

7th January, 2020



To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Dear Sir/Ma'am,

Subject: Clarification sought on Financial Results as per Regulation 33 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref.: Letter No NSE/LIST/FR/12922 dated 18th June, 2019

With reference to the above mentioned subject, this is bring to your kind consideration that the Company has submitted the Audited Annual Financial Statements for the F.Y. 2017-2018 on 29th March, 2019 along with Audit Report. This also includes the Statement on Impact of Audit Qualifications for Standalone & Consolidated Financial Statements.

The copy of the same is enclosed herewith for your reference.

Further, we would like to inform you that the Company as on date of signing of Balance Sheet has only 2 Directors, Mr. Raju Bansal and Mr. Anil Jindal and apart from the above mentioned directors all the directors have resigned, Mr. Anil Jindal is under the Judicial Custody since 5th April, 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.

The above fact is mentioned in the Notes forming part of Financial Statements at point no.57.

Thanking You
Yours' faithfully
For SRS Limited

(Jyotsna Nanda)
Company Secretary



SRS LIMITED

Corp. & Regd. Office: SRS Multiplex, 2nd Floor, City Centre, Sector-12, Faridabad, NCR Delhi - 121007
W: www.srsparivar.com | E: info@srsparivar.com | CIN: L74999HR2000PLC040183

Independent Auditors' Report on Standalone Financial Results of SRS Limited for the year ended 31st March, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional (RP) of SRS Limited

1. 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.
2. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Mr. Ashok Kumar Gulla in his capacity as the IRP from 21st August, 2018 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on 31st August, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code. In their meeting held on 20th September, 2018, Committee of Creditors (CoC) approved appointment of IRP as Resolution Professional (RP).
3. We have audited the accompanying Statement of Standalone Financial Results of SRS Limited ('the Company') for the year ended 31st March, 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These Results, which are the responsibility of the Company's Management, have been prepared on the basis of the related standalone financial statement which is in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements. The financial statements have been signed by one Director, i.e., Executive/ Whole time Director of the Company.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



5. We refer to following matters:

(a) Note 2 to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. As on 31st 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 3. 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) Note 3 to the statement, 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.

(c) Note 4 to the statement 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 31st 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).

Foreign Trade Receivables aggregating Rs. 13793 lakhs* as on 31st 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.

(d) 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.

(e) Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)(c) 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 31st March, 2018 (net of Fixed



SVP & Associates
Chartered Accountants
1209, 12th Floor, New Delhi House
Barakhamba Road
New Delhi – 110 001

Oswal Sunil & Company
Chartered Accountants
71, Daryaganj
New Delhi – 110 002

Deposit amounting to Rs. 37 lakhs with bank). We are unable to comment on the financial implications in respect of the same.

6. 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 31st 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 31st 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.

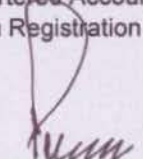
Refer segment information in the statement of standalone unaudited results for the quarter ended 31st December, 2017 and audited results for the year ended 31st March, 2018.

7. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:

- a) except for the possible effects for the matters stated in para 5(a) to 5(e), is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b) except for the possible effects for the matters stated in para 5(a) to 5(e), gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March, 2018.

8. The Statement includes the results for the Quarter ended 31st March, 2018 & 31st March, 2017 being the balancing figure between the audited figures in respect of the full financial year and previous financial year and the published figures upto the third quarter of the current financial year and previous financial year respectively, which were subject to limited review.

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


(CA Pankaj Kumar)
Partner
Membership No. 091822



Place: Faridabad
Date: 06th February, 2019

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


(CA Naresh Kumar)
Partner
Membership No. 085238



Place: Faridabad
Date: 06th February, 2019

Independent Auditors' Report on Consolidated Financial Results of SRS Limited for the year ended 31st March, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional (RP) of SRS Limited

1. The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a lender against SRS Limited ("the Holding 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.
2. As per section 134 of the Companies Act, 2013, the consolidated financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Mr. Ashok Kumar Gulla in his capacity as the IRP from 21st August, 2018 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on 31st August, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code. In their meeting held on 20th September, 2018, Committee of Creditors (CoC) approved appointment of IRP as Resolution Professional (RP) for the Holding Company.
3. We have audited the accompanying Statement of Consolidated Financial Results 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"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These Results, which are the responsibility of the Company's Management, have been prepared on the basis of the related consolidated financial statement which is in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements. The consolidated financial statements have been signed by one Director, i.e., Executive/ Whole time Director of the Holding Company.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the



accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

5. We refer to following matters:

(a) The financial statements and other financial information of a subsidiary, viz., SRS Smart Retail Limited, included in these consolidated financial statement, as at and for the year ended 31st 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 31st March, 2018, Property, Plant & Equipment (PPE) net Rs. 234 Lakhs as at 31st March, 2018, net liabilities of Rs. 236 lakhs as at 31st March, 2018, total revenues of Rs. 2.09 lakhs for the year ended 31st March, 2018 and net cash out flow of Rs. 2.43 lakhs for the year ended on that date, as considered in the 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 31st March, 2018.

(b) Note 2 to the statement, in respect of preparation of financial statements of the Holding Company on going concern basis for the reasons stated therein. As on 31st 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 3. 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 statement.

(c) Note 3 to the statement, 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 statement.

(d) Note 4 to the statement 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 31st 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.

Foreign Trade Receivables aggregating Rs. 13793 lakhs*as on 31st 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) 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 statement.

(f) Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)(c) 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 31st 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 31st March, 2018, net assets of Rs. 2332 lakhs as at 31st March, 2018, total revenues of Rs. 1785 lakhs for the year ended 31st 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) 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.

(ii) 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.

6. Other Matter

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 31st 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 31st 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 31st 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 unaudited results for the quarter ended 31st December, 2017 and audited results for the year ended 31st March, 2018.

7. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial results:

a) include the results of the following entities:

Name of the Entity	Relationship
SRS Entertainment India Limited	Subsidiary
SRS Smart Retail Limited	Subsidiary

b) except for the possible effects for the matters stated in para 5(a) to 5(f) and 5.1, is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

c) except for the possible effects for the matters stated in para 5(a) to 5(f) and 5.1, gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Group for the year ended 31st March, 2018.

8. The Statement includes the results for the Quarter ended 31st March, 2018 & 31st March, 2017 being the balancing figure between the audited figures in respect of the full financial year and previous financial year and the published figures upto the third quarter of the current financial year and previous financial year respectively, which were subject to limited review.

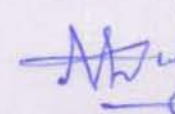
For SVP & Associates
Chartered Accountants
Firm Registration No. 003838N


(CA Pankaj Kumar)
Partner
Membership No. 091822



Place: Faridabad
Date: 06th February, 2019

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


(CA Naresh Kumar)
Partner
Membership No. 085238



Place: Faridabad
Date: 06th February, 2019

SRS Limited

Regd. & Corporate Off : SRS Multiplex, 2nd Floor, City Center, Faridabad, NCR-Delhi -121007

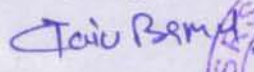
E-mail: info@srsparivar.com, Website- www.srsparivar.com, CIN - L74999HR2000PLC040183

Statement of Standalone and Consolidated Unaudited Results for the Quarter Ended and Audited Results for the Year Ended 31st March 2018
prepared in compliance with the Indian Accounting Standard (Ind-AS)

(₹ in Lacs, except per equity share data)

PART I							
Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited			Audited		Audited	
Continuing Operations							
Revenue from operations	2,524.24	2,338.90	2,333.82	11,372.05	11,200.08	13,151.32	13,074.93
Other Income	42.74	21.27	65.67	98.08	264.07	101.17	167.89
Total income	2,566.98	2,360.17	2,399.49	11,470.13	11,464.15	13,252.49	13,242.82
Expenses							
(a) Cost of materials consumed	156.89	152.21	(5.74)	740.14	648.09	840.78	736.43
(b) Purchase of stock-in-trade	-	(3.67)	182.85	-	202.51	-	2,207.14
(c) Exhibition Cost	676.11	661.72	527.46	3,128.16	2,858.21	3,638.53	3,229.04
(d) Changes in inventories of finished goods, work in-progress and stock-in-trade	-	-	-	-	-	8.94	-
(e) Employee benefits expense	326.16	354.35	375.42	1,491.20	1,533.94	1,734.51	1,765.49
(f) Finance Costs	520.78	123.07	175.72	1,106.58	1,239.51	1,109.69	1,244.14
(g) Depreciation and amortisation expense	253.61	298.85	345.17	1,152.07	1,415.72	1,285.28	1,509.58
(h) Other expenses	2,682.10	956.31	1,395.88	7,144.20	5,024.83	7,965.90	6,939.48
Total expenses	4,615.65	2,542.84	2,996.76	14,762.35	12,922.81	16,583.63	17,631.30
Profit / (Loss) from continuing operations before Exceptional items tax	(2,048.67)	(182.67)	(597.27)	(3,292.22)	(1,458.66)	(3,331.14)	(4,388.48)
Exceptional items (net) *	-	-	-	-	-	(190.92)	-
Profit/(Loss) from continuing operations tax	(2,048.67)	(182.67)	(597.27)	(3,292.22)	(1,458.66)	(3,522.06)	(4,388.48)
Tax Expense	(299.85)	365.40	2,439.78	(4,122.52)	4,637.99	(4,143.31)	4,691.41
Net Profit / (Loss) from continuing operations after tax	(2,348.52)	182.73	1,842.51	(7,414.74)	3,179.33	(7,665.37)	302.93
Discontinued Operations							
Profit / (Loss) from discontinued operations before Tax	(53,030.17)	(65,469.03)	(12,869.69)	(138,690.37)	(19,228.03)	(138,690.37)	(19,228.03)
Tax Expense	-	-	-	-	-	-	-
Profit / (Loss) from discontinued operations after Tax	(53,030.17)	(65,469.03)	(12,869.69)	(138,690.37)	(19,228.03)	(138,690.37)	(19,228.03)
Profit / (Loss) from after tax	(55,378.69)	(65,286.30)	(11,027.18)	(146,105.11)	(16,048.70)	(146,355.74)	(18,925.10)
Other Comprehensive Income/(Expense)							
Items that will not be reclassified subsequent to profit or loss							
Remeasurement of net defined benefit obligations	19.28	(0.52)	(41.71)	17.70	(2.11)	19.20	(0.29)
Total Other Comprehensive Income/(Expense) (net of taxes)	19.28	(0.52)	(41.71)	17.70	(2.11)	19.20	(0.29)
Total Comprehensive Income for the period	(55,359.41)	(65,286.82)	(11,068.89)	(146,087.41)	(16,050.81)	(146,336.54)	(18,925.39)
Paid-up Equity Share Capital (Face Value of Rs.	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20
Other Equity				(125,598.73)	20,488.68	(126,054.50)	20,282.04
Earnings Per Share (EPS) (not annualized)							
(a) Before Extraordinary Items							
-Basic & Diluted (in Rs.)							
From Continuing Operations	(0.83)	0.07	0.65	(2.66)	1.14	(2.75)	0.11
From Discontinued Operations	(19.04)	(23.51)	(4.62)	(49.78)	(6.90)	(49.78)	(6.90)
Total from continuing & discontinued	(19.87)	(23.44)	(3.97)	(52.44)	(5.76)	(52.53)	(6.79)
(b) After Extraordinary Items							
-Basic & Diluted (in Rs.)							
From Continuing Operations	(0.83)	0.07	0.65	(2.66)	1.14	(2.75)	0.11
From Discontinued Operations	(19.04)	(23.51)	(4.62)	(49.78)	(6.90)	(49.78)	(6.90)
Total from continuing & discontinued	(19.87)	(23.44)	(3.97)	(52.44)	(5.76)	(52.53)	(6.79)

* 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




Segment-Wise Revenue, Results and Capital Employed for the Quarter / Year Ended 31st March 2018

A. Primary Segment Information

		₹ in Lacs						
S.No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		Unaudited			Audited		Audited	
1	Segment Revenue:							
	Net Sales/Income from each Segment:							
	(a) Cinemas	2,468.55	2,246.37	2,210.01	10,943.23	10,593.62	12,722.00	11,989.50
	(b) Corporate & Others (Unallocable)	55.69	92.53	123.81	428.82	606.46	429.32	1,085.43
	Total	2,524.24	2,338.90	2,333.82	11,372.05	11,200.08	13,151.32	13,074.93
	Less : Inter Segment Revenue	-	-	-	-	-	-	-
	Net Sales/Income from Operations:	2,524.24	2,338.90	2,333.82	11,372.05	11,200.08	13,151.32	13,074.93
2	Segment Result:							
	Profit / (Loss) from continuing operations before interest and tax from each Segment							
	(a) Cinemas	(240.32)	136.32	42.90	834.68	1,169.01	852.98	1,034.94
	(b) Corporate & Others (Unallocable)	(1,287.57)	(195.92)	(464.45)	(3,020.32)	(1,388.16)	(3,074.43)	(4,179.28)
	Total	(1,527.89)	(59.60)	(421.55)	(2,185.64)	(219.15)	(2,221.45)	(3,144.34)
	Finance Costs	(520.78)	(123.07)	(175.72)	(1,106.58)	(1,239.51)	(1,109.69)	(1,244.14)
	Total Profit / (Loss) from continuing operations Before Tax	(2,048.67)	(182.67)	(597.27)	(3,292.22)	(1,458.66)	(3,331.14)	(4,388.48)
	Profit / (Loss) from discontinued operations Before Tax							
	(a) Retail	(2,234.04)	(341.45)	114.86	(3,020.24)	(725.55)	(3,020.24)	(725.55)
	(b) Gold & Jewellery	(50,796.13)	(65,127.58)	(12,984.55)	(135,670.13)	(18,502.48)	(135,670.13)	(18,502.48)
	Total Profit / (Loss) from discontinued operations Before Tax	(53,030.17)	(65,469.03)	(12,869.69)	(138,690.37)	(19,228.03)	(138,690.37)	(19,228.03)
	Total Profit / (Loss) operations Before Tax	(55,078.84)	(65,651.70)	(13,466.96)	(141,982.59)	(20,686.69)	(142,021.51)	(23,616.51)
3	Segment Assets							
	(a) Cinemas	8,072.30	8,597.14	8,680.15	8,072.30	8,680.15	8,410.85	8,807.34
	(b) Corporate & Others (Unallocable)	12,500.43	13,420.55	18,656.35	12,500.43	18,656.35	12,500.43	18,656.35
	(c) Discontinued Operations	41.76	51,426.51	141,730.91	41.76	141,730.91	41.76	141,730.91
	Total Assets	20,614.49	73,444.20	169,067.41	20,614.49	169,067.41	20,953.04	169,194.60
4	Segment Liabilities							
	(a) Cinemas	3,789.64	4,494.36	889.18	3,789.64	889.18	4,583.96	1,399.87
	(b) Corporate & Others (Unallocable)	11,469.55	48,258.84	43,980.13	11,469.55	43,980.13	11,469.55	43,803.27
	(c) Discontinued Operations	103,095.83	63,072.15	75,851.22	103,095.83	75,851.22	103,095.83	75,851.22
	Total Liabilities	118,355.02	115,825.35	120,720.53	118,355.02	120,720.53	119,149.34	121,054.36

B. Secondary Segment Information

		₹ in Lacs						
S.No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		Unaudited			Audited		Audited	
1	Segment Revenue (Continuing Operations)							
	Net Sales/Income							
	- Within India	2,524.24	2,338.90	2,333.82	11,372.05	11,200.08	13,151.32	13,074.93
	- Outside India	-	-	-	-	-	-	-
	Total Revenue	2,524.24	2,338.90	2,333.82	11,372.05	11,200.08	13,151.32	13,074.93
2	Segment Revenue (Discontinued Operations)							
	Net Sales/Income							
	- Within India	2,032.64	11,626.93	10,167.29	40,272.83	88,561.35	40,272.83	88,561.35
	- Outside India	-	-	-	-	326.21	-	326.21
	Total Revenue	2,032.64	11,626.93	10,167.29	40,272.83	88,887.56	40,272.83	88,887.56
3	Segment Assets and Liabilities (Continuing Operations)							
	Segment Assets							
	- Within India	20,572.73	22,017.69	27,336.50	20,572.73	27,336.50	20,911.28	27,463.69
	- Outside India	-	-	-	-	-	-	-
	Total Assets	20,572.73	22,017.69	27,336.50	20,572.73	27,336.50	20,911.28	27,463.69
	Segment Liability							
	- Within India	15,259.19	52,753.20	44,869.31	15,259.19	44,869.31	16,053.51	45,203.14
	- Outside India	-	-	-	-	-	-	-
	Total Liability	15,259.19	52,753.20	44,869.31	15,259.19	44,869.31	16,053.51	45,203.14

Taibem



4	Segment Assets and Liabilities (Discontinued Operations)							
	Segment Assets							
	- Within India	41.76	37,901.68	107,362.18	41.76	107,362.18	41.76	107,362.18
	- Outside India	-	13,524.83	34,368.73	-	34,368.73	-	34,368.73
	Total Assets	41.76	51,426.51	141,730.91	41.76	141,730.91	41.76	141,730.91
	Segment Liability							
	- Within India	103,095.83	63,067.28	75,842.37	103,095.83	75,842.37	103,095.83	75,842.37
	- Outside India	-	4.87	8.85	-	8.85	-	8.85
	Total Liability	103,095.83	63,072.15	75,851.22	103,095.83	75,851.22	103,095.83	75,851.22

Notes :

- 1 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/PA-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.
- 2 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 1,00,737 Lacs and 8,903 Lacs respectively (including interest accrued thereon), subject to reconciliation/verification as stated in Note 41 to financial statements, 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.
- 3 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.
- 4 **Discontinued Operations :**
Discontinuation of Gold & Jewellery Division
Pursuant to board resolution dated 15th 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 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 21th 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 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.
- 5 The management is of the view that as enunciated in IndAS-12 'Income Taxes', it is no longer probable that sufficient taxable profits will be available to allow the benefit of deferred tax asset on the business losses. Accordingly, the Company has not recognized the Deferred Tax Asset on Carry Forward Losses & Unabsorbed Depreciation as at 31st March, 2018.
- 6 Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, wherever considered necessary.

