Committee as required under Section 135(2), the composition of Audit Committee as required under Section 177 (8) and the composition of Nomination & Remuneration Committee as required under Section 178 of the Companies Act, 2013 is given in the Corporate Governance Report.

Since, April, 2018, due to frequent resignations of Directors, the Company is not complying with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015 in respect of Board of Directors and Composition of Committees.

**KEY MANAGERIAL PERSONS (KMPs)**

Following are the whole time key managerial personnel of your Company, who held such offices as are mentioned against their respective names:

1. Executive Chairman:- Dr. Anil Jindal
2. Managing Director :- Mr. Sunil Jindal (resigned on 1<sup>st</sup> September, 2017)
3. Whole Time Director:- Mr. Raju Bansal
4. Chief Financial Officer:- Mr. Sachin Goyal (resigned on 28<sup>th</sup> April, 2018)
5. COO & Company Secretary:- Dr.(Mrs.) Navneet Kwatra (resigned on 9<sup>th</sup> May, 2018)

The Company has not appointed Company Secretary & Chief Financial Officer after their resignations in April-May, 2018 till February, 2019.

**LOANS, GUARANTEES AND INVESTMENTS**

Your Company has not given guarantee in favour of any person/company during the financial year 2017-18.

The Company has provided following loans and has made the following investments u/s 186 of the Companies Act, 2013:

S. No.	Name of the Entity	Nature of transaction	Amount	Particulars of Loans, Guarantee or Investment
1	SRS Entertainment India Ltd. (Formerly known as SRS Entertainment Limited)	Loan	NIL	Temporary Loan for expansion of business.
2.	SRS Entertainment India Ltd. (Formerly known as SRS Entertainment Limited)	Investment	Nil	Acquired the shares of the Company

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There being no 'material' related party transactions as defined under the Companies Act, 2013 read with Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which may have potential conflict with the interest of your Company at large.

Hence, there are no details to be disclosed in Form AOC-2 in that regard.

**STATUS OF BANK LOANS**

Due to liquidity problems, the Company has been irregular and classified as NPA mainly due to non-servicing of interest and other related charges for the fund based borrowings availed from consortium of Banks for the aggregate outstanding amounting to Rs. 100737 Lacs as on 31<sup>st</sup> March, 2018.

The State Bank of India filed an application before Hon'ble NCLT, Chandigarh under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016") for initiating Corporate Insolvency Resolution Process ("CIRP") of SRS Limited. The application was admitted vide Hon'ble NCLT, Chandigarh Order dated 21.08.2018 and Mr. Ashok Kumar Gulla, Insolvency Professional, having IBBI Regn. No. IBBI/IPA-003/IP-N00024/2017-2018/ 10174, was appointed as Interim Resolution Professional ("IRP").

Further, pursuant to the order of NCLT, a public announcement of CIRP was made on August 24, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on September 20, 2018 (E-voting results declared on September 26, 2018) and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.



**FIXED DEPOSITS**

Due to liquidity crunch in the Company, the Company was not able to maintain liquid assets for the year ended 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2018 as required under Section 73(2) (c) of the Companies Act, 2013 read with Rule 13 of the Companies (Acceptance of Deposits) Rules, 2014.

The Company had filed an application with National Company Law Tribunal (NCLT) for getting extension of time for repayment of Deposits and NCLT has passed the order on 20<sup>th</sup> October, 2016 granting extension of time to the Company for repayment of Deposits.

The NCLT has granted further extension vide its order dated 2<sup>nd</sup> February, 2017 for interest payments by 31<sup>st</sup> March, 2017 and Principal payments by 30<sup>th</sup> June, 2017 in accordance with its earlier Order dated 20<sup>th</sup> October, 2016. But the Company has not complied these Orders. The NCLT has issued final Order on 20<sup>th</sup> December, 2017.

The Company has filed an appeal with the National Company Law Appellant Tribunal (NCLAT), New Delhi on 18<sup>th</sup> January, 2018 against the NCLT order dated 20<sup>th</sup> December, 2017 and the said appeal has been withdrawn by the Company on 8<sup>th</sup> March, 2018.

**UNCLAIMED REFUND & INTEREST ON REFUND ACCOUNT**

The Company has Rs.1,49,900/-as unclaimed in the Refund Account and Rs.29,277/-as unclaimed in the Interest on Refund Account maintained with the State Bank of India, for IPO of the Company as on 31<sup>st</sup> March, 2018.

**AUDITORS****Statutory Auditors**

M/s. SVP & Associates, Chartered Accountants and M/s. Oswal Sunil & Company, Chartered Accountants, Joint Statutory Auditors of the Company, vide AGM held on 30<sup>th</sup> September, 2016 to conduct Statutory Audit for Five Consecutive AGMs i.e. for F.Y. 2016-2017 to F.Y. 2020-2021.

Now, the requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting has been done away with by the Ministry of Corporate Affairs, New Delhi vide its notification dated 7<sup>th</sup> May, 2018.

Accordingly, the appointment of Statutory Auditors, who were appointed in the 16<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016 continue to hold office till the conclusion of 21<sup>st</sup> Annual General Meeting.

The Comments for the qualifications in the Auditor's Report on the financial statements of the Company for financial year 2017-18 are as provided in the "Statement on Impact of Audit Qualifications" which is annexed hereafter and forms part of this report.

**Internal Auditors**

No Internal Audit was conducting during the year.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. Jatin Singal & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company.

Secretarial Audit Report for the year 2017-18 given by M/s Jatin Singal & Associates in the prescribed form MR-3 is annexed to this Report as Annexure-I.

**Cost Auditor**

The provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company, during the year under review.

**AUDITORS' REPORT**

The Joint Statutory Auditors' M/s. SVP & Associates, Chartered Accountants and M/s. Oswal Sunil & Company, Chartered Accountants have given the following Qualifications in their Joint Statutory Audit Report:

**(a) Auditors' Qualification:** Refer Note 1.3 and 39 to the standalone financial statements, in respect of **preparation of financial statements of the Company on going concern basis for the reasons stated therein.** As on 31<sup>st</sup> March, 2018, the Company has negative net worth of Rs. 97741 lakhs and the Current Liabilities exceeds Current Assets by Rs. 115696 lakhs. The Company has been continuously incurring cash losses. The Company has obligations towards fund-based borrowings aggregating Rs. 100737 lakhs, that are due/overdue and are payable to the bankers. Further, there are liabilities towards public deposits amounting to Rs. 8903 lakhs, operational creditors and statutory dues. Above stated liabilities are subject to reconciliation/ verification as stated in Note 40. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable.

**Management Reply**

The Company is undergoing Corporate Insolvency Resolution Process vide the order of Hon'ble NCLT order dated August 21, 2018, The Resolution Professional has invited Resolution Plan from the interested applicants and In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, the financial results have been prepared on the basis that the Company is a Going Concern.

**(b) Auditors' Qualification:** Refer Notes 40 and 41 to the standalone financial statements, in respect of **various claims, submitted by the financial creditors (including claims towards fund based borrowings and interest thereon), public deposit holders, employees and/ or authorized representative of employees, etc.** of the Company to Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation.

Pending reconciliation/admission of such claims by the RP, Auditors are unable to comment on the consequential impact, if any, on the financial statements for the year ended 31<sup>st</sup> March, 2018.

Auditors' reference to Note 41 in respect of non-availability of confirmations of bank balances (debit) aggregating Rs. 4.23 lakhs, trade receivables and trade payables. Balance confirmations, wherever received in case of trade receivables and trade payables, are under reconciliation and impact is pending to be given in books of account.

**Management Reply**

As per the order of Hon'ble NCLT Chandigarh, the claim from the financial creditors, public deposit holders, etc. can be accepted upto the Last date of submission of Resolution Plan. Currently the claims from various parties are being received. The Management believes that no material adjustments would be required in books of account upon receipt of these claims.

**(c) Auditors' Qualification:** Refer Note 43 to the standalone financial statements, in respect of **balances available with statutory authorities and input credits** aggregating Rs. 780 lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made.

Thus, Auditors' are unable to comment whether any provision for impairment in the value of these balances is required.

**Management Reply**

An amount of Rs. 769 lakhs out of Rs. 780 lakhs pertains to Exempted Entertainment Tax for Barailly and Lucknow cinemas receivable from the UP state government. The Management believes that no material adjustments would be required in books of account upon receipt of these claims.

Remaining amount pertains to SGST exemption in Uttar Pradesh. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities.

**(d) Auditors' Qualification:** Refer Note 44 to the standalone financial statements on **discontinued operations**. Except the board resolution as mentioned in the said note, Shareholders' and/or board approvals were not available for discontinuation of those operations. In respect of discontinued operations, Property, Plant and Equipment (PPE) amounting to Rs. 1380 lakhs (WDV) were written off, Loss amounting to Rs. 401 lakhs was incurred on sale of PPE and Inventory amounting to Rs. 865 lakhs was written off. Further, Provision for doubtful Trade Receivables and Loans & Advances was made and Receivables/ Loans & Advances were written off aggregating Rs. 120361 lakhs as on 31<sup>st</sup> March, 2018.

In this respect management's representation was received that the write offs/ provisions were made and losses were incurred since the assets were found short or were discarded or were abandoned due to abrupt closure or were doubtful of recovery due to lack of proper internal control and follow-up (also refer our report on Internal Financial Controls). Amounts pertaining to discontinued operations have not been segregated in Note 47 (for Leave Encashment and Gratuity).

Foreign Trade Receivables aggregating Rs. 13793 lakhs\*as on 31<sup>st</sup> March, 2018 (including Rs.13499 lakhs out of sale to parties from inventories sent by NSEZ unit of the Company located in India to UAE Branch through Branch transfer) on account of sale during the FY 2015-16 and FY 2016-17 in UAE are unsecured, i.e., not backed by any security. Furthermore, in terms of RBI regulations, in case of delay in export realisations beyond the stipulated period, application though required, was not made to the Bank.

In absence of alternative corroborative evidence, Auditors are unable to comment on the recoverability of such balances.

(\*included in 'Provision for doubtful Trade Receivables and Loans & Advances', as mentioned in preceding para.)

**Management Reply**

In view of constant deterioration in quality of receivables, falling margins and adverse cash flows, pursuant to board resolution dated 15<sup>th</sup> December, 2017, operations of Gold & Jewellery Division were discontinued by the Company, w.e.f. 1<sup>st</sup> February, 2018.

The Company tried to dispose off the Retail Division, which did not materialise. Subsequently, the Company decided to close down the operations, due to liquidity crunch, payment problems, etc.

Closure of these business led to massive losses in the form of write offs, provisioning and other losses incurred.

The jewellery division and Retail division were looked after by the Mr. Sunil Jindal and Anil Jindal who were the Executive Directors of the company and are not available for comments as Mr. Anil Jindal is currently under Judicial custody and Mr. Sunil Jindal presence is not known.

**(e) Auditors' Qualification:** Refer Note 21 and 23 to the standalone financial statements. As per Segment II of Schedule III to the Companies Act, 2013, **Unpaid matured deposits and interest accrued thereon**, though required to be disclosed separately (as Other Financial Liabilities), such disclosure has not been made.

### Management Reply

Due the high volume of data it is difficult to segregate the principal and interest amount. However, management does not fore see any material financial impact to the financial statements.

**(f) Auditors' Qualification:** Refer Note 23 to the standalone financial statements. On matured public deposits, interest has been provided @11.75% p.a. As per Rule 17 of Acceptance of Deposits Rules, 2015, a company shall pay a penal rate of interest of eighteen per cent p.a. for the overdue period of deposits, whether secured or unsecured, matured and claimed but remaining unpaid.

In absence of necessary information, Auditors' are unable to comment upon the shortfall in provision for interest and consequential impact on the accompanying standalone financial statements.

### Management Reply

The Company had filed for granting the extension of time for the repayment of matured Public Deposits and the Hon'ble NCLT vide its order dated October 20, 2016, had allowed the company to pay the delayed repayment at the rate of 11.75% Hence the Interest has been provided at the rate of 11.75%. Pursuant to the commencement of Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC), final view on the matter shall emerge when the CIRP reaches its concluding stage.

**(g) Auditors' Qualification:** In **Gold & Jewellery Segment (discontinued operations), purchases were not found duly supported.** Store wise sales and purchase reports as per software and their reconciliation as on 31<sup>st</sup> March, 2018 with books of account were generally not available in Retail Segment (discontinued operations). Salaries paid amounting to Rs. 155.40 lakhs in above Segment were not found duly supported.

In respect of the financial statements/ information of the branch in UAE included in the Standalone financial statements of the Company, no documentary evidence was available for account maintained by the branch with bank, which was closed during the year under review.

### Management Reply

All the reconciliation of the accounts with the softwares were done by accounting staff of Retail division. Since the Retail division of the company had closed Hence all the employees had left and there was no staff available to perform the reconciliation. The affairs of Retail division and Jewellery Division were managed by Mr. Sunil Jindal (WTD) and is not available for comment.

**(h) Auditors' Qualification:** In respect of advances amounting to Rs. 65.44 lakhs given to certain employees, for which no confirmation has been received and for which provision has been made as on 31<sup>st</sup> March, 2018, Auditors have relied upon on management's explanation that these employees have since left.

### Management Reply

The management of the company is looking into the matter and the proper facts to be reviewed, All the Employee advance were looked after by Mr. Anil Jindal, Executive Chairman of the company, and he is not available to comments as he is currently under Judicial custody.

**(i) Auditors' Qualification:** Refer Note 22 regarding the required **disclosures and liability for interest**, if any, to Suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. In this respect, sufficient information is not available with the Company.

### Management Reply

The company had decided to shut its jewellery division and retail division of the company and hence all the employees of the company had resigned/left and currently there are no employees in both the divisions. Since there were no employees in jewellery division and retail division hence the confirmation from the vendors for disclosure under MSMED act could not be done. The affairs of retail division and jewellery division were managed by Mr. Sunil Jindal (WTD) and is not available for comment.

**(j) Auditors' Qualification: Deposit Repayment Reserve Account** for the Fixed deposits at the close of the year, required under Section 73(2)© of the Companies Act, 2013 equal to 15% of the deposits maturing in the year and in the year following were found short by Rs. 1078 lakhs as on 31<sup>st</sup> March, 2018 (net of Fixed Deposit amounting to Rs. 37 lakhs with bank).

Auditors' are unable to comment on the financial implications in respect of the same.

**Management Reply**

The Public Deposits Repayment and Interest related provisions were looked after by Mr. Anil Jindal, Executive Chairman of the company, and he is not available to comments as he is currently under Judicial custody.

**HOLDING, SUBSIDIARIES AND BRANCHES**

SRS Entertainment India Limited is the Wholly Owned Subsidiary of the Company.

SRS Smart Retail Limited (formerly known as SRS Bright Retail Limited) becomes the Wholly Owned Subsidiary of the Company w.e.f. 30<sup>th</sup> June, 2017 as the Company has acquired its 100% Shareholding.

The Company has closed its Branch at Sharjah Airport International Free Zone (SAIF Zone), Sharjah for its jewellery business on 21.02.2018.

A report on the performance and financial position of each of the subsidiaries included in the consolidated financial statement is set out herein as Annexure-II in the Form-AOC-1.

**CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with Section 129(3) of the Companies Act, 2013 and Accounting Standard – 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the year 2017-18.

**EXTRACT OF ANNUAL RETURN**

The extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is annexed to this report as Annexure - III.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said Rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided herein below:-

- I) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2017-18:

S.No.	Name of Directors	Nature of Directorship	Ratio
1.	Dr. Anil Jindal	Chairman (Executive)	67:1
2.	Sh. Sunil Jindal*	Managing Director	24:1
3.	Sh. Raju Bansal	Whole-Time Director	39:1
4.	Sh. Vinod Kumar**	Whole-Time Director	20:1

\*Sh. Sunil Jindal re-designated WTD on 14.08.2017 & resigned on 01.09.17.

\*\* Sh. Vinod Kumar has re designated from Whole-Time Director to Non-Executive Director w.e.f. 23<sup>rd</sup> June, 2017.

- (ii) the percentage increase in remuneration of Managing Director, Whole-Time Director, CFO and Company Secretary in the financial year 2017-2018:

	Name of Directors/KMPs	Designation	% increase
1.	Dr. Anil Jindal	Chairman (Executive)	0
2.	Sh. Sunil Jindal#	Managing Director	0
3.	Sh. Raju Bansal	Whole-Time Director	-60%
4.	Sh. Vinod Kumar*	Whole-Time Director	-
5.	Dr. (Ms.) Navneet Kwatra	C.O.O. & Company Secretary	0
6.	Sh. Sachin Goyal	Chief Financial Officer	0

#Sh. Sunil Jindal re-designated WTD on 14.08.2017 & resigned on 01.09.17.

\*\* Sh. Vinod Kumar has re-designated from Whole-Time Director to Non-Executive Director w.e.f. 23<sup>rd</sup> June, 2017.



Further, there was no increase in the remuneration of Non-Executive Directors by way of sitting fee for attending Board/Committee meetings for the financial year 2017-18. No profit linked commission is paid to Non-Executive Independent Directors of the Company.

- (iii) the percentage increase in the median remuneration of employees during the financial year was -4%.
- (iv) the number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018 is 353.
- (v) there is no employee receiving remuneration in excess of the highest paid Director during the year:
- (vi) yes, the remuneration is as per the Remuneration Policy of the Company:

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a Vigilance Mechanism/Whistle Blower Policy to deal with fraud and mismanagement, if any. The details of Vigil mechanism/Whistle Blower Policy are explained in the Corporate Governance Report and have also been posted on the website of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee.

The Annual Report on the CSR Activities undertaken by the Company during the financial year is enclosed herewith as Annexure-IV.

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

**i) Energy Conservation**

With the ideology of adhering to preservation and conservation of natural resources, we continue being environmentally responsible and energy efficient. We are committed to do its bit towards protection of environment and after taking positive steps in this area, the Company is keeping up its efforts to enhance its sustainable footprint. The following initiatives have been taken in this area:

- CFLs and CDMTs were replaced with low consuming LED lights at SRS Mall.
- Installed Air Cooled Fluid Cooler for 1010 KVA DG set for lower fuel consumption
- Rain Water Harvesting System is in place for re-using rain water.
- Zero water discharge status from SRS Mall area to harvest every drop of rain water that will improve the ground water substantially.
- Installed latest technology Energy Star Rating HVAC items for reduced electricity consumption
- Regularly & timely servicing of all DG sets and equipment for lower fuel consumption
- Increased green area around the mall, which is not only environmentally friendly but also helps control the temperature.
- Recycling of water by first using for fountains & then the same water is used for gardening purpose. This water is not drained in sewer/drain lines.
- Timings reduced of running units to be controlled in early morning & late night.

ii) **Technology Absorption** : Nil

iii) **Foreign Exchange Earning & Outgo**

**Earning in foreign Currency:**

₹ in Lacs

Particulars	For the year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
FOB Sale	-	3,01,03,093 /-

**Expenditure in foreign Currency:**

₹ in Lacs

Particulars	For the year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Bank Charges & other financial expenses	-	49,269 /-
Insurance Expenses	-	-
Lease Rent paid	-	-
Legal & Professional Expenses	-	-
Miscellaneous Expenses	-	-
Rates & Taxes	-	-
Other Operational Expense		
Security & House Keeping		
<b>Total</b>		

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, it is hereby confirmed that: -

- (a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2018, the applicable Indian accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company for cinema division and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

The Company is under CIRP and information pertaining to the process are available at the Company website [www.srsparivar.com](http://www.srsparivar.com).

**DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Your Company has adopted accounting policies which are inline with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

**The major events:**

- a) The Company had filed an application with National Company Law Tribunal (NCLT) for extension of time for repayment of Deposits and NCLT has passed the order on 20th October, 2016 granting extension of time to the Company for repayment of Deposits.  
The NCLT has granted further extension vide its order dated 2<sup>nd</sup> February, 2017 for interest payments by 31<sup>st</sup> March, 2017 and Principal payments by 30<sup>th</sup> June, 2017 in accordance with its earlier Order dated 20<sup>th</sup> October, 2016. NCLT has issued final Order on 20<sup>th</sup> December, 2017.  
The Company has filed an appeal with the National Company Law Appellant Tribunal (NCLAT), New Delhi on 18<sup>th</sup> January, 2018 against the NCLT order dated 20<sup>th</sup> December, 2017 and it has been withdrawn by the Company on 8<sup>th</sup> March, 2018.
- b) The application filed by State Bank of India under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code") for initiation of Corporate Insolvency Resolution Process ("CIRP") of SRS Limited ("Corporate Debtor") under the provisions of Insolvency and Bankruptcy Code, 2016. The application was admitted by Hon'ble NCLT, Chandigarh Bench vide Order dated 21.08.2018 ("Insolvency Commencement Date").  
The Hon'ble NCLT vide its order dated 21.08.2018, has appointed Mr. Ashok Kumar Gulla, Insolvency Professional having IBBI Registration No IBBI/IPA-003/IP-N00024/2017-2018/10174, as the Interim Resolution Professional ("IRP"). Subsequently, the IRP was appointed as Resolution Professional under the provisions of Insolvency and Bankruptcy Code, 2016.
- c) Dr. Anil Jindal, Sh. Raju Bansal, Sh. Vinod Kumar, Sh. Lalit Kumar, Sh. Jogindar Lal Chhabra, Ms. Anjali Trehan and Sh. Vaibhav Gupta have been disqualified u/s 164(2) of the Companies Act, 2013 from 30/09/2017 to 30/09/2022 by the Registrar of Companies, NCT of Delhi & Haryana.

**CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance is annexed to this report for information of the Members.

**MANAGEMENT'S DISCUSSION & ANALYSIS**

The Management's Discussion and Analysis Report of financial condition and results of operations of the Company is given as a separate statement forming part of this Annual Report.

**ACKNOWLEDGMENT**

The company wish to express appreciation of the support and Co-operation of the various stakeholders.

**For and on behalf of the Board**

Place: Faridabad  
Date : 29.03.2019

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN : 00007344

**Annexure – I**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the  
Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
SRS Limited  
SRS Multiplex,  
2<sup>nd</sup> Floor, City Centre,  
Sector – 12,  
Faridabad – 121 007

I have Conducted the Secretarial Audit of the Compliances of applicable Statutory provisions and adherence to good corporate practices by M/s SRS Limited having (CIN: L74999HR2000PLC040183) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the SRS Limited's books, papers, minutes book, forms and returns filed and other records maintained by the Company **digitally and/ or in soft copies which were not duly authenticated for the purpose of token of acknowledgement** and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during audit period covering the financial year ended on 31<sup>st</sup> March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board- Processes variably and subject to the reporting made hereinafter:

I have examined the books, minute books, forms and returns filed and other records maintained by M/s SRS Limited for the financial year ended on 31<sup>st</sup> March, 2018 **kept and maintained by the company in soft copies** according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') viz:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015;
- (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Apart from the above, the company has failed to comply with the Provisions listed herein below:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable to the Company; and
- (ii) Other Laws which are specifically applicable to the Company to some extent.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE) read with SEBI (LODR) Regulations, 2015.

During the period under review, the Company has complied with provisions of the Act, rules, Regulations, Guidelines, Standards etc. mentioned subject to the following observations:

1. There are no physical records such as statutory registers of Register of Directors & KMP and their Shareholding, Register of Attendance of Board/ Committee Meetings, Register of Charges, Register of Members etc. made available for the conduct of audit for the financial year 2017-18.
2. During the period under review, the Board was duly constituted but there was no women independent director at the end of the financial year on 31.03.2018.



## SRS LIMITED

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executives Directors, Independent Directors except the Women Director as per SEBI (LODR) Regulations, 2015 as on 31.03.2018. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance though no such register was made available and furthermore, no system is there for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes shown and made available in soft copies.

I further report that there are no adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

There were no Internal Auditors but Vigil Mechanism Policy was framed and placed on company's website that was not adopted by and within the Company during the period under review.

I further report that during the audit period following events/ actions have a major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards etc. referred herein below:

- (i) The Company has filed the Petition before the Hon'ble National Company Law Tribunal, New Delhi Bench seeking extension for time period in repayment of Fixed Deposits and the same was granted vide its order dated 20.10.2016. Subsequent to the earlier Orders of Hon'ble NCLT Delhi, the Hon'ble NCLT, Chandigarh has disposed of the Company Petition vide its order dated 20.12.2017 for further extension of time period in repayment of Deposits to the Fixed Depositors. Later the appeal was filed before the Hon'ble National Company Law Appellate Tribunal at New Delhi was dismissed as withdrawn.
- (ii) As on date of this report, the Company has been going through Corporate Insolvency Resolution Process (CIRP) since 21.08.2018 under orders of Hon'ble National Company Law Tribunal, Chandigarh Bench.
- (iii) Subsequent to the arrest of Mr. Anil Jindal, Executive Chairman of the Company has affected the Business of the Company.

I further report that the above secretarial audit report has been given on the records and information made available by the Company. As on date of this report, the Board is not duly constituted and there is only one executive director available, who cannot assure the compliance and give information regarding the records maintained during the period under review.

For JATIN SINGAL & ASSOCIATES  
Company Secretaries

Place: Faridabad  
Date: 29.03.2019

Sd/-  
(CS JATIN SINGAL)  
Prop.  
M. No.: F9716  
CP No.: 11976

## Annexure - A

To  
The Members  
SRS Limited  
SRS Multiplex,  
2<sup>nd</sup> Floor, City Centre,  
Sector – 12,  
Faridabad – 121 007

Dear Sir/ Ma'm,

My Secretarial Audit Report for the financial year 2017-18 of even date is to be read along with the following notes:

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.  
The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records, personal records of employee(s) and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility if management. My examination was limited to the verification of procedures on test basis.

For JATIN SINGAL & ASSOCIATES  
Company Secretaries

Place: Faridabad  
Date: 29.03.2019

Sd/-  
(CS JATIN SINGAL)  
Prop.  
M. No.: F9716  
CP No.: 11976

## Annexure - II

## Form AOC -I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	Sl. No.	(1)	(2)
2	Name of the subsidiary	SRS Entertainment India Ltd	SRS Smart Retail Ltd (unaudited)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N/A	N/A
5	Share Capital	266,600,000	100,000,000
6	Reserves & surplus	(33,342,294)	(123,570,906)
7	Total Assets	290,331,353	30,616,818
8	Total Liabilities	57,073,648	54,187,724
9	Investments	25,000	-
10	Turnover	178,287,023	150,000
11	Profit before taxation	1,586,729	(6,340,867)
12	Provision for taxation	2,078,687	-
13	Profit after taxation	(491,958)	(6,340,867)
14	Proposed Dividend		
15	% of Shareholding	100.00%	100.00%

## Annexure III to Board's Report EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

### I. REGISTRATION AND OTHER DETAILS

- |   |  |
|---|--|
| i) CIN  | - L74999HR2000PLC040183  |
| ii) Registration Date                                 | - 29 <sup>th</sup> August, 2000  |
| iii) Name of the Company                              | - SRS Limited  |
| iv) Category/Sub-Category of the Company              | - Company limited by Shares/<br>Indian Non-Government Company  |
| v) Address of the Regd. Office<br>And contact details | - SRS Multiplex, 2 <sup>nd</sup> Floor,<br>City Centre, Sector-12,<br>Faridabad-121007<br>Ph# 8448995132<br>Email Id: compliances@srsparivar.com   |
| vi) Whether Listed Company                            | - Yes  |
| vii) Name, Address and Contact                        | - Mr. Punit Mittal – General Manager<br>Beetal Financial & Computer Services (P) Ltd.<br>Beetal House, 3 <sup>rd</sup> Floor, 99 Madangir,<br>Behind Local Shopping Centre,<br>Near Dada Harsukh Dass Mandir,<br>New Delhi-110062<br>Ph#011-29961281<br>Fax#011-29961284 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Gold & Jewellery	32111	47.13%
2.	Retail -Value Bazaar	4719	30.63%
3.	Cinemas	90002	21.16%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	SRS Entertainment India Limited SRS Multiplex, 2 <sup>nd</sup> Floor, City Centre, Sector-12, Faridabad-121007	U92490HR2014PLC053358	Subsidiary	100	2(87)(ii)
2.	SRS Smart Retail Limited (formerly known as SRS Bright Retail Limited) SRS Multiplex, 2 <sup>nd</sup> Floor, City Centre, Sector-12, Faridabad-121007	U52590HR2014PLC053448	Subsidiary	100	2(87)(ii)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

## i) Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/HUF	90400	0	90400	0.03	400	0	400	0.0001	(0.0299)
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0
d) Body Corporate	130998997	0	130998997	47.02	21035144	0	21035144	7.5508	(39.4692)
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other Directors & their Relatives	14095874	0	14095874	5.06	13537674	0	13537674	4.8595	(0.2005)
<b>Sub-Total (A) (1)</b>	<b>145185271</b>	<b>0</b>	<b>145185271</b>	<b>52.11</b>	<b>34573218</b>	<b>0</b>	<b>34573218</b>	<b>12.4104</b>	<b>(39.6996)</b>
<b>2. Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = A(1) + A (2)</b>	<b>145185271</b>	<b>0</b>	<b>145185271</b>	<b>52.11</b>	<b>34573218</b>	<b>0</b>	<b>34573218</b>	<b>12.4104</b>	<b>(39.6996)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	13609731	0	13609731	4.8853	11775787	0	11775787	4.2270	(0.6583)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	1538400	0	1538400	0.5522	1538400	0	1538400	0.5522	0
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
I) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>15148131</b>	<b>0</b>	<b>15148131</b>	<b>5.4376</b>	<b>13314187</b>	<b>0</b>	<b>13314187</b>	<b>4.7793</b>	<b>(0.6584)</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	30298038	0	30298038	10.8758	43421742	0	43421742	15.5867	4.7109
ii) Overseas									

b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	35811115	20703	35831818	12.8622	51919959	19398	51939357	18.6442	6.1617
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	45539146	19600	45558746	16.3538	124949778	20900	124970678	44.8596	28.1246
c) Others									
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
NRIs	2713677	0	2713677	0.9741	5570601	0	5570601	1.9997	0.00
Clearing Members	1052215	0	1052215	0.3777	438468	0	438468	0.1574	0.00
HUF	2794130	0	2794130	1.0030	4353775	0	4353775	1.5628	0.00
<b>Sub-Total (B) (2)</b>	<b>118208321</b>	<b>40303</b>	<b>118248624</b>	<b>42.4466</b>	<b>230654323</b>	<b>40298</b>	<b>230694621</b>	<b>82.8103</b>	<b>40.3637</b>
<b>Total Public Shareholding (B) = B(1) + B(2)</b>	<b>133356452</b>	<b>40303</b>	<b>133396755</b>	<b>47.89</b>	<b>243968510</b>	<b>40298</b>	<b>244008808</b>	<b>87.5896</b>	<b>39.6996</b>
<b>A. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>278541723</b>	<b>40303</b>	<b>278582026</b>	<b>100.00</b>	<b>278541728</b>	<b>40298</b>	<b>278582026</b>	<b>100.00</b>	<b>0</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	
1.	Raju Gupta	400	0.00	0.00	400	0.00	0.00	0.00
2.	Vinod Kumar	200	0.00	0.00	200	0.00	0.00	0.00
3.	Vinod Jindal	40000	0.01	0.00	0	0	0.00	(0.01)
4.	Naresh Kumar Goyal	90000	0.03	0.00	0	0	0.00	(0.03)
5.	Jitender Kumar Garg	90000	0.03	0.00	0	0	0.00	(0.03)
6.	Sunil Jindal	428200	0.15	0.00	0	0	0.00	(0.15)
7.	Bishan Bansal	57000	0.02	0.00	57000	0.02	0.00	0.00
8.	Raju Bansal	58874	0.02	0.00	58874	0.02	0.00	0.00
9.	Anil Jindal	13421600	4.82	0.00	13421600	4.82	0.00	0.00
10.	Neelabh Engineers Pvt. Ltd.	1788381	0.64	0.00	1788381	0.64	0.00	0.00
11.	Madhav Tech India Pvt. Ltd.	573074	0.21	0.00	5772	0.002	0.00	(0.208)
12.	BTL Holding Company Ltd.	128637542	46.18	3.23	19240991	6.91	5.42	(39.27)
	<b>TOTAL</b>	<b>145185271</b>	<b>52.11</b>	<b>3.23</b>	<b>34573218</b>	<b>12.41</b>	<b>5.42</b>	<b>(39.70)</b>

## iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Raju Gupta				
	At the beginning of the year	400	0.00	400	0.00
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	400	0.00	400	0.00

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	Vinod Kumar				
	At the beginning of the year	200	0.00	200	0.00
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	200	0.00	200	0.00

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	Vinod Jindal				
	At the beginning of the year	40000	0.01	40000	0.01
	Sale of Shares-02.01.2018	(40000)	(0.01)	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4.	Naresh Kumar Goyal				
	At the beginning of the year	90000	0.03	90000	0.03
	Sale of Shares-12.01.2018	(90000)	(0.03)	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5.	Jitender Kumar Garg				
	At the beginning of the year	90000	0.03	90000	0.03
	Sale of Shares-02.01.2018	(90000)	(0.03)	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	Sunil Jindal				
	At the beginning of the year	428200	0.15	428200	0.15
	Sale of Shares-30.11.2017	(364300)	(0.13)	63900	0.02
	Sale of Shares-01.12.2017	(63900)	(0.02)	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	Bishan Bansal				
	At the beginning of the year	57000	0.02	57000	0.02
	Change during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	57000	0.02	57000	0.02

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8.	Raju Bansal				
	At the beginning of the year	58874	0.02	58874	0.02
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	58874	0.02	58874	0.02

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9.	Anil Jindal				
	At the beginning of the year	13421600	4.82	13421600	4.82
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	13421600	4.82	13421600	4.82

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10.	Neelabh Engineers Private Limited				
	At the beginning of the year	1788381	0.642	1788381	0.642
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	1788381	0.642	1788381	0.642

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11.	Madhav Tech India Pvt. Ltd.				
	At the beginning of the year	573074	0.2057	573074	0.2057
	Sale of Shares – April,2017 – March, 2018	(567302)	(0.2036)	5772	0.0021
	At the end of the year (or on the date of separation, if separated during the year)	5772	0.0021	5772	0.0021



Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12.	BTL Holding Company Ltd.				
	At the beginning of the year	128637542	46.18	128637542	46.18
	Sale of Shares – April, 2017	(19148543)	(6.87)	109488999	39.31
	Sale of Shares – May, 2017	(3807622)	(1.37)	105681377	37.94
	Sale of Shares – June, 2017	(19000000)	(6.82)	86681377	31.12
	Sale of Shares – Dec, 2017	(34531641)	(12.40)	52149736	18.72
	Sale of Shares – Jan, 2018	(21908745)	(7.86)	30240991	10.86
	Sale of Shares – Feb, 2018	(11000000)	(3.95)	19240991	6.91
	At the end of the year (or on the date of separation, if separated during the year)	19240991	6.91	19240991	6.91

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters, and holders of GDRs & ADRs)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Union Bank of India				
	At the beginning of the year	4345000	1.56	4345000	1.56
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	4345000	1.56	4345000	1.56

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	Live Star Marketing Pvt. Ltd.				
	At the beginning of the year	2693002	0.97	2693002	0.97
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	2693002	0.97	2693002	0.97

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	Kushagra Sales Agencies Pvt. Ltd.				
	At the beginning of the year	2676000	0.96	2676000	0.96
	Change during the year	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	2676000	0.96	2676000	0.96

**SRS LIMITED**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4.	Central Bank of India				
	At the beginning of the year	2656360	0.95	2656360	0.95
	Change during the year	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2656360	0.95	2656360	0.95

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5.	Roseview Finance & Investment Pvt. Ltd.				
	At the beginning of the year	2205838	0.79	2205838	0.79
	Change during the year	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2205838	0.79	2205838	0.79

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	Parami Investments Private Limited				
	At the beginning of the year	0	0	0	0
	Purchase of Shares-June, 2017	19000000	6.8203	19000000	6.8203
	Sale of Shares-June, 2017	(1564169)	(0.5615)	17435831	6.258
	Sale of Shares-Jan.2018	(3730000)	(1.3389)	13705831	4.9198
	Purchase of Shares-Feb.2018	5259000	1.8877	18964831	6.8076
	Sale of Shares-Feb.,2018	(12114200)	(4.3485)	6850631	2.4591
	At the end of the year (or on the date of separation, if separated during the year)	6850631	2.4591	6850631	2.4591

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	Dinesh Lodha				
	At the beginning of the year	230000	0.0826	230000	0.0826
	Purchase of Shares-April,2017	105000	0.0376	335000	0.1202
	Purchase of Shares-May, 2017	95000	0.0341	430000	0.1543
	Purchase of Shares-Oct, 2017	49000	0.0175	479000	0.1719
	Purchase of Shares-Nov., 2017	121000	0.0434	600000	0.2153
	Purchase of Shares-Dec., 2017	1473536	0.5289	2073536	0.7443
	Purchase of Shares-Jan., 2018	412053	0.1479	2485589	0.8922
	Sale of Shares-Jan.,2018	(980000)	(0.3517)	1505589	0.5401
	Purchase of Shares-Feb.,2018	2751911	0.9878	4257500	1.5283
	At the end of the year (or on the date of separation, if separated during the year)	4257500	1.5283	4257500	1.5283

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8.	3A Capital Services Limited				
	At the beginning of the year	0	0	0	0
	Purchase of Shares-March, 2018	3034618	1.0893	3034618	1.0893
	At the end of the year (or on the date of separation, if separated during the year)	3034618	1.0893	3034618	1.0893

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9.	Bishambherlal Patodia				
	At the beginning of the year	0	0	0	0
	Purchase of Shares-March, 2018	2430034	0.8723	2430034	0.8723
	At the end of the year (or on the date of separation, if separated during the year)	2430034	0.8723	2430034	0.8723

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10.	Mansukh Securities And Finance Limited				
	At the beginning of the year	207687	0.0746	207687	0.0746
	Purchase of Shares-April, 2017	186772	0.06	394459	0.1415
	Purchase of Shares-May, 2017	562200	0.20	956659	0.3434
	Purchase of Shares-June, 2017	80100	0.03	1036759	0.3721
	Sale of Shares-June,2017	(409736)	(0.15)	627023	0.2250
	Purchase of Shares-July, 2017	13600	0.004	640623	0.2299
	Sale of Shares-July, 2017	(85200)	(0.03)	555423	0.1993
	Sale of Shares-Aug., 2017	(288736)	(0.10)	266687	0.0957
	Purchase of Shares-Sep.,2017	22350	0.008	289037	0.1037
	Sale of Shares-Sep., 2017	(106400)	(0.04)	182637	0.0655
	Purchase of Shares-Oct.,2017	50	0	182687	0.0655
	Sale of Shares-Oct., 2017	(9702)	(0.003)	172985	0.0621
	Purchase of Shares-Nov.,2017	238460	0.08	411445	0.1476
	Sale of Shares-Nov., 2017	(200700)	(0.07)	210745	0.0756
	Purchase of Shares-Dec.,2017	2122164	0.76	2332909	0.8374
	Sale of Shares-Dec., 2017	(6898)	(0.002)	2326011	0.8349
	Purchase of Shares-Jan,2018	308953	0.11	2634964	0.9458
	Sale of Shares-Jan., 2018	(842234)	(0.30)	1792730	0.6435
	Purchase of Shares-Feb,2018	4050	0.001	1796780	0.6449
	Purchase of Shares-March,2018	17000	0.006	1813780	0.6510
	Sale of Shares-March, 2018	(67000)	(0.02)	1746780	0.6270
	At the end of the year (or on the date of separation, if separated during the year)	1746780	0.627	1746780	0.627

v) *Shareholding of Directors and Key Managerial Personnel*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Dr. Anil Jindal (Chairman)				
	At the beginning of the year	13421600	4.82	13421600	4.82
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	13421600	4.82	13421600	4.82

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	Sh. Sunil Jindal * (Whole-Time Director)				
	At the beginning of the year	428200	0.15	428200	0.15
	Sale of Shares-30.11.2017	(364300)	(85.07)	63900	0.02
	Sale of Shares-01.12.2017	(63900)	(0.02)	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

\*Sh. Sunil Jindal was Managing Director till 14.08.2017 re-designated as Whole-Time Director from 14.08.2017 & resigned from directorship on 01.09.2017.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	Raju Bansal (Whole-Time Director)				
	At the beginning of the year	58874	0.02	58874	0.02
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	58874	0.02	58874	0.02

**SRS LIMITED**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4.	Sh. Vinod Kumar** (Non-Executive Director)				
	At the beginning of the year	200	0.00	200	0.00
	Change during the year	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	200	0.00	200	0.00

\*\*Sh. Vinod Kumar has re designated from Whole-Time Director to Non-Executive Director w.e.f. 23.06.2017.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5.	Sh. Jitender Kumar Garg*** (Non-Executive Director)				
	At the beginning of the year	90000	0.03	90000	0.03
	Sale of Shares-02.01.2018	(90000)	(0.03)	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

\*\*\*Sh. Jitender Kumar Garg has resigned on 14.08.2017.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	Dr. (Ms.) Navneet Kwatra@ (C.O.O. & Company Secretary)				
	At the beginning of the year	25500	0.009	25500	0.09
	Change during the year	0	0.000	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	25500	0.009	25500	0.009

@Ms. Navneet Kwatra has resigned on 09.05.2018.



## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	80,792.94	-	8,079.47	88,872.41
ii. Interest due but not paid	7,128.68	-	-	7,128.68
iii) Interest accrued but not due	0.85	-	678.06	678.91
<b>Total (i + ii + iii)</b>	<b>87,922.47</b>	<b>-</b>	<b>8,757.53</b>	<b>96,680.00</b>
<b>Change in indebtedness during the financial year</b>				
· Addition	12,925.78	-	982.81	13,908.59
· Reduction	(45.42)	-	(837.17)	(882.59)
<b>Net Change</b>	<b>12,880.36</b>	<b>-</b>	<b>145.64</b>	<b>13,026.00</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	83,293.43	-	7,433.59	90,727.02
ii. Interest due but not paid	17,509.02	-	-	17,509.02
iii. Interest accrued but not due	0.38	-	1,469.58	1,469.96
<b>Total (i + ii + iii)</b>	<b>1,00,802.83</b>	<b>-</b>	<b>8,903.17</b>	<b>1,09,706.00</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-Time Directors and / or Manager

Sl. No.	Particulars of Remuneration	Dr. Anil Jindal (Executive Chairman)	Sh. Sunil Jindal* (Managing Director)	Sh. Raju Bansal (Whole-Time Director)	Sh. Vinod Kumar** (Whole-Time Director)	Total Amount
1.	Gross Salary a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	22,83,360	6,00,000	6,60,000	-	35,43,360
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission As % of Profit Others, specify	NIL	NIL	NIL	NIL	NIL
5.	Others	NIL	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>22,83,360</b>	<b>6,00,000</b>	<b>6,60,000</b>	<b>NIL</b>	<b>35,43,360</b>
	<b>Ceiling as per the Act</b>					

\* Sh. Sunil Jindal has redesignated from Managing Director to Whole-Time Director w.e.f. 14.08.2017 and resigned from Directorship w.e.f. 01.09.2017.

\* Sh. Vinod Kumar has been re-designated as Non-Executive Director w.e.f. 23.06.2017.

## B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Sh. Jogindar Lal Chhabra (Resigned on 07.05.2018)	Sh. Vaibhav Gupta (Resigned on 01.04.2018)	Sh. Lalit Kumar (Resigned on 09.04.2018)	Total Amount
1.	Independent Directors				
	· Fees for attending Board Meetings	48000	48000	80500	176500
	· Fees for attending committee meetings	17500	12500	22500	52500
	· Commission · Others				
	<b>Total (1)</b>	<b>65500</b>	<b>60500</b>	<b>103000</b>	<b>229000</b>
Sl. No.	Particulars of Remuneration	Mrs. Anjali Trehan (Resigned on 21.02.2018)	Sh. Shivam Gupta (Resigned on 01.09.2017)	Vinod Kumar (Re designated from WTD to Non Executive Director w.e.f.23.06.2017) (Filed Form-DIR-11 w.e.f. 01.05.2018)	Total Amount
2.	Independent Directors				
	· Fees for attending Board Meetings	54000	18000	6000	78000
	· Fees for attending committee meetings	5000	6000	-	11000
	· Commission · Others				
	<b>Total (2)</b>	<b>59000</b>	<b>24000</b>	<b>6000</b>	<b>89000</b>

Sl. No.	Particulars of Remuneration	Sh. Jitender Kumar Garg (Resigned on 14.08.2017)	Sh. Praveen Kumar Kapoor (Resigned on 23.06.2017)	Sh. Sandeep (Appointed on 14.08.2017 & filed Form-DIR-11 on 4.07.2018)	Total Amount
3.	Non-Executive/Independent Directors				
	· Fees for attending Board Meetings	24000	6000	48000	78000
	· Fees for attending committee meetings	2500	-	-	2500
	· Commission · Others				
	<b>Total (3)</b>	<b>26500</b>	<b>6000</b>	<b>48000</b>	<b>80500</b>
	<b>Total (B=1+2+3)</b>	<b>Rs.3,98,500/-</b>			
	<b>Total Managerial Remuneration (A+B)</b>	<b>Rs.39,41,860/-</b>			
	<b>Overall ceiling as per the Act</b>	For Executive Directors- 60,00,000/- p.a. per managerial personnel For Non-Executive/Independent Directors-Rs.1,00,000 for attending each meeting of Board of Directors or Committee Meetings			

## D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		*Company Secretary	*Chief Financial Officer	Total
		Ms. Navneet Kwatra	Sh. Sachin Goyal	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	11,10,900	9,60,000	20,70,900
	b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - As % of Profit - Others, specify	NIL	NIL	NIL
5.	Others	NIL	NIL	NIL
	<b>Total</b>	<b>11,10,900</b>	<b>9,60,000</b>	<b>20,70,900</b>

\* Ms. Navneet Kwatra has resigned as Company Secretary w.e.f. 9th May, 2018 and Sh. Sachin Goyal has resigned as Chief Financial Officer w.e.f. 28th April, 2018.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Sl No.	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made (if any)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					



## Annexure IV to Boards Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs**

The CSR Policy is adopted by the Board of Directors in their meeting held on 26<sup>th</sup> August, 2014.

**CSR POLICY**

- The CSR Policy of SRS Limited is:
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects; and
- Slum area development.

2. **Composition of CSR committee as on 31<sup>st</sup> March, 2018**

Name	Designation
Sh. Lalit Kumar (Independent Director)	Chairman
Dr. Anil Jindal	Member
Sh. Raju Bansal	Member

3. **Average Net Profit of the Company for last three financial years**

Average Net Profits - Rs.-30,08,925/-

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

CSR Expenditure –Rs. 8,20,000/-

5. **Details of CSR spent during the financial year:**

- a) Total amount spent for the financial year: Rs.8,20,000/-.
- b) Amount unspent if any: Nil

**For and on behalf of the Board**

Place: Faridabad  
Date : 29.03.2019

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN : 00007344

## CORPORATE GOVERNANCE REPORT

## 1. Initiation of Corporate Insolvency Resolution Process (CIRP)

The Company was admitted into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) vide order dated 21<sup>st</sup> August, 2018 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and the powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Mr. Ashok Kumar Gulla, Resolution Professional. Since the Powers of the Board of Directors are vested with the Resolution Professional, the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completion of Corporate Insolvency Resolution Process.

The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional.

## 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2018, the Board of the Company comprises of 7 Directors – 2 Executive Directors, 2 Non-Executive Directors and 3 Independent Directors.

During the year under review, Sixteen meetings of the Board of Directors were held.

The details of the Directors during the financial year 2017-18:

Name of Director	DIN	Category	Dates of changes among directors - Appointment/ Ceasation
Dr. Anil Jindal	00005585	Chairman	-
Sh. Sunil Jindal	00013791	Whole-Time Director (Managing Director till 14.08.2017)	Ceased on 1.09.2017
Sh. Raju Bansal	00007344	Whole-Time Director	-
Sh. Vinod Kumar	00013729	Non-Executive Director	Redesignated to NED-23.06.2017
Sh. Sandeep	07904913	Non-Executive Director	Appointed on 14.08.2017
Sh. Jitender Kumar Garg	00088125	Non-Executive Director	Ceased on 14.08.2017
Sh. Praveen Kumar Kapoor	00005617	Non Executive Director	Ceased on 23.06.2017
Sh. Jogindar Lal Chhabra	02956330	Non-Executive & Independent Director	-
Sh. Lalit Kumar	02956291	Non-Executive & Independent Director	-
Ms. Anjali Trehan	06895851	Non-Executive & Independent Director	Ceased on 21.02.2018
Sh. Vaibhav Gupta	07429261	Non-Executive & Independent Director	-
Sh. Shivam Gupta	07858958	Non-Executive & Independent Director	Appointed-23.06.17 Ceased-01-09.17

Since, April, 2018, due to frequent resignations of Directors, the Company is not complying with the provisions of the Companies Act, 2013 as well as SEBI (LODR), 2015 in respect of Board of Directors and Composition of Committees.

The Company Secretary & Chief Financial Officer have also resigned.

Dr. Anil Jindal, Sh. Raju Bansal, Sh. Vinod Kumar, Sh. Lalit Kumar, Sh. Jogindar Lal Chhabra, Ms. Anjali Trehan and Sh. Vaibhav Gupta have been disqualified u/s 164(2) of the Companies Act, 2013 from 30/09/2017 to 30/09/2022 by the Registrar of Companies, NCT of Delhi & Haryana

### 3. AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2018, the Audit Committee comprised of: -

Sh. Lalit Kumar (Chairman)

Sh. Jogindar Lal Chhabra

Sh. Vaibhav Gupta

The role & powers of the Audit Committee pursuant to the provisions of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows: -

#### Role of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment, replacement, removal, remuneration and terms of appointment of statutory auditors, fixation of audit fees and approval of payment to statutory auditors for any other services rendered by them.
3. Review and monitor the auditor's independence & performance and effectiveness of audit process.
4. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on the following:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
  - Any changes in the accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Qualifications in the draft audit report
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with listing agreement and provisions of all applicable laws relating to financial statements
  - Adequacy & effectiveness of internal financial control systems
  - Any related party transactions i.e. transactions of the Company of material nature with promoters/management/KMP or their relatives, holding/subsidiaries/associates/Joint Venture Company etc. that may have potential conflict with the interest of the Company at large.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Examination of the periodic financial statements and the auditor's report thereon
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Monitoring & reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of

a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower & Vigil mechanism adopted by the Company.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Reviewing the Company's financial and risk management policies.

#### **Powers of Audit Committee**

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of Chief Internal Auditor.

#### **4. NOMINATION & REMUNERATION COMMITTEE**

As on 31<sup>st</sup> March, 2018, the Nomination & Remuneration Committee comprises of following Directors:

Sh. Lalit Kumar (Chairman)  
Sh. Jogindar Lal Chhabra  
Sh. Vaibhav Gupta

The role of Nomination and Remuneration Committee is as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
2. To formulate the criteria for evaluation of Independent Directors and the Board;

3. Devise a policy of Board diversity;
4. To identify persons who are qualified to become Directors, and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and carry out evaluation of every Director's performance;
5. To approve in the event of loss or inadequate profits in any year the minimum remuneration payable to the Managing Director/Whole Time Directors within limits and subject to the parameters as prescribed in Schedule V of the Companies Act, 2013.

**The Nomination and Remuneration Committee ensures that:**

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the Company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Remuneration Policy of the Company:

**A. For Executive Directors**

The Details of remuneration paid to Executive Directors for F.Y.2017-18 is as follows: - (in Rs.)

Name of Director	Designation	Salary	Other Emoluments	Total Remuneration
Dr. Anil Jindal	Chairman (Executive)	22,83,360	-	22,83,360
Sh. Sunil Jindal*	Whole-Time Director (Re-designated from Managing Director w.e.f.14.08.2017)	6,00,000	-	6,00,000
Sh. Raju Bansal	Whole-Time Director	6,60,000	-	6,60,000
Sh. Vinod Kumar**	Whole-Time Director	Nil	-	Nil

\*Sh. Sunil Jindal ceased from Directorship on 01.09.2017.

\*\* Sh. Vinod Kumar was re-designated from Executive Director to Non-Executive Director on 23.06.2017.

**B. For Non-Executive/Independent Directors**

The Details of remuneration paid to Non-Executive/Independent Directors for F.Y.2017-2018 is as follows: -

(in Rs.)

Name of Director	Sitting Fees for attending Board Meetings	Sitting Fees for attending Committee Meetings	Total Sitting Fees
Sh. Jitender Kumar Garg*	24,000	2,500	26,500
Sh. Praveen Kumar Kapoor@	6,000	-	6,000
Sh. Jogindar Lal Chhabra	78,000	17,500	95,500
Sh. Lalit Kumar	80,500	22,500	1,03,000
Mrs. Anjali Trehan^	54,000	5,000	59,000
Sh. Vaibhav Gupta	48,000	12,500	60,500
Sh. Vinod Kumar**	6,000	-	6,000
Sh. Shivam Gupta#	18,000	6,000	24,000
Sh. Sandeep^^	48,000	-	48,000
<b>Total</b>	<b>3,62,500</b>	<b>66,000</b>	<b>4,28,500</b>

\*Sh. Jitender Kumar Garg resigned on 14.08.2017.

@Sh. Praveen Kumar Kapoor resigned on 23.06.2017.

^Mrs. Anjali Trehan resigned on 21.02.2018.

\*\*Sh. Vinod Kumar redesignated from Executive Director to Non-Executive Director on 23.06.2017.

#Sh. Shivam Gupta appointed on 23.06.2017 & resigned on 01.09.2017.

^^Sh. Sandeep was appointed as Non-Executive Director on 14.08.2017.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

As on 31<sup>st</sup> March, 2018, Stakeholders Relationship Committee comprises of the following Directors: -

Sh. Sandeep (Chairman)

Sh. Raju Bansal

Dr, Anil Jindal

The role of the Committee is as follows: -

- To consider and approve requests for transfers, transmissions, dematerialization/rematerialization and issue of fresh share certificates on replacement/sub-division/consolidation, issue of duplicate share certificates on loss whether by theft, misplacement or otherwise;
- To review the status of dematerialization of Company's shares and matters incidental thereto;
- To review and monitor the approval to the transfers and transmission made by any Director under executive authority delegated to him from time to time;
- To monitor the matters of litigation related to shareholders/deposit holders and take decisions relating thereto;
- To consider, review and monitor the matters related to the shareholders/deposit holders grievances, and to look into the redressing of shareholders/deposit holders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, non-receipt of interest & principal amount etc.;
- To consider and finalize the report on Corporate Governance to be annexed with the Annual Report of the company;
- To deal with any other matters related and/or incidental to the shareholders/deposit holders.



- h. Perform such other functions as may be necessary or appropriate for the performance of its duties.

During the financial year 2017-18, the status of shareholders/investors complaints are as follows-

S. No.	Period	Opening	Received during quarter	Resolved during quarter	Closing
1.	1 <sup>st</sup> April, 2017 to 30 <sup>th</sup> June, 2017	Nil	Nil	Nil	Nil
2.	1 <sup>st</sup> July, 2017 to 30 <sup>th</sup> September, 2017	Nil	3	3	Nil
3.	1 <sup>st</sup> October, 2017 to 31 <sup>st</sup> December, 2017	Nil	Nil	Nil	Nil
4.	1 <sup>st</sup> January, 2018 to 31 <sup>st</sup> March, 2018	Nil	Nil	Nil	Nil

\*Note: The Company has received some complaints related to delay/non-payment of interest or principal amount to the Public/Fixed Deposits Holders from Ministry of Corporate Affairs (MCA) during the year under review. The Company has given replies to the MCA.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As on 31st March, 2018, the Corporate Social Responsibility Committee comprises of the following members: -

Sh. Lalit Kumar-Chairman

Dr. Anil Jindal-Member

Sh. Raju Bansal-Member

## 7. GENERAL BODY MEETINGS

### A. Annual General Meetings

During the preceding three years, the Company's three Annual General Meetings were held as under:

Year	Venue	Day/Date	Time
2016-17	"Eternity" Auditorium SRS Tower, 8 <sup>th</sup> Floor, Near Metro Station Mewla Maharajpur, G.T. Road, Faridabad-121003	Wednesday/27.09.2017	1:00 P.M.
2015-16	"SRS Banquet" Near SRS Multiplex, City Centre, Sector – 12, Faridabad – 121007	Friday/30.09.2016	03.00 P.M.
2014-15	"SRS Banquet" Near SRS Multiplex, City Centre, Sector – 12, Faridabad - 121007	Thursday/03.09.2015	12.30 P.M.

In the previous AGMs for the financial year 2014-15, 2015-16 & 2016-17 all resolutions were passed with requisite majority by mode of e-voting and ballot paper.

One special resolution was passed at the Annual General Meeting for financial year 2015-16 held on 30<sup>th</sup> September, 2016:-

- Re-classification of Status of Promoter(s) as Non-Promoter(s).

### B. Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during the last three financial years.

### C. Resolutions passed through Postal Ballot

During the year, in compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice dated 21<sup>st</sup> February, 2018 was sent to all the Shareholders as on the cut-off date i.e. 23<sup>rd</sup> February, 2018.

The notice was sent through electronic mode to all the Members whose email addresses were registered with Company/Depository Participant(s) and physical copies to all the members by Registered Post for conducting the Postal Ballot for the following matters: -

1. Selling/Disposing off Cinemas & Retail Business
2. Sale of "SRS Value Bazaar" Business to Spencer's Retail Limited

In compliance with Section 110 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014 the Company has offered e-voting facility to all the Shareholders of the Company through e-voting services provided by Central Depository Services (India) Limited (CDSL) facilitating Shareholders to cast their votes electronically.

The Company has completed the dispatch of the Postal Ballot Notice dated 21<sup>st</sup> February, 2018 in respect to the Special Resolutions proposed to be passed by Postal Ballot, along with the Postal Ballot Form and pre-paid Business Reply Envelope to its members on 28<sup>th</sup> February, 2018.

The voting commenced on Thursday, 1st March, 2018 (1000 hours) and ended at 1700 hours, on Friday, 30<sup>th</sup> March, 2018.

The Board had appointed Mrs. Savita Trehan, Company Secretary in Practice as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The Scrutinizer had submitted her report to Sh. Raju Bansal, Whole-Time Director on 31<sup>st</sup> March, 2018.

On the basis of the Scrutinizer's Report, the result of Postal Ballot was announced by Sh. Raju Bansal, Whole-Time Director on 31<sup>st</sup> March, 2018.

Details of voting patterns for Item No.1 of the Selling/Disposing off Cinemas & Retail Business

Resolution Required					Special Resolution			
Whether promoter/promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes-in favour	No. of Votes-against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	34573218	32778465	94.81	32778465	Nil	100	Nil
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>		<b>32778465</b>	<b>94.81</b>	<b>32778465</b>	<b>Nil</b>	<b>100</b>	<b>Nil</b>
Public-Institutions	E-Voting	13314187	-	-	-	-	-	-
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public-Non Institutions	E-Voting	230694621	1470595	0.64	1404279	66316	95.49	4.51
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		0	0.00	0	0	0	Nil
	<b>Total</b>		<b>1470595</b>	<b>0.64</b>	<b>1404279</b>	<b>66316</b>	<b>95.49</b>	<b>4.51</b>
<b>Total</b>		<b>278582026</b>	<b>34249060</b>	<b>12.29</b>	<b>34182744</b>	<b>66316</b>	<b>99.81</b>	<b>0.19</b>

Details of voting patterns for Item No.2 of the Sale of "SRS Value Bazaar" Business to Spencer's Retail Limited

Resolution Required					Special Resolution			
Whether promoter/promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes-in favour	No. of Votes-against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	34573218	32778465	94.81	32778465	Nil	100	Nil
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>		<b>32778465</b>	<b>94.81</b>	<b>32778465</b>	<b>Nil</b>	<b>100</b>	<b>Nil</b>
Public-Institutions	E-Voting	13314187	-	-	-	-	-	-
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		-	-	-	-	-	-
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public-Non Institutions	E-Voting	230694621	1460805	0.63	1421357	39448	97.30	2.70
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		0	0.00	0	0	0	Nil
	<b>Total</b>		<b>1460805</b>	<b>0.63</b>	<b>1421357</b>	<b>39448</b>	<b>97.30</b>	<b>2.70</b>
<b>Total</b>		<b>278582026</b>	<b>34239270</b>	<b>12.29</b>	<b>34199822</b>	<b>39448</b>	<b>99.88</b>	<b>0.12</b>

None of the resolution is proposed is to be conducted through Postal Ballot in the ensuing Annual General Meeting.

## 8. MEANS OF COMMUNICATION

The primary source of information regarding the operations of the Company is its website- [www.srsparivar.com](http://www.srsparivar.com) and specifically for SRS Cinemas is [www.srscinemas.net](http://www.srscinemas.net).

The quarterly/half yearly and annual financial results are generally published in *The Financial Express*, in English and *Jansatta*, in Hindi.

## 9. GENERAL SHAREHOLDER INFORMATION

### a) 18<sup>th</sup> Annual General Meeting

Day	Tuesday
Date	14 <sup>th</sup> May, 2019
Time	11:30 A.M.
Venue	Basement-1, SRS Multiplex, City Centre, Sector-12, Faridabad-121007

### b) Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March

### c) Financial Calendar

1 <sup>st</sup> Quarter Results	14 <sup>th</sup> August, 2017
2 <sup>nd</sup> Quarter Results	14 <sup>th</sup> November, 2017
3 <sup>rd</sup> Quarter Results	13 <sup>th</sup> February, 2018
4 <sup>th</sup> Quarter & Annual Results	6 <sup>th</sup> February, 2019

d) **ISIN for NSDL & CDSL**

INE219H01039

e) **Book Closure**Wednesday, 8<sup>th</sup> May, 2019 to Tuesday, 14<sup>th</sup> May, 2019 (both days inclusive).f) **Unclaimed Refund, Interest & Dividend as on 31<sup>st</sup> March, 2018**

Amount unclaimed in Refund Account	-	Rs.1,49,900/-
Amount unclaimed in Interest on Refund Account	-	Rs.29,277/-
Amount unclaimed in Dividend Account (F.Y. 2011-12)	-	Rs.73,378/-
Amount unclaimed in Dividend Account (F.Y.2012-13)	-	Rs.64,801/-

g) **Listing on Stock Exchanges**

BSE Limited

14<sup>th</sup> Floor, P J Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051h) **Listing fees to Stock Exchanges**

The Company has paid the Annual Listing Fees to the above Stock Exchanges for the financial year 2018-19. There was delay in payment from the due date.

i) **Stock Code**

BSE - 533569

NSE - SRSLTD

j) **Share Price Data**

BSE Ltd

Month	High (Rs.)	Low (Rs.)	No. of Shares
April, 2017	4.48	3.53	8591302
May, 2017	3.69	2.75	13016759
June, 2017	4.07	2.33	10880524
July, 2017	3.56	2.88	3095357
August, 2017	3.15	2.55	2824146
September, 2017	3.34	2.71	7522879
October, 2017	2.95	2.51	3345874
November, 2017	2.78	2.21	5002035
December, 2017	2.53	1.61	20858890
January, 2018	2.15	1.36	61096066
February, 2018	1.34	0.99	35211262
March, 2018	1.23	0.9	5551942

## National Stock Exchange of India Limited (NSE)

Month	High (Rs.)	Low (Rs.)	No. of Shares
April, 2017	4.5	3.5	47137881
May, 2017	3.7	2.75	30276927
June, 2017	3.65	2.45	9882831
July, 2017	3	2.85	5338378
August, 2017	3.1	2.55	7603373
September, 2017	3.35	2.75	16322984
October, 2017	2.9	2.55	12518484
November, 2017	2.8	2.35	20092507
December, 2017	2.5	1.6	69306615
January, 2018	2	1.5	51972887
February, 2018	1.45	1	23435366
March, 2018	1.25	0.9	28442930

## k) Registrar and Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd.  
 Beetal House, 3<sup>rd</sup> Floor,  
 99, Madangir, Behind Local Shopping Centre,  
 New Delhi – 110062  
 Ph. # 011-29961281-283  
 Fax # 011-29961284

## l) Share Transfer System

Stakeholders Relationship Committee has been constituted, in terms of the Companies Act, 2013, to approve all the transfers, transmission, remat of shares etc. and all shares transfer/transmission/transposition/dematerialization is handled by our Registrar and Transfer Agents, M/s. Beetal Financial & Computer Services Pvt. Ltd. All the work of transfer/transmission etc. is done within the minimum stipulated time.

## m) Distribution of shareholding

Shareholding of Normal Value (Rs.)	No. of Shareholder	% to Total	No. of Shares	Amt. in (Rs.)	% to Total
UP TO 5000	14040	39.78	3064792	30647920.00	1.1001
5001 TO 10000	946	16.84	5341215	53412150.00	1.9173
10001 TO 20000	4462	12.64	7451973	74519730.00	2.6750
20001 TO 30000	2261	6.40	6033208	60332080.00	2.1657
30001 TO 40000	1264	3.58	4662391	46623910.00	1.6736
40001 TO 50000	1485	4.20	7197709	71977090.00	2.5837
50001 TO 100000	2640	7.48	20706470	207064700.00	7.4328
100001 And Above	3191	9.04	224124268	2241242680.00	80.4518
<b>TOTAL---&gt;&gt;&gt;</b>	<b>35289</b>	<b>100.00</b>	<b>278582026</b>	<b>2785820260.00</b>	<b>100.0000</b>

Shareholding pattern as on 31<sup>st</sup> March, 2018

Category	No. of Shareholders	No. of Shares	% to Total
<b>Promoters</b>			
Individuals	5	13538074	4.86
Bodies Corporate	3	21035144	7.55
<b>Total (Promoters)</b>	<b>8</b>	<b>34573218</b>	<b>12.41</b>
<b>Public</b>			
Financial Institutions/Banks	6	11775787	4.23
Insurance Company	1	1538400	0.55
Bodies Corporate	290	43421742	15.59
NRI's - Repatriable	221	4786495	1.72
NRI's – Non-Repatriable	66	784106	0.28
Individuals & Others	34697	181702278	65.22
<b>Total (Public)</b>	<b>35281</b>	<b>244008808</b>	<b>87.59</b>
<b>TOTAL</b>	<b>35289</b>	<b>278582026</b>	<b>100</b>

n) **Dematerialization of Shares**

As on 31<sup>st</sup> March, 2018–27, 85,41,728 shares equivalent to 99.986% were held in demat form.

o) There has been no outstanding GDRs/ADRs/warrants or any convertible instruments.

p) **Custodial Fees to Depositories**

The Company has paid the annual custodial fees for the financial year 2017-18 to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

q) **Secretarial Audit**

As stipulated by SEBI, a Company Secretary in Practice conducts the Secretarial Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories i.e. NSDL and CDSL, and the total issued and listed capital of the Company for the F.Y.2017-2018.

r) **Request to Investors**

i) Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number etc.

ii) All requests and other communications/correspondence should be sent at the Company's Registered Office at: -

SRS Limited  
SRS Multiplex, 2<sup>nd</sup> Floor,  
City Centre, Sector-12,  
Faridabad, NCR Delhi – 121003  
Ph. # 8448995132  
Email: compliances@srsparivar.com.

10. **DISCLOSURES**

a) Due to resignation of Woman Director in February, 2018, the Company has not appointed any Woman Director as required by the Companies Act, 2013 and SEBI (LODR), 2015.



## SRS LIMITED

- b) The Chairman of the Company, Dr. Anil Jindal is under Judicial Custody under FIR No.111 –130/2018 and FIR No.483/2017 since 5<sup>th</sup> April, 2018.
- c) There were frequent resignations of Directors as well as Company Secretary & Chief Financial Officer since April, 2018. Now there is no proper composition of the Board. Most of the senior employees and other staff has also resigned.

Moreover, there is only one Executive Director i.e. Sh. Raju Bansal is present in the Board of the Company, who cannot do all compliances alone.

- d) The State Bank of India, the Financial Creditor had filed the Petition with National Company Law Tribunal (NCLT), Chandigarh under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate insolvency resolution process against the respondent-corporate debtor for the default committed in repayment of the financial debt.

Now the Hon'ble NCLT has issued the order dated 21<sup>st</sup> August, 2018 to initiate the Insolvency Resolution Process of the Company.

Mr. Ashok Kumar Gulla, having IBBI Registration No IBBI/IPA-003/IP-N00024/2017-2018/10174, has been appointed as Interim Resolution Professional of the Company.

Due to the above mentioned reasons & circumstances, the overall working of the Company has been affected since April, 2018 and panic is created till now among the existing employees/staff.

- e) Since, April, 2018 the Company is not complying with the various Regulations of the SEBI (LODR), 2015 and BSE & NSE has imposed penalties under various Regulations which are still pending for payment.

**On behalf of the Board  
For SRS Limited**

Place: Faridabad  
Date: 29.03.2019

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN: 00007344

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SRS LIMITED

### 1. Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a lender against SRS Limited ("the Company") and appointed Mr. Ashok Kumar Gulla to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules. In their meeting held on 20<sup>th</sup> September, 2018, Committee of Creditors (CoC) approved appointment of IRP as Resolution Professional (RP).

### 2. Report on the Standalone Financial Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SRS Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended in which are incorporated the branch returns for the year ended on that date of the Company's branch at Sharjah Airport International Free (SAIF) Zone in UAE ('the branch').

### 3. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

We refer Note 1.1 to the standalone financial statements. As mentioned in the said Note, pursuant to ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors stand suspended and such powers are exercisable by RP.

We also refer Note 57 to the standalone financial statements. As mentioned in the said Note, the financial statements have been signed by only one Director, i.e., Executive/ Whole time Director of the Company

### 4. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

5. Basis for Qualified Opinion

(a) We refer Note 1.3 and 39 to the standalone financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. As on 31<sup>st</sup> March, 2018, the Company has negative net worth of Rs. 97741 lakhs and the Current Liabilities exceeds Current Assets by Rs. 115696 lakhs. The Company has been continuously incurring cash losses. The Company has obligations towards fund-based borrowings aggregating Rs. 100737 lakhs, that are due/overdue and are payable to the bankers. Further, there are liabilities towards public deposits amounting to Rs. 8903 lakhs, operational creditors and statutory dues. Above stated liabilities are subject to reconciliation/ verification as stated in Note 40. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.

(b) We refer Notes 40 and 41 to the standalone financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based borrowings and interest thereon), public deposit holders, employees and/ or authorized representative of employees, etc. of the Company to Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statements.

We further refer Note 41 in respect of non-availability of confirmations of bank balances (debit) aggregating Rs. 4.23 lakhs, trade receivables and trade payables. Balance confirmations, wherever received in case of trade receivables and trade payables, are under reconciliation and impact is pending to be given in books of account.

(c) We refer Note 43 to the standalone financial statements, in respect of balances available with statutory authorities and input credits aggregating Rs. 780 lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and

no provision has been made. Thus, we are unable to comment whether any provision for impairment in the value of these balances is required.

- (d) We refer Note 44 to the standalone financial statements on discontinued operations. Except the board resolution as mentioned in the said note, Shareholders' and/or board approvals were not available for discontinuation of those operations. In respect of discontinued operations, Property, Plant and Equipment (PPE) amounting to Rs. 1380 lakhs (WDV) were written off, Loss amounting to Rs. 401 lakhs was incurred on sale of PPE and Inventory amounting to Rs. 865 lakhs was written off. Further, Provision for doubtful Trade Receivables and Loans & Advances was made and Receivables/ Loans & Advances were written off aggregating Rs. 120361 lakhs as on 31<sup>st</sup> March, 2018. In this respect management's representation was received that the write offs/ provisions were made and losses were incurred since the assets were found short or were discarded or were abandoned due to abrupt closure or were doubtful of recovery due to lack of proper internal control and follow-up (also refer our report on Internal Financial Controls). Amounts pertaining to discontinued operations have not been segregated in Note 47 (for Leave Encashment and Gratuity).

Foreign Trade Receivables aggregating Rs. 13793 lakhs\*as on 31<sup>st</sup> March, 2018 (including Rs. 13499 lakhs out of sale to parties from inventories sent by NSEZ unit of the Company located in India to UAE Branch through Branch transfer) on account of sale during the FY 2015-16 and FY 2016-17 in UAE are unsecured, i.e., not backed by any security. Furthermore, in terms of RBI regulations, in case of delay in export realisations beyond the stipulated period, application though required, was not made to the Bank. In absence of alternative corroborative evidence, we are unable to comment on the recoverability of such balances.

\*included in 'Provision for doubtful Trade Receivables and Loans & Advances', as mentioned in preceding para.

- (e) We refer Note 21 and 23 to the standalone financial statements. As per Segment II of Schedule III to the Companies Act, 2013, Unpaid matured deposits and interest accrued thereon, though required to be disclosed separately (as Other Financial Liabilities), such disclosure has not been made.
- (f) We refer Note 23 to the standalone financial statements. On matured public deposits, interest has been provided @11.75% p.a. As per Rule 17 of Acceptance of Deposits Rules, 2015, a company shall pay a penal rate of interest of eighteen per cent p.a. for the overdue period of deposits, whether secured or unsecured, matured and claimed but remaining unpaid. In absence of necessary information, we are unable to comment upon the shortfall in provision for interest and consequential impact on the accompanying standalone financial statements.
- (g) In Gold & Jewellery Segment (discontinued operations), purchases were not found duly supported. Store wise sales and purchase reports as per software and their reconciliation as on 31<sup>st</sup> March, 2018 with books of account were generally not available in Retail Segment (discontinued operations). Salaries paid amounting to Rs. 155.40 lakhs in above Segment were not found duly supported.

In respect of the financial statements/ information of the branch in UAE included in the Standalone financial statements of the Company, no documentary evidence was available for account maintained by the branch with bank, which was closed during the year under review.

- (h) In respect of advances amounting to Rs. 65.44 lakhs given to certain employees, for which no confirmation has been received and for which provision has been made as on 31<sup>st</sup> March, 2018, we have relied upon on management's explanation that these employees have since left.
- (i) We refer Note 22 regarding the required disclosures and liability for interest, if any, to Suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. In this respect, sufficient information is not available with the Company.



- (j) Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)© of the Companies Act, 2013 equal to 15% of the deposits maturing in the year and in the year following were found short by Rs. 1078 lakhs as on 31<sup>st</sup> March, 2018 (net of Fixed Deposit amounting to Rs. 37 lakhs with bank). We are unable to comment on the financial implications in respect of the same.

## 6. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matters described in para 5(a) to 5(j) above, in the basis for qualified opinion, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its losses (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## 7. Emphasis of matter

As mentioned in Para 3 'Management's Responsibility for the Standalone Financial Statements' of the Report, the financial statements have been signed by only one Director, i.e., Executive/ Whole time Director of the Company.

Our opinion is not qualified in respect of above matter.

## 8. Other Matter

In terms of the Joint Responsibility Statement (as per Standards on Auditing-299) forming part of the Engagement Letter:

- i. Audit of Cinema Segment, Retail Segment (discontinued operations) and part of un-allocable segment whose financial statements reflect total assets of Rs. 8185 lakhs as at 31<sup>st</sup> March, 2018 and total revenue of Rs. 26975 lakhs for the year ended on that date has been carried out by M/s SVP & Associates; and
- ii. Audit of Corporate & Other Segments, Gold & Jewellery Segment (discontinued operations) and part of un-allocable segment whose financial statement reflect total assets of Rs. 12430 lakhs as at 31<sup>st</sup> March, 2018 and total revenue of Rs. 24838 lakhs for the year ended on that date has been carried out by M/s Oswal Sunil & Co.

Refer segment information in the statement of standalone audited results for the year ended 31<sup>st</sup> March, 2018.

Our opinion is not modified in respect of above matter.

## 9. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) Subject to matters stated in 'Basis for Qualified Opinion', as required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and returns adequate for the purpose of our audit have been received from the branch not visited by us;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) The matters described under “Basis for Qualified Opinion” and “Emphasis of Matter” paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) In terms of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 (“the Code”), the powers of the Board of Directors have been suspended and are exercised by the Resolution Professional. Hence, written representation from directors have not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the directors is disqualified as on March 31, 2018 from being appointed as a director in the terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting; and
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. We have relied on management's representation that the Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2018 on its financial position in its standalone financial statements (refer Note 27).
  - ii. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2018.

For **SVP & Associates**  
Chartered Accountants  
Firm Registration No. 003838N

For **OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

Sd/-

**(CA Pankaj Kumar)**  
Partner  
Membership No. 091822

Sd/-

**(CA Naresh Kumar)**  
Partner  
Membership No. 085238

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(As referred to in paragraph (i) under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the members of SRS Limited on the accounts for the year ended 31<sup>st</sup> March, 2018)

- (i) (a) Subject to our comments in para i (b) below, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Except for certain locations, the fixed Assets were not physically verified during the year by the Management. Further, wherever physical verification of fixed assets was performed, for certain locations the management is in process of reconciliation of quantities as per verification reports with fixed assets records. Pending such reconciliation and physical verification of certain locations, we are unable to comment on the reasonableness of the physical verification program and discrepancies that may arise on such reconciliation and physical verification of fixed assets that are lying on those locations where physical verification could not be performed. As on 31<sup>st</sup> March, 2018, Fixed assets/ CWIP have been written off in Segments (where operations are continuing) amounting to Rs. 1570 lakhs (WDV) and in case of discontinued operations, Fixed assets have been written off amounting to Rs. 1380 lakhs (WDV) - refer para 5(d) of 'Basis for Qualified Opinion' forming part of this Report and Notes 36 & 44 to the standalone financial statements. Other than Leasehold Improvements, Electrical Fittings, Furniture & Fittings, etc., Fixed Assets written off consisted of Plant & Machinery, Office Equipment, Computers and Vehicles.
- (c) According to the information and explanations given to us, title deeds of the immovable properties have been mortgaged with lenders i.e. bankers towards security of the borrowings raised by the Company. On the basis of our examination of the records of the Company and the copies of the title deeds available with the Company, the title deeds of immovable properties are held in the name of the Company.
- (i) The Company sent a mail to bankers seeking confirmation of the original title deeds of immovable properties held by them. However, confirmation from the bankers was not received as on the date of our Report.
- (ii) The inventory has not been physically verified by the management at all the locations at reasonable intervals during the year. As far as we could ascertain and according to the information and explanations given to us, discrepancies were noticed between the physical stock and the book records resulting in write off of inventory amounting to Rs. 865 lakhs (discontinued operations) during the year - refer para 5(d) of 'Basis for Qualified Opinion' forming part of this Report and Note 44 to the standalone financial statements.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not complied with the directives (to the extent applicable) issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public, in respect of maintenance of liquid assets (refer para 5(j) of 'Basis for Qualified Opinion' forming part of this report) and in respect of provisions regarding acceptance, repayment of deposits and payment of interest.

No order has been passed by Company Law Board or Reserve Bank of India or any Court or any other Tribunal. However, the Order/s (including Final Order dated 21<sup>st</sup> December, 2017) for extension in repayment of deposits and payment of interest issued by National Company Law Tribunal were not complied with fully. The amount involved thereof is not ascertainable as the Order/s provided for staggered payments over a period of time.

- (vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, provisions of Clause 3 (vi) of the order are not applicable to the company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax (GST), cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which it relates
Income Tax Act, 1961	TDS	66.28	March 2017 to September 2017
Income Tax Act, 1961	TDS as per Traces Website	7.13	Up to FY 2017-18
Finance Act, 1994	Service Tax	125.90	April 2016 to June 2017
The Delhi Value Added Tax Act, 2004	VAT (Delhi)	133.28	April 2017 to June 2017
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	EPF	34.80	August 2017 to September 2017
The Employees' State Insurance Act, 1948	ESI	15.12	August 2017 to September 2017
UP Vat Act, 2008	Vat and Interest	801.94	FY 2014-15
UP Vat Act, 2008	Vat and Interest	682.47	FY 2015 16

- (b) According to the information and explanations given to us and records of the Company examined by us, particulars of statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax (GST), cess and other material statutory dues, as applicable, which have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of the dues*	Amount* (Rs. in lacs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	4,189.76	AY 2010-11	CIT Appeals, Gurugram
-do-	-do-	7,555.68	AY 2011-12	-do-
-do-	-do-	733.19	AY 2012-13	-do-
-do-	-do-	795.41	AY 2013-14	-do-

\*net of tax paid under protest/ refund adjusted

- (viii) As stated in Note 21 to the standalone financial statements, the amounts of borrowings from banks including interest are overdue and there is continuing default as on 31<sup>st</sup> March, 2018. While referring to repayment schedule stipulated in the sanction letter and subsequent developments, we are unable to provide periods of default. Details of defaults in repayment of borrowing and interest are given below: (58)

Particulars	Principal (Rs. in lakhs)	Interest (Rs. in lakhs)
Cash Credit	72,754.60	14,294.24
Demand Loan	10,000.00	3,080.05
<b>Total</b>	<b>82,754.60</b>	<b>17,374.29</b>

The Company does not have any debentures issued, loans or borrowings from the government.

- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purposes for which they were raised.
- (x) The Company intimated Stock Exchanges on 7<sup>th</sup> May, 2018 that in case of Fraud/ Defaults by promoter or key managerial personnel or by the listed entity (or arrest of key managerial personnel or promoter), the estimated amount involved is Rs. 10-11 crore approx. Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we are unable to comment whether or not there was any fraud by the Company or on the Company by its officers or employees.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) As per our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards, except disclosure of corporate guarantee given by M/s SRS Knowledge & Technologies Pvt. Ltd., in which Executive Chairman of the Company is a director (also Refer footnote to Note 21 of Financial Statements). In this respect, working and information is as provided by the management, for which we have relied on the management representation.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SVP & Associates**  
Chartered Accountants  
Firm Registration No. 003838N

For **OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

Sd/-

(CA Pankaj Kumar)  
Partner  
Membership No. 091822

Sd/-

(CA Naresh Kumar)  
Partner  
Membership No. 085238

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SRS LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SRS Limited ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

The Company did not have appropriate internal financial controls over:

- (a) The Company's Gold & Jewellery Segment did not have an appropriate internal control system for credit appraisal, balance confirmation, follow-up and ultimate collection from the trade debtors.
- (b) The Company's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Company not recognizing possible impairment losses.
- (c) Physical verification of fixed assets and inventories.
- (d) Quotations, comparatives and internal financial controls were generally lacking for purchases, income from sales & services and sale of property, plant and equipment (including sale of immovable property amounting to Rs. 379 lakhs (WDV) to SRS Real Infrastructure Limited).

Further the company did not have any internal audit system during the year.

The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

### **Qualified Opinion**

In our opinion, except for the possible effects of material weaknesses described in "basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended on 31<sup>st</sup> March, 2018, and these material weaknesses have affected

our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **SVP & Associates**  
Chartered Accountants  
Firm Registration No. 003838N

For **OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

Sd/-

**(CA Pankaj Kumar)**  
Partner  
Membership No. 091822

Sd/-

**(CA Naresh Kumar)**  
Partner  
Membership No. 085238

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019



Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	14,829.95	19,951.22
Capital work-in-progress	3	-	181.83
Intangible assets	3	42.00	53.95
<b>Financial Assets</b>			
Investments	4	2,676.82	2,666.70
Other financial assets	5	588.62	1,109.55
Deferred Tax Assets (net)	6	-	3,771.50
Other non-current assets	7	317.99	300.25
<b>Total Non-Current Assets</b>		<b>18,455.38</b>	<b>28,035.00</b>
<b>Current Assets</b>			
Inventories	8	48.25	20,822.49
<b>Financial Assets</b>			
Trade receivables	9	286.87	117,810.93
Cash and cash equivalents	10	283.31	749.43
Bank Balance other than above	11	58.50	77.28
Loans	12	-	54.37
Other financial assets	13	509.52	302.08
Other current assets	14	972.66	1,215.83
<b>Total Current Assets</b>		<b>2,159.11</b>	<b>141,032.41</b>
<b>Total Assets</b>		<b>20,614.49</b>	<b>169,067.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	15	27,858.20	27,858.20
Other Equity	16	(125,598.73)	20,488.68
<b>Total Equity</b>		<b>(97,740.53)</b>	<b>48,346.88</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	22.45	5,535.45
Other financial liabilities	18	31.78	31.37
Provisions	19	94.92	282.67
Deferred Tax Liabilities (Net)	20	351.02	-
<b>Total Non-Current Liabilities</b>		<b>500.17</b>	<b>5,849.49</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short-Term Borrowings	21	90,188.68	82,378.88
Trade Payables	22	2,494.64	21,113.92
Other financial liabilities	23	21,648.26	10,789.15
Provisions	24	118.69	12.78
Current Tax Liabilities (Net)	25	137.06	136.00
Other Current Liabilities	26	3,267.52	440.31
<b>Total Current Liabilities</b>		<b>117,854.85</b>	<b>114,871.04</b>
<b>Total Liabilities</b>		<b>118,355.02</b>	<b>120,720.53</b>
<b>Total Equity and Liabilities</b>		<b>20,614.49</b>	<b>169,067.41</b>

Significant Accounting Policies 1  
Accompanying Notes from 1 to 59 are integral part of the financial statements  
As per our report of even date attached

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

For **SRS Limited**

Sd/-  
**(CA Pankaj Kumar)**  
Partner  
M. No. 091822  
Place: Faridabad  
Date : 06-Feb-2019

Sd/-  
**(CA Naresh Kumar)**  
Partner  
M. No. 085238  
(63)

Sd/-  
**(Raju Bansal)**  
Whole-Time Director  
DIN-00007344

Statement of Standalone Profit and Loss for the year ended 31<sup>st</sup> March 2018SRS LIMITED  
₹ in Lacs

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from Operations	28	11,372.05	11,200.08
Other Income	29	98.08	264.07
<b>Total Income</b>		<b>11,470.13</b>	<b>11,464.15</b>
<b>Expenses</b>			
Cost of materials consumed	30	740.14	648.09
Purchases of Stock-in-Trade	31	-	202.51
Exhibition Cost	32	3,128.16	2,858.21
Employee benefits expense	33	1,491.20	1,533.94
Finance Costs	34	1,106.58	1,239.51
Depreciation and amortisation expense	35	1,152.07	1,415.72
Other Expenses	36	7,144.20	5,024.83
<b>Total</b>		<b>14,762.35</b>	<b>12,922.81</b>
<b>Loss from continuing operations before Tax</b>		<b>(3,292.22)</b>	<b>(1,458.66)</b>
<b>Less: Tax Expense</b>			
-Earlier Year Tax		(10.03)	-
-Deferred Tax		4,132.55	(4,637.99)
		<b>4,122.52</b>	<b>(4,637.99)</b>
<b>Loss for the year from continuing operations</b>		<b>(7,414.74)</b>	<b>3,179.33</b>
<b>Discontinued Operations</b>			
Loss from discontinued operations before Tax		(138,690.37)	(19,228.03)
Less: Tax Expenses		-	-
<b>Loss from discontinued operation after tax</b>		<b>(138,690.37)</b>	<b>(19,228.03)</b>
<b>Loss for the year after tax</b>		<b>(146,105.11)</b>	<b>(16,048.70)</b>
<b>Other Comprehensive Income/(Expense)</b>			
Remeasurement of net defined benefit plans		17.70	(2.11)
<b>Total Comprehensive Income for the year</b>		<b>(146,087.41)</b>	<b>(16,050.81)</b>
<b>Earning per share :</b>			
(Refer Note No 45)			
₹ Face Value per Equity Share (in ₹)		10.00	10.00
<b>From Continuing Operations</b>			
<b>-Basic &amp; Diluted (in ₹)</b>			
From Continuing Operations		(2.66)	1.14
From Discontinued Operations		(49.78)	(6.90)
<b>Total Basic &amp; Diluted from continuing &amp; discontinued operations (in ₹)</b>		<b>(52.44)</b>	<b>(5.76)</b>

Significant Accounting Policies 1  
Accompanying Notes from 1 to 59 are integral part of the financial statements  
As per our report of even date attached

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

For **SRS Limited**

Sd/-  
**(CA Pankaj Kumar)**  
Partner  
M. No. 091822  
Place: Faridabad  
Date : 06-Feb-2019

Sd/-  
**(CA Naresh Kumar)**  
Partner  
M. No. 085238  
(64)

Sd/-  
**(Raju Bansal)**  
Whole-Time Director  
DIN-00007344

Statement of Cash Flows for the year ended 31<sup>st</sup> March 2018

₹ in Lacs

Sr. No.	Particulars	For the year ended	
		31 <sup>st</sup> Mar, 2018	31 <sup>st</sup> Mar, 2017
I	<b>Cash flow from continuing operations</b>		
A	<b>Cash Flow from Operating Activities</b>		
	Net Profit before tax (as per Statement of Profit and Loss)	(3,292.22)	(1,458.66)
	<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
	Depreciation and amortisation expense	1,152.07	1,415.72
	Bad debts & balance w/off	98.53	4.81
	Provision for doubtful debts	234.30	1.41
	Provision for doubtful loans & advances	475.96	-
	Finance Cost	1,106.58	1,239.51
	Interest Income	(8.91)	(163.05)
	Loss / (Profit) on sale of property, plant & equipments	273.14	(60.52)
	Net Gain on Sale of Current Investment	-	(1.07)
	Foreign Exchange Fluctuation	-	(6.93)
	Property, Plant and Equipment & CWIP written off	1,570.14	55.39
	<b>Changes in assets and liabilities</b>		
	Increase/(Decrease) in Trade Payables	(17.29)	6.23
	Increase/(Decrease) in Other financial liabilities, other liabilities and provisions	(31,990.19)	1,035.79
	(Increase)/Decrease in Inventories	6.69	(5.53)
	(Increase)/Decrease in Trade Receivables	(213.63)	54.59
	(Increase)/Decrease in Loans, other financial assets and other assets	(550.57)	(919.64)
	<b>Cash Flow from Operating Activities before Tax</b>	(31,155.40)	1,198.05
	Direct Taxes Paid	-	(56.67)
	<b>Net Cash Flow from Operating Activities before Tax (A)</b>	<b>(31,155.40)</b>	<b>1,141.38</b>
B	<b>Cash Flow from Investing Activities</b>		
	Purchases of Property, Plant and Equipment	(30.22)	(29.33)
	Proceeds from Sale of Property, Plant and Equipment & CWIP	51.29	205.51
	Investment in Subsidiary	(10.00)	(832.70)
	Proceeds from Sale of Investment in Mutual Funds	-	6.07
	Loans (Given)/Refund to/(from) Subsidiary Company	54.37	274.30
	Proceeds from Sale of Shares in Subsidiary Company	-	92.96
	Interest Income	16.59	122.36
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>82.03</b>	<b>(160.83)</b>
C	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Long Term Borrowings	-	24.00
	Repayments of Long Term Borrowings	(31.28)	(53.56)
	Net Proceed from Short Term Borrowing	-	(1,464.06)
	Repayments of Short Term Borrowings	(195.80)	(2,296.57)
	Interest Paid	(630.97)	(2,757.72)
	<b>Net Cash Flow from Financing Activities ©</b>	<b>(858.05)</b>	<b>(6,547.91)</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(31,931.42)</b>	<b>(5,567.36)</b>
II	<b>Cash flow from discontinued operations</b>		
A	<b>Cash Flow from Operating Activities</b>	31,796.94	(20,161.17)
B	<b>Cash Flow from Investing Activities</b>	20.92	(67.67)
C	<b>Cash Flow from Financing Activities</b>	(371.34)	20,238.39
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>31,446.52</b>	<b>9.55</b>
	<b>Net Increase in Cash and Cash Equivalents (I + II)</b>	<b>(484.90)</b>	<b>(5,557.81)</b>
	Cash and Cash Equivalent at the beginning of the year	826.71	6384.52
	Cash and Cash Equivalent at the end of the year	341.81	826.71
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>(484.90)</b>	<b>(5,557.81)</b>

Accompanying Notes from 1 to 59 are integral part of the financial statements  
As per our report of even date attached.

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

For **SRS Limited**

Sd/-

(CA Pankaj Kumar)  
Partner  
M. No. 091822

Sd/-

(CA Naresh Kumar)  
Partner  
M. No. 085238

Sd/-

(Raju Bansal)  
Whole-Time Director  
DIN-00007344

Place: Faridabad  
Date : 06-Feb-2019

## **1 Corporate Information**

- 1.1 A Corporate Insolvency Resolution Process ("CIRP") had been initiated against SRS Limited ("the Company") vide order of the National Company Law Tribunal, Chandigarh Bench ("NCLT") dated August 21, 2018, appointing Mr. Ashok Kumar Gulla as the Interim Resolution Professional and was confirmed as the Resolution Professional (RP) in the committee of Creditors meeting dated September 20, 2018. As per the provision of the Insolvency & Bankruptcy Code 2016 ("Code") the powers of the Board of Directors stands suspended. As the powers of the Board of Directors had been suspended, the above results have not been approved by Board of Directors however, The company as on date of signing of Balance sheet has only 2 Directors, Mr. Raju Bansal and Mr. Anil Jindal and apart from above mentioned directors all the directors have resigned, Mr Anil Jindal is under the Judicial Custody since April 5, 2018 and the company does not have a Chief Financial officer and a Company Secretary, Hence the Financial Statements has been signed by the only available Director Mr. Raju Bansal confirming the accuracy and completeness of Financial Statements.
- 1.2 As per the provisions of Insolvency and Bankruptcy Code, 2016, The Resolution Professional has invited Expression of Interest through advertisement in Financial Express and Jansatta Newspaper dated October 30, 2018.
- 1.3 Under the CIRP, a resolution plan needs to be presented to and approved by the committee of creditors (COC) and thereafter will need to be approved by the NCLT to keep the Company as a going concern. Currently, the Expression of Interest is invited for the submitting the Resolution Plan for SRS Limited, Accordingly the financial statements have been prepared on a going concern basis.

## **2 Significant Accounting Policies**

### **2.1 Basis of Preparation**

"The financial statements have been prepared on a historical cost basis, except for the following:

- (1) certain financial assets and liabilities that are measured at fair value;
- (2) defined benefit plans - plan assets measured at fair value."

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Current and non-current classification

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **2.2 Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### **2.3 Revenue Recognition**

- i Revenue from sale is recognized when the significant risk and rewards in respect of ownership of the goods are transferred to customer.
- ii Revenue from theatre business is recognized on the basis of tickets sold for the period under accounting.
- iii Entertainment tax collection in respect of its multiplex set up in Uttar Pradesh (U.P.) has been recognised as revenue on sale of tickets, considering the exemption from payment of entertainment tax upto a specified period in terms of the scheme of U.P. state government.
- iv Revenue from Lease Rent, Common Area Maintenance (CAM) Charges and Interest is recognized on a time proportion basis.

- v Advertisement revenue is recognized as and when advertisement is displayed.
- vi Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

#### 2.4 Property, Plant and Equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Depreciation on leasehold improvements is charged over the period of lease.
- Depreciation on assets costing ₹5,000 or less is provided @100% over a period of one year."

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate."

#### 2.5 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

Estimated useful life by major class of finite-life intangible asset is as follows:

Computer software - 5 years.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### 2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it was incurred.

#### 2.7 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

#### 2.8 Inventories

Raw materials are valued at lower of Cost and Net Realizable Value.

Finished goods are valued at lower of Cost (raw material and appropriate proportion of overheads) and Net Realizable Value.

Goods held for Resale are valued at lower of cost and net realizable value.

Costs of inventories are determined on First in First out ('FIFO') basis in the ordinary course of business.

Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.9 Foreign Exchange Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.



Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as income or as expenses for the year.

Non-monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected separately in the Statement of Profit & Loss.

In respect of foreign branch, the company has adopted integral foreign operation approach as per Ind AS 21 and accordingly revenue items have been converted at date of transaction date. Monetary Assets and Liabilities are converted at the year-end exchange rate. Exchange gain or loss arising out of above is charged to Statement of Profit & Loss.

## 2.10 Tax expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### **Current Tax:**

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

### **Minimum Alternate Tax (MAT) Credit:**

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### **Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

## 2.11 Employee benefits

### **Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Statement of Profit and Loss in the period in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

### **Defined Benefit Plan**

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

### **Defined Contribution Plan**

Contributions to defined contribution schemes such as employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.



**2.12 Segment reporting****Identification of segments**

As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and are as set out in the significant accounting policies.

**Allocation of common costs**

Common allocable costs are allocated to each segment on reasonable basis.

**Unallocated items**

Include general corporate income and expense items which are not allocable to any business segment.

**Segment policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**2.13 Leases****Operating lease****As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

**As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.14 Cash Flow Statement**

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

**2.15 Earning Per Share**

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

**2.16 Miscellaneous Expenditure**

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective Shares.

**2.17 Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## 2.18 Financial Instruments

### a). Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at:-

- amortised cost
- fair value through profit and loss (FVTPL).

### Investments in subsidiaries, joint ventures and associates

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

#### Investments in quoted equity instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

#### Investments in unquoted equity instruments

Unquoted equited investments are stated at cost.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### b). Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.19 Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

## 3. Property, Plant and Equipment

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01.04.17	Additions	Sale /Adjustment	As At 31.03.18	Upto 01.04.17	for the year	on Sale / Adjustment	As At 31.03.18	As At 31.03.18	As At 31.03.17
Land	2,461.26	-	-	2,461.26	-	-	-	-	2,461.26	2,461.26
Buildings	6,938.59	-	1,060.56	5,878.03	858.53	96.13	69.58	885.08	4,992.95	6,080.06
Leasehold Improvements	10,859.42	-	2,155.46	8,703.96	4,433.96	540.23	939.80	4,034.39	4,669.57	6,425.46
Plant & Machinery	6,150.61	13.81	1,543.22	4,621.20	2,908.23	394.77	619.59	2,683.41	1,937.79	3,242.38
Office Equipment	902.18	6.37	572.62	335.93	700.24	55.70	465.80	290.14	45.79	201.94
Furniture & Fittings	2,714.84	1.67	1,028.40	1,688.11	1,477.48	200.48	555.61	1,122.35	565.76	1,237.36
Computers	494.81	7.17	291.06	210.92	427.77	20.21	260.06	187.92	23.00	67.04
Vehicles	457.73	-	137.59	320.14	222.01	36.17	71.87	186.31	133.83	235.72
<b>TOTAL</b>	<b>30,979.44</b>	<b>29.02</b>	<b>6,788.91</b>	<b>24,219.55</b>	<b>11,028.22</b>	<b>1,343.69</b>	<b>2,982.31</b>	<b>9,389.60</b>	<b>14,829.95</b>	<b>19,951.22</b>
Previous Year	32,519.87	107.38	1,647.81	30,979.44	10,548.20	1,749.18	1,269.16	11,028.22	19,951.22	

(₹ in lacs)

## Capital work-in-progress

Description	As At 01.04.17	Additions	Transferred to Property, Plant and Equipment	Sale /Adjustment	As At 31.03.18
Capital work-in-progress*	181.83	0	-	181.83	-
<b>TOTAL</b>	<b>181.83</b>	<b>-</b>	<b>-</b>	<b>181.83</b>	<b>-</b>
Previous Year	105.24	143.26	66.67	-	181.83

\*CWIP includes Preoperative Expenses of Rs. Nil (PY 3.25 lacs)

Intangible Assets

(₹ in lacs)

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As At 01.04.17	Additions	Sale /Adjustment	As At 31.03.18	Upto 01.04.17	for the year	on Sale / Adjustment	As At 31.03.18	As At 31.03.18	As At 31.03.17
Computer Software (Bought Out)	143.63	9.16	6.24	146.55	89.68	20.59	5.72	104.55	42.00	53.95
<b>TOTAL</b>	<b>143.63</b>	<b>9.16</b>	<b>6.24</b>	<b>146.55</b>	<b>89.68</b>	<b>20.59</b>	<b>5.72</b>	<b>104.55</b>	<b>42.00</b>	<b>53.95</b>
Previous Year	354.11	4.57	215.05	143.63	281.74	22.99	215.05	89.68	53.95	

Sr. No.	Particulars	31-Mar-18	31-Mar-17
<b>4</b>	<b>Investments</b>		
	<b>Investments in Subsidiary</b>		
	SRS Entertainment India Limited (Formerly known as SRS Entertainment Limited) {26660000 Equity Shares of Rs. 10 Each}	2,666.00	2,666.00
	SRS Smart Retail Limited (Formerly known as SRS Bright Retail Limited) {1,00,00,000 Equity Shares of Rs. 10 Each at 10 paisa}	10.00	-
	Other Investment		
	Investment in National Savings Certificates (NSC)*	0.82	0.70
	<b>Total</b>	<b>2,676.82</b>	<b>2,666.70</b>
	* Investment in government securities are unquoted and at amortised cost.		
<b>5</b>	<b>Other financial assets</b>		
	<b>Security Deposits</b>		
	Considered Good	547.07	1,100.06
	Considered Doubtful	257.67	-
	<b>Other Bank Balances-Restricted Cash</b>		
	-Fixed Deposits pledged with bank for bank guarantees given to authorities	41.55	9.49
	<b>Total</b>	<b>846.29</b>	<b>1,109.55</b>
	Less : Provision for doubtful recoveries	257.67	-
	<b>Net Amount</b>	<b>588.62</b>	<b>1,109.55</b>
<b>6</b>	<b>Deferred Tax Assets (Net)</b>		
	<b>Deferred Tax Assets</b>		
	Business losses carried forward	-	1,279.31
	Provision for Retirement Benefits	-	102.26
	Provision for doubtful debts	-	3,224.60
	Others	-	75.24
	<b>Total Deferred Tax Assets (A)</b>	<b>-</b>	<b>4,681.41</b>
	<b>Deferred Tax Liabilities</b>		
	Property, Plant and Equipment	-	1,580.07
	<b>Total Deferred Tax Liabilities (B)</b>	<b>-</b>	<b>1,580.07</b>
	MAT Credit Entitlement (C)*	-	670.16
	<b>Deferred Tax Assets (Net) (A-B+C)</b>	<b>-</b>	<b>3,771.50</b>
	* Minimum Alternate Tax credit amounting to Rs. 670.16 lacs has been derecognized as deferred tax asset as there is no convincing evidence that the Company will pay normal income tax during the specified period.		
<b>7</b>	<b>Other non-current assets</b>		
	Capital Advances (Refer note no. 27)	-	59.44
	Income Tax Recoverable (Refer note no. 27)	174.48	174.48
	Deferred Portion of Security Deposits	143.51	66.33
	<b>Total</b>	<b>317.99</b>	<b>300.25</b>
<b>8</b>	<b>Inventories</b>		
	Stock in Trade *	-	54.94
	Raw Material	48.25	20,767.55
	<b>Total</b>	<b>48.25</b>	<b>20,822.49</b>

\* Stock in Trade for Nil (PY ₹43.43 lacs) as on 31<sup>st</sup> March 2018 is lying with third parties.

## Notes forming part of the Financial Statements

## SRS LIMITED

	31-Mar-18	31-Mar-17
<b>9 Trade Receivables</b>		
Unsecured, Considered Good *	286.87	117,810.93
Considered Doubtful	129,501.42	9,316.96
	<b>129,788.29</b>	<b>127,127.89</b>
Less: Provision for Doubtful Debts	129,501.42	9,316.96
<b>Total</b>	<b>286.87</b>	<b>117,810.93</b>
* Include Rs. 26.23 lacs (PY Rs. 19.90 Lacs) receivable from related parties (refer note no. 49)		
<b>10 Cash and cash equivalents</b>		
Cash on Hand	180.57	554.82
Balances with banks		
-in Current Accounts	102.74	194.61
<b>Total</b>	<b>283.31</b>	<b>749.43</b>
<b>11 Bank balances other than above</b>		
-in Deposit Accounts	55.33	74.11
(Fixed Deposits pledged / earmarked with bank for bank guarantees given to authorities / Deposit Repayment)		
-in Earmarked Accounts		
'Share Application Money received for Allotment of Securities due for refund	1.79	1.79
Unclaimed Dividend Account	1.38	1.38
	<b>58.50</b>	<b>77.28</b>
<b>12 Loans</b>		
Loans to Related Parties (Refer note no. 49)		
To Subsidiary *	-	54.37
<b>Total</b>	<b>-</b>	<b>54.37</b>
* Loan given to SRS Entertainment India Ltd. (Formerly known as SRS Entertainment Limited) of ₹ Nil (PY 54.37 Lacs) as working capital support and carries interest rate of 16.5% p.a.		
<b>13 Other financial assets</b>		
Security Deposits	-	103.88
Advances to Employees	66.37	19.03
Interest Accrued but not Due	9.58	17.26
Other Receivables		
From Related Parties (refer note no. 49)	498.30	49.12
From Others	2.98	112.79
<b>Total</b>	<b>577.23</b>	<b>302.08</b>
Less : Provision for doubtful recoveries *	67.71	-
<b>Net Amount</b>	<b>509.52</b>	<b>302.08</b>
* Details for provision for doubtful recoveries		
Other Receivables	2.27	-
Advance to Employees	65.44	-
	<b>67.71</b>	<b>-</b>
<b>14 Other current assets</b>		
Entertainment Tax & GST / VAT Recoverable	779.68	770.10
TDS Receivable	79.83	35.86
Prepaid Expenses	15.88	63.11
Advances to Suppliers & Creditors	452.50	346.76
<b>Total</b>	<b>1,327.89</b>	<b>1,215.83</b>
Less : Provision for doubtful recoveries *	355.23	-
	<b>972.66</b>	<b>1,215.83</b>
* Details for provision for doubtful recoveries		
Advance to Suppliers & Creditors	355.23	-
	<b>355.23</b>	<b>-</b>

## Notes forming part of the Financial Statements

## SRS LIMITED

15 Equity Share Capital	31-Mar-18	31-Mar-17
<b>Authorised</b>		
28,00,00,000 (PY 28,00,00,000) Equity Share of Rs. 10/- each	28,000.00	28,000.00
<b>Total</b>	<b>28,000.00</b>	<b>28,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid up</b>		
Opening {27,85,82,026 (PY 27,85,82,026) Equity Share of Rs. 10/- each}	27,858.20	27,858.20
Additions	-	-
Deductions	-	-
Closing {27,85,82,026 (PY 27,85,82,026) Equity Share of Rs. 10/- each}	27,858.20	27,858.20
<b>Total</b>	<b>27,858.20</b>	<b>27,858.20</b>
<b>15.1 The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under :</b>		
<b>Equity Shares</b>		
The equity shares have a par value of ₹10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval shareholders ensuing Annual General Meeting.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>15.2 Shareholders holding more than 5% equity shares in the Company</b>		
BTL Holding Company Ltd		
No. of Shares held	19,240,991.00	128,637,542.00
% of Holding	6.91	46.18
<b>16 Other Equity</b>		
<b>(A) Security Premium Account</b>		
Opening Balance	12,678.03	12,678.03
Add: Addition during the year	-	-
Less: Amount utilised for issuance of bonus shares	-	-
Closing Balance	<b>12,678.03</b>	<b>12,678.03</b>
<b>(B) General Reserve</b>		
Opening Balance	192.96	192.96
Add: Transfer during the year	-	-
Closing Balance	<b>192.96</b>	<b>192.96</b>
<b>(C) Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	7,617.69	23,668.50
Add : Net Profit for the current year	(146,087.41)	(16,050.81)
Closing Balance	<b>(138,469.72)</b>	<b>7,617.69</b>
<b>Total</b>	<b>(125,598.73)</b>	<b>20,488.68</b>
<b>17 Borrowings</b>		
<b>Secured</b>		
<b>Term Loan (refer note no. 17.1)</b>		
<b>From Bank</b>		
<b>Corporate Loan</b>	474.99	474.99
Less : Current maturities	474.99	474.99
<b>Non current maturities (A)</b>	-	-
<b>Vehicle Loan</b>	60.20	93.86
Less : Current maturities	37.99	31.16
<b>Non current maturities (B)</b>	<b>22.21</b>	<b>62.70</b>



## Notes forming part of the Financial Statements

## SRS LIMITED

	31-Mar-18	31-Mar-17
<b>From Other Parties</b>		
<b>Vehicle Loan</b>	3.17	6.29
Less : Current maturities	2.93	1.86
<b>Non current maturities (C)</b>	<b>0.24</b>	<b>4.43</b>
<b>Unsecured</b>		
Public Deposits	7,433.59	7,629.39
Less : Current maturities	7,433.59	2,161.07
<b>Non current maturities (D)</b>	<b>-</b>	<b>5,468.32</b>
<b>Total (A+B+C+D)</b>	<b>22.45</b>	<b>5,535.45</b>

### 17.1 The requisite particulars in respect of secured borrowings are as under:

- a) State Bank of India - Corporate Loan of Rs. 474.99 lacs (PY Rs. 474.99 lacs) is Secured against first pari passu charge on all the fixed assets of the Company, including Equitable Mortgage of land and building at site no 4, City Centre, Sector-12 Faridabad with plot area measuring 2,136.86 sq. mtr. and Multiplex-cum Shopping Mall constructed thereon in the name of the Company and further secured by first pari passu charge on ((a) 8 acres of land at Prithla in the name of SPS Buildcon Ltd. (merged with SRS Retreat Services Ltd.) (b) 6.84 acres of land at Prithla in the name of SRS Retreat Services Ltd. (c) Extension of charge on current assets. The Facility is further secured by personal guarantee of Shri Anil Jindal (executive chairman), Shri Sunil Jindal (Managing director, upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17), Shri Raju Bansal (Whole time director) and Shri Vinod Kumar Gupta (Whole time director, upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17) and corporate guarantee of SRS Retreat Services Ltd, BTL Holding Company Limited ((formerly known as BTL Investments & Securities Limited)(SRS Holdings India Ltd merged with BTL Investments & Securities Limited w.e.f 18.07.2013)), SRS Knowledge & Technologies Pvt. Ltd. (Formerly known as SRS Professional Services Ltd.), and Latest IT Solutions Ltd. (Formerly known as SRS IT Solutions Ltd.). Applicable rate of interest is base rate + 3.25 % subject to change from time to time.

Repayable in 40 equal monthly installments of ₹25.00 Lacs commencing from July 31, 2014.

- b) Vehicle Loan from Banks of ₹60.20 lacs (PY ₹93.95 Lacs) is Secured against hypothecation of specified vehicles of the Company. Applicable rate of interest is 10.10 % to 14 % .  
Total 8 (PY 8) number of vehicle loan repayable within 36 - 48 equal monthly installments.
- c) Term Loan From Other Parties of ₹3.17 lacs (PY ₹6.29 lacs) Secured against hypothecation of specified vehicles of the Company.  
Applicable rate of interest is 10.60 %  
Total 1 (PY 1) number of vehicle loan repayable within 36 equal monthly installments.
- d) Term loan including Working Capital Term Loan, Public Deposit etc has been classified as current borrowings as repayable on demand due to ongoing Corporate Insolvency Resolution Process ("CIRP").

### 18 Other Financial Liabilities

Security Deposits Received	31.78	31.37
<b>Total</b>	<b>31.78</b>	<b>31.37</b>

### 19 Provisions

Provision for Employee Benefits *		
-Gratuity (un-funded)	79.41	220.06
-Leave Encashment (un-funded)	15.51	62.61
	<b>94.92</b>	<b>282.67</b>

\* Also refer note no. 47

### 20 Deferred Tax Liabilities (Net)

<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	351.02	-
<b>Total Deferred Tax Liabilities</b>	<b>351.02</b>	<b>-</b>

## Notes forming part of the Financial Statements

## SRS LIMITED

	31-Mar-18	31-Mar-17
<b>21 Short-Term Borrowings</b>		
<b>Loan Repayable on Demand from Bank</b>		
-Cash Credit *	72,754.60	70,217.32
-Demand Loan *	10,000.00	10,000.00
	<b>82,754.60</b>	<b>80,217.32</b>
<b>Fixed Deposit Scheme</b>		
-Public Deposit	7,433.59	2,161.07
	<b>7,433.59</b>	<b>2,161.07</b>
<b>Loans from Corporate bodies</b>		
-From Related Party	-	-
-From Others	0.49	0.49
	<b>0.49</b>	<b>0.49</b>
<b>Total</b>	<b>90,188.68</b>	<b>82,378.88</b>

\*In consortium with State Bank of India, Oriental Bank of Commerce, Union Bank of India, Bank of India and Syndicate Bank is Secured against hypothecation of stocks & book debts and equitable mortgage of specific properties and Personal guarantee# of Directors and Corporate guarantee of SRS Retreat Services Ltd., BTL Holding Company Limited {(formerly known as BTL Investments and Securities Limited) (SRS Holdings India Ltd merged with BTL Holding Company Limited w.e.f 18.07.2013)}, SRS Knowledge & Technologies Pvt. Ltd. (Formerly known as SRS Professional Services Ltd.), and Latest IT Solutions Ltd. (Formerly known as SRS IT Solutions Pvt. Ltd.)

The aggregate amount of loan guaranteed by, Shri Anil Jindal (executive chairman), Shri Sunil Jindal (Managing director, upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17), Shri Raju Bansal (Whole time director) and Shri Vinod Kumar Gupta (Whole time director, upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17), is ₹82754.60 lacs (PY ₹80217.32 lacs).

### 21.1 Repayment delay in Short-Term Borrowings from Banks

#### Principal Default

State Bank of India - Cash Credit	36,420.98	36,636.94
State Bank of India - Demand Loan	10,000.00	10,000.00
Bank of India - Cash Credit	17,028.13	17,114.10
Union Bank of India - Cash Credit	11,658.12	9,708.40
Oriental Bank of Commerce - Cash Credit	6,325.98	5,640.29
Syndicate Bank - Cash Credit	1,321.39	1,117.59
<b>Total</b>	<b>82,754.60</b>	<b>80,217.32</b>

#### Interest Default

State Bank of India - Cash Credit	9,635.05	3,359.02
State Bank of India - Demand Loan	3,080.05	1,077.37
Bank of India - Cash Credit	4,293.61	1,550.91
Union Bank of India - Cash Credit	365.58	1,084.16
Oriental Bank of Commerce - Cash Credit	-	423.07
Syndicate Bank - Cash Credit	-	124.29
<b>Total</b>	<b>17,374.29</b>	<b>7,618.82</b>

### 22 Trade Payables

Dues of MSMEs*	-	-
Dues of other than MSMEs	2,494.64	21,113.92
<b>Total</b>	<b>2,494.64</b>	<b>21,113.92</b>

\* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Further, no interest has been paid during the year and payable as on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 to such parties.

## Notes forming part of the Financial Statements

## SRS LIMITED

23 Other Financial Liabilities	31-Mar-18	31-Mar-17
Current Maturities of Long Term Debts (Refer note no. 17)	515.90	508.01
Interest Accrued and due on Public Deposits	1,469.58	606.25
Interest Accrued but not due	0.38	522.75
Interest Accrued and due on secured loans	17,509.02	7,128.68
Creditors for Capital Expenditure	34.77	88.72
Creditors for Other Expenditure		
To Related Party (refer note no. 49)	191.25	4.67
To Others	1,332.50	1,457.55
Share Application Money received for Allotment of Securities due for refund and interest accrued thereon*	1.79	1.79
Unclaimed Dividend*	1.38	1.38
Other Payable		
-Retention Money	14.29	52.57
-Employees	577.40	416.78
<b>Total</b>	<b>21,648.26</b>	<b>10,789.15</b>

\* Do not include any amounts, due and outstanding, to be credited to Investors' Education and Protection Fund.

24 Provisions		
<b>Provision for Employee Benefits *</b>		
-Gratuity (un-funded)	90.30	9.77
-Leave Encashment (un-funded)	28.39	3.01
	<b>118.69</b>	<b>12.78</b>

\* Also refer note no. 47.

25 Current Tax Liabilities (Net)		
-Provision for Income Tax (net of advance tax)	137.06	136.00
<b>Total</b>	<b>137.06</b>	<b>136.00</b>

26 Other Current Liabilities		
-Advances received from customers	1,661.21	287.55
-Other Advances (Refundable)	200.00	-
-Statutory dues	1,406.31	152.76
<b>Total</b>	<b>3,267.52</b>	<b>440.31</b>

27 Contingent Liabilities & Commitments		
<b>Contingent Liabilities</b>		
Appeal filed in respect of disputed demand including interest of Income Tax for Assessment Year 2010-11, 2011-12, 2012-13 and 2013-14*	13,274.03	1,295.27
Demand Order U/s 33(11)/33(12) of UP VAT ACT 2008 for the Financial Year 2014-15 and 2015-16	1,482.41	-
Outstanding Liability of Tax Deducted at Source as per Traces Website	7.13	-
Pending Export Obligations (duty forgone)	0.17	0.17
	<b>14,763.74</b>	<b>1,295.44</b>

\* An amount of Rs.174.48 Lacs (PY Rs. 174.48 Lacs) deposited by the Company under protest has been shown as Income Tax Recoverable under Long Term Loans & Advances (refer Note No. 7) and has not been adjusted above.

Corporate Loan of SRS Limited is secured by first pari passu charge on (a) 8 acres of land at Prithla in the name of SPS Buildcon Ltd. (merged with SRS Retreat Services Ltd.) and 6.84 acres of land at Prithla in the name of SRS Retreat Services Ltd, The said Land has been possessed by the Lenders of SRS Limited under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, which might bring the liability for SRS Limited in future and it is difficult to value the outcome pending the procedure of SRS Retreat Services Ltd.

### Commitments

#### - Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for#	-	176.35
	<b>-</b>	<b>176.35</b>

# The above amount is net of capital advances amounting to Rs. Nil (PY Rs. 53.95 lacs) (refer note no. 7).

## Notes forming part of the Financial Statements

SRS LIMITED

₹ in Lacs (Unless otherwise stated)

Note No.	Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>28</b>	<b>Revenue from Operations</b>		
	<b>Sale of Products</b>		
	-Food & Beverages	3,203.43	3,136.39
	-Income from sale of tickets of films {(net of GST and Entertainment Tax)}	7,256.04	7,271.22
		<b>10,459.47</b>	<b>10,407.61</b>
	<b>Sale of Services</b>		
	-Lease Rent Income	175.42	184.19
	-Advertisement Income	637.21	531.93
	-Commission Income	2.66	1.99
	-Common Area Maintenance Charges	37.71	40.95
	-Trademark / Franchise Fee	-	4.12
	-Management Fees	59.58	29.29
		<b>912.58</b>	<b>792.47</b>
	<b>Total</b>	<b>11,372.05</b>	<b>11,200.08</b>
	Income from sale of tickets of films includes Entertainment Tax of ₹95.08 lacs (PY ₹623.17 lacs) for which the Company is exempted for deposition in terms of the scheme of U.P. State Government.		
<b>29</b>	<b>Other Income</b>		
	Interest Income	8.91	141.93
	Net Gain on Sale of Current Investment	-	1.07
	<b>Other Non-Operating Income</b>		
	Profit on sale of property, plant & equipments	-	60.52
	Balances w/back	67.67	-
	Sale of Scrap	2.43	1.91
	Foreign Exchange Fluctuation	-	6.93
	Unwinding of discount of Security Deposit Receivables	9.04	38.93
	Gain / (Loss) on fair valuation of security deposits receivables	3.17	-
	Miscellaneous Income	6.86	12.78
	<b>Total</b>	<b>98.08</b>	<b>264.07</b>
<b>30</b>	<b>Cost of materials consumed</b>		
	Food & Beverages	740.14	648.09
		<b>740.14</b>	<b>648.09</b>
<b>31</b>	<b>Purchases of Stock-in-Trade</b>		
	Food & Beverages	-	202.51
		-	<b>202.51</b>
<b>32</b>	<b>Exhibition Cost</b>		
	Distributor Share & Commission Charges	3,128.16	2,858.21
		<b>3,128.16</b>	<b>2,858.21</b>
<b>33</b>	<b>Employee benefits expense</b>		
	Salaries, Wages and Bonus	1,298.85	1,303.90
	Contribution to Provident Fund & Other Fund	128.38	127.25
	Staff Welfare Expenses	30.84	24.25
	Provision for Employees Benefits (Refer note no. 47)	33.13	78.54
	<b>Total</b>	<b>1,491.20</b>	<b>1,533.94</b>
<b>34</b>	<b>Finance Costs</b>		
	Interest on:		
	-Term Loans	84.69	77.89
	- Fixed Deposits	982.81	1,032.06
	- Unsecured Loans	0.19	28.55
	- Others	2.98	5.41
	Bank Charges and Other Financial Expenses	35.91	95.60
	<b>Total</b>	<b>1,106.58</b>	<b>1,239.51</b>

## Notes forming part of the Financial Statements

SRS LIMITED

₹ in Lacs (Unless otherwise stated)

Note No.	Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>35</b>	<b>Depreciation and amortisation expense</b>		
	Depreciation	1,131.66	1,393.62
	Amortisation	20.41	22.10
	<b>Total</b>	<b>1,152.07</b>	<b>1,415.72</b>
<b>36</b>	<b>Other Expenses</b>		
	Security & House Keeping	1,104.44	1,213.53
	Packaging Expenses	0.28	3.50
	Fuel Charges	20.07	27.98
	Bad Debts & balance w/off	98.53	4.81
	Consumable Expenses	4.49	8.05
	Freight & Cartage	2.10	2.08
	Lease Rent Paid	1,982.91	2,037.42
	Electricity & Water Expenses	683.67	763.88
	Insurance Expenses	24.41	28.92
	Repair and Maintenance:		
	-Plant & Machinery	100.87	138.63
	-Building	47.72	25.30
	-Others	56.22	50.71
	Rates & Taxes	39.89	83.00
	Payment to Auditors (Refer note no. 36.1)	14.88	16.02
	Legal & Professional Expenses	156.65	131.61
	Miscellaneous Expenses	22.35	67.13
	Other Operational Expenses	1.19	15.69
	Property, plant & equipments and CWIP written off	1,570.14	55.39
	Printing & Stationery	35.10	44.10
	Loss on sale of property, plant & equipments	273.14	-
	Donation	-	0.02
	Corporate Social Responsibility Expenses (Refer note no. 37)	8.20	80.30
	Provision for Doubtful Debts	234.30	1.41
	Provision for Doubtful Loans & Advances	475.96	-
	Telephone & Communication Expenses	18.12	-
	Travelling & Conveyance Expenses	43.51	47.07
	Expense of amortisation of Deferred Security Deposit	6.96	39.00
	Selling & Distribution Expenses	37.75	20.21
	Commission & Service Charges	6.84	1.54
	Advertisement	58.03	71.82
	Directors' Sitting Fee	4.29	7.25
	GST / Service Tax Paid on Recipient Basis	11.19	38.46
	<b>Total</b>	<b>7,144.20</b>	<b>5,024.83</b>
<b>36.1</b>	<b>Payment to Auditors*</b>		
	Payment to Auditors		
	-As Auditors	8.15	7.96
	-For Certification	4.73	5.18
	-For Taxation Matters	2.00	2.30
	-For Reimbursement of Expenses	-	0.58
	<b>Total</b>	<b>14.88</b>	<b>16.02</b>
<b>37</b>	<b>Detail of CSR Expenditure (for the year ended 31st Mar 2018)</b>		

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. As per Schedule VII of Companies Act, 2013, the areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, etc. A CSR committee has been formed by the company as per the Act.

(a) Gross amount required to be spent by the company during the year : Rs. Nil/-

(b) Amount spent during the year on:

Particulars	Amount in ₹		
	In Cash/Bank	Yet to be incurred	Total
(i) Construction / acquisition of any asset			
(ii) On purpose other than above (i) above *	820,000	-	820,000

\* Expense incurred through SRS Social Welfare Association registered under section 80 G of Income Tax Act.

38 State Bank of India filed an application before Hon'ble NCLT, Chandigarh under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016") for initiating Corporate Insolvency Resolution Process ("CIRP") of SRS Limited. The application was admitted vide Hon'ble NCLT, Chandigarh Order dated 21.08.2018 and Mr Ashok Kumar Gulla, Insolvency Professional, having IBBI Regn No IBBI/IPA-003/IP-N00024/2017-2018/10174, was appointed as Interim Resolution Professional ("IRP").

Further, pursuant to the order of NCLT, a public announcement of CIRP was made on August 24, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on September 20, 2018 (E-voting results declared on September 26, 2018) and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.

39 During the FY 2017-18, the Company has incurred a net loss of 1,46,087.41 Lacs resulting in to accumulated losses of 1,38,469.72 Lacs as at March 31, 2018 and erosion of its Net worth. The Company has obligations towards fund based borrowings and public deposits aggregating to 100737 Lacs and 8903 lacs respectively (including interest accrued thereon), subject to reconciliation/verification as stated in Note 41 below, that have been demanded/recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2018. The Company's ability to continue as going concern is dependent upon a viable revival plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, above financial statements have been prepared on the basis that the Company is a Going Concern.

40 Pursuant to the commencement of CIRP under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the financial creditors operational creditors, employee and other creditors against the Company. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in future.

41 Confirmation of balances could not be obtained as at March 31, 2018 for banks balances, bank borrowings and for various trade receivables (including foreign trade receivables amounting to Rs. 13793 lacs), trade payables, loans & advances including related parties though, the management has requested for the confirmation of balances. Bank balances in current accounts is shown as per the bank statements. Bank statement of 12 bank accounts having total book balance of Rs. 4.23 lacs could not be obtained. Though, the management has requested for the confirmation of balances and pending statements.

42 Physical verification for Property, Plant & Equipment aggregating to 8807 lacs (WDV as on March 31, 2018) could not be carried out at certain locations. Management believe that no item of fixed assets has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets. Accordingly, no provision is required in respect of such fixed assets.

43 The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, Entertainment Tax, GST etc aggregating to 780 lacs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.

#### 44 Discontinued Operations :

##### Discontinuation of Gold & Jewellery Division

Pursuant to board resolution dated 15<sup>th</sup> December, 2017, the Company discontinued the operations of its Gold & Jewellery Division w.e.f. 01st February, 2018.

##### Discontinuation of Retail Division

Further, pursuant to board resolution dated 13<sup>th</sup> February, 2018, the company intended to sell its retail division to Spencer Retail Limited and sought for shareholder's approval through postal ballot vide notice dated 21<sup>th</sup> February, 2018 and got the shareholders approval subsequently and applied for the lender's approval which could not be obtained. Hence, the sale to Spencer Retail Limited did not materialise due to failure to obtain NOC from lenders. Due to liquidity crunch the payment of most of the lessors of retail stores were also outstanding for several months.

Since the selling of retail division was already in the process, in consequence of this the employees of the retail stores had resigned in majority in February, 2018 itself and the top executives were not available for the decision making as the statutory authorities had raided the premises of SRS group on 8<sup>th</sup> March, 2018 which



created a panic in SRS group as a whole and among the lessors of retail stores. Consequently, the management was compelled to close down the retail division during last week of March 2018 as and where basis leading to a significant loss of inventory and property, plant & equipment.

- 44.1 The carrying amount of assets and liabilities pertaining to the discontinued operations of Gold & Jewellery and Retail Division as on March 31, 2018 are as under:

Particulars	₹ in Lacs	
	Gold & Jewellery	Retail
Trade Receivable *	1.85	13.72
Other Financial Assets	0.45	4.54
Current Assets	9.03	6.64
Short Term Borrowings	82,764.39	-
Trade Payables	1,428.29	726.00
Other Financial Liabilities	17483.85	199.88
Current Liabilities	123.3	368.72

\* Net of provision for doubtful debts of ₹1,29,025.54 lacs in Gold & Jewellery division and ₹2,40.16 lacs in Retail division.

- 44.2 The amount of revenue and expenses pertaining to the discontinued operation of Gold & Jewellery and Retail Division for the financial year 2017-18 are as under:

Particulars	₹ in Lacs	
	Gold & Jewellery	Retail
Revenues	24,472.50	15,870.41
Expenses	160,142.62	18,890.65
<b>Profit / (Loss) Before Tax</b>	<b>(135,670.12)</b>	<b>(3,020.24)</b>
Less : Tax Expenses	-	-
<b>Profit / (Loss) after Tax</b>	<b>(135,670.12)</b>	<b>(3,020.24)</b>

- 44.3 Discontinuation of Gold & Jewellery and Retail Division has resulted in significant loss on account of write off of property, plant & equipment amounting to ₹1,380 lacs and Loss on sale of property, plant & equipment of ₹401 lacs. Further, due to restriction to the retail outlets by the lessors on account of non payment of lease rent, company has written off the inventory of retail division amounting to ₹8.65 Crores. Furthermore, the Company has provided for and written off ₹1,20,361 lacs towards doubtful trade receivables and other loans & advances pertaining to discontinued operations.

45. "Earning per Share" computed in accordance with Indian Accounting Standard (Ind AS)-33 "Earnings Per Share"

Particulars	Continuing operations		Discontinued operations		Total	
	For the year ended		For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>a) Numerator:</b>						
Net Profit after taxation as per Statement of Profit & Loss (₹ in Lacs)	(7,414.74)	3,179.33	(138,690.37)	(19,228.03)	(146,105.11)	(16,048.70)
<b>b) Denominator :</b>						
No. of Shares at the beginning of the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Total Equity Share outstanding at the end of the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Weighted average no. of equity shares for the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Weighted average no. of diluted equity shares for the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
<b>c) Face Value per share (in ₹)</b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>d) Earning per Share (EPS):</b>						
-Basic (in	(2.66)	1.14	(49.78)	(6.90)	(52.44)	(5.76)
-Diluted (in	(2.66)	1.14	(49.78)	(6.90)	(52.44)	(5.76)

## 46. Value of Imported and Indigenous Material Consumed (for continuing operations only)

₹ in Lacs

Particulars	For the year ended			
	31-Mar-18		31-Mar-17	
	₹ in Lacs	%	₹ in Lacs	%
Imported	-	-	-	-
Indigenous	740.14	100.00	648.09	100.00
<b>Total</b>	<b>740.14</b>	<b>100.00</b>	<b>648.09</b>	<b>100.00</b>

## 47 Employee Benefits

## a) Defined Contribution Plans

Amount of ₹97.29 lacs (PY ₹231.81 lacs) excluding ₹94.62 lacs in respect of discontinued operations is recognised as contribution to provident fund in Statement of Profit & Loss.

## b) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for Leave Encashment.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31<sup>st</sup> March 2018).

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	7.35%	7.75%	7.35%	7.75%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	5.25%	5.25%	5.25%	5.25%
Expected Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Average Outstanding Service of Employees upto retirement (years)	29.65	30.75	29.65	30.75

## Changes in the present value of Defined Benefit Obligation are as follows

₹ in Lacs

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present Value of Defined Benefit Obligation at the beginning of the year	65.62	64.70	230.52	206.26
Interest Cost	4.82	5.01	16.94	15.98
Past Service Cost	-	-	1.70	-
Current Service Cost	3.65	22.07	12.41	44.83
Benefits Paid	(23.85)	(12.88)	(74.17)	(43.24)
Actuarial (gain) / loss on obligation	(6.35)	(13.28)	(17.69)	6.69
Present Value of Defined Benefit Obligation at the end of the year	43.90	65.62	169.71	230.52

## Changes in the fair value of Plan Assets are as follows

Particulars	Gratuity	
	As at	
	31-Mar-18	31-Mar-17
Fair value of the plan assets at the beginning of the year	0.69	25.62
Expected return on Plan Assets	0.05	2.14
Contribution by employer	-	-
Benefits Paid	(0.74)	(25.59)
Actuarial (gain) / loss on Plan Assets	-	(1.48)
Fair value of the plan assets at the end of the year	-	0.69

Net Asset / (Liability) recognized in the Balance Sheet as on 31<sup>st</sup> March 2018

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present Value of Defined Benefit Obligation at the end of the year	43.90	65.62	169.71	230.52
Fair Value of Plan Assets	-	-	-	0.69
Net Asset / (Liability) recognized in the Balance Sheet	(43.90)	(64.70)	(169.71)	(229.83)

Net Employees Benefit Expense (recognized in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2018)

Particulars	Leave encashment		Gratuity	
	For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Service Cost	3.65	22.07	12.41	44.83
Past Service Cost	-	-	1.70	-
Interest Cost	4.82	5.01	16.94	15.98
Expected return on plan assets	-	-	(0.05)	(2.14)
Net actuarial (gain) / loss recognized in the year	(6.35)	(13.28)	-	8.17
Expenses recognized in the statement of Profit & Loss	2.12	13.81	31.00	66.85

Bifurcation of obligation at the end 31<sup>st</sup> March 2018

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Liability (Short Term)	15.51	3.01	90.30	9.77
Non Current Liability (Long Term)	23.39	62.61	79.41	220.06
Total	38.90	65.62	169.71	229.83

## 48. Segment Reporting

As per Indian Accounting Standard (Ind AS)-108 "Operating Segments", the Company's segment reporting is as below:

The Company has identified one reportable segments viz. Cinemas . Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

## 48.1 Primary Segment Information

₹ in Lacs

Particulars	Period	Cinemas	Corporate & Others (Unallocable)		Total
<b>A Continuing Operations</b>					
<b>1 Segment Revenue</b>					
Net Sales/Income (There is no inter-segment revenue)	For the year ended	31-Mar-18	10,943.23	428.82	11,372.05
		31-Mar-17	10,595.04	606.46	11,201.50
<b>2 Segment Result</b>					
Before interest, other income, depreciation, non-cash expenses and taxes	For the year ended	31-Mar-18	1,963.82	(1,021.67)	942.15
		31-Mar-17	1,967.83	(975.16)	992.67
Add: Other Income	For the year ended	31-Mar-18	19.68	78.41	98.09
		31-Mar-17	48.58	215.50	264.08
Less: Depreciation	For the year ended	31-Mar-18	789.62	362.45	1,152.07
		31-Mar-17	856.04	559.69	1,415.73
Less: Non-cash Items	For the year ended	31-Mar-18	359.20	1,714.61	2,073.81
		31-Mar-17	(8.64)	68.81	60.17
Profit / (-) Loss before interest and taxes	For the year ended	31-Mar-18	834.68	(3,020.32)	(2,185.64)
		31-Mar-17	1,169.01	(1,388.16)	(219.15)
Finance Cost (Net of interest income)	For the year ended	31-Mar-18		1,106.58	1,106.58
		31-Mar-17		1,239.51	1,239.51
Profit before taxes	For the year ended	31-Mar-18			(3,292.22)
		31-Mar-17			(1,458.66)
Taxes	For the year ended	31-Mar-18		4,122.52	4,122.52
		31-Mar-17		(4,637.99)	(4,637.99)
Net Profit from continuing operations	For the year ended	31-Mar-18			(7,414.74)
		31-Mar-17			3,179.33
<b>B Discontinued Operations</b>					
Particulars	Period	Retail	Gold & Jewellery		
Loss from discontinued operations	For the year ended	31-Mar-18	(3,020.24)	(135,670.13)	(138,690.37)
		31-Mar-17	(725.55)	(18,502.49)	(19,228.03)
Taxes	6	31-Mar-18			-
		31-Mar-17			-
Net Profit / (Loss) from continuing operations	For the year ended	31-Mar-18			(138,690.37)
		31-Mar-17			(19,228.03)
Net Profit / (Loss) from total Operations	For the year ended	31-Mar-18			(146,105.11)
		31-Mar-17			(16,048.70)

3 Other Informations						
Particulars	Period		Cinemas	Corporate & Others (Unallocable)	Discontinued Operations	Total
	As at					
Segment Assets	As at	31-Mar-18	8,072.30	12,500.44	41.75	20,614.49
		31-Mar-17	8,680.15	18,656.35	141,730.91	169,067.41
Segment Liabilities	As at	31-Mar-18	3,789.64	11,469.55	103,095.83	118,355.02
		31-Mar-17	889.18	43,980.13	75,851.22	120,720.53

#### 48.2 Secondary Segment Information

Secondary segment for the company constitutes domestic market and international market.

₹ in Lacs

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
<b>1 Segment Revenue (Continuing Operations)</b>		
Net Sales/Income (There is no inter-segment revenue)		
- Within India	11,372.05	11,201.50
- Outside India	-	-
<b>Total Revenue</b>	<b>11,372.05</b>	<b>11,201.50</b>
<b>2 Segment Revenue (Discontinued Operations)</b>		
Net Sales/Income (There is no inter-segment revenue)		
- Within India	40,272.83	88,559.93
- Outside India	-	326.21
<b>Total Revenue</b>	<b>40,272.83</b>	<b>88,886.14</b>

#### Segment Assets and Liabilities (Continuing Operations)

₹ in Lacs

Particulars	As at	
	31-Mar-18	31-Mar-17
<b>1 Segment Assets</b>		
- Within India	20,572.73	27,336.48
- Outside India	-	-
<b>Total Assets</b>	<b>20,572.73</b>	<b>27,336.48</b>
<b>2 Segment Liability</b>		
- Within India	15,259.20	44,869.31
- Outside India	-	-
<b>Total Liability</b>	<b>15,259.20</b>	<b>44,869.31</b>

#### Segment Assets and Liabilities (Discontinued Operations)

₹ in Lacs

Particulars	As at	
	31-Mar-18	31-Mar-17
<b>1 Segment Assets</b>		
- Within India	41.76	107,362.20
- Outside India	-	34,368.73
<b>Total Assets</b>	<b>41.76</b>	<b>141,730.93</b>
<b>2 Segment Liability</b>		
- Within India	103,095.82	75,842.37
- Outside India	-	8.85
<b>Total Liability</b>	<b>103,095.82</b>	<b>75,851.22</b>

## Notes forming part of the Financial Statements

### 49 Related Party Disclosure

As per Indian Accounting Standard (Ind AS)-24 "Related Party Disclosures", the Company's related parties and transactions are disclosed below:

#### a. List of related parties & relationships, where control exists

##### Holding Company

BTL Holding Company Limited (ceased w.e.f. 27.01.2017)

##### Subsidiary Company

SRS Worldwide (FZC) (ceased w.e.f. 21.02.2017)

SRS Entertainment India Ltd.

SRS Smart Retail Limited (Formerly known as SRS Bright Retail Ltd.) (w.e.f. 30.06.17)

##### Fellow Subsidiary Company

SRS Real Infrastructure Ltd. (ceased w.e.f. 27.01.2017)

SRS Healthcare & Research Centre Limited (ceased w.e.f. 27.01.2017)

##### Step Down Subsidiary Company

SRS Real Estate Ltd. (ceased w.e.f. 27.01.2017)

SRS Retreat Services Ltd. (ceased w.e.f. 27.01.2017)

#### b. Related parties & relationships with whom transactions have taken place during the year

##### i Key Management Personnel (KMP)

Dr. Anil Jindal	-Executive Chairman
Mr. Sunil Jindal	-Managing Director - upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17)
Mr. Raju Bansal	-Whole Time Director
Mr. Vinod Kumar	-Whole Time Director - upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17)
Mr. Bhagwan Das Gupta	-Chief Financial Officer (resigned effective January 31, 2017)
Dr. (Ms.) Navneet Kwatra	-COO & Company Secretary (resigned effective from 09.05.18)
Mr. Sachin Goyal	-Chief Financial Officer (appointed on January 27, 2017) (resigned effective from 28.04.18)

##### ii Enterprises owned or significantly influenced by KMP and/or their Relatives

SRS Finance Ltd.

BTL Holding Company Limited

SRS Real Infrastructure Ltd.

SRS Real Estate Ltd.

SRS Social Welfare Society

Sh. Bishan Bansal



## c. Transactions with related Parties

₹ in Lacs

S. No.	Name of the Party	Nature of Transaction	Nature	For the year ended	
				31-Mar-18	31-Mar-17
1	SRS Finance Ltd.	Rent Received	Income	7.58	12.00
		Credit / Debit note for Expenses Reimbursed (Net)	Liability	1.71	-
		Purchase of Shares in SRS Smart Retail Ltd	Assets	1.52	-
2	SRS Real Infrastructure Ltd.	Reimbursement of Expenses	Income	17.46	-
		Debit against sale to Customers of SRS Real Infrastructure Ltd	Income	348.34	-
		Sales of Capital Assets	Income	286.00	-
		CAM & Electricity Charges Paid	Expense	17.75	33.86
3	SRS Real Estate Ltd	Sale of Goods	Income	-	14.75
4	BTL Holding Company Limited	Other advances	Liability	-	135.02
		Credit / Debit note for Expenses Reimbursed (Net)	Liability	276.45	-
		Interest Expense	Expense	-	2.48
		Rent Received	Income	7.58	12.00
5	SRS Entertainment India Ltd.	Credit / Debit note for Expenses Reimbursed (Net)	Liability	242.39	-
		Interest received	Income	-	49.13
		Purchase of Goods	Expense	3.49	4.34
		Sale of Goods	Income	0.61	1.87
6	SRS Smart Retail Limited (Formerly known as SRS Bright Retail Ltd.)	Advance Given (Net)	Assets	0.18	6.02
		Rent paid	Expense	-	2.11
		Rent Received	Income	-	2.21
		CAM and Electricity Income	Income	-	1.43
		Sale of goods	Income	0.19	25.40
7	SRS Social Welfare Society	Corporate Social Responsibility Expenses	Expense	8.20	80.30
8	Dr. Anil Jindal	Director's Remuneration	Expense	22.83	43.10
9	Mr. Sunil Jindal	Director's Remuneration	Expense	6.00	26.50
		Purchase of Shares in SRS Smart Retail Ltd	Assets	-	-
10	Mr. Raju Bansal	Director's Remuneration	Assets	6.60	-
		Purchase of Shares in SRS Smart Retail Ltd	Assets	0.03	-
11	Mr. Vinod Kumar Gupta	Director's Remuneration	Expense	-	13.73
12	Mr. Bhagwan Das Gupta	Remuneration	Expense	-	10.12
13	Dr. (Ms.) Navneet Kwatra	Remuneration	Expense	11.11	12.02
14	Mr. Sachin Goyal	Remuneration	Expense	9.60	1.60
15	Sh. Bishan Bansal	Purchase of Shares in SRS Smart Retail Ltd	Assets	0.34	-

## d. Closing balance with related parties

₹ in Lacs

S. No.	Name of the Party	Particulars	Nature	As at	
				31-Mar-18	31-Mar-17
1	SRS Finance Ltd.	Other Receivable	Assets	-	3.45
		Creditors for other expenditures	Liability	0.38	-
2	SRS Real Infrastructure Ltd.	Creditors for other expenditures	Liability	9.75	0.56
		Other Receivable	Assets	179.31	
		Debtor Against sale of Fixed Assets	Assets	286.00	
3	SRS Real Estate Ltd.	Trade Receivables	Assets	1.85	14.75

S. No.	Name of the Party	Particulars	Nature	As at	
				31-Mar-18	31-Mar-17
4	BTL Holding Company Limited	Other	Liability	-	135.02
		Interest Payable	Liability	-	2.23
		Creditors for other expenditures	Liability	-	2.20
		Trade Receivables	Assets	8.45	-
5	SRS Entertainment India Ltd. (Formerly known as SRS Entertainment Ltd.)	Investments in Subsidiary	Assets	2,666.00	2,666.00
		Other Receivable	Assets	-	4.26
		Trade Payable	Liability	-	4.34
		Creditors for other expenditures	Liability	181.11	-
		Loan to Subsidiary	Assets	-	54.37
6	SRS Smart Retail Limited (Formerly known as SRS Bright Retail Ltd.)	Trade Receivables	Assets	15.93	19.90
		Investments in Subsidiary	Assets	10.00	-
		Creditors for other expenditures	Liability	-	1.91
		Other Receivable	Assets	5.76	6.02
7	SRS Social Welfare Society	Advance others	Assets	-	8.20
8	Dr. Anil Jindal	Director's Remuneration payable	Liability	3.52	1.69
9	Mr. Sunil Jindal	Director's Remuneration payable	Liability	-	-
10	Mr. Raju Bansal	Director's Remuneration payable	Liability	0.92	0.95
11	Mr. Vinod Kumar Gupta	Director's Remuneration payable	Liability	4.17	4.11
12	Mr. Bhagwan Das Gupta	Remuneration payable	Liability	-	-
13	Dr. (Ms.) Navneet Kwatra	Remuneration payable	Liability	1.71	0.83
14	Mr. Sachin Goyal	Remuneration payable	Liability	1.20	0.68

## e. Off Balance Sheet items with related parties

₹ in Lacs

S. No.	Name of the Party	Nature of Transaction	Nature	As at	
				31-Mar-18	31-Mar-17
1	BTL Holding Company Limited	Corporate Guarantee taken	Off Balance Sheet items	83,500.00	83,500.00
2	SRS Retreat Services Ltd.	Corporate Guarantee taken		83,500.00	83,500.00

50 In accordance with Indian Accounting Standard "Ind AS-17 on Leases" the following disclosures in respect of operating leases is made as under:

## A. Assets taken on operating lease (Continued Operations)

- The Company has taken certain shops/offices/other Fixed Assets on non-cancellable operating lease. Minimum lease payments of continuing operations ₹1578.23 lacs (PY ₹1815.52 lacs) are charged to Statement of Profit & Loss.
- Total contingent rents (Calculated on Revenue Sharing Basis) recognized as expense in the statement of profit and loss for the year is ₹399.96 lacs (PY ₹221.85 lacs).
- Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the Company are as follows:

₹ in Lacs

	Particulars	As at	
		31-Mar-18	31-Mar-17
a.	Not later than one year	1,055.83	1,021.05
b.	Later than one year and not later than five years	2,928.55	4,974.95
c.	Later than five years	236.37	1,087.25

- Sub-lease payments received (on accrual basis) of ₹8.51 lacs (PY ₹142.05 lacs) are recognized in the Statement of Profit & Loss.
- The total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date are ₹12.74 lacs (PY ₹378.14 lacs).

**B. Assets given on operating lease**

- a) Future minimum lease payments receivable by the Company in respect of non-cancellable operating lease for shops / kiosks entered by the Company are as follows:

		₹ in Lacs	
	Particulars	As at	
		31-Mar-18	31-Mar-17
a.	Not later than one year	15.21	111.38
b.	Later than one year and not later than five years	21.17	232.97
c.	Later than five years	14.92	16.39

- b) Total contingent rents (Calculated on Revenue Sharing Basis) recognized as income in the statement of profit and loss for the year is ₹25.43 lacs (PY ₹29.06 lacs).

**51 Earning in Foreign Exchange (on accrual basis)**

		₹ in Lacs			
Particulars	For the year ended (Continuing Operations)		For the year ended (Discontinued Operations)		
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	
FOB value of exports	-	-	-	301.03	
<b>Total</b>	-	-	-	<b>301.03</b>	

**52. Expenditure in Foreign Currency (on accrual basis)**

₹ in Lacs

Particulars	For the year ended (Continuing Operations)		For the year ended (Discontinued Operations)	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Bank charges and other financial expenses	-	-	-	0.49
<b>Total</b>	-	-	-	<b>0.49</b>

**53. Derivatives Instruments And Hedged/ Unhedged Foreign Currency Exposure**

Particulars	As at (Continuing Operations)		As at (Discontinued Operations)	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Foreign Currency Exposure that are not hedged by derivative transactions or otherwise</b>				
<b>Foreign Currency Receivables - USD</b>				
USD Value (In Lacs)	-	-	199.92	195.41
INR Value (In Lacs)	-	-	13,022.07	12,670.38
<b>Foreign Currency Receivables - AED</b>				
AED (In Lacs)	-	-	43.46	1,016.17
INR Value (In Lacs)	-	-	770.77	17,948.71
<b>Foreign Currency Payables - AED</b>				
AED (In Lacs)	-	-	-	982.74
INR Value (In Lacs)	-	-	-	17,354.27

- 54 In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

- 55 The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of current assets which includes loans given, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

## 56 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework.

### Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Due to slow recovery from debtors, the Company is facing liquidity crunch during the year and has not been able to repay of its public deposits and bank borrowings. State Bank of India has filed a application for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide its order dated August 21, 2018 declaring moratorium inter-alia against any recovery proceedings/winding up proceedings against the Company. The order of moratorium shall have effect from August 21, 2018 in accordance with section 14 (1) of of the Insolvency and bankruptcy Code, 2016 ("the Code").

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date:

₹ in Lacs				
Particulars	Carrying Amount	Payable within 1 year	Payable after 1 year	Total
<b>As at 31<sup>st</sup> March 2018</b>				
Borrowings	83,233.25	82,755.09	478.16	<b>83,233.25</b>
Trade Payables	2,494.64	2,494.64	-	<b>2,494.64</b>
Security Deposits	63.15	31.78	31.37	<b>63.15</b>
Other Financial Liabilities	21,648.26	21,648.26	-	<b>21,648.26</b>
<b>As at 31<sup>st</sup> March 2017</b>				
Borrowings	96,001.10	90,465.65	5,535.45	<b>96,001.10</b>
Trade Payables	21,130.03	21,130.03	-	<b>21,130.03</b>
Security Deposits	93.94	62.57	31.37	<b>93.94</b>
Other Financial	2,633.70	2,633.70	-	<b>2,633.70</b>

### Management of market risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and AED.

The Company is subject to the risk that changes in foreign currency values impacting the Company's exports revenue and imports of raw material. As at 31<sup>st</sup> March, 2018, the net unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹13,792.83 lacs receivable (31<sup>st</sup> March, 2017: ₹13,264.82 lacs).

### Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### a). Trade receivables

The Company's maximum exposure to credit risk from the trade receivable as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 is the gross carrying value of trade receivable in the financial assets.

#### Domestic Exposure

The Company is exposed to risk of recovery from its trade receivables in jewellery segment (discontinued segment). During the year, provision for doubtful debts on trade receivable of ₹106391.63 lacs has been recognised due to non recovery.

₹ in Lacs	
Division	Amount
Gold & Jewellery	105917.16
Retail	240.16
Cinema	205.28
Corporate &	29.03
<b>Total</b>	<b>106391.63</b>

**Overseas Exposure**

The Company is exposed to risk of recovery from its trade receivables in jewellery segment amounting to ₹ 13792.83 lacs. During the year, full provision for doubtful debts been made pertaining to overseas exposure of jewellery segment due to its non recovery.

**b). Other financial assets**

The Company's maximum exposure to credit risk as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 is the carrying value of each class of financial assets.

57. The company as on date of signing of Balance sheet has only 2 Directors, Mr. Raju Bansal and Mr. Anil Jindal and apart from above mentioned directors all the directors have resigned, Mr Anil Jindal is under the Judicial Custody since April 5, 2018 and the company does not have a Chief Financial officer and a Company Secretary, Hence the Financial Statements has been signed by the only available Director Mr. Raju Bansal confirming the accuracy and completeness of Financial Statements.
58. All amounts in the financial statements are rounded off to the nearest Rupee in lacs, except as otherwise stated.
59. Note 1 to 58 are annexed to and form an integral part of the Balance Sheet as at 31<sup>st</sup> March 2018, Statement of Profit and Loss, statement of cash flows and statement of changes in equity for the year ended as on that date.

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

Sd/-

**(CA Pankaj Kumar)**  
Partner  
M. No. 091822  
Place: Faridabad  
Date : 06-Feb-2019

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

Sd/-

**(CA Naresh Kumar)**  
Partner  
M. No. 085238

For **SRS Limited**

Sd/-

**(Raju Bansal)**  
Whole-Time Director  
DIN-00007344

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SRS LIMITED

### 1. Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a lender against SRS Limited ("hereinafter referred to as the Holding Company or the Company") and appointed Mr. Ashok Kumar Gulla to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules. In their meeting held on 20<sup>th</sup> September, 2018, Committee of Creditors (CoC) approved appointment of IRP as Resolution Professional (RP).

### 2. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SRS Limited ("the Holding Company or the Company") and its subsidiaries, viz., SRS Entertainment India Limited and SRS Smart Retail Limited (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flow for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements") in which are incorporated the branch returns for the year ended on that date of the Company's branch at Sharjah Airport International Free (SAIF) Zone in UAE ('the branch').

