

NOTICE FOR VOTING BY POSTAL BALLOT

[Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011]

Dear Shareholder,

Notice is hereby given pursuant to the provisions of Section 192 A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, a listed company may propose any resolution to be passed through postal ballot in accordance with the provisions contained therein. To facilitate wider participation in the approval process by members residing at different locations, the Company is seeking approval of the members through postal ballot instead of convening a general meeting of the members. Accordingly, the Resolution in respect to vary the terms referred under section "Objects of the Issue" in the Company's Prospectus dated 4th September, 2011 ("Prospectus") including revision in the utilization of the proceeds of the Initial Public Offering ("IPO") of equity shares made in pursuance of the said Prospectus for purposes other than those mentioned in the Prospectus and the explanatory statement pertaining to the said resolution setting out the material facts and the reasons thereof is being sent to you for your consideration along with the Postal Ballot Form.

The Board of Directors has appointed Ms. Savita Trehan, a Practicing Company Secretary as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the members. The Postal Ballot form and self-addressed postage pre-paid business reply envelope are enclosed for use of members.

You are requested to carefully read the notes/instructions printed on the form and return the same duly completed, in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer not later than the close of working hours, i.e. 6:30 P.M. on Thursday, 9th February, 2012. Upon completion of the scrutiny of the forms, the Scrutinizer will submit her report to the Chairman of the Company or in his absence to any other Director or any other Authorized Officer by Saturday, 11th February, 2012 by 6:30 P.M. and the result of the postal ballot will be announced by the Chairman or duly Authorized Officer of the Company on Monday, 13th February, 2012 at 11:00 A.M. at the Registered Office of the Company at SRS Multiplex, Top Floor, City Centre, Sector – 12, Faridabad – 121007 (Haryana).

The results of the Postal Ballot will also be communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) where the shares of the Company are listed and also published in a leading English National Daily and a Hindi newspaper in Faridabad/Haryana after such announcement. The results of the Postal Ballot will also be available on the Company's website on www.srsparivar.com.

ITEM NO. 1

Utilization of IPO Proceeds

To consider and if thought fit, to give assent/ dissent, with or without modification(s), to the following resolution as **Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) to or re-enactment(s) thereof), provisions of the Memorandum and Articles of Association of the Company, Rules, Regulations, Guidelines of the Securities and Exchange Board of India ("SEBI"), and other applicable provisions, if any, subject to requisite approvals, consents, permissions and sanctions, if any, from Government of India, SEBI, the Stock Exchanges, Institutions or bodies under applicable laws, rules, terms and conditions as may be prescribed, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board") to vary and/or revise the utilization of the proceeds of the Initial Public Offer ("IPO") made in pursuance of the Prospectus dated 4th September, 2011 ("Prospectus") for the same "Objects of the Issue" as mentioned in the Prospectus i.e. within the four (4) verticals of the Company namely setting up of Cinemas, Food Courts & Restaurants, Retail Stores, Jewellery manufacturing facilities and jewellery retail stores, irrespective of the number of outlets & amount to be invested under each vertical/head and for utilization towards general corporate purposes, working capital requirements, inventory and purchase of property for any vertical of the Company, as they deem fit considering the market scenario, government/regulatory policies, profitability outlook and future growth prospects with a view to generate better return on investment for members of the Company.

RESOLVED FURTHER THAT subject to aforesaid the Board of Directors of the Company be and is hereby authorized to take final decision in best interest of the Company with respect to the timing and quantum of actual amounts to be utilized from the IPO proceeds, provided such decision should not be contrary to the main objects of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign necessary documents, papers, instruments and writings and to do all such acts, deeds and things as may be necessary, desirable or expedient in this behalf and to constitute the committee of the Board, which may be delegated any or all of the aforesaid powers to give effect to the above resolution.”

By Order of the Board
For **SRS Limited**

sd/-

(Navneet Kwatra)

C.O.O. & Company Secretary

Place: Faridabad
Date: 9th January, 2012

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) and 192A(2) of the Companies Act, 1956 forms part of this notice and is attached hereto.
2. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the assent or dissent of the members in respect of the resolution shall be determined through postal ballot.
3. The Board of Directors has appointed Ms. Savita Trehan, a Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed postage pre-paid business reply envelope are enclosed for use of the Members.
4. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members as on 6th January, 2012 (being the cut-off date for dispatch of the notice).
5. Only a member entitled to vote is entitled to fill in the postal ballot form (enclosed herewith) and send it to the scrutinizer in the self addressed postage pre-paid business reply envelope enclosed herewith, not later than the close of the business hours i.e. 6:30 P.M. on Thursday, 9th February, 2012.
6. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted.
7. In cases where the postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the postal ballot form.
8. The members who have not received the postal ballot forms may apply to the company and obtain a duplicate copy thereof.
9. The date of declaration of the postal ballot will be taken to be the date of passing of the resolution.
10. The result of the postal ballot will be announced by the Chairman or duly Authorized Officer of the Company on Monday, 13th February, 2012 at 11:00 A.M. at the Registered Office of the Company at SRS Multiplex, Top Floor, City Centre, Sector – 12, Faridabad – 121007 (Haryana). The results will thereafter be published in the newspapers and will be available on the Company's website at www.srsparivar.com for information of the members.
11. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. upto the last date for receipt of postal ballot forms.

