

# THE ESSENCE OF TOGETHERNESS

SRS LIMITED - ANNUAL REPORT 2015-16



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## THE ESSENCE OF TOGETHERNESS

In the modern times, a lot of emphasis is laid on variety, with people demanding instant gratification and wearing their diversity as a badge. But in a land like India, constituent of many diverse culture, the sense of unity is second to existence.

Like a well-automated machine made up of various parts, but works only in unison, we stress on the importance of unity for a greater cause. One may be filled with flaws, yet it's through unifying with our compatriots where we can maximize our positives for the common goal of success. At SRS we believe in **"Essence of Togetherness"**





# SRS LIMITED

## IN BRIEF

SRS Limited is the flagship company of SRS Group. Among the fastest growing companies in India. SRS Limited is a diversified company covering sectors like Gold & Jewellery, Cinemas, Retail and Food & Beverages among others.

SRS Group companies currently operate over 12 business verticals with 133 touch points in 11 states and 4 countries.

The people behind most landmark events in the world, whether in the political space or the economic space are neither individuals nor large groups. Rather, teams of a few people dedicated to their cause and committed to seeing it through, and working by trusting and helping one another, without trying to attain individual glory, that has always made a difference.

*“Coming together is a beginning.  
Keeping together is progress.  
Working together is success.”*

- Henry Ford

# BRANDS

AT A GLANCE



**SRS**  
Enduring Quality and Trust

## MESSAGE FROM THE CHAIRMAN



*“We grew all our businesses, increased and advanced key strategic initiatives, and proactively worked to optimize resources to ensure a positive growth, despite all odds. This enabled us to improve our competitiveness and create value for shareholders. We achieved strong financial performance, and laid a strong foundation for our future.”*

Dear Shareholders,

As eminent members of SRS, you would know that our energy comes from an endless desire to impress our customers. We work zealously to inspire customers, with a long term vision to deliver outstanding performances. As a fact, it is our customer-centric way which is the defining element of our culture.

Our company has been built on a strong underlying business approach, guided by our values and vision that have allowed us to develop a strong customer base, and helped us establish SRS as a leading brand. Steered by our strong sense of commitment, we continue to implement our strategies, backed by an inspiring team that delivers strong performances – despite a highly volatile and challenging business environment.

2015-16 was a challenging year for SRS; we tried to optimize the resources but were not able to and thus, due to strike in the last month of FY 2015-16, could not serve the Bank interest and got D-Rating.

The Indian economy has traversed during the course which it has stepped up to its growth trajectory over successive decades. Notwithstanding the slowdown in the economy, Our Company is not an exception and got badly affected by the economy slowdown.

Considering all our segments: Jewellery, Cinema, Retail and Food & Beverages, we enjoy a robust foundation that has supported growth across almost all our lines of businesses. We have demonstrated our capabilities across products, customer segments and markets, and intend to continue to leverage this solid platform to achieve our aspirations and deliver value to our stakeholders and customers.

With each passing year, our SRS Parivar grows bigger. However, in F.Y. 15-16, the PAT stood at Rs.15.98 Crore, declined by 58.85%, as compared to last year's 38.81 Crore. EPS reduced from 1.39 to 0.57.

However, despite being low in figures, if we look closely at our individual capacities, we have achieved several milestones in each business sector. With the cinema exhibition business segment we had added 2 multiplexes one in Muktsar, Punjab and another in Kashipur, Uttarakhand. Currently, we are prominently present in major regions including Haryana, Uttar Pradesh, Punjab, Himachal Pradesh, Rajasthan, Uttarakhand, Bihar and new addition in Jharkhand. For cinema segment 2015-16 was our year, where we had produced internationally competitive theatres, established SRS as a leading cinema exhibitor in the country. We are now present across 22 properties, 17 cities and 8 states with 62 screens. Our customer centric approach has helped us achieve our goals and targets efficiently, and we have positioned ourselves as popular choice among movie lovers.



Contributing to around 90% of company revenues, our gold and jewellery division faced a few challenges this year. Following the jewellers strike that initiated against 1% levy in excise duty in Budget of Financial Year 2016-17, which continued from 2<sup>nd</sup> March, 2016 to 27<sup>th</sup> April, 2016, has deeply impacted the jewellery business, resulting in severe loss of revenues, cash crunch and liquidity issues.

Due to strike in the last quarter, the revenues of the company have decreased to the tune of 52% during the last quarter ended 31<sup>st</sup> March, 2016 as compared to the quarter ended December, 2015 and the company suffered huge losses during the last quarter in comparison to profits earned in other three quarters.

The Company was unable to serve the interest for the quarter ended 31<sup>st</sup> March, 2016 and thus our account slipped to NPA (Non-Performing Assets) Category. Consequently, credit rating agencies revised the rating to "D" and thus our share price plummeted to a low. As the Company was not able to make timely payments to its Depositors on time, we have filed a petition before National Company Law Tribunal (NCLT) for extension of time for repayments.

On a positive note, our keen understanding of the market, combined with strategical planning, we have taken measures to revive our growth and streamline all processes to overcome all shortcomings. Through the following measures, we strive to initiate the revival of our organization:

- ▶ Closure of non-profitable outlets of jewellery
- ▶ Closure of loss making Food and Beverages units
- ▶ Reduction in salaries of KMP's
- ▶ Reduction in day to day expenses
- ▶ Improved turnover through the businesses of the company
- ▶ Improved business conditions in the market
- ▶ Recovery from Debtors

At the retail forefront, we delivered another year of significant growth. We have introduced 7 new stores, establishing a multi-level presence with stores in significant locations such as Lucknow, Delhi NCR, Kurukshetra and more. With a continued focus on the middle and upper middle consumer segment, we have established a multi-city presence in a short span of time. Today, we have a total count of 28 stores.

To build a stronger foundation for the future we also started some strategically critical initiatives that I believe, if continued, have the potential to change the DNA of the organization for the better in the medium to long term timeframe. And I have no doubt that, as the spirit of excellence penetrates to all parts of the company, it will lift the productivity and the pride of our employees. We all want to be part of an organization that needs and expects our very best.

We are a morally bound community, striving to give back to the society what it has given us in immeasurable terms. As a conscientious corporate organization, we believe in creating goodness around us. Celebrating 25 years of Corporate presence of SRS Group, a unique CSR initiative has been undertaken, and we donated an automatic sewerage cleaning machine to Faridabad Municipal Corporation. This remarkable initiative was highly appreciated and has set a benchmark for other business groups as

well. Additionally, SRS Social Welfare Association organized a Self-defense course for over 150 girls in Faridabad, empowering women to be more independent in life. We also organized a blood donation camp in Faridabad, which witnessed many volunteers who came forward and contributed towards the community. Through this drive, we successfully managed to raise awareness on the importance of donating blood and saving lives. We have donated winter uniforms and schoolbooks to 610 students of Government Senior Secondary School of Ferozepur Kalan village in Faridabad. These all initiatives were undertaken during the 1st three quarters.

Every organization experiences ebbs and tides. The growth of SRS has been a collective effort and we work with a positive attitude to recover its growth journey. I would like to thank our associates, partners and vendors for their unwavering support and trust in SRS. On this podium, it is quite essential to owe our gratitude to our esteemed clients for the trust and acceptance and of course to our employees who have been the vertebral column of the leading periphery performance. As we step into a new phase of vitality and revival, we continue to rely on this support and confidence.

The seed planted nearly thirty years ago has germinated and grown into such a huge tree of life, bearing good fruit enjoyed by both employees and clients alike. There are times when institutions go through challenges. Despite this, we have forged ahead to be where we are now to become an instrument in transforming the lives of many. We have always promoted the thought "*Sab Rahen Sath*" as we strongly believe that sustainable success comes from staying together as a team and realizing extraordinary victories.

Currently, I can say that SRS touches the lives of at least a 20 million people directly and indirectly. We provide services to about 1500 clients and offer employment to over 2000 people, not forgetting their families whose lives are also touched by the employment we offer. We are, indeed transforming lives and want the support of all the stakeholders.....

Regards,



**Dr. Anil Jindal**  
Chairman

# CORPORATE INFORMATION

## CIN

L74999HR2000PLC040183

## BOARD OF DIRECTORS

Dr. Anil Jindal	- Chairman (Executive)
Sh. Sunil Jindal	- Managing Director
Sh. Raju Bansal	- Executive Director
Sh. Vinod Kumar	- Executive Director
Sh. Jitender Kumar Garg	- Non-Executive Director
Sh. Praveen Kumar Kapoor	- Non-Executive Director
Sh. Praveen Gupta	- Independent Director
Sh. Shiv Mohan Gupta	- Independent Director
Sh. Jogindar Lal Chhabra	- Independent Director
Sh. Lalit Kumar	- Independent Director
Ms. Anjali Trehan	- Independent Director
Sh. Vaibhav Gupta	- Independent Director

## COO & COMPANY SECRETARY

Dr. (Ms.) Navneet Kwatra

## CFO

Sh. Bhagwan Dass

## DEPUTY COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Mamta Rastogi

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

M/s. Love Mangla & Co.  
M/s. Sumit Chhabra & Co.  
M/s. SRGM & Associates

## BANKERS

State Bank of India  
State Bank of Patiala  
State Bank of Travancore  
State Bank of Bikaner & Jaipur  
Bank of India  
Oriental Bank of Commerce  
Union Bank of India  
Syndicate Bank

## REGD. OFFICE

SRS Tower, 305 & 307, 3<sup>rd</sup> Floor, Near Metro Station  
Mewla Maharajpur, G. T. Road, Faridabad,  
NCR Delhi – 121003  
Ph. #0129-4323100 Fax#0129-4323195

## 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



## IN THE SPOTLIGHT

### I BELIEVE KNOWLEDGE IS THE REAL POWER – DR. ANIL JINDAL, CHAIRMAN & MD, SRS REALTY



Dr. Anil Jindal, Chairman & Managing Director, SRS Realty is a relentlessly forward looking person who is eager to continuously infuse new ideas and professionalism into his ventures. He was the driving force behind SRS Limited's IPO that came out in August 2011. While the overall climate was not in favour of IPOs as such, his efforts went a long way in ensuring that the IPO was a resounding success. After raising Rs. 203 crores from the capital markets to fund operational and expansion programs, SRS Limited was listed on BSE and NSE in September 2011. Apart from generating funds, one prime motivation for him is to bring about higher levels of corporate governance, transparency, and professionalism into the respective corporate reality. This team had a great session with Dr. Jindal, here's some of his perspectives.

Please share your outlook on the Noida & Greater Noida market?

Real Estate sector in India has seen a massive boom and due to the improved economy of India. The rise of Noida and Greater Noida in the real estate sector has been phenomenal catching the eyes of top notch builders undertaking new projects at a propelling rate in the past few years. The primary reason that the city has invited a lot of attraction is due to the manageable real estate property rates of this developing city as compared to other illustrious cities. Over the years high quality luxury residential and commercial complexes have mushroomed in the region providing a high quality life style to one and all in budget friendly rates. The strategic location of the city and the influx of national and multinational companies has also played a big hand in the changing the skyline of the city in the

### THE ECONOMIC TIMES

#### Entertainment

### SRS Cinemas launches online ticketing service offering savings on tickets

By Saurav Loharia, ET Bureau | May 31, 2015, 54:17 PM IST

READ MORE ON: Teju Singh | Sunil Jindal | SRS Group | SRS Cinemas | Online Class

MUMBAI: SRS Cinemas, the multiplex business of Rs 6000 crore SRS Group, has launched 'Online Class', a new and exclusive initiative for the customers who buy movie tickets online.

Unlike buying on other ticketing websites, where there is a convenience fee involved, SRS Cinemas will offer customers to save 33 per cent on each ticket that they book online.



Illustration: 'Online Class' the company will be offering the best seats of the particular movies, which will have best viewing angle and sound. Also, there will be no extra charges and



The Indian real estate sector has traditionally been an unorganised sector but it is slowly getting its way into a more regulated one.