Chul Bsmu

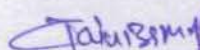


S. No.	Particulars	Standalone		Consolidated	
		As at		As at	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		Audited		Audited	
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	14,829.95	19,951.22	15,825.88	20,797.04
	(b) Capital work-in-progress	-	181.83	1,070.40	1,200.39
	(c) Intangible assets	42.00	53.95	91.28	63.43
	(d) Goodwill			123.35	123.35
	(e) Financial Assets				
	(i) Investments	2,676.82	2,666.70	1.07	0.95
	(ii) Other financial assets	588.62	1,109.55	864.41	1,251.02
	(f) Other non-current assets	317.99	300.25	578.41	366.73
	(g) Deferred tax assets (Net)	-	3,771.50	0.09	3,907.86
	Sub-total - Non-Current Assets	18,455.38	28,035.00	18,554.89	27,710.77
2	Current assets				
	(a) Inventories	48.25	20,822.49	55.91	20,829.14
	(b) Financial Assets				
	(i) Trade receivables	286.87	117,810.93	377.35	117,842.05
	(ii) Cash and cash	283.31	749.43	341.75	793.46
	(iii) Bank balances other than above	58.50	77.28	58.50	77.28
	(iv) Loans	-	54.37	-	-
	(v) Other financial assets	509.52	302.08	533.52	142.14
	(c) Other current assets	972.66	1,215.83	1,031.12	1,799.76
	Sub-total - Current Assets	2,159.11	141,032.41	2,398.15	141,483.83
	TOTAL ASSETS	20,614.49	169,067.41	20,953.04	169,194.60
B	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	27,858.20	27,858.20	27,858.20	27,858.20
	(b) Other Equity	(125,598.73)	20,488.68	(126,054.50)	20,282.04
	Sub-total-Equity attributable to shareholders	(97,740.53)	48,346.88	(98,196.30)	48,140.24
3	Liability				
	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	22.45	5,535.45	27.83	5,535.45
	(ii) Other financial liabilities	31.78	31.37	31.78	31.37
	(b) Provisions	94.92	282.67	105.11	293.39
	(c) Deferred tax liabilities (Net)	351.02	-	235.53	-
	Sub-total - Non-Current Liabilities	500.17	5,849.49	400.25	5,860.21
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	90,188.68	82,378.88	90,255.69	82,378.88
	(ii) Trade payables	2,494.64	21,113.92	3,032.09	21,194.48
	(iii) Other financial liabilities	21,648.26	10,789.15	21,734.75	10,971.37
	(b) Other current liabilities	3,267.52	440.31	3,470.59	500.40
	(c) Provisions	118.69	12.78	118.91	13.02
	(d) Current Tax Liabilities	137.06	136.00	137.06	136.00
	Sub-total - Current Liabilities	117,854.85	114,871.04	118,749.09	115,194.15
	TOTAL - EQUITY AND LIABILITIES	20,614.49	169,067.41	20,953.04	169,194.60

Place: Faridabad

Date: 06th February 2019

For SRS Limited



(Raju Bansal)

Whole Time Director



ANNEXURE I**Statement on Impact of Audit Qualifications for the Standalone Financial Statements for the year ended 31st March 2018**

I. Sl. No.	Particulars	Standalone	
		Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	11,372.05	11,372.05
2	Total Expenditure	14,762.35	14,762.35
3	Loss from discontinued operations	138,690.37	138,690.37
4	Net Profit/(Loss)	(142,080.67)	(142,080.67)
5	Earnings Per Share	(52.44)	(52.44)
6	Total Assets	20,614.49	20,614.49
7	Total Liabilities	118,355.02	118,355.02
8	Net Worth	(97,740.53)	(97,740.53)
9	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

1	Details of Audit Qualification:
(i)	Note 2 to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. As on 31st 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 3. 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.
(ii)	Note 3 to the statement, 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.
(iii)	Note 4 to the statement 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 31st 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). Foreign Trade Receivables aggregating Rs. 13793 lakhs* as on 31st 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.
(iv)	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.
(v)	Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)(c) 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 31st 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.
2	Type of Audit Qualification : Qualified Opinion

Tajub Sm



3	Frequency of qualification: Point 1(a)(v) are Repetitive and other Point have come for the first time.
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified.
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: 'Indeterminable' as per management in view of the following :
	In respect of qualification 1(i) above, 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.
	In respect of qualification 1(ii) above, 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.
	In respect of qualification 1(iii) above, In view of constant deterioration in quality of receivables, falling margins and adverse cash flows, pursuant to board resolution dated 15th December, 2017, operations of Gold & Jewellery Division were discontinued by the Company, w.e.f. 01st 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.
	In respect of qualification 1(iv) above, 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.
	In respect of qualification 1(v) above, Pursuant to the commencement of CIRP under Insolvency and Bankruptcy Code, 2016 (IBC), there are various matters on which final view shall emerge when the CIRP reaches its concluding stage. The Public Deposits Repayment and Interest related provisions were looked after by the and Mr. Anil Jindal, Executive Directors of the company, and are not available for comments as Mr. Anil Jindal is currently under Judicial custody.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on above: Nil

III. Signatories:

* Whole Time Director

Mr. Raju Bansal



* Statutory Auditor

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

(CA Pankaj Kumar)
Partner
M. No. 091822



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

(CA Naresh Kumar)
Partner
M. No. 085238



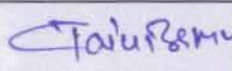
Place : Faridabad

Date: 06th February 2019

ANNEXURE II

Statement on Impact of Audit Qualifications for the Consolidated Financial Statements for the year ended 31st March 2018

