

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
SRS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Financial Results of SRS Limited ('the Company') for the quarter and nine months ended 31st December, 2017 ('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 modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

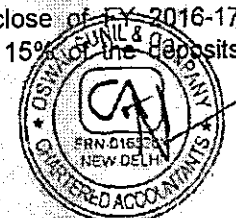
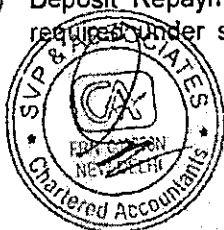
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Basis for Qualified Opinion

- a) The Net Worth of the Company has entirely eroded due to the losses suffered by the Company from time to time (including write off of trade receivables Rs. 825.34 crores in Gold & Jewellery Division. Further this business has been discontinued subsequent to the reporting period). As per information and explanations given to us, the Company is taking measures to improve operational efficiencies. The prevailing conditions, however, indicate the existence of significant uncertainty over the expected cash flows.
- b) Foreign Trade Receivables aggregating Rs. 13520 lacs (as on 31st December 2017) on account of sale during the FY 2015-16 and FY 2016-17 in UAE (including Rs. 12477 lacs out of sale to parties from inventories sent through NSEZ unit of the Company located in India to UAE Branch through Branch transfer) 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 is to be made to the Bank.

We are unable to comment on the recoverability and any further impact on the Company's results in the statement.

- c) Deposit Repayment Reserve Account for the fixed deposits at the close of FY 2016-17 required under section 73(2)(c) of the Companies Act, 2013 equal to 15% of the deposits



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Chartered Accountants
1209, 12th Floor, New Delhi House
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New Delhi – 110 001

Oswal Sunil & Company
Chartered Accountants
71, Daryaganj
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maturing in the year and year following were found short by Rs. 855 lacs (short amount as on 31st March 2017).

We are unable to comment on the financial implications of above in the Company's results in the statement.

4. We draw attention to the following matter:

Cash Credit facilities from consortium of banks, the aggregate outstanding of which amounts to Rs. 957.66 crores as on 31st December, 2017 are irregular and classified as NPA mainly due to non-servicing of interest and charges.

Our opinion is not modified in respect to above matter.

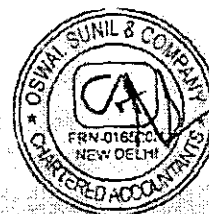
5. In terms of the Joint Responsibility Statement (as per Standards on Auditing-299) forming part of the Engagement Letter:

- i. Audit of Retail Segment, Cinema Segment, part of Corporate & Other Segments/ Un-allocable segment whose financial statements reflect total assets of Rs. 24675 lacs as on 31st December, 2017 and total revenue of Rs. 6588 lacs and Rs. 22381 lacs for the quarter and nine months, respectively, ended on that date has been carried out by M/s SVP & Associates; and
- ii. Audit of Gold & Jewellery Segment, part of Corporate & Other Segments/ Un-allocable segment whose financial statement reflect total assets of Rs. 48769 lacs as on 31st December, 2017 and total revenue of Rs. 7378 lacs and Rs. 24707 for the quarter and nine months 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 and nine months ended 31st December, 2017.

6. Based on our review conducted as stated above, in our opinion and to the best of our information and according to the explanations given to us, the accompanying Statement:

- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that is contains any material misstatement; and



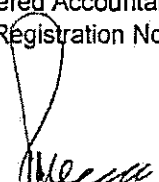
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- b) except for the possible effects for the matters stated in the Basis for Qualified Opinion paragraph above, gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the quarter and nine months ended 31st December, 2017.

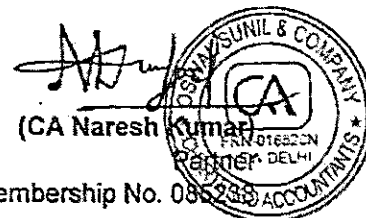
For **SVP & Associates**
Chartered Accountants
Firm Registration No. 003838N




(CA Pankaj Kumar)
Partner
Membership No. 091822

Place: Faridabad
Date: 13th February, 2018

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




(CA Naresh Kumar)
Partner
Membership No. 085233

Place: Faridabad
Date: 13th February, 2018

SRS Limited

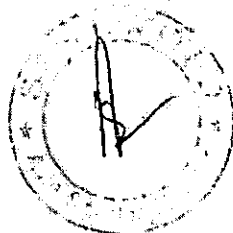
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Statement of Standalone Unaudited Results for the quarter / nine months ended 31st December 2017
prepared in compliance with the Indian Accounting Standard (Ind-AS)

(₹ In Lacs, except per equity share data)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
	Unaudited			Unaudited		Audited
Revenue from operations	13,965.83	8,189.09	12,285.96	47,088.00	87,586.53	1,00,087.65
Other Income	(3.94)	17.03	423.54	37.44	617.53	262.79
Total Income	13,961.89	8,206.12	12,709.50	47,125.44	88,204.06	1,00,350.44
Expenses						
(a) Cost of materials consumed	152.21	187.91	170.25	583.25	653.83	648.09
(b) Purchase of stock-in-trade	5,476.64	6,223.27	13,277.06	18,666.17	42,952.18	48,808.97
(c) Exhibition Cost	661.72	859.31	713.52	2,452.05	2,330.75	2,858.21
(d) Changes in inventories of finished goods, work in-progress and stock-in-trade	5,230.31	(1,709.95)	(4,864.67)	18,984.33	30,862.74	34,260.92
(e) Employee benefits expense	700.59	810.13	811.43	2,351.23	2,536.57	3,356.37
(f) Finance Costs	3,313.97	3,176.65	3,354.57	8,827.56	8,713.54	11,783.54
(g) Depreciation and amortisation expense	427.94	364.71	436.85	1,150.21	1,332.20	1,772.17
(h) Other expenses	63,650.21	14,328.55	1,712.56	81,014.39	6,041.98	17,548.86
Total expenses	79,613.59	24,240.58	15,611.57	1,34,029.19	95,423.79	1,21,037.13
Profit / (Loss) before tax	(65,651.70)	(16,034.46)	(2,902.07)	(86,903.75)	(7,219.73)	(20,686.69)
Tax Expense	(365.40)	(4,398.79)	(713.04)	3,822.67	(2,198.21)	(4,637.99)
Net Profit / (Loss) after tax	(65,286.30)	(11,635.67)	(2,189.03)	(90,726.42)	(5,021.52)	(16,048.70)
Other Comprehensive Income/(Expense) <i>Items that will not be reclassified subsequent to profit or loss</i>						
<i>Remeasurement of net defined benefit obligations</i>	(0.52)	(0.53)	13.20	(1.58)	39.60	(2.11)
Total Other Comprehensive Income/(Expense) (net of taxes)	(0.52)	(0.53)	13.20	(1.58)	39.60	(2.11)
Total Comprehensive Income for the period	(65,286.82)	(11,636.20)	(2,175.83)	(90,728.00)	(4,981.92)	(16,050.81)
Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20
Other Equity						20,488.68
Earnings Per Share (EPS) (not annualized)						
(a) Before Extraordinary Items						
-Basic (in Rs.)	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)
-Diluted (in Rs.)	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)
(b) After Extraordinary Items						
-Basic (in Rs.)	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)
-Diluted (in Rs.)	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)



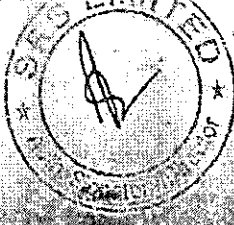
Segment-Wise Revenue, Results and Capital Employed for the quarter / nine months ended 31st December 2017