Where and how much do you think government intervention is required?

India has the potential to be one of the leading destinations for real estate businesses globally. However, government intervention is required to streamline various procedures in order for this sector to thrive in the global way.

Absence of proper land policies in India has made it difficult for developers to acquire suitable land parcels due to the absence of clear land rules. Speedy deregulation of land parcels in the early stage, to enable them to avoid long delays and expensive litigation for developers.

Inadequate funding channels also affect the housing supply in the Indian market in a big way. Absence of long term funding from banks and high interest rates are stifling the supply. Concrete steps by the government are needed in this area to improve the funding structure and develop a healthy market.

Real Estate Sector: REWA Act, EWS Bill, EWS Amendment and Single Window Clearance. Rank them according to their importance for this sector.

Single Window clearance which will ease the right of getting bonded with greatly benefits the ease of doing business in the realty sector.

REWA Act: The long pending REWA Act which has finally got the thumbs up from the parliament will make realty sector more institutional and significantly benefit the organised players.

Looking at the rising inventory levels of tier 2 realty markets, does it seem that REWA will be the year of resurgence of these realty markets, and an opening of tier 2 & 3 cities?

The pace at which tier 2 cities are being transformed into metros, there will definitely create a stage where the potential realty players of the tier 2 will not hesitate and this is where the focus will be shifted to tier 2 and tier 3 cities. Developers will have to broaden their domains and reach out to tier 2 markets to gain back the momentum and this year will be the year of this possibility surrounding AMRI, 2 and Smart's, this year.

What's your take on the government's announcement of developing smart cities in India? How much can the private sector contribute?

Development of 100 Smart Cities in India would provide ample opportunities to the real estate developers, who will not only have to think in technology driven business but also sustainability, and lifestyle quotient. With the growing rate of urbanization and the need of improving the quality of life in the cities, smart cities housing will become a priority to build contemporary cities embracing the environment.

Finally, where do you see Indian realty sector, 10 years down the line?

The Indian realty sector is poised to take an upward turn in the next 10 years. The industry will witness a pick up in sales and strengthening of a lot of projects which will greatly boost up the real estate sector in terms of increased demand and supply.

### SRS Group to enter online jewellery, health segments

Private Equity Database - Financial, Transaction, Valuation Directory of Active PE/VC Investors

www.ventureintelligence.com

To have an omni-retail model

Mumbai, May 24: After entering the burgeoning online grocery business, Delhi-based SRS Group is planning to enter the online jewellery and health and wellness businesses.

The company said it will have an omni-retail model for both businesses and will test the market in North India before moving to other geographies.

#### Online space

Pratik Jindal, Managing Director, SRS Retail, said: "The growth in the online space will outgrow the kirana space. We already run retail chains in Delhi-NCR and Uttar Pradesh. We are looking to add another vertical by creating the infrastructure for the online model."

The company said both the jewellery and health and wellness online businesses would go live in the second quarter of the current fiscal.

Voylla, CaratLane and Bluestone are the other companies operating in the jewellery business. The pharma and healthcare business has players like Healthkart.

Jindal said the company will be working on the inventory-led model rather than being an aggregator.

"We have set up warehouses to stock our inventory," he said, adding the company will be investing ₹20-25 crore on setting up infrastructure like logistics.

Asked about its online grocery venture, Jindal said SRS Grocery currently caters to the Delhi-NCR market. Launched four months back, the company said it has invested ₹20 crore in the online business.

"Our orders are increasing and we are also scaling our stock keeping units," he said. The company currently has about 6500 stock keeping units. "We are looking to scale it to 13,000 SKUs."

Jindal said its USP of low service fee and no minimum order policy is working well with grocery shoppers.

(This article was published in the Business Line print edition dated May 25, 2015)

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BINDU D MENON

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#### Retailer



**"Adopt value pricing for a long term winning formula"**

Sunil Jindal, Chairman of SRS e-Retail Ltd., speaks to Progressive Grocer on the group's foray into online commerce and how it will strengthen the value proposition of its grocery business

