



SRS LIMITED
19TH ANNUAL REPORT
2018-19

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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 21st August, 2018.
For Director details refer Directors Report

COMPANY SECRETARY

Ms. Jyotsna Nanda

CFO

Mr. Vikash Sharma

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, 2nd Floor, City Centre,
Sector-12, Faridabad
Faridabad, NCR Delhi – 121007
Ph. 8448995132
Email id: compliances@srsparivar.com

REGISTRAR AND SHARE TRANSFER AGENT

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

Management Discussion Analysis

Management Discussion Analysis

India remained the fastest growing economy in the world with a GDP of 6.8% for FY19. The sustained investments and positive reforms by the government have helped improve India's ranking by 23 places to reach 77th in the World Bank's Ease of Doing Business Report 2018. The Interim Budget 2019-20 gave a significant push to consumption in the form of direct transfers to farmers, tax relief and greater investment opportunities. Further, the government's focus on the liberalisation of FDI regime for both Telecom and Media and Entertainment sectors have resulted in increased investments. Going forward, the strengthening investments and robust private consumption are expected to drive the country's economy to ~7% in FY20.

Indian Media and Entertainment Sector scenario

During the year gone by, the Indian Media and Entertainment (M&E) sector continued to embrace newer technologies as growth was witnessed across conventional platforms, broadcast TV and films, at the backdrop of growing subscription base and ticket prices respectively. The Indian M&E sector witnessed a robust growth of 13.4% YoY, reaching H1.67 Tn. in CY2018. Further, the advertising sector grew at 12.7% in 2018 led by digital advertising which grew by 34% YoY, while television advertising grew 14% YoY. Moreover, during the year under review, the domestic theatrical revenue reached H102 Bn. registering a growth of 6% over previous year.

Large talent pool, increasing employment opportunities, intriguing storytelling, post-production, and regulatory benefits are finding the right audience among the Indian diaspora, driving the sectoral growth. The sector is expected to cross H2.35 Tn. by CY 2021, growing at a CAGR of 12% between 2018 to 2021.

Indian Film Exhibition Industry- Overview

The Indian film industry demonstrated growth of 12.2% in 2018, reaching a market size of H174.5 Bn. in 2018. Although the sector witnessed a decline in a number of the movie released (from 1,807 films in 2017 to 1,776 films in 2018), the year proved to be blockbuster in terms of the box office collection with films entering the H1 Bn. club almost every month. Despite the fact that only 13.4% of films were released, Hindi films segment contributed about 42.1% to the annual Net Box Office Collection (NBOC) with other regional language movies contributing about 46%. Further, the domestic theatrical revenue registered a growth of 6% YoY basis to reached H102 Bn. in FY 2019.

As a result of urbanization and favourable demographics, the demand for modern cinema screens featuring quality infrastructure, latest audio-visual systems, and multiple F&B offerings is on the rise. The new-age multiplexes have redefined the 'entertainment' quotient with enhanced facilities and services complementing the cinema experience. The single-screen cinemas are also investing in their infrastructure up gradation to stay relevant to the changing technologies and consumer experiences. In India, the total number of screens grew to 9,601 in 2018 as against 9,530 in 2017. Of the 9,601 screens, 2,950 were multiplex screens while 6,651 were single-screen theatres. Further, cable and satellite rights have also witnessed healthy growth in revenue from H19 Bn. in 2017 to H21.2 Bn. in 2018.

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.

Management Discussion Analysis

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

During the F.Y. 2017-2018, SRS Limited was a diversified Company deals in Cinema, Jewellery, Retail. SRS worked 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.

By the end of March, 2018, SRS Limited has closed its Jewellery & Retail divisions and during the F.Y. 2018-2019, the Company has only One operational vertical i.e. Cinema Exhibition.

SRS Cinemas

SRS Group launched its cinema exhibition division, SRS Cinemas, on 12th November 2004 in Faridabad and since then has grown from strength to strength with its presence in 17 cities with 14 multiplexes under its SRS Limited and 4 multiplexes under SRS Entertainment India Limited, Wholly Owned Subsidiary of SRS Limited 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 under SRS Limited and 12 screens 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 and has created a strong foothold in tier 2 cities as well, such as Patiala, Ludhiana, 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 customer's 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 15th 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 13th 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 21st 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 8th 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

During the F.Y. 2017-2018, the Company has terminated some of the employees 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 by the end of FY 2017-18.

Management Discussion Analysis

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 below mentioned IT Applications 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.

As per the Insolvency and Bankruptcy Code, 2016 public announcement were made inviting the claims from the creditors and during the Corporate Insolvency Resolution Process ("CIRP") Expression of Interest ("EOI") were invited for submitting the Resolution Plan for SRS Limited. The Resolution Plans received from the applicants were placed before the Committee of Creditors for approval. The plan submitted did not get through and an application under Section 33 of the Insolvency and Bankruptcy Code, 2016 were filed for the suitable orders.

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 19th Annual General Meeting (AGM) of the Members of SRS Limited will be held as under:

Day : Monday
Date : 30th September, 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 31st March, 2019, including the Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the year ended on that date, together with the Reports of the Directors' and Auditors' thereon.

For SRS Limited
(Under CIRP)

Place: Faridabad
Date: 30.08.2019

Sd/-
(Jyotsna Nanda)
Company Secretary
M.No.29399

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 7th May, 2018. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed in the 16th Annual General Meeting held on 30th September, 2016 to hold office till the conclusion of 21st 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, 3rd 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
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 Tuesday, 24th September, 2019 to Monday, 30th September, 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 after the AGM of the company which was held on 27.09.2017 on the website of the IEPF viz. www.iepf.gov.in and under "Investors" section on the website of the Company viz. 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. The pending amounts of share application money & interest on refund account in IPO is due for transfer to the Investor Education and Protection Fund after AGM held on 14th May, 2019 for F.Y.2017-2018 and the process is pending.
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 19th 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
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 19th 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. Monday, 23rd September, 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 2018-19 will also be available on the Company's website 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 company 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 and on the website of CDSL viz. www.cdslindia.com.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 27th September, 2019 at 10:00 A.M. and ends on Sunday, 29th September, 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 Monday, 23rd September, 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.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> · 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. · 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.
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"> · 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 (iv).

- (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 the relevant <Company Name> 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.