### 3. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated Cash Flow and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

We refer Note 1.1 to the consolidated financial statements. As mentioned in the said Note, pursuant to ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors stand suspended and such powers are exercisable by RP.

We also refer Note 58 to the consolidated financial statements. As mentioned in the said Note, the financial statements have been signed by only one Director, i.e., Executive/ Whole time Director of the Company.



#### 4. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by one of the joint auditors in terms of their report referred to in 'Basis for Qualified Opinion' paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### 5. Basis for Qualified Opinion

- (a) The financial statements and other financial information of a subsidiary, viz., SRS Smart Retail Limited, included in these consolidated financial statements, as at and for the year ended 31<sup>st</sup> March, 2018, are based on its unaudited financial statements, as certified by the management and which reflects total assets of Rs. 306 lakhs as at 31<sup>st</sup> March, 2018, Property, Plant & Equipment (PPE) net Rs. 234 Lakhs as at 31<sup>st</sup> March, 2018, net liabilities of Rs. 236 lakhs as at 31<sup>st</sup> March, 2018, total revenues of Rs. 2.09 lakhs for the year ended 31<sup>st</sup> March, 2018 and net cash out flow of Rs. 2.43 lakhs for the year ended on that date, as considered in these financial statements. Consequently, we were unable to determine whether any adjustments to these amounts, including consequential adjustments to reserves & surplus including adjustments to retained earnings on transition to Ind AS etc. were necessary, had the financial statements of the subsidiary been audited as at and for the year ended 31<sup>st</sup> March, 2018.
- (b) We refer Note 1.3 and 39 to the consolidated financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. As on 31<sup>st</sup> March, 2018, the Company has negative net worth of Rs. 97741 lakhs and the Current Liabilities exceeds Current Assets by Rs. 115696 lakhs. The Company has been continuously incurring cash losses. The Company has obligations towards fund-based borrowings aggregating Rs. 100737 lakhs, that are due/overdue and are payable to the bankers. Further, there are liabilities towards public deposits amounting to Rs. 8903 lakhs, operational creditors and statutory dues. Above stated liabilities are subject to reconciliation/ verification as stated in Note 40. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.

- (c) We refer Notes 40 and 41 to the consolidated financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based borrowings and interest thereon), public deposit holders, employees and/ or authorized representative of employees, etc. of the Company to Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statements.

We further refer Note 41 in respect of non-availability of confirmations of bank balances (debit) aggregating Rs. 4.23 lakhs, trade receivables and trade payables. Balance confirmations, wherever received in case of trade receivables and trade payables, are under reconciliation and impact is pending to be given in books of account.

- (d) We refer Note 43 to the consolidated financial statements, in respect of balances available with statutory authorities and input credits aggregating Rs. 780 lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made. Thus, we are unable to comment whether any provision for impairment in the value of these balances is required.
- (e) We refer Note 44 to the consolidated financial statements on discontinued operations. Except the board resolution as mentioned in the said note, Shareholders' and/or board approvals were not available for discontinuation of those operations. In respect of discontinued operations, Property, Plant and Equipment (PPE) amounting to Rs. 1380 lakhs (WDV) were written off, Loss amounting to Rs. 401 lakhs was incurred on sale of PPE and Inventory amounting to Rs. 865 lakhs was written off. Further, Provision for doubtful Trade Receivables and Loans & Advances was made and Receivables/ Loans & Advances were written off aggregating Rs. 120361 lakhs as on 31<sup>st</sup> March, 2018. In this respect management's representation was received that the write offs/ provisions were made and losses were incurred since the assets were found short or were discarded or were abandoned due to abrupt closure or were doubtful of recovery due to lack of proper internal control and follow-up (also refer our report on Internal Financial Controls). Amounts pertaining to discontinued operations have not been segregated in Note 47 (for Leave Encashment and Gratuity).

Foreign Trade Receivables aggregating Rs. 13793 lakhs\* as on 31<sup>st</sup> March, 2018 (including Rs.13499 lakhs out of sale to parties from inventories sent by NSEZ unit of the Company located in India to UAE Branch through Branch transfer) on account of sale during the FY 2015-16 and FY 2016-17 in UAE are unsecured, i.e., not backed by any security. Furthermore, in terms of RBI regulations, in case of delay in export realisations beyond the stipulated period, application though required, was not made to the Bank. In absence of alternative corroborative evidence, we are unable to comment on the recoverability of such balances.

\*included in 'Provision for doubtful Trade Receivables and Loans & Advances', as mentioned in preceding para.

- (f) We refer Note 20 and 22 to the consolidated financial statements. As per Segment II of Schedule III to the Companies Act, 2013, Unpaid matured deposits and interest accrued thereon, though required to be disclosed separately (as Other Financial Liabilities), such disclosure has not been made.
- (g) We refer Note 22 to the consolidated financial statements. On matured public deposits, interest has been provided @11.75% p.a. As per Rule 17 of Acceptance of Deposits Rules, 2015, a company shall pay a penal rate of interest of eighteen per cent p.a. for the overdue period of deposits, whether secured or unsecured, matured and claimed but remaining unpaid. In absence of necessary information, we are unable to comment upon the shortfall in provision for interest and consequential impact on the accompanying consolidated financial statements.

- (h) In Gold & Jewellery Segment (discontinued operations), purchases were not found duly supported. Store wise sales and purchase reports as per software and their reconciliation as on 31<sup>st</sup> March, 2018 with books of account were generally not available in Retail Segment (discontinued operations). Salaries paid amounting to Rs. 155.40 lakhs in above Segment were not found duly supported.

In respect of the financial statements/ information of the branch in UAE included in the Consolidated financial statements of the Company, no documentary evidence was available for account maintained by the branch with bank, which was closed during the year under review.

- (i) In respect of advances amounting to Rs. 65.44 lakhs given to certain employees, for which no confirmation has been received and for which provision has been made as on 31<sup>st</sup> March, 2018, we have relied upon on management's explanation that these employees have since left.
- (j) We refer Note 21 regarding the required disclosures and liability for interest, if any, to Suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. In this respect, sufficient information is not available with the Group.
- (k) Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)© of the Companies Act, 2013 equal to 15% of the deposits maturing in the year and in the year following were found short by Rs. 1078 lakhs as on 31<sup>st</sup> March, 2018 (net of Fixed Deposit amounting to Rs. 37 lakhs with bank). We are unable to comment on the financial implications in respect of the same.

- 5.1 The consolidated financial statements include a subsidiary, viz., SRS Entertainment India Limited, which reflect total assets of Rs. 2903 lakhs as at 31<sup>st</sup> March, 2018, net assets of Rs. 2333 lakhs as at 31<sup>st</sup> March, 2018, total revenues of Rs. 1785 lakhs for the year ended 31<sup>st</sup> March, 2018 and net cash in flow of Rs. 14 lakhs for the year ended on that date, which have been audited by one of the joint auditors.

For SRS Entertainment India Limited (a subsidiary company), the auditors have additionally modified their report in respect of following matters:

(i) Note 41 of consolidated financial statements in respect of non-availability of confirmations of balances, trade receivables, trade payables and Loans & Advances. Balance confirmations, wherever received in case of trade receivables and trade payables, are under reconciliation and impact is pending to be given in books of account. In respect of Security Deposit Receivable (Eminents City Mall - Sonapat) amounting to Rs. 25.84 lakhs has been written off by the company for which full and final settlement letter/agreement has not been provided by the management.

(ii) Note 3 of consolidated financial statements, in respect of Capital work-in-progress amounting to Rs. 1,070.40 lakhs pertaining to various projects, where no business activity/ operation being carried out by the company, we have relied upon on management's explanation that these projects have realisable value not less than the book value and will start business operation soon. In respect of addition to Capital work-in-progress amounting to Rs. 39.31 lakhs, no supporting has been provided by the management.

## 6. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in para 5(a) to 5(k) and 5.1 above, in the basis for qualified opinion, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its losses (including other comprehensive income), its cash Flow and the changes in equity for the year ended on that date.

**7. Emphasis of matter**

As mentioned in Para 3 'Management's Responsibility for the Consolidated Financial Statements' of the Report, the financial statements have been signed by only one Director, i.e., Executive/ Whole time Director of the Company.

Our opinion is not qualified in respect of above matter.

**8. Other Matters**

A. In terms of the Joint Responsibility Statement (as per Standards on Auditing-299) forming part of the Engagement Letter:

i. Audit of Cinema Segment of the Holding Company, Retail Segment (discontinued operations) and part of un-allocable segment whose financial statements reflect total assets of Rs. 8185 lakhs as at 31<sup>st</sup> March, 2018 and total revenue of Rs. 26975 lakhs for the year ended on that date has been carried out by M/s SVP & Associates; and

ii. Audit of Corporate & Other Segments, Gold & Jewellery Segment (discontinued operations) and part of un-allocable segment whose financial statement reflect total assets of Rs. 12430 lakhs as at 31<sup>st</sup> March, 2018 and total revenue of Rs. 24838 lakhs for the year ended on that date has been carried out by M/s Oswal Sunil & Co.

B. Audit of SRS Entertainment India Limited (a subsidiary company) whose financial statements reflect total assets of Rs. 2903 lakhs as at 31<sup>st</sup> March, 2018 and total revenue of Rs. 1785 lakhs for the year ended on that date has been carried out by M/s SVP & Associates.

Refer segment information in the statement of consolidated audited results for the year ended 31<sup>st</sup> March, 2018.

Our opinion is not modified in respect of above matter.

**9. Report on Other Legal and Regulatory Requirements**

Subject to matters stated in 'Basis for Qualified Opinion', as required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law have been maintained by the Holding Company & its subsidiary, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company & its subsidiary, the report of the other auditors and returns adequate for the purpose of our audit have been received from the branch not visited by us.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company & its subsidiary, including relevant records relating to the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) The matters described under "Basis for Qualified Opinion" and "Emphasis of Matter" paragraph, in our opinion, may have an adverse effect on the functioning of the Group;

(f) (i) In terms of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the Board of Directors of the Holding Company have been suspended and are exercised by the Resolution Professional. Hence, written representation from directors have not been taken on record by the Board of Directors



## SRS LIMITED

of the Holding Company. Accordingly, we are unable to comment whether none of the directors is disqualified as on March 31, 2018 from being appointed as a director in the terms of Section 164 (2) of the Act;

- (ii) For SRS Entertainment India Limited (a subsidiary company), the auditors have mentioned in their report as under: 'Written representation from the existing director as on 31/03/2018 have not been taken on record as Mr. Anil Jindal (DIN:00005585) who is in judicial custody since 05<sup>th</sup> April 2018 and other remaining directors namely Mr. Joginder Lal Chhabra (DIN:02956330) and Mr. Vinay Goyal (DIN:03488811), written representation from them also have not been taken on record by the Board of Directors. Further written representation from Mr. Raju Bansal (DIN:00007344) and Mr. Yogesh Kumar (DIN:08121697) have also not been taken on record by the Board of Directors who were appointed on 01/04/2018 and 28/04/2018 respectively. Accordingly, we are unable to comment whether none of the directors is disqualified as on March 31, 2018 from being appointed as a director in the terms of Section 164 (2) of the Act';
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company including its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 1**. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's (including its subsidiary company) internal financial control over financial reporting; and
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. We have relied on management's representation that the Group has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2018 on financial position of the Group in its consolidated financial statements (refer Note 26).
  - ii. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group did not have any derivative contracts..
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended March 31, 2018.

For **SVP & Associates**  
Chartered Accountants  
Firm Registration No. 003838N

For **OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

Sd/-

(CA Pankaj Kumar)  
Partner  
Membership No. 091822

Sd/-

(CA Naresh Kumar)  
Partner  
Membership No. 085238

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

# ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SRS LIMITED

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of SRS Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

- (a) As mentioned in Para 'Basis for Qualified Opinion' of Our Report, the consolidated financial statements and other financial information of a subsidiary included in these consolidated financial statements, as at and for the year ended 31<sup>st</sup> March, 2018, are based on its unaudited financial statements, as certified by the management.
- (b) The Holding Company and its subsidiary/ Group did not have appropriate internal financial controls over:
  - (i) The Company's Gold & Jewellery Segment did not have an appropriate internal control system for credit appraisal, balance confirmation, follow-up and ultimate collection from the trade debtors.
  - (ii) The Group's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Group not recognizing possible impairment losses.
  - (iii) Physical verification of fixed assets and inventories.
  - (iv) Quotations, comparatives and internal financial controls were generally lacking for purchases, income from sales & services and sale of property, plant and equipment (including sale of immovable property amounting to Rs. 379 lakhs (WDV) to SRS Real Infrastructure Limited).

Further the Group did not have any internal audit system during the year.

The inadequate supervisory and review control over Group's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

In our opinion, except for the possible effects of material weaknesses described in “basis of qualified opinion” paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended on 31<sup>st</sup> March, 2018, and these material weaknesses have affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

**Other Matters**

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one subsidiary company, is based on the corresponding report of the auditors of such company, audited by one of the joint auditors.

Furthermore, as mentioned in Para 'Basis for Qualified Opinion' of Our Report, the consolidated financial statements and other financial information of a subsidiary included in these consolidated financial statements, as at and for the year ended 31<sup>st</sup> March, 2018, are based on its unaudited financial statements, as certified by the management.

Our opinion is qualified in respect of other matters.

For **SVP & Associates**  
Chartered Accountants  
Firm Registration No. 003838N

For **OSWAL SUNIL & COMPANY**  
Chartered Accountants  
Firm Registration No. 016520N

Sd/-

**(CA Pankaj Kumar)**  
Partner  
Membership No. 091822

Sd/-

**(CA Naresh Kumar)**  
Partner  
Membership No. 085238

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Place: Faridabad  
Date: 06<sup>th</sup> February, 2019

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	15,825.88	20,797.04
Capital work-in-progress	3	1,070.40	1,200.39
Intangible assets	3	91.28	63.43
Goodwill		123.35	123.35
Financial Assets			
Investments	4	1.07	0.95*
Other financial assets	5	864.41	1,251.02
Deferred Tax Assets (net)	6	0.09	3,907.86
Other non-current assets	7	578.41	366.73
<b>Total Non-Current Assets</b>		<b>18,554.89</b>	<b>27,710.77</b>
<b>Current Assets</b>			
Inventories	8	55.91	20,829.14
Financial Assets			
Trade receivables	9	377.35	117,842.05
Cash and cash equivalents	10	341.75	793.46
Bank Balance other than above	11	58.50	77.28
Other financial assets	12	533.52	142.14
Other current assets	13	1,031.12	1,799.76
<b>Total Current Assets</b>		<b>2,398.15</b>	<b>141,483.83</b>
<b>Total Assets</b>		<b>20,953.04</b>	<b>169,194.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14	27,858.20	27,858.20
Other Equity	15	(126,054.50)	20,282.04
<b>Total Equity</b>		<b>(98,196.30)</b>	<b>48,140.24</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	27.83	5,535.45
Other financial liabilities	17	31.78	31.37
Provisions	18	105.11	293.39
Deferred Tax Liabilities (net)	19	235.53	-
<b>Total Non-Current Liabilities</b>		<b>400.25</b>	<b>5,860.21</b>
Current Liabilities			
Financial Liabilities			
Short-Term Borrowings	20	90,255.69	82,378.88
Trade Payables	21	3,032.09	21,194.48
Other financial liabilities	22	21,734.75	10,971.37
Provisions	23	118.91	13.02
Current Tax Liabilities (Net)	24	137.06	136.00
Other Current Liabilities	25	3,470.59	500.40
<b>Total Current Liabilities</b>		<b>118,749.09</b>	<b>115,194.15</b>
<b>Total Liabilities</b>		<b>119,149.34</b>	<b>121,054.36</b>
<b>Total Equity and Liabilities</b>		<b>20,953.04</b>	<b>169,194.60</b>

Significant Accounting Policies 1  
 Accompanying Notes from 1 to 60 are integral part of the financial statements  
 As per our report of even date attached

For **SVP & Associates**  
 (Chartered Accountants)  
 Firm Regn. No. 003838N

For **Oswal Sunil & Company**  
 (Chartered Accountants)  
 Firm Regn. No. 016520N

For **SRS Limited**

Sd/-

(**CA Pankaj Kumar**)  
 Partner  
 M. No. 091822

Place: Faridabad  
 Date : 06-Feb-2019

Sd/-

(**CA Naresh Kumar**)  
 Partner  
 M. No. 085238

Sd/-

(**Raju Bansal**)  
 Whole-Time Director  
 DIN-00007344

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from Operations	27	13,151.32	13,074.93
Other Income	28	101.17	167.89
<b>Total Income</b>		<b>13,252.49</b>	<b>13,242.82</b>
<b>Expenses</b>			
Cost of materials consumed	29	840.78	736.43
Purchases of Stock-in-Trade	30	-	2,207.14
Change in Inventories	30.1	8.94	-
Exhibition Cost	31	3,638.53	3,229.04
Employee benefits expense	32	1,734.51	1,765.49
Finance Costs	33	1,109.69	1,244.14
Depreciation and amortisation expense	34	1,285.28	1,509.58
Other Expenses	35	7,965.90	6,939.48
<b>Total</b>		<b>16,583.63</b>	<b>17,631.30</b>
<b>Loss from continuing operations before Exceptional items and Tax</b>		<b>(3,331.14)</b>	<b>(4,388.48)</b>
Less: Exceptional items (net)	36	(190.92)	-
		<b>(3,522.06)</b>	<b>(4,388.48)</b>
Less: Tax Expense			
-Earlier Year Tax		(10.03)	-
-Deferred Tax		4,153.34	(4,691.41)
		<b>4,143.31</b>	<b>(4,691.41)</b>
<b>Loss for the year from continuing operations</b>		<b>(7,665.37)</b>	<b>302.93</b>
<b>Discontinued Operations</b>			
Loss from discontinued operations before Tax		(138,690.37)	(19,228.03)
Less: Tax Expenses		-	-
<b>Loss from discontinued operation after tax</b>		<b>(138,690.37)</b>	<b>(19,228.03)</b>
<b>Loss for the year after tax</b>		<b>(146,355.74)</b>	<b>(18,925.10)</b>
<b>Other Comprehensive Income/(Expense)</b>			
Remeasurement of net defined benefit plans		19.20	(0.29)
<b>Total Comprehensive Income for the year</b>		<b>(146,336.54)</b>	<b>(18,925.39)</b>
<b>Earning per share :</b>			
(Refer Note No 45)			
Face Value per Equity Share (in ₹)		10.00	10.00
<b>From Continuing Operations</b>			
-Basic & Diluted (in ₹)			
From Continuing Operations		(2.75)	0.11
From Discontinued Operations		(49.78)	(6.90)
<b>Total Basic &amp; Diluted from continuing &amp; discontinued operations (in ₹)</b>		<b>(52.53)</b>	<b>(6.79)</b>

Significant Accounting Policies

1

Accompanying Notes from 1 to 60 are integral part of the financial statements

As per our report of even date attached

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

Sd/-

(CA Pankaj Kumar)  
Partner  
M. No. 091822

Place: Faridabad  
Date : 06-Feb-2019

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

Sd/-

(CA Naresh Kumar)  
Partner  
M. No. 085238

For **SRS Limited**

Sd/-

(Raju Bansal)  
Whole-Time Director  
DIN-00007344

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2018

A. Equity Share Capital

	Number	₹ in Lacs
As at 1 <sup>st</sup> April, 2016	278,582,026	27,858.20
Changes in equity share capital during the year	-	-
As at 31 <sup>st</sup> March, 2017	<u>278,582,026</u>	<u>27,858.20</u>
Changes in equity share capital during the year	-	-
As at 31 <sup>st</sup> March, 2018	<u>278,582,026</u>	<u>27,858.20</u>

B. Other Equity

Particulars	Security Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Remeasurement of net defined benefit plans	Other Comprehensive Income (OCI)	Reserves and Surplus	
							₹ in Lacs	₹ in Lacs
As at 1 <sup>st</sup> April, 2016	12678.03	192.96	26,269.63	15.79	13.58	(0.29)	39169.99	(0.29)
Profits for the year	-	-	(18,925.10)	-	-	-	(18,925.10)	-
Other comprehensive income for the year	-	-	-	-	(0.29)	(0.29)	(0.29)	(0.29)
Total comprehensive income for the year	-	-	(18,925.10)	-	(0.29)	(0.29)	(18,925.39)	(0.29)
Transferred during the year	-	-	-	40.12	-	-	40.12	40.12
Adjustment on cessation of subsidiary	-	-	53.23	(55.91)	-	-	(2.68)	(2.68)
As at 31 <sup>st</sup> March, 2017	12,678.03	192.96	7,397.76	-	13.29	(0.29)	20,282.04	20,282.04
Profits for the year	-	-	(146,355.74)	-	-	-	(146,355.74)	(146,355.74)
Other comprehensive income for the year	-	-	-	-	19.20	19.20	19.20	19.20
Total comprehensive income for the year	-	-	(146,355.74)	-	19.20	19.20	(146,336.54)	(146,336.54)
As at 31 <sup>st</sup> March, 2018	12,678.03	192.96	(138,957.98)	-	32.49	32.49	(126,054.50)	(126,054.50)

Accompanying Notes from 1 to 60 are integral part of the financial statements  
As per our report of even date attached

For SVP & Associates  
(Chartered Accountants)  
Firm Regn. No. 003838N

Sd/-

(CA Pankaj Kumar)  
Partner

M. No. 091822

Place: Faridabad  
Date : 06-Feb-2019

For Oswal Sunil & Company  
(Chartered Accountants)  
Firm Regn. No. 016520N

Sd/-

(CA Naresh Kumar)  
Partner

M. No. 085238

For SRS Limited

Sd/-

(Raju Bansal)  
Whole-Time Director

DIN-00007344

Consolidated Statement of Cash Flows for the year ended 31st March 2018

₹ in Lacs

Sr. No.	Particulars	For the year ended	
		31 <sup>st</sup> Mar, 2018	31 <sup>st</sup> Mar, 2017
I	<b>Cash flow from continuing operations</b>		
A	<b>Cash Flow from Operating Activities</b>		
	Net Profit before tax (as per Statement of Profit and Loss)	(3,522.06)	(4,388.48)
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Depreciation and amortisation expense	1,285.28	1,509.58
	Bad debts & balance w/off	125.27	4.81
	Provision for doubtful debts	234.30	1.41
	Provision for doubtful loans & advances	475.96	-
	Finance Cost	1,109.69	1,565.69
	Interest Income	(9.49)	(105.84)
	Loss / (Profit) on sale of property, plant & equipments	273.14	1,068.51
	Net Gain on Sale of Current Investment	-	(1.07)
	Foreign Exchange Fluctuation	-	(6.93)
	Property, Plant and Equipment & CWIP written off	1,621.80	55.38
	<b>Changes in assets and liabilities</b>		
	Increase/(Decrease) in Trade Payables	439.60	50.47
	Increase/(Decrease) in Other financial liabilities, other liabilities and provisions	(31,955.09)	1,088.16
	(Increase)/Decrease in Inventories	5.68	3,006.86
	(Increase)/Decrease in Trade Receivables	(272.99)	943.92
	(Increase)/Decrease in Loans, other financial assets and other assets	(550.38)	(929.42)
	<b>Cash Flow from Operating Activities before Tax</b>	<b>(30,739.29)</b>	<b>3,863.05</b>
	Direct Taxes Paid	-	(56.67)
	<b>Net Cash Flow from Operating Activities before Tax (A)</b>	<b>(30,739.29)</b>	<b>3,806.38</b>
B	<b>Cash Flow from Investing Activities</b>		
	Purchases of Property, Plant and Equipment	(517.65)	(549.09)
	Proceeds from Sale of Property, Plant and Equipment & CWIP	112.08	(876.01)
	Purchase of Investment	-	(0.70)
	Proceeds from Sale of Investment in Mutual Funds	-	6.07
	Adjustment for acquisition of Subsidiary	-	38.97
	Interest Income	16.62	86.27
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(388.95)</b>	<b>(1,294.49)</b>
C	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Long Term Borrowings	-	24.00
	Repayments of Long Term Borrowings	(25.90)	(1,451.51)
	Net Proceed from Short Term Borrowing	-	205.10
	Repayments of Short Term Borrowings	(128.79)	(2,296.57)
	Interest Paid	(634.08)	(1,470.81)
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>(788.77)</b>	<b>(4,989.79)</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(31,917.01)</b>	<b>(2,477.90)</b>
II	<b>Cash flow from discontinued operations</b>		
A	<b>Cash Flow from Operating Activities</b>	31,796.94	(20,503.85)
B	<b>Cash Flow from Investing Activities</b>	20.92	(67.67)
C	<b>Cash Flow from Financing Activities</b>	(371.34)	17,273.58
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>31,446.52</b>	<b>(3,297.94)</b>
	<b>Net Increase in Cash and Cash Equivalents (I + II)</b>	<b>(470.49)</b>	<b>(5,775.84)</b>
	Cash and Cash Equivalent at the beginning of the year	870.74	6646.58
	Cash and Cash Equivalent at the end of the year	400.25	870.74
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>(470.49)</b>	<b>(5,775.84)</b>

Accompanying Notes from 1 to 60 are integral part of the financial statements  
As per our report of even date attached.

For **SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

For **Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

For **SRS Limited**

Sd/-  
**(CA Pankaj Kumar)**  
Partner  
M. No. 091822  
Place: Faridabad  
Date : 06-Feb-2019

Sd/-  
**(CA Naresh Kumar)**  
Partner  
M. No. 085238

Sd/-  
**(Raju Bansal)**  
Whole-Time Director  
DIN-00007344



## Significant Accounting Policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2018

### 1. Corporate Information

- 1.1 A Corporate Insolvency Resolution Process ("CIRP") had been initiated against SRS Limited ("the Company") vide order of the National Company Law Tribunal, Chandigarh Bench ("NCLT") dated August 21, 2018, appointing Mr. Ashok Kumar Gulla as the Interim Resolution Professional and was confirmed as the Resolution Professional (RP) in the committee of Creditors meeting dated September 20, 2018. As per the provision of the Insolvency & Bankruptcy Code 2016 ("Code") the powers of the Board of Directors stands suspended. As the powers of the Board of Directors had been suspended, the above results have not been approved by Board of Directors however, The company as on date of signing of Balance sheet has only 2 Directors, Mr. Raju Bansal and Mr. Anil Jindal and apart from above mentioned directors all the directors have resigned, Mr Anil Jindal is under the Judicial Custody since April 5, 2018 and the company does not have a Chief Financial officer and a Company Secretary, Hence the Financial Statements has been signed by the only available Director Mr. Raju Bansal confirming the accuracy and completeness of Financial Statements.
- 1.2 As per the provisions of Insolvency and Bankruptcy Code, 2016, The Resolution Professional has invited Expression of Interest through advertisement in Financial Express and Jansatta Newspaper dated October 30, 2018.
- 1.3 Under the CIRP, a resolution plan needs to be presented to and approved by the committee of creditors (CoC) and thereafter will need to be approved by the NCLT to keep the Company as a going concern. Currently, the Expression of Interest is invited for the submitting the Resolution Plan for SRS Limited, Accordingly the financial statements have been prepared on a going concern basis.

### 2. Significant Accounting Policies

#### 2.1 Principles of Consolidation

The Consolidated Financial Statements consist of SRS Limited ("the Company") and its subsidiary companies (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The Consolidated Financial Statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- In case of foreign subsidiaries, been non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets & liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised as "Foreign Currency Translation Reserve".
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the cost of investment in the subsidiaries, and the Group's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

- f) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary, if any.
- g) Non-controlling interest in the net assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Group's shareholders.
- h) Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- i) The Consolidated Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Group i.e. 31<sup>st</sup> March, 2018.
- j) Goodwill arising on consolidation is not amortised but tested for impairment.
- k) The Consolidated Financial Statements comprise of the Consolidated Financial Statements of SRS Limited (Parent Company) and the following as on 31<sup>st</sup> March, 2018;
- |     |   |   |                                 |
|-----|---|---|---------------------------------|
| i)  | <b>Name of the Company</b>              | : | SRS Entertainment India Limited |
|     | <b>Nature of holding</b>                | : | Wholly Owned Subsidiary Company |
|     | <b>Proportion of ownership interest</b> | : | 100%                            |
|     | <b>Country of incorporation</b>         | : | India                           |
| ii) | <b>Name of the Company</b>              | : | SRS Smart Retail Limited        |
|     | <b>Nature of holding</b>                | : | Wholly Owned Subsidiary Company |
|     | <b>Proportion of ownership interest</b> | : | 100%                            |
|     | <b>Country of incorporation</b>         | : | India                           |

## 2.2 Basis of Preparation

"The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value."

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### Current and non-current classification

The Consolidated Financial Statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

## 2.3 Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and

various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## 2.4 Revenue Recognition

- i. Revenue from sale is recognized when the significant risk and rewards in respect of ownership of the goods are transferred to customer.
- ii. Revenue from theatre business is recognized on the basis of tickets sold for the period under accounting.
- iii. Entertainment tax collection in respect of its multiplex set up in Uttar Pradesh (U.P.) has been recognised as revenue on sale of tickets, considering the exemption from payment of entertainment tax upto a specified period in terms of the scheme of U.P. state government.
- iv. Income from revenue sharing is recognized in accordance with the terms of agreement with parties to operate and manage Multiscreen / Single screen cinemas.
- v. Revenue from Lease Rent, Common Area Maintenance (CAM) Charges and Interest is recognized on a time proportion basis.
- vi. Advertisement revenue is recognized as and when advertisement is displayed.
- vii. Revenue from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax / GST (If applicable).
- viii. Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

## 2.5 Property, Plant and Equipment

Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

"Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Depreciation on leasehold improvements is charged over the period of lease.
- Depreciation on assets costing ₹5,000 or less is provided @100% over a period of one year.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate."

## 2.6 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

Estimated useful life by major class of finite-life intangible asset is as follows:

Computer software - 5 years.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.7 Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

## 2.8 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it was incurred.

## 2.9 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

## 2.10 Inventories

Raw materials are valued at lower of Cost and Net Realizable Value.

Finished goods are valued at lower of Cost (raw material and appropriate proportion of overheads) and Net Realizable Value.

Goods held for Resale are valued at lower of cost and net realizable value.

Costs of inventories are determined on First in First out ('FIFO') basis in the ordinary course of business.

Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.11 Foreign Exchange Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as income or as expenses for the year.

Non-monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected separately in the Statement of Profit & Loss.

In respect of foreign branch, the company has adopted integral foreign operation approach as per Ind AS 21 and accordingly revenue items have been converted at date of transaction date. Monetary Assets and Liabilities are converted at the year-end exchange rate. Exchange gain or loss arising out of above is charged to Statement of Profit & Loss."