I.	Sl. No.	Particulars	Consolidated	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	13151.32	13,151.32
	2	Total Expenditure	16,583.63	16,583.63
	3	Loss from discontinued operations	138,690.37	138,690.37
	4	Net Profit/(Loss)	(142,122.68)	(142,122.68)
	5	Earnings Per Share	(52.53)	(52.53)
	6	Total Assets	20,953.04	20,953.04
	7	Total Liabilities	119,149.34	119,149.34
	8	Net Worth	(98,196.30)	(98,196.30)
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
I Details of Audit Qualification:				
	(i)	The financial statements and other financial information of a subsidiary, viz., SRS Smart Retail Limited, included in these consolidated financial statement, as at and for the year ended 31st 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 31st March, 2018, Property, Plant & Equipment (PPE) net Rs. 234 Lakhs as at 31st March, 2018, net liabilities of Rs. 236 lakhs as at 31st March, 2018, total revenues of Rs. 2.09 lakhs for the year ended 31st March, 2018 and net cash out flow of Rs. 2.43 lakhs for the year ended on that date, as considered in the 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 31st March, 2018.		
	(ii)	Note 2 to the statement, in respect of preparation of financial statements of the Holding Company on going concern basis for the reasons stated therein. As on 31st 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 3. 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 statement.		
	(iii)	Note 3 to the statement, 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 statement.		
	(iv)	Note 4 to the statement 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 31st 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. Foreign Trade Receivables aggregating Rs. 13793 lakhs*as on 31st 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.		
	(v)	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 statement.		
	(vi)	Deposit Repayment Reserve Account for the Fixed deposits at the close of the year, required under Section 73(2)(c) 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 31st 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.		




For SRS Entertainment India Limited (a subsidiary company), the auditors have additionally modified their report in respect of following matters:	
(vii)	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.
(viii)	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.
2	Type of Audit Qualification : Qualified Opinion
3	Frequency of qualification: Point 1(a)(v) are Repetitive and other Point have come for the first time.
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified.
5	For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: 'Indeterminable' as per management in view of the following :	
	In respect of qualification 1(i) above, In view of modest scale of operations in the subsidiary company during the year ended 31st March, 2018, the management is of the view that the impact of difference, if any, between audited financials of the subsidiary company and as certified by the management might not be material.
	In respect of qualification 1(ii) above, 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.
	In respect of qualification 1(iii) above, 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.
	In respect of qualification 1(iv) above, In view of constant deterioration in quality of receivables, falling margins and adverse cash flows, pursuant to board resolution dated 15th December, 2017, operations of Gold & Jewellery Division were discontinued by the Company, w.e.f. 01st 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.
	In respect of qualification 1(v) above, 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.
	In respect of qualification 1(vi) above, Pursuant to the commencement of CIRP under Insolvency and Bankruptcy Code, 2016 (IBC), there are various matters on which final view shall emerge when the CIRP reaches its concluding stage. The Public Deposits Repayment and Interest related provisions were looked after by the and Mr. Anil Jindal, Executive Directors of the company, and are not available for comments as Mr. Anil Jindal is currently under Judicial custody.
	In respect of qualification 1(vii) above, The management is of the view that there might not be any material adjustment on above matters.
	In respect of qualification 1(viii) above, As represented to Auditors, operations in these projects shall be started soon and as estimated by management, there is no impairment involved.
(ii) If management is unable to estimate the impact, reasons for the same: NA	
(iii) Auditors' Comments on above: Nil	

III. Signatories:

* Whole Time Director

Mr. Raju Bansal

* Statutory Auditor

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

(CA Pankaj Kumar)
Partner
M. No. 091822

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

(CA Nareish Kumar)
Partner
M. No. 085238

Place : Faridabad

Date: 06th February 2019

Raju Bansal

Pankaj Kumar

Nareish Kumar