Encl: 1. Postal Ballot Form
2. Self addressed Envelope

Explanatory Statement pursuant to Sections 173(2) and 192A (2) of the Companies Act, 1956

ITEM NO.1

The members at the Extra Ordinary General Meeting of the Company held on 27th April, 2010 had approved the Initial Public Offer (“IPO”) of the Equity Shares of the Company. Accordingly, the Company had made the IPO through 100% book building route pursuant to Prospectus dated 4th September, 2011. Pursuant to the IPO, the Company had allotted 35,000,004 Equity Shares of Rs.10/- each for cash at a price of Rs.58/- per Equity Share (including a Premium of Rs.48/- per share) aggregating Rs. 2030 million.

In the prospectus dated 4th September 2011, the Company had specified certain business plans and requirement of funds for the same along with the utilization of the IPO proceeds under the section titled “*Objects of the Issue*” on page no. 39 as mentioned below:

Requirement of Funds

(Rs. in million)	
Particulars	Amount
Setting up of cinemas	1,011.76
Setting up of food courts and restaurants	399.51
Setting up of retail stores	536.88
Setting up of jewellery manufacturing facility and jewellery retail stores	167.04
Issue Related Expenses	135.70
Total	2,250.89

Means of Finance

The aforementioned funds requirement was proposed to be raised as under:

(Rs. in million)	
Particulars	Amount
Proceeds of the Issue	2,030.00
Term Loan	200.00
Internal Accruals	20.89
Total	2,250.89

As disclosed in the Prospectus, the funds requirement and its deployment schedule set out there in were dependant on several factors which were not in the control of Company’s management. The funds requirement was based on the prevailing business plan of the Company, under the then prevailing business and economic scenario and estimated future outlook. In view of the dynamic and diversified nature of the industry in which the Company operates, it may have to revise the business plan from time to time to ensure profitable growth of the Company and enhance shareholder’s wealth. Consequently, its funds requirement may also change, which may include rescheduling or re-working of its expansion plans. The other external factors include delay in acquisition of land or property, performance of financial markets in India and globally, exchange or interest rate fluctuations, receipt of regulatory approvals, business environment and government policies etc.

There has been substantial difference in the market condition and due to various external factors it is not very conducive for growth in all the business verticals and due to overall slowdown in the economy, increasing inflation and falling rupee value it has become more risky to invest for expansion in all these verticals on immediate basis. Hence, the Board is of the view that the company should not take any hasty decision for utilizing the issue proceeds. The present economic scenario and fast changing market dynamics of the industry verticals necessitates the management to have more flexibility in the use of unutilized portion of the IPO proceeds towards the same objects of the issue as mentioned in the Prospectus but with the authority to modify the limits in the amount to be invested or number of outlets as well as timing of investments. Accordingly, the Company is seeking flexibility with respect to the use of funds. The proposal outlined above, is for the same four verticals of the Company as mentioned in the Prospectus; is in the interest of the Company and in no way will adversely impact the Performance of the Company, but is expected to improve the same.

The utilization of funds is proposed to be in the existing four verticals only in varied amounts than as proposed in the Prospectus. Apart from the factors mentioned above, the revision of utilization is also being necessitated due to change in margins and future profitability. Further, an amount of Rs. 225.09 Million (constituting 10% of the total funds) is being proposed for General Corporate purposes which may be used amongst any of the four verticals as deemed fit by the Board of Directors of the Company. The Board of Directors considers it prudent to utilize the unspent IPO proceeds amounting to Rs.1772.04 million. as on 31st December, 2011 within the four verticals of the Company irrespective of the limits mentioned in the Prospectus so as to best utilize the available opportunities, maximize the return on investment for the members and future growth of the Company. For the debt portion of the means of finance as mentioned in the Prospectus, the Company will approach the bank for the Term Loan of Rs. 200 Million when the funds are required for expansion purposes. Alternatively, it shall finance the same through internal accruals after the utilisation of IPO proceeds.

Pursuant to the provisions of Section 61 of the Companies Act, 1956, a Company cannot vary the terms referred to in the Prospectus except with the approval of by the members in the general meeting. The Board accordingly recommend the special resolution set out at Item No.1 of the accompanying notice for approval of members for voting by postal ballot in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2011. Hence, the members are requested to cast their vote by postal ballot for this Resolution.

The Directors of the Company may be deemed to be interested in the resolution to the extent of their respective holdings in the equity shares of the Company.

Place: Faridabad
Date: 9th January, 2012

By order of the Board
For **SRS Limited**

sd/-
(Navneet Kwatra)
C.O.O. & Company Secretary