A. Primary Segment Information

							₹ in Lacs
S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
		Unaudited			Unaudited		Audited
1	Segment Revenue:						
	Net Sales/Income from each Segment:						
	(a) Cinemas	2,246.37	2,776.49	2,407.48	8,474.68	8,383.61	10,595.04
	(b) Retail	4,339.09	4,784.83	5,558.49	13,890.80	16,010.22	20,783.10
	(c) Gold & Jewellery	7,287.84	488.66	4,187.53	24,349.39	62,710.05	68,103.05
	(d) Corporate & Others (Unallocable)	92.53	139.11	132.46	373.13	482.65	606.46
	Total	13,965.83	8,189.09	12,285.96	47,088.00	87,586.53	1,00,087.65
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Net Sales/Income from Operations:	13,965.83	8,189.09	12,285.96	47,088.00	87,586.53	1,00,087.65
2	Segment Result:						
	Profit / (Loss) before interest and tax from each Segment						
	(a) Cinemas	136.32	276.09	121.29	1,075.00	1,126.11	1,169.01
	(b) Retail	(314.29)	(183.40)	(107.83)	(690.71)	(701.46)	(808.51)
	(c) Gold & Jewellery	(62,036.11)	(12,694.14)	538.92	(76,948.15)	1,794.04	(8,144.26)
	(d) Corporate & Others (Unallocable)	(123.65)	(256.36)	(99.88)	(1,512.33)	(724.88)	(1,119.39)
	Total	(62,337.73)	(12,857.81)	452.50	(78,076.19)	1,493.81	(8,903.15)
3	Less : Finance Costs	3,313.97	3,176.65	3,354.57	8,827.56	8,713.54	11,783.54
	Total Profit / (Loss) Before Tax	(65,651.70)	(16,034.46)	(2,902.07)	(86,903.75)	(7,219.73)	(20,686.69)
4	Segment Assets						
	(a) Cinemas	8,597.14	9,881.00	8,982.81	8,597.14	8,982.81	8,680.15
	(b) Retail	3,679.27	4,721.95	4,783.38	3,679.27	4,783.38	4,363.80
	(c) Gold & Jewellery	47,747.24	1,09,470.73	1,49,449.54	47,747.24	1,49,449.54	1,37,367.12
	(d) Corporate & Others (Unallocable)	13,420.55	12,956.18	16,730.80	13,420.55	16,730.80	18,656.34
	Total Assets	73,444.20	1,37,029.86	1,79,946.53	73,444.20	1,79,946.53	1,69,067.41
5	Segment Liabilities						
	(a) Cinemas	4,494.36	4,796.47	1,356.05	4,494.36	1,356.05	1,066.06
	(b) Retail	2,241.56	2,593.78	2,182.93	2,241.56	2,182.93	1,833.27
	(c) Gold & Jewellery	60,830.59	59,618.44	74,175.74	60,830.59	74,175.74	74,017.96
	(d) Corporate & Others (Unallocable)	48,258.84	47,115.52	42,826.98	48,258.84	42,826.98	43,803.24
	Total Liabilities	1,15,825.35	1,14,124.21	1,20,541.70	1,15,825.35	1,20,541.70	1,20,720.53

B. Secondary Segment Information

							₹ in Lacs
Particulars	Quarter Ended			Nine Months Ended		Year Ended	
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17	
	Unaudited			Unaudited		Audited	
Segment Revenue							
Net Sales/Income							
- Within India	13,965.83	8,189.09	12,285.96	47,088.00	87,260.32	99,761.44	
- Outside India	-	-	-	-	326.21	326.21	
Total Revenue	13,965.83	8,189.09	12,285.96	47,088.00	87,586.53	1,00,087.65	
Segment Assets							
- Within India	59,919.37	1,23,204.11	1,46,527.29	59,919.37	1,46,527.29	1,37,957.24	
- Outside India	13,524.83	13,825.75	33,419.24	13,524.83	33,419.24	31,110.17	
Total Assets	73,444.20	1,37,029.86	1,79,946.53	73,444.20	1,79,946.53	1,69,067.41	
Segment Liability							
- Within India	1,15,820.48	1,14,119.23	1,01,984.99	1,15,820.48	1,01,984.99	1,03,357.05	
- Outside India	4.87	4.98	18,556.71	4.87	18,556.71	17,363.48	
Total Liability	1,15,825.35	1,14,124.21	1,20,541.70	1,15,825.35	1,20,541.70	1,20,720.53	

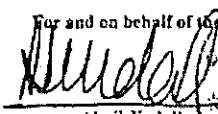


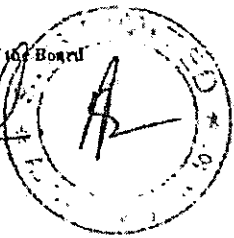
Notes :

- 1 The above results for the quarter / nine months ended 31st December 2017 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th February 2018.
- 2 Foreign Trade Receivables aggregating to Rs. 13520 lacs were outstanding as at 31st December, 2017 on account of sale during the FY 2015-16 and FY 2016-17 in UAE (including Rs.12477 lacs out of sale to parties from inventories sent through NSEZ unit of the Company located in India to UAE Branch through Branch Transfer), which are unsecured, i.e., not backed by any security.
- 3 Cash Credit facilities and Term Loans from consortium of banks, the aggregate outstanding of which amounts to Rs. 957.66 crore as on 31st December, 2017, is irregular and classified as NPA mainly due to non servicing of interest and other related charges.
- 4 The Company has filed an appeal with National Company Law Appellate Tribunal (NCLAT) against the Order of National Company Law Tribunal (NCLT), Chandigarh dated 20th December, 2017 for repayment of public deposits. NCLAT has issued an Interim Order dated 30th January, 2018 considering 3 months further extension i.e upto 30th April, 2018. The final order is awaited.
- 5 In their meeting dated 15th December, 2017, the Board of Directors has decided to discontinue the operations of the Jewellery Division due to liquidity crunch in the Company. During the quarter ended 31.12.17, trade receivables amounting to Rs. 825.34 crore have been written off in this division. This business has been discontinued subsequent to the reporting period.
- 6 EPS is not annualized for the quarter and nine months ended December 31, 2017, quarter ended September 30, 2017 and quarter and nine months ended December 31, 2016.
- 7 The Company has signed a MOU with 'Spencer's Retail Limited' on 20th December, 2017 to sell its SRS Value Bazaar Business at an Enterprise Value of Rs. 320 million. After further negotiations, the amount has been revised to Rs. 380 million as per revised MOU dated 25.01.2018.
- 8 The Net Worth of the Company has entirely eroded due to the losses suffered by the Company from time to time. The Company is taking measures to improve operational efficiencies. Restructuring plans of business are also being implemented. Though, the prevailing conditions indicate the existence of significant uncertainty over the expected cash flows, the Management is confident that the carrying values of assets and liabilities in these quarterly financial results are appropriate.
- 9 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 December, 2017.
- 10 Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, wherever considered necessary.

Place: Faridabad

Date: 13th February 2018

For and on behalf of the Board

(Anil Jindal)
Chairman



SRS LIMITED

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Extract of Standalone Unaudited Financial Results for the Quarter / Nine Months ended 31st December 2017

S. No.	Particulars	Standalone					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
		Unaudited			Unaudited		Audited
1	Total Income from Operations (net)	13,965.83	8,189.09	12,285.96	47,088.00	87,586.53	1,00,087.65
2	Net Profit / (Loss) after Tax	(65,286.30)	(11,635.67)	(2,189.03)	(90,726.42)	(5,021.52)	(16,043.70)
3	Total Comprehensive Income for the period	(0.52)	(0.53)	13.20	(1.58)	39.60	(2.11)
4	Equity Share Capital	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20	27,858.20
5	Other Equity						20,488.68
6	Earning Per Share (of Re 10/- each)						
	Basic	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)
	Diluted	(23.44)	(4.18)	(0.79)	(32.57)	(1.80)	(5.76)

Notes :

- The above is an extract of the detailed format of Unaudited Financial Results for the Quarter / Nine Months ended 31st December 2017 filed with the Stock Exchange(s) under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations 2015. The full format of the Unaudited Financial results for the Quarter / Nine Months ended 31st December 2017 are available on the Stock Exchange websites (www.bseindia.com / www.nseindia.com) and Company's website www.srsparivar.com.

Place: Faridabad

Date: 13th February 2018

For and on behalf of the Board

Anil Jindal
(Anil Jindal)
Chairman