### 2.12 Tax expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### **Current Tax:**

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

#### **Minimum Alternate Tax (MAT) Credit:**

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### **Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### 2.13 Employee benefits

#### **Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Consolidated Statement of Profit and Loss in the period in which



the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

#### **Defined Benefit Plan**

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Consolidated Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

#### **Defined Contribution Plan**

Contributions to defined contribution schemes such as employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Consolidated Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

### **2.14 Segment reporting**

#### **Identification of segments**

As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and are as set out in the significant accounting policies.

#### **Allocation of common costs**

Common allocable costs are allocated to each segment on reasonable basis.

#### **Unallocated items**

Include general corporate income and expense items which are not allocable to any business segment.

#### **Segment policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

### **2.15 Leases**

#### **Operating lease**

##### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.



**As a Lessor**

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Financial Statements based on their nature.

**2.16 Cash Flow Statement**

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

**2.17 Earning Per Share**

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

**2.18 Miscellaneous Expenditure**

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective Shares.

**2.19 Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.20 Financial Instruments****a). Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Consolidated Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at:-

- amortised cost
- fair value through profit and loss (FVTPL)."

**Investments in subsidiaries, joint ventures and associates**

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

**Investments in quoted equity instruments**

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

**Investments in unquoted equity instruments**

Unquoted equity investments are stated at cost.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**b). Financial Liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**2.21 Derivative financial instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

3. Property, Plant and Equipment

(₹ in lacs)

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At 01.04.17	Additions	Sale /Adjustment	As At 31.03.18	Upto 01.04.17	for the year	on Sale / Adjustment	As At 31.03.18	As At 31.03.18	As At 31.03.17
Land	2,461.26	-	-	2,461.26	-	-	-	-	2,461.26	2,461.26
Buildings	6,938.60	-	1,060.56	5,878.04	858.54	96.13	69.58	885.09	4,992.95	6,080.06
Leasehold Improvements	11,281.04	-	2,155.46	9,125.58	4,459.87	563.67	939.80	4,083.74	5,041.84	6,821.17
Plant & Machinery	6,454.79	147.46	1,543.22	5,059.03	2,944.61	424.01	598.81	2,769.81	2,289.22	3,510.18
Office Equipment	981.98	67.67	572.62	477.03	722.32	79.69	445.92	356.09	120.94	259.66
Furniture & Fittings	2,835.25	93.36	1,028.40	1,900.21	1,495.24	221.37	539.45	1,177.16	723.05	1,340.01
Computers	533.26	70.45	291.06	312.65	444.29	43.53	227.76	260.06	52.59	88.97
Vehicles	457.74	16.14	137.59	336.29	222.01	37.52	67.27	192.26	144.03	235.73
<b>TOTAL</b>	<b>31,943.92</b>	<b>395.08</b>	<b>6,788.91</b>	<b>25,550.09</b>	<b>11,146.88</b>	<b>1,465.92</b>	<b>2,888.59</b>	<b>9,724.21</b>	<b>15,825.88</b>	<b>20,797.04</b>
Previous Year	33,109.28	557.66	1,723.02	31,943.92	10,602.85	1,840.89	1,296.86	11,146.88	19,951.21	21,971.66

Capital work-in-progress

Description	As At 01.04.17	Additions	Transferred to Property, Plant and Equipment	Sale /Adjustment	As At 31.03.18
Capital work-in-progress*	1200.39	103.5	-	233.49	1,070.40
<b>TOTAL</b>	<b>1,200.39</b>	<b>103.50</b>	<b>-</b>	<b>233.49</b>	<b>1,070.40</b>
Previous Year	887.11	827.83	514.55	-	1200.39

\*CWIP includes Preoperative Expenses of Rs. 53.29 lacs (PY 82.75 lacs)

(₹ in lacs)

Intangible Assets

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As At 01.04.17	Additions	Sale /Adjustment	As At 31.03.18	Upto 01.04.17	for the year	on Sale / Adjustment	As At 31.03.18	As At 31.03.18	As At 31.03.17
Computer Software (Bought Out)	157.01	78.69	6.24	229.46	93.58	31.59	(13.01)	138.18	91.28	63.43
<b>TOTAL</b>	<b>157.01</b>	<b>78.69</b>	<b>6.24</b>	<b>229.46</b>	<b>93.58</b>	<b>31.59</b>	<b>(13.01)</b>	<b>138.18</b>	<b>91.28</b>	<b>63.43</b>
Previous Year	367.15	4.91	215.05	157.01	283.49	25.14	215.05	93.58	63.43	

₹in lacs (unless otherwise stated)

Sr. No.	Particulars	31-Mar-18	31-Mar-17
<b>4</b>	<b>Investments</b>		
	<b>Other Investment</b>		
	Investment in National Savings Certificates (NSC)*	1.07	0.95
	<b>Total</b>	<b>1.07</b>	<b>0.95</b>
	* Investment in government securities are unquoted and at amortised cost.		
<b>5</b>	<b>Other financial assets</b>		
	<b>Security Deposits</b>		
	Considered Good	816.86	1,235.78
	Considered Doubtful	257.67	-
	<b>Other Bank Balances-Restricted Cash</b>		
	-Fixed Deposits pledged with bank for bank guarantees given to authorities	47.55	15.24
	<b>Total</b>	<b>1,122.08</b>	<b>1,251.02</b>
	Less : Provision for doubtful recoveries	257.67	-
	<b>Net Amount</b>	<b>864.41</b>	<b>1,251.02</b>
<b>6</b>	<b>Deferred Tax Assets (net)</b>		
	<b>Deferred Tax Assets</b>		
	Business losses carried forward	-	1,372.57
	Provision for Retirement Benefits	-	168.63
	Provision for doubtful debts	-	3,228.15
	Others	-	75.24
	<b>Total Deferred Tax Assets (A)</b>	<b>-</b>	<b>4,844.59</b>
	<b>Deferred Tax Liabilities</b>		
	Property, Plant and Equipment	-	1,606.98
	<b>Total Deferred Tax Liabilities (B)</b>	<b>-</b>	<b>1,606.98</b>
	MAT Credit Entitlement (C)*	0.09	670.25
	<b>Deferred Tax Assets (A-B+C)</b>	<b>0.09</b>	<b>3,907.86</b>
	* Minimum Alternate Tax credit amounting to Rs. 670.16 lacs has been derecognized as deferred tax asset as there is no convincing evidence that the Company will pay normal income tax during the specified period.		
<b>7</b>	<b>Other non-current assets</b>		
	Capital Advances (Refer note no. 26)	67.52	192.25
	Income Tax Recoverable (Refer note no. 26)	174.48	174.48
	Deferred Portion of Security Deposits	336.41	-
	<b>Total</b>	<b>578.41</b>	<b>366.73</b>
<b>8</b>	<b>Inventories</b>		
	Stock in Trade *	-	20,767.55
	Raw Material	55.91	61.59
	<b>Total</b>	<b>55.91</b>	<b>20,829.14</b>
	* Stock in Trade for ₹Nil (PY 43.43 lacs) as on 31 <sup>st</sup> March 2018 is lying with third parties.		

# SRS LIMITED

₹ in lacs (unless otherwise stated)

Sr. No.	Particulars	31-Mar-18	31-Mar-17
<b>9</b>	<b>Trade Receivables</b>		
	Unsecured, Considered Good *	377.35	68,175.88
	Considered Doubtful	129,501.42	58,983.13
		<u>129,878.77</u>	<u>127,159.01</u>
	Less: Provision for Doubtful Debts	129,501.42	9,316.96
	<b>Total</b>	<u><b>377.35</b></u>	<u><b>117,842.05</b></u>
	* Include Rs. 26.23 lacs (PY Rs. 19.90 Lacs) receivable from related parties (refer note no. 49)		
<b>10</b>	<b>Cash and cash equivalents</b>		
	Cash on Hand	195.82	561.03
	Balances with banks		
	-in Current Accounts	145.93	232.43
	<b>Total</b>	<u><b>341.75</b></u>	<u><b>793.46</b></u>
<b>11</b>	<b>Bank balances other than above</b>		
	-in Deposit Accounts	55.33	74.11
	(Fixed Deposits pledged / earmarked with bank for bank guarantees given to authorities / Deposit Repayment)		
	-in Earmarked Accounts		
	'Share Application Money received for Allotment of Securities due for fund	1.79	1.79
	Unclaimed Dividend Account	1.38	1.38
		<u><b>58.50</b></u>	<u><b>77.28</b></u>
<b>12</b>	<b>Other financial assets</b>		
	Security Deposits	-	103.88
	Advances to Employees	67.46	20.19
	Interest Accrued but not Due	10.94	18.07
	Other Receivables		
	From Related Parties (refer note no. 49)	492.97	-
	From Others	29.86	-
	<b>Total</b>	<u><b>601.23</b></u>	<u><b>142.14</b></u>
	Less : Provision for doubtful recoveries *	67.71	-
	<b>Net Amount</b>	<u><b>533.52</b></u>	<u><b>142.14</b></u>
	* Details for provision for doubtful recoveries		
	Other Receivables	2.27	-
	Advance to Employees	65.44	-
		<u><b>67.71</b></u>	<u><b>-</b></u>
<b>13</b>	<b>Other current assets</b>		
	Entertainment Tax & GST / VAT Recoverable	780.46	772.88
	TDS Receivable	83.96	35.86
	Prepaid Expenses	18.98	463.18
	Advances to Suppliers & Creditors	502.95	358.44
	Advances recoverable	-	169.40
	<b>Total</b>	<u><b>1,386.35</b></u>	<u><b>1,799.76</b></u>
	Less : Provision for doubtful recoveries *	355.23	-
		<u><b>1,031.12</b></u>	<u><b>1,799.76</b></u>
	* Details for provision for doubtful recoveries		
	Advance to Suppliers & Creditors	355.23	-
		<u><b>355.23</b></u>	<u><b>-</b></u>

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₹in lacs (unless otherwise stated)

Sr. No.	Particulars	31-Mar-18	31-Mar-17
<b>14</b>	<b>Equity Share Capital</b>		
	<b>Authorised</b>		
	28,00,00,000 (PY 28,00,00,000) Equity Share of Rs. 10/- each	28,000.00	28,000.00
	<b>Total</b>	<b>28,000.00</b>	<b>28,000.00</b>
	<b>Issued, Subscribed &amp; Fully Paid up</b>		
	Opening {27,85,82,026 (PY 27,85,82,026) Equity Share of Rs. 10/- each}	27,858.20	27,858.20
	Additions	-	-
	Deductions	-	-
	Closing {27,85,82,026 (PY 27,85,82,026) Equity Share of Rs. 10/- each}	27,858.20	27,858.20
	<b>Total</b>	<b>27,858.20</b>	<b>27,858.20</b>
14.1	The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under :		
	<b>Equity Shares</b>		
	'The equity shares have a par value of ₹10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval shareholders ensuing Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.		
14.2	<b>Shareholders holding more than 5% equity shares in the Company</b>		
	<b>BTL Holding Company Ltd</b>		
	No. of Shares held	19,240,991.00	128,637,542.00
	% of Holding	6.91	46.18
<b>15</b>	<b>Other Equity</b>		
	<b>(A) Security Premium Account</b>		
	Opening Balance	12,678.03	12,678.03
	Add: Addition during the year	-	-
	Less: Amount utilised for issuance of bonus shares	-	-
	<b>Closing Balance</b>	<b>12,678.03</b>	<b>12,678.03</b>
	<b>(B) General Reserve</b>		
	Opening Balance	192.96	192.96
	Add: Transfer during the year	-	-
	<b>Closing Balance</b>	<b>192.96</b>	<b>192.96</b>
	<b>(C) Surplus in Statement of Profit &amp; Loss</b>		
	Opening Balance	7,411.05	26,283.21
	Add : Net Profit for the current year	(146,336.54)	(18,925.39)
	Add / (Less) : Adjustment on cessation of subsidiary	-	(53.23)
	<b>Closing Balance</b>	<b>(138,925.49)</b>	<b>7,411.05</b>
	<b>(D) Foreign Currency Translation Reserve</b>		
	Opening Balance	-	15.79
	Add : Transfer during the year	-	40.12
	Less : Adjustment on cessation of subsidiary	-	55.91
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>(126,054.50)</b>	<b>20,282.04</b>



Sr. No.	Particulars	31-Mar-18	31-Mar-17
<b>16</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	<b>Term Loan (refer note no. 16.1)</b>		
	<b>From Bank</b>		
	Corporate Loan	474.99	474.99
	Less : Current maturities	474.99	474.99
	<b>Non current maturities (A)</b>	-	-
	<b>Vehicle Loan</b>	65.58	93.86
	Less : Current maturities	37.99	31.16
	<b>Non current maturities (B)</b>	27.59	62.70
	<b>From Other Parties</b>		
	<b>Vehicle Loan</b>	3.17	6.29
	Less : Current maturities	2.93	1.86
	<b>Non current maturities (C)</b>	0.24	4.43
	<b>Unsecured</b>		
	Public Deposits	7,433.59	7,629.39
	Less : Current maturities	7,433.59	2,161.07
	<b>Non current maturities (D)</b>	-	5,468.32
	<b>Total (A+B+C+D)</b>	<b>27.83</b>	<b>5,535.45</b>

### 16.1 The requisite particulars in respect of secured borrowings are as under:

- a. State Bank of India - Corporate Loan of Rs. 474.99 lacs (PY Rs. 474.99 lacs) is Secured against first pari pasu charge on all the fixed assets of the Company, including Equitable Mortgage of land and building at site no 4, City Centre, Sector-12 Faridabad with plot area measuring 2,136.86 sq. mtr. and Multiplex-cum Shopping Mall constructed thereon in the name of the Company and further secured by first pari passu charge on ((a) 8 acres of land at Prithla in the name of SPS Buildcon Ltd. (merged with SRS Retreat Services Ltd.) (b) 6.84 acres of land at Prithla in the name of SRS Retreat Services Ltd. (c) Extension of charge on current assets. The Facility is further secured by personal guarantee of Shri Anil Jindal (Executive chairman), Shri Sunil Jindal (Managing director, upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17), Shri Raju Bansal (Whole time director) and Shri Vinod Kumar Gupta (Whole time director, upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17) and corporate guarantee of SRS Retreat Services Ltd, BTL Holding Company Limited (formerly known as BTL Investments & Securities Limited)(SRS Holdings India Ltd merged with BTL Investments & Securities Limited w.e.f 18.07.2013)}, SRS Knowledge & Technologies Pvt. Ltd. (Formerly known as SRS Professional Services Ltd.), and Latest IT Solutions Ltd. (Formerly known as SRS IT Solutions Ltd.). Applicable rate of interest is base rate + 3.25 % subject to change from time to time.  
Repayable in 40 equal monthly installments of ₹25.00 Lacs commencing from July 31, 2014.
- b. Vehicle Loan from Banks of Rs. 60.20 lacs (PY Rs. 93.95 Lacs) is Secured against hypothecation of specified vehicles of the Group Applicable rate of interest is 10.10 % to 14% .  
Total 8 (PY 8) number of vehicle loan repayable within 36 - 48 equal monthly installments.
- c. Term Loan From Other Parties of Rs. 3.17 lacs (PY Rs. 6.29 lacs) Secured against hypothecation of specified vehicles of the Company.

Applicable rate of interest is 10.60 %

Total 1 (PY 1) number of vehicle loan repayable within 36 equal monthly installments.

- d) Term loan including Working Capital Term Loan, Public Deposit etc has been classified as current borrowings as repayable on demand due to ongoing Corporate Insolvency Resolution Process ("CIRP").

**17. Other Financial Liabilities**

Security Deposits Received	31.78	31.37
<b>Total</b>	<b>31.78</b>	<b>31.37</b>

**18 Provisions**

Provision for Employee Benefits \*

-Gratuity (un-funded)	86.60	226.82
-Leave Encashment (un-funded)	18.51	66.57
	<b>105.11</b>	<b>293.39</b>

\* Also refer note no. 47

**19 Deferred Tax Liabilities (net)**

**Deferred Tax Liabilities**

Property, Plant and Equipment	373.69	-
<b>Total Deferred Tax Liabilities (A)</b>	<b>373.69</b>	<b>-</b>

**Deferred Tax Assets**

Business losses carried forward	56.74	-
Unabsorbed Depreciation	76.64	-
Provision for Retirement Benefits	2.68	-
Others	2.10	-
<b>Total Deferred Tax Assets (B)</b>	<b>138.16</b>	<b>-</b>

**Deferred Tax Liabilities (net) (A-B)**

<b>235.53</b>	<b>-</b>
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**20 Short-Term Borrowings**

Loan Repayable on Demand from Bank

-Cash Credit *	72,754.60	70,217.32
-Demand Loan *	10,000.00	10,000.00
	<b>82,754.60</b>	<b>80,217.32</b>

**Fixed Deposit Scheme**

-Public Deposit	7,433.59	2,161.07
	<b>7,433.59</b>	<b>2,161.07</b>

**Loans from Corporate bodies**

-From Related Party	30.50	-
-From Others	37.00	0.49
	<b>67.50</b>	<b>0.49</b>

**Total**

<b>90,255.69</b>	<b>82,378.88</b>
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In consortium with State Bank of India, Oriental Bank of Commerce, Union Bank of India, Bank of India and Syndicate Bank is Secured against hypothecation of stocks & book debts and equitable mortgage of specific properties and Personal guarantee of Directors and Corporate guarantee of SRS Retreat Services Ltd., BTL Holding Company Limited {(formerly known as BTL Investments and Securities Limited)(SRS Holdings India Ltd merged with BTL Holding Company Limited w.e.f 18.07.2013)}, SRS Knowledge & Technologies Pvt. Ltd. (Formerly known as SRS Professional Services Ltd.), and Latest IT Solutions Ltd. (Formerly known as SRS IT Solutions Pvt. Ltd.)

## SRS LIMITED

The aggregate amount of loan guaranteed by, Shri Anil Jindal (Executive chairman), Shri Sunil Jindal (Managing director, upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17), Shri Raju Bansal (Whole time director) and Shri Vinod Kumar Gupta (Whole time director, upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17), is ₹82754.60 lacs (PY ₹80217.32 lacs).

### 20.1 Repayment delay in Short-Term Borrowings from Banks

#### Principal Default

State Bank of India - Cash Credit	36,420.98	36,636.94
State Bank of India - Demand Loan	10,000.00	10,000.00
Bank of India - Cash Credit	17,028.13	17,114.10
Union Bank of India - Cash Credit	11,658.12	9,708.40
Oriental Bank of Commerce - Cash Credit	6,325.98	5,217.22
Syndicate Bank - Cash Credit	1,321.39	993.30
<b>Total</b>	<b>82,754.60</b>	<b>79,669.96</b>

#### Interest Default

State Bank of India - Cash Credit	9,635.05	3,359.02
State Bank of India - Demand Loan	3,080.05	1,077.37
Bank of India - Cash Credit	4,293.61	1,550.91
Union Bank of India - Cash Credit	365.58	1,084.16
Oriental Bank of Commerce - Cash Credit	-	423.07
Syndicate Bank - Cash Credit	-	124.29
<b>Total</b>	<b>17,374.29</b>	<b>7,618.82</b>

### 21 Trade Payables

Dues of MSMEs*	-	-
Dues of other than MSMEs	3,032.09	21,194.48
<b>Total</b>	<b>3,032.09</b>	<b>21,194.48</b>

\* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Further, no interest has been paid during the year and payable as on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 to such parties.

### 22 Other Financial Liabilities

Current Maturities of Long Term Debts (Refer note no. 16)	515.90	508.01
Interest Accrued and due on Public Deposits	1,469.58	606.25
Interest Accrued but not due	0.38	522.75
Interest Accrued and due on secured loans	17,509.02	7,128.68
Creditors for Capital Expenditure	86.13	126.97
Creditors for Other Expenditure		
To Related Party (refer note no. 49)	10.40	-
To Others	1,455.01	1,522.49
Share Application Money received for Allotment of Securities due for refund and interest accrued thereon*	1.79	1.79
Unclaimed Dividend*	1.38	1.38
Other Payable		
-Security Deposits Received	-	52.97
-Retention Money	64.88	61.87
-Employees	620.28	438.21
<b>Total</b>	<b>21,734.75</b>	<b>10,971.37</b>

\* Do not include any amounts, due and outstanding, to be credited to Investor's Education and Protection Fund.

<b>23 Provisions</b>		
<b>Provision for Employee Benefits *</b>		
-Gratuity (un-funded)	90.41	9.87
-Leave Encashment (un-funded)	28.50	3.15
	<b>118.91</b>	<b>13.02</b>
* Also refer note no. 47.		
<b>24 Current Tax Liabilities (Net)</b>		
-Provision for Income Tax (net of advance tax)	137.06	136.00
<b>Total</b>	<b>137.06</b>	<b>136.00</b>
<b>25 Other Current Liabilities</b>		
-Advances received from customers	1,722.01	311.43
-Other Advances (Refundable)	200.00	-
-Statutory dues	1,548.58	188.97
<b>Total</b>	<b>3,470.59</b>	<b>500.40</b>
<b>26 Contingent Liabilities &amp; Commitments</b>		
<b><u>Contingent Liabilities</u></b>		
Appeal filed in respect of disputed demand including interest of Income Tax for Assessment Year 2010-11, 2011-12, 2012-13,2013-14* & 2016-17	13,725.71	1,295.27
Demand Order U/s 33(11)/33(12) of UP VAT ACT 2008 for the Financial Year 2014-15 and 2015-16	1,482.41	-
Outstanding Liability of Tax Deducted at Source as per Traces Website	7.49	-
Estimated entertainment tax liability in the state of Punjab	72.09	-
Disputed lease rent payable #	138.76	-
Pending Export Obligations (duty forgone)	0.17	0.17
	<b>15,426.63</b>	<b>1,295.44</b>
* An amount of Rs.174.48 Lacs (PY Rs. 174.48 Lacs) deposited by the Company under protest has been shown as Income Tax Recoverable under Long Term Loans & Advances (refer Note No. 7) and has not been adjusted above.		
Corporate Loan of SRS Limited is secured by first pari passu charge on (a) 8 acres of land at Prithla in the name of SPS Buildcon Ltd. (merged with SRS Retreat Services Ltd.) and 6.84 acres of land at Prithla in the name of SRS Retreat Services Ltd, The said Land has been possessed by the Lenders of SRS Limited under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, which might bring the liability for SRS Limited in future and it is difficult to value the outcome pending the procedure of SRS Retreat Services Ltd.		
# The Group is under negotiation with the property owner of Muktsar-Punjab Cinema to reduce lease rent due to regular losses at site and booked short Lease rent expense based on the ongoing negotiations. Remaining lease rent has been shown under the contingent liability.		
<b><u>Commitments</u></b>		
- Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for#	280.44	563.99
	<b>280.44</b>	<b>563.99</b>

# The above amount is net of capital advances amounting to Rs. 39.24 lacs (PY Rs. 53.95 lacs) (refer note no. 7).

**27 Revenue from Operations****Sale of Products**

-Food & Beverages	3,618.45	3,427.20
-Wholesale	-	480.38
-Income from sale of tickets of films {(net of GST and Entertainment Tax)}	8,507.96	8,319.21

	<b>12,126.41</b>	<b>12,226.79</b>
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**Sale of Services**

-Lease Rent Income	180.75	187.33
-Advertisement Income	729.37	565.85
-Commission Income	2.70	2.00
-Common Area Maintenance Charges	37.71	40.95
-Trademark / Franchise Fee	-	4.12
-Management Fees	59.58	29.89
-Royalty Fees	14.80	18.00

	<b>1,024.91</b>	<b>848.14</b>
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**Total**

	<b>13,151.32</b>	<b>13,074.93</b>
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Income from sale of tickets of films includes Entertainment Tax of ₹95.08 lacs lacs (PY ₹623.17 lacs) for which the Company is exempted for deposition in terms of the scheme of U.P. State Government.

**28 Other Income**

Interest Income	9.49	105.84
Net Gain on Sale of Current Investment	-	1.07
Other Non-Operating Income		
Balances w/back	67.84	-
Sale of Scrap	2.79	2.01
Foreign Exchange Fluctuation	-	6.94
Unwinding of discount of Security Deposit Receivables	9.04	38.93
Gain / (Loss) on fair valuation of security deposits	3.64	-
Miscellaneous Income	8.37	13.10

**Total**

	<b>101.17</b>	<b>167.89</b>
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**29 Cost of materials consumed**

Food & Beverages	840.78	736.43
	<b>840.78</b>	<b>736.43</b>

**30 Purchases of Stock-in-Trade**

Food & Beverages	-	202.51
Wholesale		2,004.63
	-	<b>2,207.14</b>

**30.1 Change in Inventories of finished goods & stock-in-trade****Closing Stock**

Finished Goods	-	-
Stock in Trade	-	-

**Opening Stock**

Finished Goods	-	-
Stock in Trade	8.94	-
	<b>8.94</b>	-

**31 Exhibition Cost**

Distributor Share & Commission Charges	3,638.53	3,227.75
Other Exhibition Expenses	-	1.29
	<b>3,638.53</b>	<b>3,229.04</b>

<b>32 Employee benefits expense</b>		
Salaries, Wages and Bonus	1,514.68	1,501.29
Contribution to Provident Fund & Other Fund	149.09	145.62
Staff Welfare Expenses	35.23	32.71
Provision for Employees Benefits (Refer note no. 47)	35.51	85.87
<b>Total</b>	<b>1,734.51</b>	<b>1,765.49</b>
<b>33 Finance Costs</b>		
Interest on:		
-Term Loans	85.11	77.90
- Fixed Deposits	982.81	1,032.06
- Unsecured Loans	0.48	29.62
- Others	2.98	5.40
Bank Charges and Other Financial Expenses	38.31	99.16
<b>Total</b>	<b>1,109.69</b>	<b>1,244.14</b>
<b>34 Depreciation and amortisation expense</b>		
Depreciation	1,253.87	1,485.33
Amortisation	31.41	24.25
<b>Total</b>	<b>1,285.28</b>	<b>1,509.58</b>
<b>35 Other Expenses</b>		
Security & House Keeping	1,240.50	1,344.42
Packaging Expenses	0.28	3.50
Fuel Charges	20.07	27.98
Bad Debts & balance w/off	125.27	4.81
Consumable Expenses	4.55	8.06
Freight & Cartage	2.26	2.11
Lease Rent Paid	2,393.16	2,529.99
Electricity & Water Expenses	820.00	867.99
Insurance Expenses	25.51	31.46
Repair and Maintenance:		
-Plant & Machinery	118.89	152.81
-Building	47.73	25.30
-Others	59.09	52.34
Rates & Taxes	42.45	102.22
Payment to Auditors (Refer note no. 35.1)	15.88	17.81
Legal & Professional Expenses	159.55	135.61
Miscellaneous Expenses	24.67	85.97
Other Operational Expenses	1.19	20.81
Property, plant & equipments and CWIP written off	1,621.80	55.38
Printing & Stationery	41.01	44.10
Loss on sale of property, plant & equipments	273.14	1,068.51
Donation	-	0.02
Corporate Social Responsibility Expenses (Refer note no.	8.20	80.30
Provision for Doubtful Debts	234.30	1.42
Provision for Doubtful Loans & Advances	475.96	-
Telephone & Communication Expenses	21.60	-
Travelling & Conveyance Expenses	45.49	52.61
Expense of amortisation of Deferred Security Deposit	6.96	38.99
Selling & Distribution Expenses	42.99	35.50
Commission & Service Charges	6.84	1.54
Advertisement	69.46	92.96
Directors' Sitting Fee	4.29	7.25
GST / Service Tax Paid on Recipient Basis	12.81	47.71
<b>Total</b>	<b>7,965.90</b>	<b>6,939.48</b>



**35.1 Payment to Auditors**

## Payment to Auditors

-As Auditors	9.15	9.75
-For Certification	4.73	5.18
-For Taxation Matters	2.00	2.30
-For Reimbursement of Expenses	-	0.58

<b>Total</b>	<b>15.88</b>	<b>17.81</b>
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**36 Exceptional items (net)**

Impairment of Goodwill	190.92	-
<b>Total</b>	<b>190.92</b>	<b>-</b>

The Group tests whether goodwill has suffered any impairment on an annual basis. The Group has performed an assessment for impairment of goodwill on acquisition of subsidiaries owing to continuing losses and for SRS Smart Retail Ltd it was identified that in SRS Smart Retail Ltd due to decline in the value of underlying net assets held, based on which Group has recognised impairment charge on goodwill on acquisition pertaining to SRS smart Retail Limited during the year ended March 31, 2018

**37 Detail of CSR Expenditure (for the year ended 31<sup>st</sup> Mar 2018)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. As per Schedule VII of Companies Act, 2013, the areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, etc. A CSR committee has been formed by the company as per the Act.

(a) Gross amount required to be spent by the company during the year : Rs. Nil/-

(b) Amount spent during the year on:

Particulars	Amount in ₹		
	In Cash/Bank	Yet to be incurred	Total
(i) Construction / acquisition of any asset			
(ii) On purpose other than above (i) above *	820,000	-	820,000

\* Expense incurred through SRS Social Welfare Association registered under section 80 G of Income Tax Act.

**38.** State Bank of India filed an application before Hon'ble NCLT, Chandigarh under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016") for initiating Corporate Insolvency Resolution Process ("CIRP") of SRS Limited. The application was admitted vide Hon'ble NCLT, Chandigarh Order dated 21.08.2018 and Mr Ashok Kumar Gulla, Insolvency Professional, having IBBI Regn No IBBI/IPA-003/IP-N00024/2017-2018/10174, was appointed as Interim Resolution Professional ("IRP").

**39.** Further, pursuant to the order of NCLT, a public announcement of CIRP was made on August 24, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on September 20, 2018 (E-voting results declared on September 26, 2018) and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.

During the FY 2017-18, the Company has incurred a consolidated net loss of 1,46,336.54 Lacs resulting in to consolidated accumulated losses of 1,38,925.49 Lacs as at March 31, 2018 and erosion of its Net worth. The Company has obligations towards fund based borrowings and public deposits aggregating to 100737 Lacs and 8903 lacs respectively (including interest accrued thereon), subject to reconciliation/verification as stated in Note 41 below, that have been demanded/recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2018. The Company's ability to continue as going concern is dependent upon a viable revival plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, above financial statements have been prepared on the basis that the Company is a Going Concern.

**40.** Pursuant to the commencement of CIRP under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the financial creditors operational creditors, employee and other creditors against the Company. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in future.

41. Confirmation of balances could not be obtained as at March 31, 2018 for banks balances, bank borrowings and for various trade receivables (including foreign trade receivables amounting to Rs. 13793 lacs), trade payables, loans & advances including related parties though, the management has requested for the confirmation of balances. Bank balances in current accounts is shown as per the bank statements. Bank statement of 12 bank accounts having total book balance of Rs. 4.23 lacs could not be obtained. Though, the management has requested for the confirmation of balances and pending statements.
42. Physical verification for Property, Plant & Equipment aggregating to 8807 lacs (WDV as on March 31, 2018) could not be carried out at certain locations. Management believe that no item of fixed assets has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets. Accordingly, no provision is required in respect of such fixed assets.
43. The Group has various input credits and balances with various statutory authorities pertaining to service tax, VAT, Entertainment Tax, GST etc aggregating to 781 lacs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.

44. **Discontinued Operations :**

**Discontinuation of Gold & Jewellery Division**

Pursuant to board resolution dated 15<sup>th</sup> December, 2017, the Company discontinued the operations of its Gold & Jewellery Division w.e.f. 01<sup>st</sup> February, 2018.

**Discontinuation of Retail Division**

Further, pursuant to board resolution dated 13<sup>th</sup> February, 2018, the company intended to sell its retail division to Spencer Retail Limited and sought for shareholder's approval through postal ballot vide notice dated 21<sup>th</sup> February, 2018 and got the shareholders approval subsequently and applied for the lender's approval which could not be obtained. Hence, the sale to Spencer Retail Limited did not materialise due to failure to obtain NOC from lenders. Due to liquidity crunch the payment of most of the lessors of retail stores were also outstanding for several months.

Since the selling of retail division was already in the process, in consequence of this the employees of the retail stores had resigned in majority in February, 2018 itself and the top executives were not available for the decision making as the statutory authorities had raided the premises of SRS group on 8<sup>th</sup> March, 2018 which created a panic in SRS group as a whole and among the lessors of retail stores. Consequently, the management was compelled to close down the retail division during last week of March 2018 as and where basis leading to a significant loss of inventory and property, plant & equipment.

- 44.1 The carrying amount of assets and liabilities pertaining to the discontinued operations of Gold & Jewellery and Retail Division as on March 31, 2018 are as under:

₹ in Lacs

Particulars	Gold & Jewellery	Retail
Trade Receivable *	1.85	13.72
Other Financial Assets	0.45	4.54
Current Assets	9.03	6.64
Short Term Borrowings	82,764.39	-
Trade Payables	1,428.29	726.00
Other Financial Liabilities	17483.85	199.88
Current Liabilities	123.3	368.72

\* Net of provision for doubtful debts of ₹1,29,025.54 lacs in Gold & Jewellery division and ₹2,40.16 lacs in Retail division.

- 44.2 The amount of revenue and expenses pertaining to the discontinued operation of Gold & Jewellery and Retail Division for the financial year 2017-18 are as under:

₹ in Lacs

Particulars	Gold & Jewellery	Retail
Revenues	24,472.50	15,870.41
Expenses	160,142.62	18,890.65
<b>Profit / (Loss) Before Tax</b>	<b>(135,670.12)</b>	<b>(3,020.24)</b>
Less : Tax Expenses	-	-
<b>Profit / (Loss) after Tax</b>	<b>(135,670.12)</b>	<b>(3,020.24)</b>

- 44.3 Discontinuation of Gold & Jewellery and Retail Division has resulted in significant loss on account of write off of property, plant & equipment amounting to ₹1,380 lacs and Loss on sale of property, plant & equipment of ₹401 lacs. Further, due to restriction to the retail outlets by the lessors on account of non payment of lease rent, company has written off the inventory of retail division amounting to ₹8.65 Crores. Furthermore, the Company has provided for and written off ₹1,20,361 lacs towards doubtful trade receivables and other loans & advances pertaining to discontinued operations.

Particulars	Continuing operations		Discontinued operations		Total	
	For the year ended		For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>a) Numerator:</b>						
Net Profit after taxation as per Statement of Profit & Loss (₹ in Lacs)	(7,665.37)	302.93	(138,690.37)	(19,228.03)	(146,355.74)	(18,925.10)
<b>b) Denominator :</b>						
No. of Shares at the beginning of the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Total Equity Share outstanding at the end of the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Weighted average no. of equity shares for the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
Weighted average no. of diluted equity shares for the year	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026	278,582,026
<b>c) Face Value per share (in ₹)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>d) Earning per Share (EPS):</b>						
-Basic (in ₹)	(2.75)	0.11	(49.78)	(6.90)	(52.53)	(6.79)
-Diluted (in ₹)	(2.75)	0.11	(49.78)	(6.90)	(52.53)	(6.79)

## 46. Value of Imported and Indigenous Material Consumed (for continuing operations only)

₹ in lacs

Particulars	For the year ended			
	31-Mar-18		31-Mar-17	
	₹ in Lacs	%	₹ in Lacs	%
Imported	-	-	-	-
Indigenous	840.78	100.00	648.09	100.00
<b>Total</b>	<b>840.78</b>	<b>100.00</b>	<b>648.09</b>	<b>100.00</b>

## 47 Employee Benefits

## a) Defined Contribution Plans

Amount of ₹118.00 lacs (PY ₹250.17 lacs) excluding ₹94.62 lacs in respect of discontinued operations is recognised as contribution to provident fund in Statement of Profit & Loss.

## b) Defined Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Group has also provided for Leave Encashment.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31<sup>st</sup> March 2018).

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	7.35%	7.75%	7.35%	7.75%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	5.25%	5.25%	5.25%	5.25%
Expected Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Average Outstanding Service of Employees upto retirement (years)	29.65	30.75	29.65	30.75

Changes in the present value of Defined Benefit Obligation are as follows

₹ in lacs

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present Value of Defined Benefit Obligation at the beginning of the year	69.73	66.15	237.38	208.48
Interest Cost	5.12	5.13	17.45	16.16
Past Service Cost	-	-	1.70	-
Current Service Cost	4.86	24.61	14.75	47.79
Benefits Paid	(24.37)	(12.93)	(75.07)	(43.24)
Actuarial (gain) / loss on obligation	(8.32)	(13.23)	(19.19)	8.19
Present Value of Defined Benefit Obligation at the end of the year	47.02	69.73	177.02	237.38

Changes in the fair value of Plan Assets are as follows

₹ in lacs

Particulars	Gratuity	
	As at	
	31-Mar-18	31-Mar-17
Fair value of the plan assets at the beginning of the year	0.69	25.62
Expected return on Plan Assets	0.05	2.14
Contribution by employer	-	-
Benefits Paid	(0.74)	(25.59)
Actuarial (gain) / loss on Plan Assets	-	(1.48)
Fair value of the plan assets at the end of the year	-	0.69

Net Asset / (Liability) recognized in the Balance Sheet as on 31<sup>st</sup> March 2018

₹ in lacs

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present Value of Defined Benefit Obligation at the end of the year	47.02	69.73	177.02	237.38
Fair Value of Plan Assets	-	-	-	0.69
Net Asset / (Liability) recognized in the Balance Sheet	47.02	69.73	177.02	236.69

Net Employees Benefit Expense (recognized in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2018

₹ in lacs

Particulars	Leave encashment		Gratuity	
	For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Service Cost	4.86	24.61	14.75	47.79
Past Service Cost	-	-	1.70	-
Interest Cost	5.12	5.13	17.45	16.16
Expected return on plan assets	-	-	(0.05)	(2.14)
Net actuarial (gain) / loss recognized in the year	(8.32)	(13.23)	(1.50)	9.67
Expenses recognized in the statement of Profit & Loss	1.66	16.51	32.35	71.48

Bifurcation of Obligation at the end 31<sup>st</sup> March 2018

₹ in lacs

Particulars	Leave encashment		Gratuity	
	As at		As at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current Liability (Short Term)	15.62	3.15	90.41	9.86
Non Current Liability (Long Term)	26.39	66.57	86.60	226.83
<b>Total</b>	<b>42.01</b>	<b>69.72</b>	<b>177.01</b>	<b>236.69</b>

## 48 Segment Reporting

As per Indian Accounting Standard (Ind AS)-108 "Operating Segments", the Group's segment reporting is as below:

The Company has identified one reportable segments viz. Cinemas . Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

## 48.1 Primary Segment Information

Particulars	Period	Cinemas	Corporate & Others (Unallocable)	Total	
<b>A Continuing Operations</b>					
<b>1 Segment Revenue</b>					
Net Sales/Income (There is no inter-segment revenue)	For the year ended	31-Mar-18	12,722.00	429.32	13,151.32
		31-Mar-17	11,989.50	1,085.43	13,074.93
<b>2 Segment Result</b>					
Before interest, other income, depreciation, non-cash expenses and taxes	For the year ended	31-Mar-18	2,145.46	(1,031.25)	1,114.21
		31-Mar-17	1,895.78	(3,638.24)	(1,742.46)
Add: Other Income	For the year ended	31-Mar-18	22.18	78.99	101.17
		31-Mar-17	65.77	102.12	167.89
Less: Depreciation	For the year ended	31-Mar-18	877.59	407.69	1,285.28
		31-Mar-17	935.25	574.33	1,509.58
Less: Non-cash Items	For the year ended	31-Mar-18	437.07	1,714.48	2,151.55
		31-Mar-17	(8.64)	68.83	60.19
Profit / (-) Loss before interest and taxes	For the year ended	31-Mar-18	852.98	(3,074.43)	(2,221.45)
		31-Mar-17	1,034.94	(4,179.28)	(3,144.34)
Finance Cost (Net of interest income)	For the year ended	31-Mar-18		1,109.69	1,109.69
		31-Mar-17		1,244.14	1,244.14
Profit before Exceptional items and Tax	For the year ended	31-Mar-18			(3,331.14)
		31-Mar-17			(4,388.48)
Less : Exceptional items	For the year ended	31-Mar-18			190.92
		31-Mar-17			-
Profit before and Tax	For the year ended	31-Mar-18			(3,522.06)
		31-Mar-17			(4,388.48)
Taxes	For the year ended	31-Mar-18		4,143.31	4,143.31
		31-Mar-17		(4,691.41)	(4,691.41)
Net Profit from continuing operations	For the year ended	31-Mar-18			(7,665.37)
		31-Mar-17			302.93

B Discontinued Operations					
Particulars	Period		Retail	Gold & Jewellery	
	For the year ended				
Loss from discontinued operations	For the year ended	31-Mar-18	(3,020.24)	(135,670.13)	(138,690.37)
		31-Mar-17	(725.55)	(18,502.49)	(19,228.03)
Taxes	For the year ended	31-Mar-18			-
		31-Mar-17			-
Net Profit / (Loss) from continuing operations	For the year ended	31-Mar-18			(138,690.37)
		31-Mar-17			(19,228.03)
<b>C Net Profit / (Loss) from total Operations</b>					
Net Profit / (Loss) from total Operations	For the year ended	31-Mar-18			(146,355.74)
		31-Mar-17			(18,925.10)

₹ in lacs

3 Other Informations						
Particulars	Period		Cinemas	Corporate & Others (Unallocable)	Discontinued Operations	Total
	As at					
Segment Assets	As at	31-Mar-18	8,410.85	12,500.43	41.76	20,953.04
		31-Mar-17	8,807.34	18,656.35	141,730.91	169,194.60
Segment Liabilities	As at	31-Mar-18	4,583.97	11,469.55	103,095.82	119,149.34
		31-Mar-17	1,399.87	43,803.27	75,851.22	121,054.36

#### 48.2 Secondary Segment Information

Secondary segment for the company constitutes domestic market and international market.

₹ in lacs

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
<b>1 Segment Revenue (Continuing Operations)</b>		
Net Sales/Income (There is no inter-segment revenue)		
- Within India	13,151.32	13,074.93
- Outside India	-	-
<b>Total Revenue</b>	<b>13,151.32</b>	<b>13,074.93</b>
<b>2 Segment Revenue (Discontinued Operations)</b>		
Net Sales/Income (There is no inter-segment revenue)		
- Within India	40,272.83	88,559.93
- Outside India	-	326.21
<b>Total Revenue</b>	<b>40,272.83</b>	<b>88,886.14</b>

#### Segment Assets and Liabilities (Continuing Operations)

₹ in lacs

Particulars	As at	
	31-Mar-18	31-Mar-17
<b>1 Segment Assets</b>		
- Within India	20,911.28	27,463.69
- Outside India	-	-
<b>Total Assets</b>	<b>20,911.28</b>	<b>27,463.69</b>
<b>2 Segment Liability</b>		
- Within India	16,053.52	45,203.14
- Outside India	-	-
<b>Total Liability</b>	<b>16,053.52</b>	<b>45,203.14</b>



## Segment Assets and Liabilities (Discontinued Operations)

₹ in lacs

	Particulars	As at	
		31-Mar-18	31-Mar-17
1	<b>Segment Assets</b>		
	- Within India	41.76	107,362.18
	- Outside India	-	34,368.73
	<b>Total Assets</b>	<b>41.76</b>	<b>141,730.91</b>
2	<b>Segment Liability</b>		
	- Within India	103,095.82	75,842.37
	- Outside India	-	8.85
	<b>Total Liability</b>	<b>103,095.82</b>	<b>75,851.22</b>

**49 Related Party Disclosure**

As per Indian Accounting Standard (Ind AS)-24 "Related Party Disclosures", the Group's related parties and transactions are disclosed below:

**a. List of related parties & relationships, where control exists**

Holding Company

BTL Holding Company Limited (ceased w.e.f. 27.01.2017)

**Fellow Subsidiary Company**

SRS Real Infrastructure Ltd. (ceased w.e.f. 27.01.2017)

SRS Healthcare & Research Centre Limited (ceased w.e.f. 27.01.2017)

**Step Down Subsidiary Company**

SRS Real Estate Ltd. (ceased w.e.f. 27.01.2017)

SRS Retreat Services Ltd. (ceased w.e.f. 27.01.2017)

**b. Related parties & relationships with whom transactions have taken place during the year****I Key Management Personnel (KMP)**

Dr. Anil Jindal -Executive Chairman

Mr. Sunil Jindal -Managing Director - upto 14.08.2017 redesignated as Whole time director w.e.f. 14.08.2017 to 31-08-2017 and resigned effective from 01.09.17)

Mr. Raju Bansal-Whole Time Director

Mr. Vinod Kumar -Whole Time Director - upto 23.06.2017, redesignated as non-executive director w.e.f. 23.6.17)

Mr. Bhagwan Das Gupta -Chief Financial Officer (resigned effective January 31, 2017)

Dr. (Ms.) Navneet Kwatra -COO & Company Secretary (resigned effective from 09.05.18)

Mr. Sachin Goyal-Chief Financial Officer (appointed on January 27, 2017) (resigned effective from 28.04.18)

Mr. Abhishek Goyal-Whole Time Director & CFO (resigned effective June 1, 2016)

Ms. Kumud Aggarwal-Company Secretary (resigned effective April 4, 2018)

**ii Enterprises owned or significantly influenced by KMP and/or their Relatives**

SRS Finance Ltd.

BTL Holding Company Limited

SRS Real Infrastructure Ltd.

SRS Real Estate Ltd.

SRS Smart Retail Ltd. (Formerly known as SRS Bright Retail Ltd.) (Upto 30.6.18)

SRS Social Welfare Society

Sh. Bishan Bansal

Sh. Suresh Bansal

c. Transactions with related Parties

₹ in lacs

S. No.	Name of the Party	Nature of Transaction	Nature	For the year ended	
				31-Mar-18	31-Mar-17
1	SRS Finance Ltd.	Rent Received	Income	7.58	12.00
		Credit / Debit note for Expenses Reimbursed (Net)	Liability	1.71	-
		Purchase of Shares in SRS Smart Retail Ltd	Assets	1.52	-
2	SRS Real Infrastructure Ltd.	Reimbursement of Expenses	Income	17.46	-
		Debit against sale to Customers of SRS Real Infrastructure Ltd	Income	348.34	-
		Rent Expenses	Expense	0.27	
		Unsecured Loan (Payable on demand)	Expense	30.50	
		Sales of Capital Assets	Income	286.00	-
		CAM & Electricity Charges Paid	Expense	17.75	44.40
3	SRS Real Estate Ltd	Sale of Goods	Income	-	14.75
4	BTL Holding Company Limited	Other advances	Liability	-	135.02
		Credit / Debit note for Expenses Reimbursed (Net)	Liability	276.45	-
		Interest Expense	Expense	-	2.48
		Rent Received	Income	7.58	12.00
5	SRS Smart Retail Limited (Formerly known as SRS Bright Retail Ltd.)	Advance Given (Net)	Assets	-	6.02
		Rent paid	Expense	-	2.11
		Rent Received	Income	-	2.21
		CAM and Electricity Income	Income	-	1.43
		Sale of goods	Income	-	25.40
6	SRS Social Welfare Society	Corporate Social Responsibility Expenses	Expense	8.20	80.30
7	Dr. Anil Jindal	Director's Remuneration	Expense	22.83	43.10
8	Mr. Sunil Jindal	Director's Remuneration	Expense	18.00	26.50
		Purchase of Shares in SRS Smart Retail Ltd	Assets	-	-
9	Mr. Raju Bansal	Director's Remuneration	Expense	6.60	16.73
		Purchase of Shares in SRS Smart Retail Ltd	Assets	0.03	-
10	Mr. Vinod Kumar Gupta	Director's Remuneration	Expense	-	13.73
11	Mr. Bhagwan Das Gupta	Remuneration	Expense	-	10.12
12	Dr. (Ms.) Navneet Kwatra	Remuneration	Expense	11.11	12.02
13	Mr. Abhishek Goyal	Director's Remuneration	Expense	-	1.60
14	Ms. Kumud Aggarwal	Remuneration	Expense	4.10	3.91
15	Mr. Sachin Goyal	Director's Remuneration	Expense	-	6.40
		Remuneration	Expense	9.60	1.60
16	Sh. Bishan Bansal	Purchase of Shares in SRS Smart Retail Ltd	Assets	0.03	-
17	Sh. Suresh Bansal	Purchase of Shares in SRS Smart Retail Ltd	Assets	-	-

d. Closing balance with related parties

₹ in lacs

S. No.	Name of the Party	Particulars	Nature	As at	
				31-Mar-18	31-Mar-17
1	SRS Finance Ltd.	Other Receivable	Assets	-	3.45
		Creditors for other expenditures	Liability	0.38	-
2	SRS Real Infrastructure Ltd.	Creditors for other expenditures	Liability	10.02	0.56
		Other Receivable	Assets	179.31	
		Unsecured Loan (Payable on demand)	Liability	30.50	
		Debtor Against sale of Fixed Assets	Assets	286.00	
3	SRS Real Estate Ltd.	Trade Receivables	Assets	1.85	14.75

₹ in lacs

S. No.	Name of the Party	Particulars	Nature	As at	
				31-Mar-18	31-Mar-17
4	BTL Holding Company Limited	Other payables	Liability	-	135.02
		Interest Payable	Liability	-	2.23
		Creditors for other expenditures	Liability	-	2.20
		Trade Receivables	Assets	8.45	-
5	SRS Smart Retail Limited (Formerly known as SRS Bright Retail Ltd.)	Trade Receivables	Assets	-	19.90
		Creditors for other expenditures	Liability	-	1.91
		Other Receivable	Assets	-	6.02
6	SRS Social Welfare Society	Advance others	Assets	-	8.20
7	Dr. Anil Jindal	Director's Remuneration payable	Liability	3.52	1.69
8	Mr. Sunil Jindal	Director's Remuneration payable	Liability	-	-
9	Mr. Raju Bansal	Director's Remuneration payable	Liability	0.92	0.95
10	Mr. Vinod Kumar Gupta	Director's Remuneration payable	Liability	4.17	4.11
11	Mr. Bhagwan Das Gupta	Remuneration payable	Liability	-	-
12	Dr. (Ms.) Navneet Kwatra	Remuneration payable	Liability	1.71	0.83
13	Mr. Sachin Goyal	Remuneration payable	Liability	1.20	0.68

e. Off balance sheet items with related parties

₹ in Lacs

S. No.	Name of the Party	Nature of Transaction	Nature	As at	
				31-Mar-18	31-Mar-17
1	BTL Holding Company Limited	Corporate Guarantee taken	Off Balance	83,500.00	83,500.00
2	SRS Retreat Services Ltd.	Corporate Guarantee taken	Sheet items	83,500.00	83,500.00

50 In accordance with Indian Accounting Standard "Ind AS-17 on Leases" the following disclosures in respect of operating leases is made as under:

A. Assets taken on operating lease (Continued Operations)

- The Company has taken certain shops/offices/other Fixed Assets on non-cancellable operating lease. Minimum lease payments of continuing operations ₹1876.68 lacs (PY ₹2276.38 lacs) are charged to Statement of Profit & Loss.
- Total contingent rents (Calculated on Revenue Sharing Basis) recognized as expense in the statement of profit and loss for the year is ₹399.96 lacs (PY ₹221.85 lacs).
- Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the Company are as follows:

₹ in Lacs

	Particulars	As at	
		31-Mar-18	31-Mar-17
a.	Not later than one year	1,516.41	1,626.10
b.	Later than one year and not later than five years	4,957.02	7,634.55
c.	Later than five years	5,185.94	7,732.05

- Sub-lease payments received (on accrual basis) of ₹8.51 lacs (PY ₹142.05 lacs) are recognized in the Statement of Profit & Loss.
- The total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date are ₹12.74 lacs (PY ₹378.14 lacs).

B. Assets given on operating lease

- Future minimum lease payments receivable by the Company in respect of non-cancellable operating lease for shops / kiosks entered by the Company are as follows:

₹ in Lacs

	Particulars	As at	
		31-Mar-18	31-Mar-17
a.	Not later than one year	15.21	111.38
b.	Later than one year and not later than five years	21.17	232.97
c.	Later than five years	14.92	16.39

- b) Total contingent rents (Calculated on Revenue Sharing Basis) recognized as income in the statement of profit and loss for the year is ₹25.43 lacs (PY ₹29.06 lacs).

### 51 Earning in Foreign Exchange (on accrual basis)

₹ in lacs

Particulars	For the year ended (Continuing Operations)		For the year ended (Discontinued Operations)	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
FOB value of exports	-	-	-	301.03
<b>Total</b>	-	-	-	<b>301.03</b>

### 52 Expenditure in Foreign Currency (on accrual basis)

₹ in lacs

Particulars	For the year ended (Continuing Operations)		For the year ended (Discontinued Operations)	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Bank charges and other financial expenses	-	-	-	0.49
<b>Total</b>	-	-	-	<b>0.49</b>

### 53 Derivatives Instruments And Hedged/ Unhedged Foreign Currency Exposure

₹ in lacs

Particulars	As at (Continuing Operations)		As at (Discontinued Operations)	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Foreign Currency Exposure that are not hedged by derivative transactions or otherwise</b>				
<b>Foreign Currency Receivables - USD</b>				
USD Value (In Lacs)	-	-	199.92	195.41
INR Value (In Lacs)	-	-	13,022.07	12,670.38
<b>Foreign Currency Receivables - AED</b>				
AED (In Lacs)	-	-	43.46	1,016.17
INR Value (In Lacs)	-	-	770.77	17,948.71
<b>Foreign Currency Payables - AED</b>				
AED (In Lacs)	-	-	-	982.74
INR Value (In Lacs)	-	-	-	17,354.27

- 54 In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

- 55 The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of current assets which includes loans given, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

### 56 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework.

#### Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Due to slow recovery from debtors, the Company is facing liquidity crunch during the year and has not been able to repay of its public deposits and bank borrowings. State Bank of India has filed a application for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide its order dated August 21, 2018 declaring moratorium inter-alia against any recovery proceedings/winding up proceedings against the Company. The order of moratorium shall have effect from August 21, 2018 in accordance with section 14 (1) of the Insolvency and Bankruptcy Code, 2016 ("the Code").

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date:

₹ in lacs				
Particulars	Carrying Amount	Payable within 1	Payable after 1 year	Total
As at 31 <sup>st</sup> March 2018				
Borrowings	83,300.26	82,822.10	478.16	83,300.26
Trade Payables	3,032.09	3,032.09	-	3,032.09
Security Deposits	31.78	31.78	-	31.78
Other Financial Liabilities	21,734.75	21,734.75	-	21,734.75
As at 31 <sup>st</sup> March 2017				
Borrowings	96,001.10	90,465.65	5,535.45	96,001.10
Trade Payables	21,210.59	21,210.59	-	21,210.59
Security Deposits	93.94	62.57	31.37	93.94
Other Financial Liabilities	2,815.52	2,815.52	-	2,815.52

#### Management of market risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and AED.

The Company is subject to the risk that changes in foreign currency values impacting the Company's exports revenue and imports of raw material. As at 31<sup>st</sup> March, 2018, the net unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to Rs. 13,792.83 lacs receivable (31<sup>st</sup> March, 2017: Rs. 13,264.82 lacs).

#### Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

##### a). Trade receivables

The Company's maximum exposure to credit risk from the trade receivable as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 is the gross carrying value of trade receivable in the financial assets.

#### Domestic Exposure

The Company is exposed to risk of recovery from its trade receivables in jewellery segment (discontinued segment). During the year, provision for doubtful debts on trade receivable of Rs. 106391.63 lacs has been recognised due to non recovery.

₹ in lacs	
Division	Amount
Gold & Jewellery	105917.16
Retail	240.16
Cinema	205.28
Corporate & Others (Unallocable)	29.03
<b>Total</b>	<b>106391.63</b>

#### Overseas Exposure

The Company is exposed to risk of recovery from its trade receivables in jewellery segment amounting to Rs. 13792.83 lacs. During the year, full provision for doubtful debts been made pertaining to pertaining to overseas exposure of jewellery segment due to its non recovery.

##### b). Other financial assets

The Company's maximum exposure to credit risk as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 is the carrying value of each class of financial assets.

#### 57. Salient features of the financial statements of subsidiaries :

(pursuant to first proviso of sub-section (3) of Section 129 of Companies Act, 2013, read with general instructions for the preparation of consolidated financial statements)

Name of Entity	Net Assets = (Total assets minus total liabilities)		Share in Profit or Losses	
	As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated profit or loss	Amount (Rs. in lacs)
<b>Parent</b>				
SRS Limited	102.57%	(100,722.92)	99.96%	(146,278.33)
<b>Subsidiary</b>				
SRS Entertainment India Ltd	-2.64%	2,594.08	0.00%	(3.42)
SRS Smart Retail Ltd	0.07%	-67.46	0.04%	(54.79)

- 58 The company as on date of signing of Balance sheet has only 2 Directors, Mr. Raju Bansal and Mr. Anil Jindal and apart from above mentioned directors all the directors have resigned, Mr Anil Jindal is under the Judicial Custody since April 5, 2018 and the company does not have a Chief Financial officer and a Company Secretary, Hence the Financial Statements has been signed by the only available Director Mr. Raju Bansal confirming the accuracy and completeness of Financial Statements.
- 59 All amounts in the financial statements are rounded off to the nearest Rupee in lacs, except as otherwise stated.
- 60 Note 1 to 59 are annexed to and form an integral part of the Balance Sheet as at 31<sup>st</sup> March 2018, Statement of Profit and Loss, statement of cash flows and statement of changes in equity for the year ended as on that date.

**For SVP & Associates**  
(Chartered Accountants)  
Firm Regn. No. 003838N

**For Oswal Sunil & Company**  
(Chartered Accountants)  
Firm Regn. No. 016520N

**For SRS Limited**

Sd/-  
(CA Pankaj Kumar)  
Partner  
M. No. 091822  
Place: Faridabad  
Date : 06-Feb-2019

Sd/-  
(CA Naresh Kumar)  
Partner  
M. No. 085238

Sd/-  
(Raju Bansal)  
Whole-Time Director  
DIN-00007344





## SRS LIMITED

**Regd. Office:** SRS Multiplex, 2<sup>nd</sup> Floor, City Centre,  
Sector-12, Faridabad (Haryana) - 121007 T: 8448995132

Email: compliances@srsparivar.com Website: www.srsparivar.com CIN: L74999HR2000PLC040183

**Folio No. / DP ID/ Client ID:**

**Number of Shares held:**

**Name and Address of the Member:**

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company held on Tuesday, 14<sup>th</sup> May, 2019 at 11:30 A.M. at Basement-1, SRS Multiplex, City Centre, Sector-12, Faridabad-121007

\_\_\_\_\_  
Signature of Member/Proxy

**NOTE:**

1. Please fill the Attendance slip and hand it over at the entrance of the Meeting Hall. Joint member may obtain additional Attendance Slip at the venue of the meeting.
2. Soft copy of the Annual Report for the financial year ended 31<sup>st</sup> March, 2018 and Notice of the AGM along with Attendance Slip and proxy form is being sent to all members whose e-mail address is registered with the Company/Depository Participant. Members receiving soft copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for the financial year ended 31<sup>st</sup> March, 2018 and Notice of the AGM along with Attendance Slip and proxy form is sent in the permitted mode to all members.



# SRS LIMITED

Regd. Office: SRS Multiplex, 2<sup>nd</sup> Floor, City Centre, Sector-12,  
Faridabad (Haryana)-121007 Ph. # 8448995132

Email: compliances@srsparivar.com Website: www.srsparivar.com CIN: L74999HR2000PLC040183

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

Name of the Member(s): _____	
Registered address: _____	
E-mail ID: _____	Folio No.(DP ID and Client ID): _____

I/We being the Member(s), holding \_\_\_\_\_ shares of **SRS LIMITED** hereby appoint

1. Name \_\_\_\_\_ E-Mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her

2. Name \_\_\_\_\_ E-Mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her

3. Name \_\_\_\_\_ E-Mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her

whose signature (s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 14<sup>th</sup> May, 2019 at 11:30 A.M at Basement-1, SRS Multiplex, City Centre, Sector-12, Faridabad-121007 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

S. No.	Resolutions	For	Against
1.	Adoption of Annual Audited Financial Statement, Reports of the Board of Directors and Auditors for the financial year ended 31 <sup>st</sup> March, 2018		

Signed this .....day of.....2019

Affix here  
One Rupee  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) Pursuant to the provisions of Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put 'Tick' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# Location Map

SRS Multiplex, Sector-12, Faridabad





if undeliverable please return to:

**SRS Limited**

SRS Multiplex, 2<sup>nd</sup> Floor, City Centre, Sector-12,  
Faridabad, Haryana -121007

M.: 8448995132

W: [www.srsparivar.com](http://www.srsparivar.com)

E: [compliances@srsparivar.com](mailto:compliances@srsparivar.com)