

# 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: